



Evergreen
School District

2016-17 Budget Development

Board Study Session

March 10, 2016

Purpose

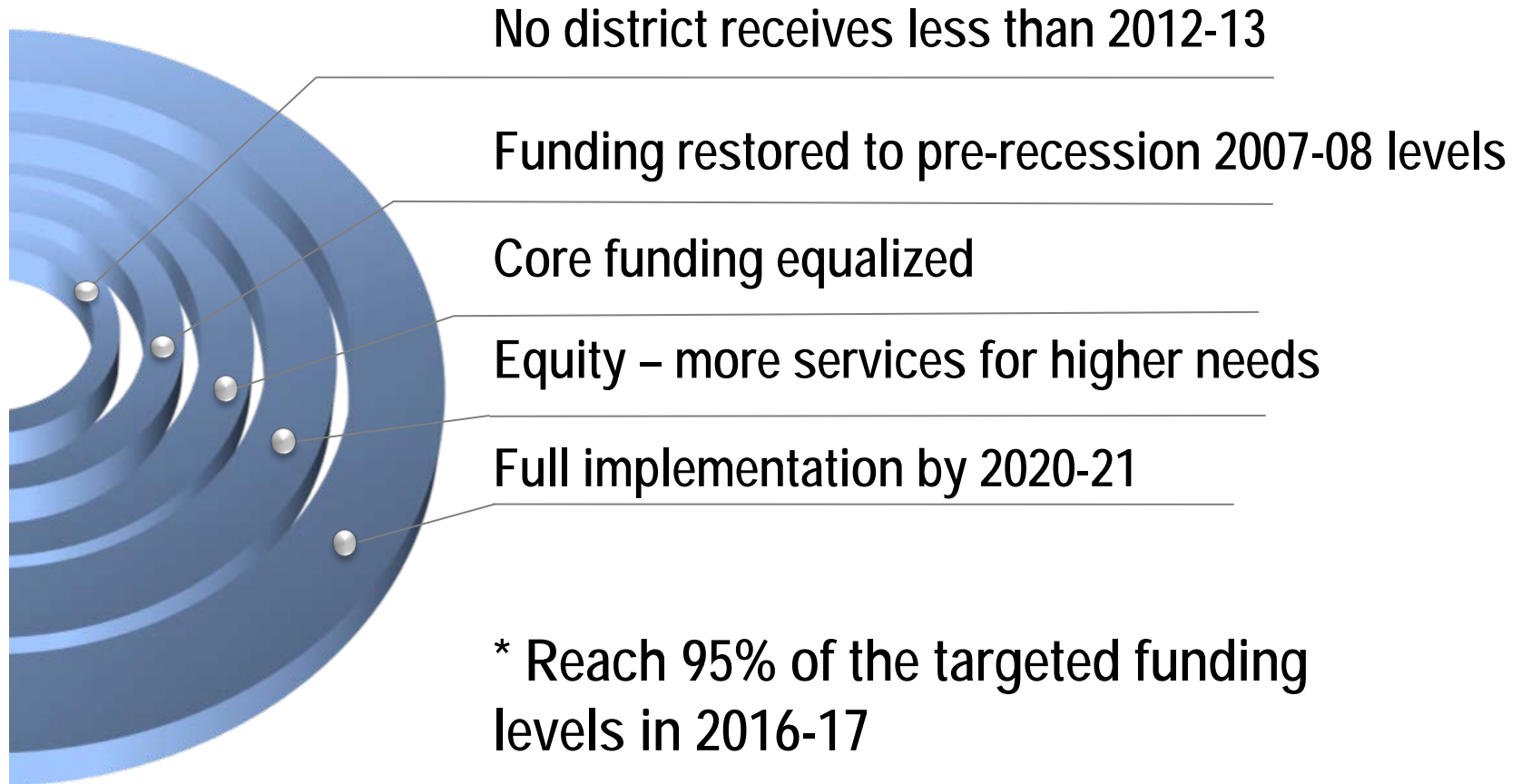
The purpose of this budget study session is as follows:

- To share with the Board the impact of the Governor's January Budget proposal on the Evergreen School District 2016-17 budget
- To share management's thinking on budget development with regard to new programs and services
- To examine the impact and viability of a teacher retirement incentive
- To provide the Board an opportunity to ask questions and provide input to management as we begin to finalize the 2016-2017 budget

Local Control Funding Formula

- The LCFF replaced revenue limits and most of categorical program funding
- LCFF requires three-year Local Control Accountability Plan (LCAP)
- Budget and LCAP must be approved at the same Board of Trustees meeting

Goals and Implementation of the LCFF



Source: School Services of California, Inc.

