

SYLVAN UNION SCHOOL DISTRICT  
Board of Trustees Budget Study  
Planning for 2017-18 Fiscal Year  
January 31, 2017 at 5:30 pm  
Agenda

**1. Welcome (Debra Hendricks) (2 min)**

- Thirty minutes is allocated for the meeting.
- The agenda items designated as “Information” will not be presented in detail, but are rather provided for the Board’s information.
- The focus of the study session will be on the 7 year Multi Year Projection. The multi year projection is provided to paint a picture of financial impacts that must be planned over the next several years.
- The 7 year Multi Year Projection is not intended to tie to the 1st Interim Budget Report or the upcoming 2<sup>nd</sup> Interim Budget Report, and should not be compared. However it is based on the best information we have to date from various sources and assumptions as presented.

**2. Governor’s Budget Update (Yvonne Perez) (Information)**

Attached is a Fiscal Report provided by School Services of California and written by Ron Bennett that provides an excellent summary of the Governor’s Budget. Within the article I have underlined information to highlight important points that are particularly relevant to our district as we begin planning the 2017-18 Fiscal Year Budget.

Also attached is an 18 slide PowerPoint provided by School Services for use by districts that further summarizes the Governor’s Budget Proposal for the state’s 2017-18 Fiscal Year Budget.

Due to time constraints the information is provided for the Board’s review prior to the Budget Study. We will move directly to Item 3 on the agenda.

**3. Multi-Year Projection Assumptions (Yvonne Perez and Cheryl Phan) (Information)**

Multi-year projections (MYP) are the mathematical result of today’s decisions based on a given set of assumptions. MYP’s are expected to change as various factors are updated and revised. Projections will change any time the underlying factors and assumptions are modified, therefore, we must plan and prepare to make changes as conditions and situations change.

The assumptions described below are implemented in the latest MYP. The primary source of these assumptions are the Governor’s 2017-18 Proposed State Budget, California Department of Education, Department of Finance, School Services of California’s Financial Projection Dashboard, other external sources and organizations, and of course the District’s historical trends.

Please note that the 2016-17 budget column is currently being updated, therefore, it does not tie to the 1<sup>st</sup> Interim Budget and will not tie to the 2<sup>nd</sup> Interim Budget. The 2<sup>nd</sup> Interim Budget and MYP will be completed and presented to the Board at the March 7, 2017 Board Meeting.

Local Control Funding Formula (LCFF)

LCFF is at 96% of full implementation. Funding is based on using the latest FCMAT (Fiscal Crisis & Management Team) LCFF calculator (v17.2b) which includes the following factors:

		<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>
	COLA	0.00%	1.48%	2.40%	2.53%	2.66%	2.66%	2.66%
	Gap Funding %	55.28%	23.67%	53.85%	68.94%	100.00%	100.00%	100.00%
	UPP	54.93%	54.90%	54.55%	54.67%	54.79%	54.91%	55.02%
	(Unduplicated Pupil Count)							

LCFF for 2016-17 will be reduced by the following adjustments:

- (\$31,106) 2015-16 UPP correction
- (\$27,469) Unused site return
- (\$58,575) Total 2016-17 LCFF Reduction

Enrollment and ADA (Average Daily Attendance)

		<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>
	Enrollment	8,178	8,283	8,190	8,107	8,006	7,979	7,932	7,990	8,077	8,185
	Increase / (Decrease)	(14)	105	(93)	(83)	(101)	(27)	(48)	58	87	109
	ADA	7,855	7,958	7,865	7,787	7,691	7,665	7,619	7,675	7,758	7,863
	Increase / (Decrease)	(23)	104	(93)	(78)	(97)	(26)	(46)	56	83	104
	3-Year Average Retention	96.05%									

Federal, State, and Local Revenues

Federal, State, and Local revenues were adjusted for one-time revenues and Federal carryover.

