



Budget Update: LCFF & Governor's Budget Proposal

PLANNING FOR THE FUTURE

JANUARY 20, 2016

LUSD at a Glance

In 2 ½ years...

- We have gone from 4 to 6 schools
- From 2700 students to a projected 4500 students
- From K-8 to K-12
- From NCLB/CST Assessment to a Common Core/ CAASPP Assessment
- From a LEA Plan to LCAP
- From a Revenue Limit Based Budget to LCFF
- From Hansen Village being a Field to 350 Homes and 95 Village Based Students

Things We Consider in Budget Planning

Constant State of Change

- Student Population Growth
- Low Level of LCFF Funding
- Operational Costs of New Schools every 3 to 4 years
- State Instructional Materials Funds folded into LCFF
- Developing a Complete High School Program
- CCSS & Professional Development
- Evolution to 21st Century Classrooms
- Desires of Community & Program Needs of Students
- Technology & Technology Infrastructure
- Long Term Impact of Great Recession on Education
- Unfunded Mandates from State
- Special Education Contribution

LCFF Review

Grade Level	Base + 2013-14 COLA (1.565%)	Base Grade Span Adjustments	2013-14 Supplemental Grant	Concentration Grant
Grades K-3	\$6,952	\$723 (10.4%) CSR	\$383	\$0
Grades 4-6	\$7,056		\$352	\$0
Grades 7-8	\$7,266		\$363	\$0
Grades 9-12	\$8,419	\$219 (2.6%) CTE	\$431	\$0

*EL, LI, FY Student Population determines Supplemental & Concentration Grant Apportionment

LCFF Ranking

LCFF FUNDING - 2013-14 FUNDING			14/15 Est. ADA=3374	
RANK	District	2013/14	Difference from Lammersville	Revenue Difference
1	New Jerusalem K* ADA=21	30,940	24,902	\$ 84,019,348
2	Riverbank K-12	8,099	2,061	\$ 6,953,814
3	Waterford K-12	7,661	1,623	\$ 5,476,002
4	Hughson K-12	7,377	1,339	\$ 4,517,786
5	Stockton USD	7,350	1,312	\$ 4,426,688
6	Linden USD	7,062	1,024	\$ 3,454,976
7	Hilmar K-12	6,847	809	\$ 2,729,566
8	Escalon USD	6,770	732	\$ 2,469,768
9	Tracy Joint USD K-12	6,753	715	\$ 2,412,410
10	Lodi USD	6,731	693	\$ 2,338,182
11	Patterson K-12	6,689	651	\$ 2,196,474
12	Salida K-8	6,683	645	\$ 2,176,230
13	Manteca USD	6,642	604	\$ 2,037,896
14	Lincoln USD K-12	6,385	347	\$ 1,170,778
15	Ripon USD	6,385	347	\$ 1,170,778
16	Stanislaus Union K-8	6,369	331	\$ 1,116,794
17	Jefferson ESD K-8	6,301	263	\$ 887,362
18	Sylvan K-8	6,243	205	\$ 691,670
19	Oakley K-8	6,096	58	\$ 195,692
20	Lammersville Joint USD	6,038	-	\$ -
21	Brentwood K-8	6,004	-	\$ -

Source : 2013-14 State-Certified Reports J-90, CBEDS, SACS

Finding a Balance

Professional and Personal Needs of Staff

Program Demands of the Community

Planning and Preparation for New Schools

- Finish Mountain House High School
- Hansen Elementary, Neighborhood D

Agreement with Teachers Association

Two Year Salary & Benefit Increase = 8.5%

- 2015-16: 4% & .5% (\$600) Benefits
- 2016-17: 3% & .5% (\$600) Benefits

Strengthen Salary Schedule Column 5

- Compressed & Longevity added - .5%

Contingency Language Based on the Approved 2016-17 State Budget

- LUSD's Apportionment: \$350K ongoing = 1%
- LUSD's Apportionment: \$700K ongoing = 2%

Program Stipends Increased

Where did the Additional 1% Come From?

District offer was 7.5% over two years; Agreement was 1.0% additional or 8.5%.

