



# New Haven Unified School District

## 2017/18 Financials and 2018/19 Projections

Funding for schools is highly dependent on the State economy. During the State economic crisis from 2008/09 to 2012/13, New Haven lost approximately \$18.5 million. Like in most districts, **ALL employees** were affected by way of furlough days, salary cuts, increased class sizes, and lay-offs. The Local Control Funding Formula (LCFF) was put in place in 2013/14 and promised to close the funding gap for School agencies like New Haven.

### HOW MUCH MONEY HAVE WE RECEIVED?

The LCFF estimates \$30 million in revenue for New Haven by 2019/20. But due to declining enrollment in our District, only \$25.7 million of this funding gap will be realized. Additionally, the 2018/19 final State Budget includes full implementation of the formula. Below shows LCFF revenues received to date (in millions):

|                |                 |
|----------------|-----------------|
| 2013/14        | \$ 3.165        |
| 2014/15        | \$ 6.774        |
| 2015/16        | \$ 7.936        |
| 2016/17        | \$ 2.671        |
| 2017/18        | \$ 0.541        |
| <u>2018/19</u> | <u>\$ 4.657</u> |
| <b>TOTAL</b>   | <b>\$25.744</b> |

In addition to LCFF revenues, the District has received \$13.268 in one-time funds from the State beginning in 2014/15 (in millions):

|              |                 |
|--------------|-----------------|
| 2014/15      | \$ 0.814        |
| 2015/16      | \$ 6.278        |
| 2016/17      | \$ 2.487        |
| 2017/18      | \$ 1.672        |
| 2018/19      | \$ 1.991        |
| <b>TOTAL</b> | <b>\$13.268</b> |

#### New Revenues from 2013/14 to 2018/19

|                                    |                         |
|------------------------------------|-------------------------|
| LCFF Revenues                      | \$25.744 million        |
| One-time Funds                     | \$13.268 million        |
| <b>TOTAL UNRESTRICTED REVENUES</b> | <b>\$39.012 million</b> |

### WHERE HAS THE MONEY GONE?

#### Major Cost Increases from 2013/14 to 2018/19\*

|  |                        |
|--|------------------------|
| Salary Settlements (through 2017/18)                 | \$17.39 million        |
| Step/Column Movements                                | \$5.62 million         |
| STRS/PERS Cost Increase                              | \$6.50 million         |
| Increased Contributions to Mandated Programs**       | \$11.95 million        |
| Increased Contributions to Non-Mandated Programs***  | \$4.15 million         |
| Health Benefit Cost Increase (before cap in 2014/15) | \$2.29 million         |
| <b>TOTAL COST INCREASES</b>                          | <b>\$47.90 million</b> |

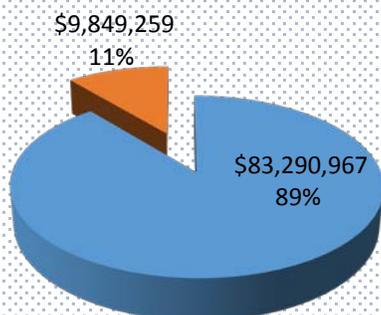
\*2013/14 includes restoration of 1 year step/column movement and 1% salary rollback

\*\* Food Service, Special Education, and Routine Restricted Maintenance (RRM) required restoration to 3%

\*\*\* Medi-Cal Administrative Activities (MAA), Adult Education, and Union City Family Center (formerly Kids Zone)

### HOW DO WE SPEND OUR MONEY?

Salaries & Benefits (All Employees)



In 2017/18, 89% of the total District expenditures in the Unrestricted General Fund was on employee salaries & benefits.

The District's budget is everyone's responsibility.

It's not just a collection of numbers, but an expression of our vision and priorities.

# HOW DO OUR TEACHER SALARIES COMPARE TO OTHER DISTRICTS IN THE COUNTY?

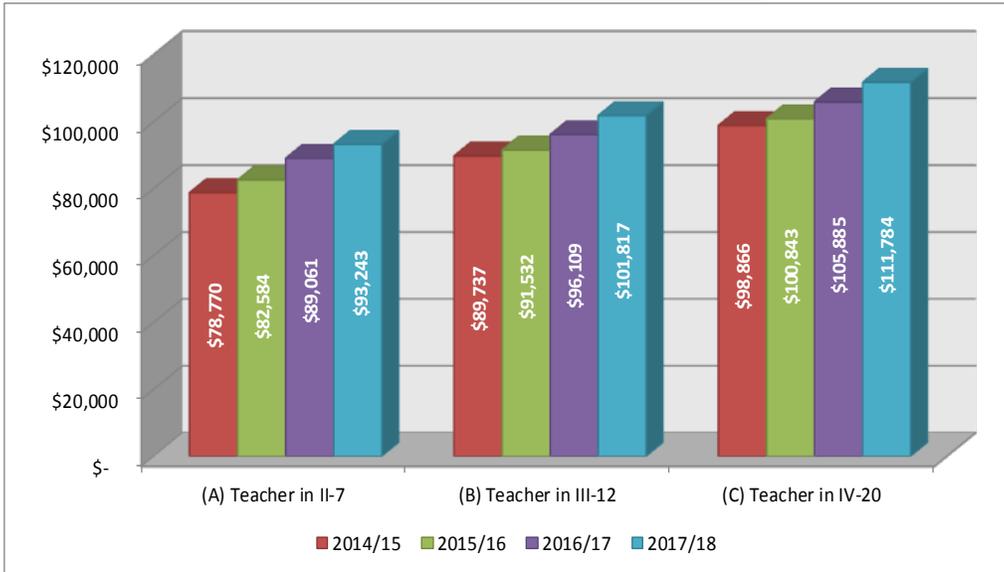
**TEACHING AND LEARNING WILL NOT BE SUCCESSFUL WITHOUT OUR DEDICATED TEACHERS AND SUPPORT STAFF.**