	<u>2016-2017</u>	<u>2017-2018</u>				
Federal	\$1,103,227	\$201,982	Federal Carryover			
State	\$1,687,542	\$373,783	One-Time Mandate Reimbursement			
	\$466,785	\$300,000	Prop. 39, CA Clean Energy Jobs Act			
Local	\$807,000	\$0	One-Time Workers' Compensation Reimbursement			
	\$4,064,554	\$875,765				

While Local revenues remain flat in the projected years, Federal and State revenues were adjusted for COLA with the following percentages:

	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>
COLA		1.48%	2.40%	2.53%	2.66%	2.660%	2.660%

Salaries and Benefits

Certificated and classified salaries assumed a 1.5% step and column increase. The following are employer contribution rates for the projected years:

	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2022-2024</u>
STRS	12.58%	14.43%	16.28%	18.13%	19.10%	20.95%	22.80%	24.65%
PERS	13.888%	15.8%	18.7%	21.6%	24.9%	26.4%	27.4%	28.2%

Supplies, Services, Capital Outlay, and Other Outgo

The purchase of state adopted textbooks and the instructional materials/consumables anticipated for the next six years are scheduled below:

<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>
\$2,631,029	\$3,350,000	\$1,850,000	\$350,000	\$750,000	\$350,000	\$2,550,000

One time-expenditures and CPI (Consumer Price Index) were applied in resources, programs, and object categories as applicable.

The following interfund transfers are assumed to be ongoing:

- \$337,000 To Fund 20 – Special Reserve for Postemployment Benefits
- \$200,000 To Fund 40 – Special Reserve for Bus Replacement
- \$ 25,000 To Fund 40 – Special Reserve for Equipment Replacement

**4. Enrollment History and Projection (Information)**

Historical and Projected Enrollment										
Grade Span	TK & LCFF began			As of	Projections	Projections	Projections	Projections	Projections	Projections
	2013-14	2014-15	2015-16	Oct. 5, 2016 2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
TK	134	185	142	144	144	144	144	144	144	144
K	749	787	801	801	783	784	784	791	791	789
1	795	791	826	826	945	927	928	928	935	935
2	870	828	826	828	826	945	927	928	928	935
3	913	898	823	824	828	826	945	927	928	928
4	865	935	896	848	824	828	826	945	927	928
5	959	889	950	877	848	824	828	826	945	927
6	930	989	894	976	877	848	824	828	826	945
7	967	994	1,039	955	976	877	848	824	828	826
8	996	987	993	1,028	955	976	877	848	824	828
<b>Total Enrollment</b>	<b>8,178</b>	<b>8,283</b>	<b>8,190</b>	<b>8,107</b>	<b>8,006</b>	<b>7,979</b>	<b>7,932</b>	<b>7,990</b>	<b>8,077</b>	<b>8,185</b>
<b>Increase/ (Decrease)</b>	(14)	105	(93)	(83)	(101)	(27)	(48)	58	87	109

The chart illustrates continued declining enrollment for the past two years with projection enrollment decreases for the next three years. Enrollment from a funding perspective is important because it is the primary factor that drives funding from the state.

### 5. State Teachers Retirement System (STRS) and Public Employee Retirement System (PERS) (Information)

The impact of mandated contributions for STRS and PERS is illustrated in the following table for the Unrestricted Budget. For both the Restricted and Unrestricted General Fund the projected total over the next seven years is estimated at \$7,608,413.

Certificated									
	Est. S&C Incrs.	1.50%							
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	
Salary	30,408,545.00	30,864,673.18	31,327,643.27	31,797,557.92	32,274,521.29	32,758,639.11	33,250,018.70	33,748,768.98	
Step Incrs.		456,128.17	462,970.10	469,914.65	476,963.37	484,117.82	491,379.59	498,750.28	
STRS Rates %	12.58%	14.43%	16.28%	18.13%	19.10%	20.95%	22.80%	24.65%	
STRS Cost \$	3,825,394.96	4,453,772.34	5,100,140.32	5,764,897.25	6,164,433.57	6,862,934.89	7,581,004.26	8,319,071.55	
Yr. over Yr. Increase	%	1.8500%	1.8500%	1.8500%	0.9700%	1.8500%	1.8500%	1.8500%	
	\$	628,377.38	646,367.99	664,756.93	399,536.32	698,501.33	718,069.37	738,067.29	
								Cumulative Impact	
								4,493,676.59	
Classified									
	Est. Step Incrs.	1.50%							
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	
Salary	6,709,870.00	6,810,518.05	6,912,675.82	7,016,365.96	7,121,611.45	7,228,435.62	7,336,862.15	7,446,915.09	
Step Incrs.		100,648.05	102,157.77	103,690.14	105,245.49	106,824.17	108,426.53	110,052.93	
PERS Rates %	13.888%	15.8%	18.7%	21.6%	24.9%	26.4%	27.4%	28.2%	
PERS Cost \$	931,866.75	1,076,061.85	1,292,670.38	1,515,535.05	1,773,281.25	1,908,307.00	2,010,300.23	2,100,030.05	
Yr. over Yr. Increase	%	1.9120%	2.9000%	2.9000%	3.3000%	1.5000%	1.0000%	0.8000%	
	\$	144,195.11	216,608.53	222,864.67	257,746.20	135,025.75	101,993.23	89,729.82	
								Cumulative Impact	
								1,168,163.31	
								Unrestricted General Fund Total Impact STRS/PERS	
								5,661,839.90	