Elements of LCFF

- Base grant by grade spans
- Added funding for K-3 Class Size Reduction
- Additional funding based on the demographics of the district's
 - English learner population
 - Pupils eligible for free and reduced price meals
 - Foster students

Budget Aligned to Board Priorities

Evergreen School District BP 3100 (BUDGET) states:

The Board of Trustees recognizes its critical responsibility for adopting a sound budget for each fiscal year which is aligned with the district's vision, goals, and priorities.

The district budget shall guide administrative decisions and actions throughout the year and shall serve as a tool for monitoring the fiscal health of the district.

Board Goals & Priorities

Promote achievement for all students in a rigorous, 21st century learning environment of collaboration, communication, critical thinking and creativity

Improve fiscal health

Promote collaboration, transparency and communication with students, parents, staff and the broader community

Attract, develop and retain quality staff at all levels

Enhance the climate of safety and wellness throughout the District

New Expenditures Build On Prior Foundation

- The District began realizing an increase in revenue in 2013-2014. At that time, we were able to begin funding Board priorities.
- Priorities are funded through LCFF dollars and through Supplemental funds

To promote achievement for all students in a rigorous, 21st century learning environment of collaboration, communication, critical thinking and creativity



- Professional Development
- New Tech Network Partnership
- Support for New Tech Schools (additional staff)
- Technology
- Common Core Math curriculum purchased (TK-8)
- \$3 million have been committed for instructional materials and technology

School Budget Summary							
			2012-13	2013-14	2014-15	2015-16	2016-17
<u>New Classrooms</u>							
	Per additional new classroom		\$449.00	\$467.00	\$471.00	\$478.44	\$502.41
<u>Instructional/Office Materials</u>							
	K-6	Per student enrolled	\$57.63	\$58.42	\$58.94	\$59.87	\$62.87
	7-8	Per student enrolled	\$63.24	\$64.25	\$64.82	\$65.84	\$69.14
<u>Facility Usage</u>							
	10% rebate of prior year's school facility rental revenue						
<u>School Enrichment Activities</u>							
	Per school					\$5,882.00	\$6,226.00
<u>Copier Maintenance</u>							
	K-6	Base per school plus	\$3,736.00	\$3,885.00	\$4,040.00	\$4,201.60	\$4,369.66
		Per enrolled student	\$4.43	\$4.43	\$4.47	\$4.54	\$4.77
	7-8	Base per school plus	\$5,230.00	\$5,439.00	\$5,658.00	\$5,884.32	\$6,119.69
		Per enrolled student	\$5.15	\$5.15	\$5.20	\$5.28	\$5.54
<u>Art Supplies</u>							
	Per middle school		\$561.00	\$583.00	\$588.00	\$597.00	\$627.00
<u>Custodial Supplies</u>							
	K-6	Per enrolled student	\$7.92	\$8.24	\$8.32	\$8.44	\$8.86
	7-8	Per enrolled student	\$9.68	\$10.07	\$10.16	\$10.32	\$10.84
<u>Supplemental</u>							
	K-8	Per unduplicate count student	\$102.89	\$102.89	\$116.05	\$117.88	\$123.79
<u>Supplemental Technology</u>							
	K-8	Base per school plus				\$12,000.00	\$12,601.00
		Per unduplicate count student				\$6.00	\$6.30

To support *improving Fiscal Health*



- Budget Advisory Committee established in 2014-2015
- Budget Advisory Committee recommended revision of BP3100 to address State and Federal one-time revenue and the District's unrestricted reserve level at 14%-16%

To support *attracting, developing, and retaining quality staff at all levels*



- Salary increases since 2013-14 totaling 10.25% have been negotiated
- Funding has been provided to support site based school enrichment activities
- Substitute teacher pay has increased
- Health care contributions have increased
- Professional development spending has increased
- Human Resources Staff have been added

To support *enhancing the climate of safety and wellness throughout the District*



- An additional 1 FTE nurse has been added
- 3 counselors added to middle schools
- MFT services added at sites
- Contributions to Routine Maintenance Fund have been maintained at 2014-15 level (2.4%)
- Custodial hours have been increased
- Transportation staff have been added

To support *promoting collaboration, transparency and communication with students, parents, staff and the broader community*



- The District has a Director of Communications and Community Engagement
- Website development
- New District Branding
- Facebook; Twitter
- Superintendent Blog
- Translations

