

## Response to board questions from Budget Study Session held on January 31<sup>st</sup>, 2017

### Mr. Rawe

Why is there a \$2,054 per ADA difference between Riverbank and Sylvan USD?

- We plan to provide a side-by-side comparison between SUSD and a comparable elementary school district. We will forward this information once we have compiled the data.
- In the meantime, we have provided a quick summary and generalization of why there is a gap in total LCFF funding per ADA between Sylvan and other school districts:
- Below is the same table provided at the Budget Study Session, but sorted from highest to lowest per ADA by **Base Funding**.

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

Local Educational Agency	District Type	2015-2016		Base Funding		Supplemental		Concentration		Add-ons (TIG, H2S Transp.)		Total LCFF Funding	\$ per ADA
		UPP Single Year	Funded UPP (3-Year Ave.)	ADA (w/ SCOE)	Funded ADA (w/ SCOE)	Total Base	Base Per ADA	Total Supp.	Supp. Per ADA	Total Conc.	Conc. Per ADA		
1 Modesto City High	High	63.97%	63.90%	14,424.13	14,424.13	\$113,799,345.00	\$7,889.51	\$14,543,556.00	\$1,008.28	\$5,064,071.00	\$351.08	\$1,175,998.00	\$9,330.40
2 Denair Unified	Unified	56.08%	61.07%	498.54	646.47	\$4,957,325.00	\$7,668.30	\$605,487.00	\$936.60	\$150,455.00	\$232.73	\$138,951.00	\$9,052.57
3 Hughson Unified	Unified	56.26%	55.87%	2,061.34	2,098.17	\$15,496,123.00	\$7,385.54	\$1,731,538.00	\$825.26	\$67,408.00	\$32.13	\$240,822.00	\$8,357.71
4 Oakdale Joint Unified	Unified	42.92%	43.78%	5,059.05	5,059.05	\$37,016,994.00	\$7,316.99	\$3,241,209.00	\$640.68	\$0.00	\$0.00	\$568,887.00	\$8,070.11
5 Riverbank Unified	Unified	85.16%	85.93%	2,190.48	2,190.48	\$15,776,111.00	\$7,202.13	\$2,711,283.00	\$1,237.76	\$2,439,775.00	\$1,113.81	\$257,191.00	\$9,671.10
6 Turlock Unified	Unified	64.64%	65.98%	13,381.77	13,381.77	\$95,849,873.00	\$7,162.72	\$12,648,350.00	\$945.19	\$5,262,159.00	\$393.23	\$1,123,848.00	\$8,585.13
7 Waterford Unified	Unified	79.60%	78.34%	1,753.60	1,753.60	\$12,490,360.00	\$7,122.70	\$1,956,989.00	\$1,115.98	\$1,457,624.00	\$831.22	\$349,884.00	\$9,269.42
8 Newman-Crows Landing Unified	Unified	69.27%	71.97%	2,843.70	2,843.70	\$19,892,707.00	\$6,995.36	\$2,863,357.00	\$1,006.91	\$1,687,897.00	\$593.56	\$216,755.00	\$8,672.05
9 Patterson Joint Unified	Unified	77.05%	74.35%	5,509.79	5,565.79	\$38,858,540.00	\$6,981.68	\$5,778,264.00	\$1,038.17	\$3,759,564.00	\$675.48	\$460,240.00	\$8,778.02
10 Ceres Unified	Unified	86.12%	86.18%	12,721.72	12,721.72	\$88,085,382.00	\$6,924.02	\$15,182,397.00	\$1,193.42	\$13,732,510.00	\$1,079.45	\$828,057.00	\$9,261.98
11 Hart-Ransom Union Elementary	Elem.	56.33%	57.01%	782.67	787.54	\$5,384,951.00	\$6,837.69	\$613,992.00	\$779.63	\$54,119.00	\$68.72	\$123,462.00	\$7,842.81
12 Sylvan Union Elementary	Elem.	55.70%	55.00%	7,954.53	8,047.42	\$54,635,919.00	\$6,789.25	\$6,009,951.00	\$746.82	\$0.00	\$0.00	\$646,311.00	\$7,616.38
13 Salida Union Elementary	Elem.	73.20%	72.54%	2,283.41	2,383.26	\$16,066,336.00	\$6,741.33	\$2,330,903.00	\$978.03	\$1,409,018.00	\$591.21	\$218,355.00	\$8,402.19
14 Stanislaus Union Elementary	Elem.	69.56%	69.95%	3,302.89	3,302.89	\$22,085,747.00	\$6,686.79	\$3,089,796.00	\$935.48	\$1,650,910.00	\$499.84	\$305,500.00	\$8,214.61
15 Chatham Union	Elem.	85.43%	83.45%	591.89	591.89	\$3,956,927.00	\$6,685.24	\$660,412.00	\$1,115.77	\$562,873.00	\$950.98	\$268,864.00	\$9,206.23
16 Modesto City Elementary	Elem.	87.50%	87.79%	14,630.10	14,637.07	\$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	\$9,019.21
17 Empire Union Elementary	Elem.	84.81%	84.48%	2,908.27	2,912.49	\$19,308,940.00	\$6,629.70	\$3,262,438.00	\$1,120.15	\$2,846,138.00	\$977.22	\$450,624.00	\$8,881.80
18 Keyes Union	Elem.	92.85%	93.01%	735.76	735.76	\$4,844,665.00	\$6,584.57	\$901,205.00	\$1,224.86	\$920,729.00	\$1,251.40	\$73,126.00	\$9,160.22