### 6. Instructional Materials Adoption (Information)

Beginning with the 2014-15 Fiscal Year, the state began requiring textbook adoptions that had previously been on hold for eight years due to the economic downturn. In the past, funding was provided through an allocation of categorical funding. With the implementation of LCFF, categorical funding was mostly eliminated and additional dollars to fund textbook adoptions are not expected.

The governor has indicated that with additional funding provided through LCFF, districts are expected to fund previously funded initiatives (like textbook adoptions) through the increase in dollars that have been received from the LCFF funding formula. The following chart provides a rough estimate of the cost of textbooks based on our most recent adoption for Language Arts during the current fiscal year (2016-17) which totaled \$2,631,029 for TK-8<sup>th</sup> grades. Of the \$2.6 million spent on instructional materials about \$350,000 is spent each year for consumable type instructional materials and supplies.

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
<b>Instructional Materials Adoptions</b>								
Math	X							2,000,000
English Language Arts/ELD		2,631,029						
History-Social Sciences				1,500,000				
Science			3,000,000					
Health						400,000		
World Language								200,000
Visual & Performing Arts								
Physical Ed (Content Standards Only Req)								

Lottery funding provides about \$350,000 that is restricted to the purchase of instructional materials. In addition, the district has contributed an additional \$450,000 for this purpose from the General Fund.

The district wisely retained funds for the purchase of instructional materials that were not fully expended each year. We estimate we will have a carryover balance of \$1.3 million for fiscal year 2017-18, resulting in a shortfall of \$1.2 million for the science adoption required for purchase in 2017-18. This will be an area that will require financial planning for future textbook adoptions.

Instructional Materials		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Beg Fund Balance			3,152,876	1,317,044	(1,237,759)	(2,292,562)	(1,847,365)	(1,802,168)	(1,356,971)
Add: Revenue			795,197	795,197	795,197	795,197	795,197	795,197	795,197
<b>Funds Available to Budget</b>			<b>3,948,073</b>	<b>2,112,241</b>	<b>(442,562)</b>	<b>(1,497,365)</b>	<b>(1,052,168)</b>	<b>(1,006,971)</b>	<b>(561,774)</b>
Less: IM State Adoption Exp.			-2,631,029	-3,000,000	-1,500,000	0	-400,000	0	-2,200,000
Less: IM Ongoing Exp.				-350,000	-350,000	-350,000	-350,000	-350,000	-350,000
Ending Fund Balance Projected		3,152,876	1,317,044	(1,237,759)	(2,292,562)	(1,847,365)	(1,802,168)	(1,356,971)	(3,111,774)
On-going Sources									
		Beg FB 16-17							
Unrestricted (01.0617) IM Realign	450,000	1,526,770							
Restricted (01.6300) Lottery IM	345,197	1,626,106							
	795,197	3,152,876							

#### 7. General Fund Multiple Year Projection (Debra Hendricks, Yvonne Perez, Cheryl Phan) (15 min)

The next two pages provide the MYP based on the assumptions and detail provided in this review. Our discussion will focus on the results of the projections.

The MYP has been extended an additional three years to illustrate the impact of STRS/PERS and Textbook Adoption financial mandates. The assumptions become even more important in terms of understanding the background of the projections.

Please note again, that the Seven Year MYP will not tie to either the First Interim Budget Report, nor will it tie to the Second Interim Report that will be presented on March 7, 2017. The intent is to paint a long-term financial view for the district based on the most current information we have to date.