1.0% was taken from programs (\$120K)

- K-5 PLTW = .5%
- GATE Budget = .5%

Step and Column and Teacher's Raise

Salary Schedule CSS - Certificated Salary Schedule

07/01/2015 - 06/30/2016

	CL1 - Non Fully Credentialed		CL2 - BA+30		CL3 - BA+45		CL4 - BA+60		CL5 - BA+75	
1	42,234.00	230	44,215.00	240	45,754.00	249	47,507.00	258	\$ 50,052.00	272
2	42,234.00	230	44,216.00	240	46,406.00	252	48,950.00	266	51,495.00	280
3	42,760.00	232	45,755.00	249	47,847.00	260	50,392.00	274	52,936.00	288
4	44,201.00	240	47,347.00	257	49,290.00	268	51,834.00	282	54,379.00	296
5			48,994.00	266	50,733.00	276	53,277.00	290	55,820.00	303
6			50,703.00	276	52,464.00	285	54,716.00	297	57,262.00	311
7			52,464.00	285	54,290.00	295	56,179.00	305	58,705.00	319
8			54,290.00	295	56,179.00	305	58,134.00	316	60,157.00	327
9			56,179.00	305	58,134.00	316	60,157.00	327	62,251.00	338
10			58,134.00	316	60,157.00	327	62,251.00	338	64,417.00	350
11			58,134.00	316	62,251.00	338	64,814.00	352	66,659.00	362
12			58,134.00	316	62,251.00	338	64,814.00	352	68,979.00	375
13			58,134.00	316	62,251.00	338	64,814.00	352	68,979.00	375
14			58,134.00	316	62,251.00	338	64,814.00	352	71,379.00	388
15			58,134.00	316	62,251.00	338	64,814.00	352	71,379.00	388
16			58,134.00	316	62,251.00	338	64,814.00	352	73,863.00	401
17			58,134.00	316	62,251.00	338	64,814.00	352	73,863.00	401
18			58,134.00	316	62,251.00	338	64,814.00	352	76,433.00	415
19			58,134.00	316	62,251.00	338	64,814.00	352	76,433.00	415
20			58,134.00	316	62,251.00	338	64,814.00	352	79,094.00	430
21			58,134.00	316	62,251.00	338	64,814.00	352	79,094.00	430
22			58,134.00	316	62,251.00	338	64,814.00	352	81,846.00	445
23			58,134.00	316	62,251.00	338	64,814.00	352	81,846.00	445
24			58,134.00	316	62,251.00	338	64,814.00	352	81,846.00	445

- Year of Service Step Increase – 3%
- Year of Service Step and Column Increase – 3-6%

Programs and Planning for New Schools

Governor Brown's Proposal

State Budget Adoption Process and Timeline

- December – 1st Interim Report Approval
- January – Governor Submits Budget Proposal
- March – 2nd Interim Report Approval
- May – Governor's May Revise of State Budget
- June – Legislature Adopts Budget
 - Budget Adoption in Past has been Delayed by Politics

Governor's 2016-17 Budget Proposal

Prop 98 Guarantee (Education Budget) in 2016-17

- \$71.6 Billion
- Increase of \$3.2 Billion from 2015-16*

Per Pupil Spending

- \$10,591 per pupil (State Average Increase of \$368 from 2015-16)
 - LUSD LI, EL, and FY Populations are Well Below State Average
 - LUSD per Pupil Increase will be much smaller than \$368 – SJCOE will Determine Allocation

Budget Proposal Allocates \$1.2 Billion of One Time Funding for 2016-17

Budget Approval will put LCFF at 95%

- * Speeds up full funding by two years; Four remaining years reduced to two years. Potential LCFF Full Funding by 2017.

2016-17 LCFF Considerations

Governor's Budget Plan – When LCFF is 100% it will be capped

When LCFF is Fully Funded = COLA will be the only source of funding increases in the future according to Governor Brown (Term ends 2018)

Gov. Brown- Predicts no Recession in this or next year. Predicts one is coming... When will it come?