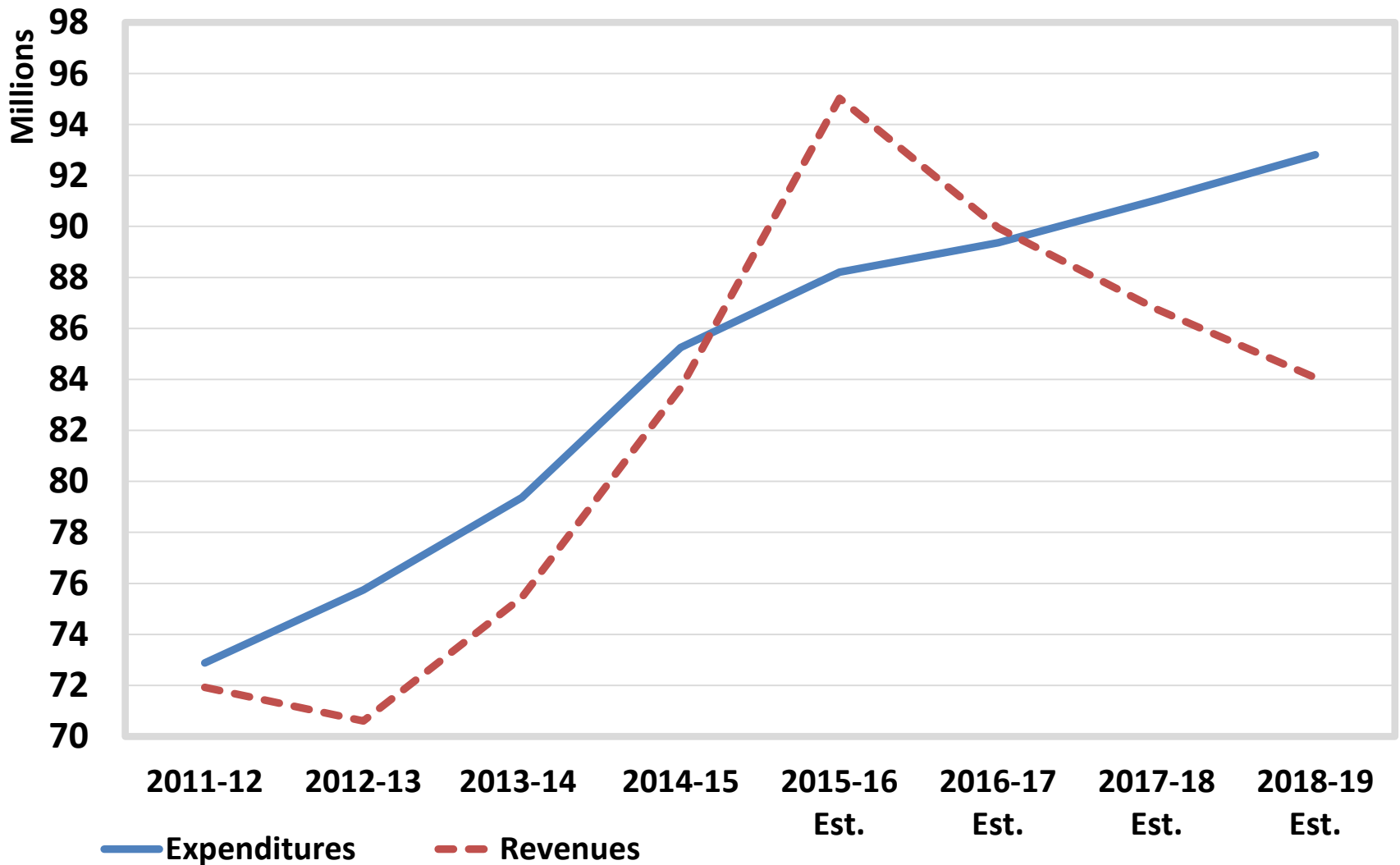
What new revenues are anticipated for 2016-2017?

- On-going Base funding increase for Evergreen is \$86,786 (\$318.47 increase per ADA offset by enrollment decline)
- On-going Supplemental funding increase for Evergreen is \$324,260 (\$53.69 increase per ADA offset by enrollment decline)
- One-time discretionary funding totals \$2,551,094