<b>UNRESTRICTED</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>2022-2023</b>
<b>REVENUES</b>							
Local Control Funding Formula - LCFF	\$ 64,047,169	\$ 64,408,450	\$ 66,039,942	\$ 68,436,628	\$ 71,555,411	\$ 73,458,785	\$ 75,412,789
Federal Revenues	-	-	-	-	-	-	-
Other State Revenues	1,334,888	1,354,644	1,387,156	1,422,251	1,460,083	1,498,921	1,538,792
One-Time Mandate Reimbursement	1,687,542	373,783	-	-	-	-	-
Other Local Revenues	251,229	251,229	251,229	251,229	251,229	251,229	251,229
One-Time Wokers' Comp Reimbursement	807,000	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 68,127,828</b>	<b>\$ 66,388,106</b>	<b>\$ 67,678,327</b>	<b>\$ 70,110,108</b>	<b>\$ 73,266,723</b>	<b>\$ 75,208,935</b>	<b>\$ 77,202,810</b>
<b>EXPENSES</b>							
Certificated Salaries	\$ 30,408,545	\$ 30,864,673	\$ 31,327,643	\$ 31,797,558	\$ 32,274,521	\$ 32,758,639	\$ 33,250,019
Classified Salaries	6,709,870	6,810,518	6,912,676	7,016,366	7,121,611	7,228,436	7,336,862
Employee Benefits							
STRS	3,825,395	4,453,772	5,100,140	5,764,897	6,164,434	6,862,935	7,581,004
PERS	931,867	1,076,062	1,292,670	1,515,535	1,773,281	1,908,307	2,010,300
SS	416,012	422,252	428,586	435,015	441,540	448,163	454,885
Medicare	538,217	546,290	554,485	562,802	571,244	579,813	588,510
SUI	18,559	18,838	19,120	19,407	19,698	19,994	20,293
W/C	371,184	376,752	382,403	388,139	393,961	399,871	405,869
H&W	4,589,447	4,818,919	5,059,865	5,312,859	5,578,501	5,857,427	6,150,298
Other Supplies & Materials	978,843	978,843	978,843	978,843	978,843	978,843	978,843
State Adopted Textbooks & Instr. Materials (Partially funded w/ Restricted funds)	1,976,771	1,687,758	1,504,803	350,000	550,000	350,000	1,369,212
Services & Other Operating Expenditures	2,943,836	3,002,713	3,062,767	3,124,022	3,186,503	3,250,233	3,315,237
Capital Outlay	34,000	-	-	-	-	-	-
Other Outgo	124,874	125,498	126,126	126,756	127,390	128,027	128,667
Direct Support/Indirect Costs	(735,490)	(755,495)	(777,556)	(797,772)	(819,551)	(841,925)	(864,910)
<b>Total Expenses</b>	<b>\$ 53,131,930</b>	<b>\$ 54,427,393</b>	<b>\$ 55,972,572</b>	<b>\$ 56,594,427</b>	<b>\$ 58,361,977</b>	<b>\$ 59,928,761</b>	<b>\$ 62,725,091</b>
<b>Excess/(Deficiency) before Other Financing S&amp;U</b>	<b>\$ 14,995,898</b>	<b>\$ 11,960,713</b>	<b>\$ 11,705,755</b>	<b>\$ 13,515,681</b>	<b>\$ 14,904,746</b>	<b>\$ 15,280,174</b>	<b>\$ 14,477,719</b>
<b>OTHER FINANCING SOURCES &amp; USES</b>							
Interfund Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Transfers Out	562,000	562,000	562,000	562,000	562,000	562,000	562,000