LUSD's Ranking in LCFF Supplemental & Concentration Grant Funding will create Funding Limitations in the Future

Other Funding Concerns

Prop 30 Expiration

STRS Contribution

Prop 30 Expiration Cost to District

- 2012 Temporary Tax Increase 2012 - 2018
 - Quarter cent sales tax 2013 – 2016
 - Tax on Wealthy (\$250K) 2012 - 2018
- Impact on District without Extension

	2016-17	2017-18	2018-19	2019-20
Sales Tax Expiration	(92,914)	(189,544)	(193,335)	(197,201)
Income Tax Expiration	-	-	(414,289)	(845,149)
Total Revenue Impact	(92,914)	(189,544)	(607,624)	(1,042,351)

Ballot Initiative November 2016: Extend Proposition 30 to 2032

STRS Contribution

STRS Pension Liability is \$73.7 Billion

	2013/14	2014/15	2015/16*	2016/17*	2017/18*	2018/19	2019/20	2020/21
	8.25	8.88	10.73	12.58	14.43	16.28	18.13	19.98
Increase over Prior Yr		0.63	1.85	1.85	1.85	1.85	1.85	1.85
Increase over 8.25%		0.63	2.48	4.33	6.18	8.03	9.88	11.73
Cost above 8.25%		\$90,248	\$384,067	\$ 693,172	\$ 1,012,086	\$1,345,303	\$1,693,313	\$2,056,619

** By 2020, STRS Contribution District rate is forecasted to be est. 20%

Impact of No Downtown

Local Corporations Subsidizing Programs Still in the Future



What will things look like if we live off COLA?

COLA – Liabilities = Funds for People, Programs, & Plans for New Schools

Liabilities:

- Step and Column
- Operations: Mandated Costs, Insurance, Utility Increases, Workers Compensation
- STRS Contribution
- Prop 30 Expiration (?)

District Continues to Seek Additional Funding Sources

Grants Awarded

- 2015-2018 – California Career Pathway Trust Grant - **\$518K**
 - Support K-12 Computer Science and Cisco Certification and Networking
- 2016-2019 – California Career Technical Education Incentive Grant - **\$309K**
 - Support 7-12 Career Pathways

LCAP 2015-16

2013-16 Strategic Plan, LCAP 1.0, & LCAP 2.0

- Instructional Materials and Curriculum
- English Learners/SPED/After School Programs
- Technology Sustainability Plan
 - 1:1 Grades 7-12
 - 1:2 Grades 4-6
 - 1:3 Grade 1-3
 - Technology Based Instructional Programs
 - LCAP Goal 1:1 District Wide 2018
- Class Size Reduction (CSR)
- Project Lead the Way Electives & HS Career Pathways
- Extracurricular- Academic
- Sports
- Music
- Routine Maintenance 3%
- Staff Professional Development

Programs and Initiatives

LCAP 3.0 (2016-17)

- In consideration for expansion
 - Music and Art
 - Advanced and Enrichment Opportunities (GATE)
 - College Preparedness/ Career Opportunities
 - Technology & Enhanced Classrooms
 - Extracurricular Experiences K-12
 - Career Technical Education

Student Programs and Budget Considerations

LCAP will define what money is allocated for programs in existing and new schools

One time monies will continue to support program and initiatives

- Phased roll outs will be part of how we do business

Measuring (through student data) what is working and what is not will drive conversations about funding decisions

LCFF and LUSD in the Coming Years

We can do what we plan to do... But we may not be able to do everything and some things may take longer than we wish.

- Define the purpose, function, and attributes of a 21st Century Classrooms as a district standard
- Define what it is to be an informed consumer as we review new Common Core curriculum- we need to know exactly what we are buying and exactly what needs it will fulfill
- Use RCD 2.0 as a means to discuss curriculum, instruction, student outcomes, and PD needs as a means to best implement Units of Study and any new curriculum
- Continue to get feedback about community desires for programs in support of students

California Budget Resources

California Budget Review

- <http://www.ebudget.ca.gov/FullBudgetSummary.pdf>

California Economic Analysis

- <https://www08.wellsfargomedia.com/assets/pdf/commercial/insights/economics/regional-reports/ca-economic-outlook-20151124.pdf>

California Economic Forecast

- <http://wolfstreet.com/2015/06/11/what-does-california-gov-jerry-brown-know-about-the-next-crash-and-recession-that-we-dont/>

California Economic Forecast

- <http://wolfstreet.com/2015/10/15/what-will-cause-the-next-recession/>