	as 2/19/2016	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
		ACTUAL	ACTUAL	BUDGET	BUDGET	BUDGET	BUDGET
SUMMARY							
TOTAL REVENUES		96,293,209	103,340,085	119,535,778	114,834,171	112,593,725	110,791,730
TOTAL EXPENDITURES		99,061,983	105,007,151	112,390,764	114,099,505	116,746,055	119,406,321
SURPLUS/(DEFICIT)		(2,768,775)	(1,667,065)	7,145,014	734,666	(4,152,330)	(8,614,591)
BEGINNING BALANCE							
UNRESTRICTED		15,860,129	11,946,220	10,356,533	17,180,123	17,770,539	13,486,163
RESTRICTED		2,527,286	3,672,420	3,595,042	3,916,467	4,060,717	4,192,762
ENDING BALANCE		15,618,641	13,951,575	21,096,589	21,310,715	16,630,783	16,630,783
COMPONENTS OF ENDING BALANCE							
A) NONSPENDABLE							
1 REVOLVING CASH		15,000	15,000	15,000	15,000	15,000	15,000
2 STORES		46,767	49,504	46,767	46,767	46,767	46,767
3 PREPAID EXPENDITURES		1,192,232	1,360,418	1,192,232	1,192,232	1,192,232	1,192,232
B) RESTRICTED							
MAIN. RESERVES		58,121	299,508	309,351	263,279	223,345	204,197
RESTRICTED		3,614,300	3,295,534	3,607,116	3,797,438	3,969,417	4,123,672
C) COMMITTED							
STABILIZATION ARRANGEMENTS		0	0	0	0	0	0
OTHER COMMITMENTS		0	0	3,000,000	3,000,000	3,000,000	3,000,000
D) ASSIGNED							
OTHER ASSIGNMENTS		0	24,746	0	0	0	0
E) UNASSIGNED/UNAPPROPRIATED							
RESERVE FOR ECO. UNCERTAINTIES		2,971,860	3,150,215	3,371,723	3,422,985	3,502,382	3,582,190
UNASSIGNED/UNAPPROPRIATED		7,720,362	5,756,651	9,554,401	10,093,555	5,729,783	(3,099,722)
		15,618,640	13,951,575	21,096,589	21,310,715	16,630,783	16,630,783
UNRESTRICTED (DEFICIT)/SURPLUS		(3,913,909)	(1,589,687)	6,823,590	590,416	(4,284,375)	(8,749,697)
% of AVAILABLE RESERVE		10.79%	8.48%	11.50%	11.85%	7.91%	0.40%

General Fund Unrestricted Expenditure and Revenue

AS 2-19-2016



Evergreen School District								
Financial History								
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<i>Total Revenue</i>	94,303,833	91,135,796	96,293,209	103,340,085	119,535,779	114,834,171	112,593,725	110,791,731
Certificated	48,377,616	48,772,508	50,088,901	52,044,385	53,172,023	53,015,660	53,127,587	53,294,513
Classified Salaries	8,389,851	8,194,986	8,512,789	9,124,467	9,703,963	9,975,382	9,975,382	9,975,382
Management	5,066,006	5,080,248	5,156,003	5,640,811	5,559,684	5,820,249	5,820,249	5,820,249
Benefits	9,066,088	8,909,368	8,402,952	9,255,995	13,725,146	15,501,098	17,323,749	18,943,272
Health Benefits	14,281,025	14,565,948	15,100,629	15,761,570	15,509,740	15,756,648	16,323,388	16,935,146
Books & Supplies	3,168,657	3,491,183	3,830,689	4,894,081	6,004,055	4,733,030	4,641,671	4,487,676
Operations	5,700,347	6,574,501	7,514,028	7,693,874	7,833,945	8,215,229	8,408,533	8,779,565
Facilities	49,633	102,679	102,676	20,652	0	0	0	0
JPA Payments	124,362	349,468	353,316	571,316	882,209	1,082,209	1,125,497	1,170,517
<i>Total Expenses</i>	94,223,585	96,040,889	99,061,983	105,007,151	112,390,765	114,099,505	116,746,056	119,406,320
Deficit/Surplus	80,248	(4,905,093)	(2,768,774)	(1,667,066)	7,145,014	734,666	(4,152,331)	(8,614,589)

Retirement Incentive Program

Updated as 03/07/2016

# of retirees take the incentive	30	<u>16-17</u>	<u>17-18</u>	<u>18-19</u>	<u>19-20</u>	<u>20-21</u>	<u>Total</u>	
Lower paid employee salary	64,647							
Benefits 15.83%	10,234							
Total Lower paid employee	74,881							
Higher paid employee salary	97,934							
Benefits 15.83%	15,503							
Total of higher paid employee	113,437							
Grant total of higher paid employees	3,403,109	3,403,109	3,403,109	3,403,109	3,403,109	3,403,109	17,015,543	
One time offer incentive cost	1,175,208	(1,175,208)					(1,175,208)	
Lower paid employees with 5% annual increase		(2,246,419)	(2,358,740)	(2,476,677)	(2,600,510)	(2,730,536)	(12,412,881)	
Natural Attrition Saving (Remove from Budget)		(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(1,000,000)	
Retiree Insurance Cost (\$14,830 annually)		(444,900)	(444,900)	(444,900)	(444,900)	(444,900)	(2,224,500)	
Actual Saving		(663,418)	399,469	281,532	157,698	27,673	202,954	
Retirement incentive % of salary to employee	40%							
* Only change the green fields								
One-time Offer to ETA only at age 55 by June 30, 2016 and worked for District for 15 years by June 30,2016								
There are 94 qualified employees. The average salary for the qualified group is \$97,934								
The average salary for 94 lowest seniority employees is \$64,647								

Questions?