Other Sources	-	-	-	-	-	-	-
Other Uses	-	-	-	-	-	-	-
Contributions	(15,819,820)	(14,266,779)	(14,485,446)	(14,537,916)	(14,847,797)	(15,143,560)	(16,033,018)
<b>Total Other Financing Sources &amp; Uses</b>	<b>\$ (16,381,820)</b>	<b>\$ (14,828,779)</b>	<b>\$ (15,047,446)</b>	<b>\$ (15,099,916)</b>	<b>\$ (15,409,797)</b>	<b>\$ (15,705,560)</b>	<b>\$ (16,595,018)</b>
<b>NET INCREASE/(DECREASE) IN FUND BALANCE</b>	<b>\$ (1,385,922)</b>	<b>\$ (2,868,066)</b>	<b>\$ (3,341,691)</b>	<b>\$ (1,584,235)</b>	<b>\$ (505,051)</b>	<b>\$ (425,386)</b>	<b>\$ (2,117,299)</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$ 15,516,670</b>	<b>\$ 14,130,748</b>	<b>\$ 11,262,682</b>	<b>\$ 7,920,991</b>	<b>\$ 6,336,756</b>	<b>\$ 5,831,705</b>	<b>\$ 5,406,318</b>
Audit Adjustment	-	-	-	-	-	-	-
<b>BEGINNING FUND BALANCE WITH AUDIT ADJUSTMENT</b>	<b>\$ 15,516,670</b>	<b>\$ 14,130,748</b>	<b>\$ 11,262,682</b>	<b>\$ 7,920,991</b>	<b>\$ 6,336,756</b>	<b>\$ 5,831,705</b>	<b>\$ 5,406,318</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 14,130,748</b>	<b>\$ 11,262,682</b>	<b>\$ 7,920,991</b>	<b>\$ 6,336,756</b>	<b>\$ 5,831,705</b>	<b>\$ 5,406,318</b>	<b>\$ 3,289,019</b>
	16.67%	14.12%	9.99%	7.91%	7.07%	6.41%	3.71%
<b>GENERAL FUND : COMPONENTS OF END FUND BALANCE</b>							
<b>Nonspendable: Revolving Cash</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>
<b>Restricted</b>	-	-	-	-	-	-	-
<b>Committed</b>	-	-	-	-	-	-	-
<b>Assigned</b>	<b>1,427,000</b>	<b>1,427,000</b>	<b>1,427,000</b>	<b>1,427,000</b>	<b>1,427,000</b>	<b>1,427,000</b>	<b>1,427,000</b>
Insurance Deductibles	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Professional Learning	425,000	425,000	425,000	425,000	425,000	425,000	425,000
Electives 7-8 Grades	225,000	225,000	225,000	225,000	225,000	225,000	225,000
Cost of 1% (Salaries & Statutory Benefits)	577,000	577,000	577,000	577,000	577,000	577,000	577,000
<b>Unassigned/Unappropriated</b>							
Reserve for Economic Uncertainties (REU)	2,542,999	2,392,132	2,379,306	2,402,261	2,475,428	2,529,745	2,662,926
	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
<b>Unassigned/Unappropriated Amount</b>	<b>\$ 10,150,749</b>	<b>\$ 7,433,550</b>	<b>\$ 4,104,685</b>	<b>\$ 2,497,495</b>	<b>\$ 1,919,277</b>	<b>\$ 1,439,573</b>	<b>\$ (810,907)</b>
	11.97%	9.32%	5.18%	3.12%	2.33%	1.71%	-0.91%
<b>TOTAL COMPONENTS OF ENDING FUND BALANCE</b>	<b>\$ 14,130,748</b>	<b>\$ 11,262,682</b>	<b>\$ 7,920,991</b>	<b>\$ 6,336,756</b>	<b>\$ 5,831,705</b>	<b>\$ 5,406,318</b>	<b>\$ 3,289,019</b>
	16.67%	14.12%	9.99%	7.91%	7.07%	6.41%	3.71%