The average teacher compensation in New Haven has been recorded as the second highest in Alameda County for the last several years.

Additionally in 2016/17, New Haven was reported to have the highest average annual teacher compensation (\$94,442) in the county.

Over half of our 574 certificated staff are at the highest range (range IV) of the Salary Schedule.

59% of our certificated staff have been with the District longer than 10 years.



This graph illustrates the salary increases for a teacher from 2014/15 to 2017/18 (4 Years).

Example (A): A teacher in range II step 7 (II-7) of the salary schedule made \$78,770 in 2014/15, with step movements and salary increases, made \$93,243 or 18% more in 2017/18. This translates to a daily rate of \$507, or \$72 hourly.

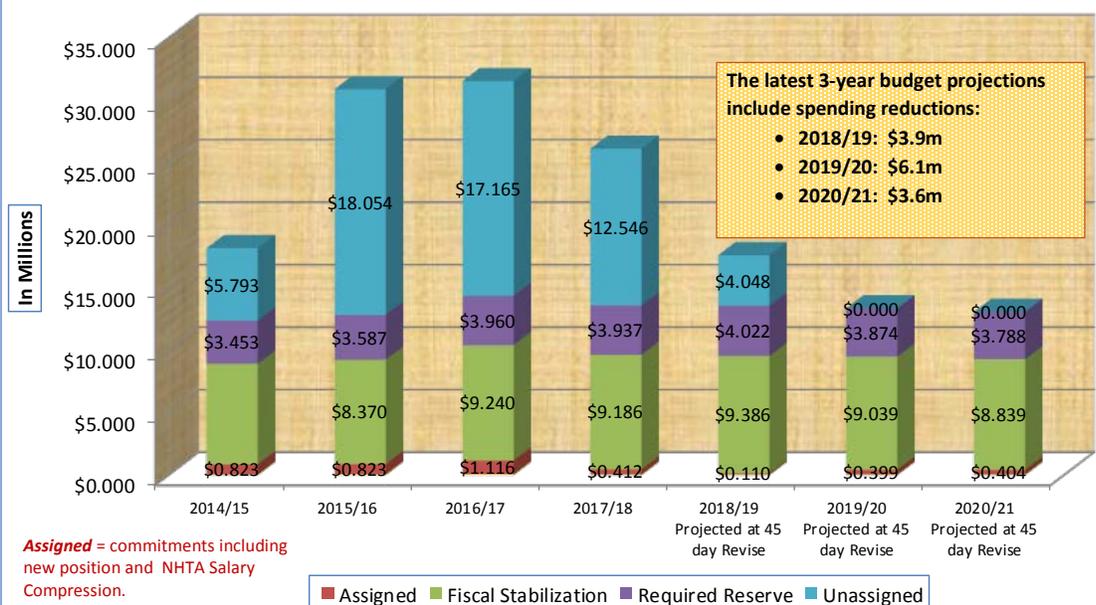
**NOTES:**

1. The Teacher's salary schedule is inclusive of health benefits and expands to range IV, step 32.
2. 2014/15 includes restoration of 9 furlough days, and was excluded in the calculation of the increase.

What are "RESERVES"? The District closed the year with \$26 million ending balance. What is that for?

**At close of 2017/18, the total unrestricted ending balance was \$26.135 million. This amount included the State required reserve and fiscal stabilization fund, and while the ending (unassigned) balance was \$12 million over the required reserve levels, with no new revenues coming, this chart illustrates the depletion of that balance by end of 2019/20. IMPORTANTLY, the latest 3-year budget projections include spending reductions. Further spending down of the reserve in the current year will require additional cuts in the out-years.**

- The State requires New Haven to have a 3% reserve (approximately \$4 million).
- The Board of Education approved the sale of the Cabello Site in 2014. Pursuant to approval from the State Allocation Board (SAB) and District Board Policy, part of the sale proceeds were used to establish a Fiscal Stabilization Fund of 7%, making the Total District Reserve 10%.
- The balance of sale proceeds are being used to sustain the employee retiree benefit and to fund one-time capital expenses.



The latest 3-year budget projections include spending reductions:

- 2018/19: \$3.9m
- 2019/20: \$6.1m
- 2020/21: \$3.6m

Assigned = commitments including new position and NHTA Salary Compression.

SAB Approval and Board Policy strengthened the District's fiscal status, removed the District from the County watch-list, and improved the District's "negative outlook" on its bond or credit rating.