<b>RESTRICTED</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>2022-2023</b>
<b>REVENUES</b>							
Local Control Funding Formula - LCFF	\$ 1,041,447	\$ 1,041,447	\$ 1,041,447	\$ 1,041,447	\$ 1,041,447	\$ 1,041,447	\$ 1,041,447
Federal Revenues	3,763,151	3,613,874	3,700,607	3,794,232	3,895,159	3,998,770	4,105,137
Federal Carryover	1,103,227	201,982	-	-	-	-	-
Other State Revenues	580,997	285,156	291,999	299,387	307,351	315,526	323,919
Prop. 39, CA Clean Energy Jobs Act	466,785	300,000	-	-	-	-	-
Other Local Revenues	3,400,855	3,400,855	3,400,855	3,400,855	3,400,855	3,400,855	3,400,855
<b>Total Revenues</b>	<b>\$ 10,356,462</b>	<b>\$ 8,843,314</b>	<b>\$ 8,434,908</b>	<b>\$ 8,535,921</b>	<b>\$ 8,644,812</b>	<b>\$ 8,756,598</b>	<b>\$ 8,871,359</b>
<b>EXPENSES</b>							
Certificated Salaries	\$ 7,128,603	\$ 7,235,532	\$ 7,344,065	\$ 7,454,226	\$ 7,566,039	\$ 7,679,530	\$ 7,794,723
Classified Salaries	5,130,101	5,207,053	5,285,158	5,364,436	5,444,902	5,526,576	5,609,474
Employee Benefits							
STRS	896,778	1,044,087	1,195,614	1,351,451	1,445,114	1,608,862	1,777,197
PERS	712,468	822,714	988,325	1,158,718	1,355,781	1,459,016	1,536,996
SS	318,066	322,837	327,680	332,595	337,584	342,648	347,787
Medicare	177,751	180,417	183,124	185,871	188,659	191,489	194,361
SUI	6,129	6,221	6,315	6,409	6,505	6,603	6,702
W/C	122,587	124,426	126,292	128,187	130,109	132,061	134,042
H&W	1,085,345	1,139,613	1,196,593	1,256,423	1,319,244	1,385,206	1,454,467
Other Supplies & Materials	1,060,067	520,067	400,067	400,067	400,067	400,067	400,067
State Adopted Textbooks & Instructional Materials (Partially funded w/ Unrestricted funds)	654,258	1,662,242	345,197	-	200,000	-	1,180,788
Services & Other Operating Expenditures	7,147,327	4,246,665	3,186,973	3,086,973	2,986,973	2,886,973	2,786,973
Capital Outlay	4,633,618	300,000	300,000	300,000	300,000	300,000	300,000
Other Outgo	1,396,178	1,396,178	1,396,178	1,396,178	1,396,178	1,396,178	1,396,178
Direct Support/Indirect Costs	603,434	540,285	494,050	497,409	513,143	518,857	557,366
<b>Total Expenses</b>	<b>\$ 31,072,712</b>	<b>\$ 24,748,338</b>	<b>\$ 22,775,631</b>	<b>\$ 22,918,943</b>	<b>\$ 23,590,300</b>	<b>\$ 23,834,065</b>	<b>\$ 25,477,122</b>
<b>Excess/(Deficiency) before Other Financing Sources &amp; Uses</b>	<b>\$ (20,716,250)</b>	<b>\$ (15,905,024)</b>	<b>\$ (14,340,722)</b>	<b>\$ (14,383,021)</b>	<b>\$ (14,945,488)</b>	<b>\$ (15,077,467)</b>	<b>\$ (16,605,763)</b>
<b>OTHER FINANCING SOURCES &amp; USES</b>							
Interfund Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Transfers Out	-	-	-	-	-	-	-
Other Sources	940,972	-	-	-	-	-	-
Other Uses	-	-	-	-	-	-	-
Contributions	15,819,820	14,266,779	14,485,446	14,537,916	14,847,797	15,143,560	16,033,018
<b>Total Other Financing Sources &amp; Uses</b>	<b>\$ 16,760,792</b>	<b>\$ 14,266,779</b>	<b>\$ 14,485,446</b>	<b>\$ 14,537,916</b>	<b>\$ 14,847,797</b>	<b>\$ 15,143,560</b>	<b>\$ 16,033,018</b>
<b>NET INCREASE/(DECREASE) IN FUND BALANCE</b>	<b>\$ (3,955,458)</b>	<b>\$ (1,638,245)</b>	<b>\$ 144,723</b>	<b>\$ 154,895</b>	<b>\$ (97,691)</b>	<b>\$ 66,093</b>	<b>\$ (572,745)</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$ 5,899,189</b>	<b>\$ 1,943,731</b>	<b>\$ 305,486</b>	<b>\$ 450,210</b>	<b>\$ 605,104</b>	<b>\$ 507,413</b>	<b>\$ 573,506</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 1,943,731</b>	<b>\$ 305,486</b>	<b>\$ 450,210</b>	<b>\$ 605,104</b>	<b>\$ 507,413</b>	<b>\$ 573,506</b>	<b>\$ 762</b>
<b>COMPONENTS OF ENDING FUND BALANCE</b>							
Restricted	\$ 1,943,731	\$ 305,486	\$ 450,210	\$ 605,104	\$ 507,413	\$ 573,506	\$ 762
Assigned	-	-	-	-	-	-	-
Unassigned/Unappropriated Amount	-	-	-	-	-	-	-
<b>Total Components of Ending Fund Balance</b>	<b>\$ 1,943,731</b>	<b>\$ 305,486</b>	<b>\$ 450,210</b>	<b>\$ 605,104</b>	<b>\$ 507,413</b>	<b>\$ 573,506</b>	<b>\$ 762</b>

**8. 2015-16 Comparison of Unduplicated Pupil Count for Stanislaus County Schools (Yvonne Perez and Cheryl Phan) (5 min)**

The current fiscal year data is not yet available for county wide comparison. 2015-16 data is presented. It is expected that results will not vary significantly over a one year period.

Source:FCMAT LCFF Calculator Version 17.2b - Does not include any 2015-16 adjustments or corrections except for SUSD

	County Code	District Code	Local Educational Agency	District Type	2015-16 P-2 ADA	2015-2016			
						UPP Single Year	Funded UPP (3-Year Ave.)	ADA (w/ SCOE)	Funded ADA (w/ SCOE)
1	50	75556	Riverbank Unified	Unified	2,159.28	85.16%	85.93%	2,190.48	2,190.48
2	50	71175	Modesto City High	High	13,888.79	63.97%	63.90%	14,424.13	14,424.13
3	50	75572	Waterford Unified	Unified	1,701.96	79.60%	78.34%	1,753.60	1,753.60
4	50	71043	Ceres Unified	Unified	12,601.00	86.12%	86.18%	12,721.72	12,721.72
5	50	71050	Chatom Union	Elem.	589.06	85.43%	83.45%	591.89	591.89
6	50	71134	Keyes Union	Elem.	730.32	92.85%	93.01%	735.76	735.76
7	50	71068	Denair Unified	Unified	492.67	56.08%	61.07%	498.54	646.47
8	50	71167	Modesto City Elementary	Elem.	14,592.88	87.50%	87.79%	14,630.10	14,637.07
9	50	71076	Empire Union Elementary	Elem.	2,869.48	84.81%	84.48%	2,908.27	2,912.49
10	50	71217	Patterson Joint Unified	Unified	5,451.00	77.05%	74.35%	5,509.79	5,565.79
11	50	73601	Newman-Crows Landing Unified	Unified	2,831.47	69.27%	71.97%	2,843.70	2,843.70
12	50	75739	Turlock Unified	Unified	13,206.83	64.64%	65.98%	13,381.77	13,381.77
13	50	71266	Salida Union Elementary	Elem.	2,242.45	73.20%	72.54%	2,283.41	2,383.26
14	50	75549	Hughson Unified	Unified	2,036.63	56.26%	55.87%	2,061.34	2,098.17
15	50	71282	Stanislaus Union Elementary	Elem.	3,269.86	69.56%	69.95%	3,302.89	3,302.89
16	50	75564	Oakdale Joint Unified	Unified	5,006.29	42.92%	43.78%	5,059.05	5,059.05
17	50	71092	Hart-Ransom Union Elementary	Elem.	779.16	56.33%	57.01%	782.67	787.54
18	50	71290	Sylvan Union Elementary	Elem.	7,865.44	55.70%	55.00%	7,954.53	8,047.42

	Local Educational Agency	Base Funding		Supplemental		Concentration		Add-ons (TIIG, H2S Transp.)		Total LCFF Funding	\$ per ADA
		Total Base	Base Per ADA	Total Supp.	Supp. Per ADA	Total Conc.	Conc. Per ADA	Total Add-ons	Add-ons Per ADA		
1	Riverbank Unified	\$15,776,111.00	\$7,202.13	\$2,711,283.00	\$1,237.76	\$2,439,775.00	\$1,113.81	\$257,191.00	\$117.41	\$21,184,360.00	\$9,671.10
2	Modesto City High	\$113,799,345.00	\$7,889.51	\$14,543,556.00	\$1,008.28	\$5,064,071.00	\$351.08	\$1,175,998.00	\$81.53	\$134,582,970.00	\$9,330.40
3	Waterford Unified	\$12,490,360.00	\$7,122.70	\$1,956,989.00	\$1,115.98	\$1,457,624.00	\$831.22	\$349,884.00	\$199.52	\$16,254,857.00	\$9,269.42
4	Ceres Unified	\$88,085,382.00	\$6,924.02	\$15,182,397.00	\$1,193.42	\$13,732,510.00	\$1,079.45	\$828,057.00	\$65.09	\$117,828,346.00	\$9,261.98
5	Chatom Union	\$3,956,927.00	\$6,685.24	\$660,412.00	\$1,115.77	\$562,873.00	\$950.98	\$268,864.00	\$454.25	\$5,449,076.00	\$9,206.23
6	Keyes Union	\$4,844,665.00	\$6,584.57	\$901,205.00	\$1,224.86	\$920,729.00	\$1,251.40	\$73,126.00	\$99.39	\$6,739,725.00	\$9,160.22
7	Denair Unified	\$4,957,325.00	\$7,668.30	\$605,487.00	\$936.60	\$150,455.00	\$232.73	\$138,951.00	\$214.94	\$5,852,218.00	\$9,052.57
8	Modesto City Elementary	\$97,389,331.00	\$6,653.61	\$17,099,619.00	\$1,168.24	\$15,966,981.00	\$1,090.86	\$1,558,828.00	\$106.50	\$132,014,759.00	\$9,019.21
9	Empire Union Elementary	\$19,308,940.00	\$6,629.70	\$3,262,438.00	\$1,120.15	\$2,846,138.00	\$977.22	\$450,624.00	\$154.72	\$25,868,140.00	\$8,881.80
10	Patterson Joint Unified	\$38,858,540.00	\$6,981.68	\$5,778,264.00	\$1,038.17	\$3,759,564.00	\$675.48	\$460,240.00	\$82.69	\$48,856,608.00	\$8,778.02
11	Newman-Crows Unified	\$19,892,707.00	\$6,995.36	\$2,863,357.00	\$1,006.91	\$1,687,897.00	\$593.56	\$216,755.00	\$76.22	\$24,660,716.00	\$8,672.05
12	Turlock Unified	\$95,849,873.00	\$7,162.72	\$12,648,350.00	\$945.19	\$5,262,159.00	\$393.23	\$1,123,848.00	\$83.98	\$114,884,230.00	\$8,585.13
13	Salida Union Elementary	\$16,066,336.00	\$6,741.33	\$2,330,903.00	\$978.03	\$1,409,018.00	\$591.21	\$218,355.00	\$91.62	\$20,024,612.00	\$8,402.19
14	Hughson Unified	\$15,496,123.00	\$7,385.54	\$1,731,538.00	\$825.26	\$67,408.00	\$32.13	\$240,822.00	\$114.78	\$17,535,891.00	\$8,357.71
15	Stanislaus Union Elem	\$22,085,747.00	\$6,686.79	\$3,089,796.00	\$935.48	\$1,650,910.00	\$499.84	\$305,500.00	\$92.49	\$27,131,953.00	\$8,214.61
16	Oakdale Joint Unified	\$37,016,994.00	\$7,316.99	\$3,241,209.00	\$640.68	\$0.00	\$0.00	\$568,887.00	\$112.45	\$40,827,090.00	\$8,070.11
17	Hart-Ransom Union Elem	\$5,384,951.00	\$6,837.69	\$613,992.00	\$789.63	\$54,119.00	\$68.72	\$123,462.00	\$156.77	\$6,176,524.00	\$7,842.81
18	Sylvan Union Elem	\$54,635,919.00	\$6,789.25	\$6,009,951.00	\$746.82	\$0.00	\$0.00	\$646,311.00	\$80.31	\$61,292,181.00	\$7,616.38



- All districts receive supplemental dollars to their base funding for targeted students. The funds must be used to increase and improve services for those students.
- The Sylvan Union School District and Oakdale Join Unified are the only two districts in the county with UPP's less than 55%. As a result our two districts are not eligible for the "Concentration" factor in the funding formula.
- The Sylvan School District receives the lowest per pupil funding in the county at \$7,616.38 per pupil as compared to Riverbank that has a very high UPP generating additional dollars for their district at \$9,671.10 per pupil (See last column of table).
- Riverbank, receives \$2,054 more dollars per ADA than the Sylvan District.
- Districts are required to utilize supplemental and concentration funds to increase or improve services for economically disadvantaged students, English learners, and foster youth.
- The district's lower per pupil funding, requires us to be very strategic in our choices for providing excellent and quality services to not only our targeted students but for all students.

#### **9. Local Control and Accountability Plan (LCAP) (Information)**

See attached report provided by Marti Reed.

#### **10. Financial impacts to consider as we plan the 2017-18 budget and Multi-Year Projection (Debra Hendricks) (5 min)**

- The district is in good financial standing and remains fiscally solvent as we enter the 2017-18 fiscal year budget planning cycle, but there are large financial impacts that must be planned in order to retain financial health.
- Increases to STRS contribution requirement: Estimated at \$2.9 over a four year period.
- Increases to PERS contribution requirement: Estimated at \$2 million over a seven year period.
- Increase of minimum wage to \$15.00 to be increased \$1.00/hour each year beginning January 2017 through January 2022. The financial impact is unknown at this time, but is under review by staff.
- Increases to health benefits.
- Increasing contribution to Special Education: \$11.3 million as of First Interim Budget Report
- Textbook adoption schedule: Estimated at \$7.1 million over a six year period. \$2.6 million is budgeted for the current fiscal year for the Language Arts adoption and annual expenditures for instructional materials and supplies.
- Facilities in need of repair beyond the 3% required contribution.
- LCFF target GAP is estimated at 96% implementation, resulting in flattening year over year increases to revenue.
- Economic concerns at both a national and state level are evident. Although we cannot predict the next recession, it will occur again, and we need to be fiscally ready.
- Reserve balances: District must retain a sufficient reserve to maintain fiscal solvency.
- Federal fiscal policy is uncertain.