- o In general, high school districts receive the most funding, then unified, and elementary school districts receive the least.
  - o Within elementary school districts, Sylvan is second from the highest for base funding per ADA.
  - o For supplemental and concentration, Sylvan is one of the lowest or is the lowest per ADA.
  - o The UPP (unduplicated pupil percentage) has a big impact on how much LCFF a school district will receive.
- Below is a summary of what was reported to CALPADS in 2015-16 for each school district's demographics in Stanislaus county:

### 2015-16 CALPADS Data

Pupil counts are DISTRICT ONLY, they do NOT include county enrollment numbers

LCFF calculations included county office enrollment

District Name	[1] Total Enrollment	Foster	Unduplicated FRPM Eligible Count	English Learner (EL)	[2] CALPADS Unduplicated Pupil Count (UPC)	= [2] / [1] = CALPADS UPC Total Enrollment
1 Keyes Union	763	2 0.26%	692 90.69%	352 46.13%	709	92.92%
2 Modesto City Elementary	15,272	54 0.35%	13,115 85.88%	5,977 39.14%	13,360	87.48%
3 Ceres Unified	13,288	56 0.42%	10,982 82.65%	4,087 30.76%	11,440	86.09%
4 Chatham Union	610	2 0.33%	507 83.11%	346 56.72%	521	85.41%
5 Riverbank Unified	2,280	12 0.53%	1,843 80.83%	996 43.68%	1,941	85.13%
6 Empire Union Elementary	3,035	13 0.43%	2,451 80.76%	759 25.01%	2,573	84.78%
7 Waterford Unified	1,777	11 0.62%	1,365 76.81%	607 34.16%	1,416	79.68%
8 Patterson Joint Unified	5,753	32 0.56%	4,209 73.16%	1,745 30.33%	4,431	77.02%
9 Salida Union Elementary	2,344	13 0.55%	1,626 69.37%	742 31.66%	1,717	73.25%
10 Stanislaus Union Elementary	3,389	19 0.56%	2,201 64.95%	809 23.87%	2,356	69.52%
11 Newman-Crows Landing Unified	2,940	8 0.27%	1,778 60.48%	1,035 35.20%	2,036	69.25%
12 Turlock Unified	13,862	83 0.60%	8,340 60.16%	3,706 26.73%	8,956	64.61%
13 Modesto City High	14,766	64 0.43%	9,212 62.39%	1,389 9.41%	9,376	63.50%
14 Hart-Ransom Union Elementary	811	7 0.86%	443 54.62%	92 11.34%	456	56.23%
15 Hughson Unified	2,120	12 0.57%	1,151 54.29%	503 23.73%	1,190	56.13%
16 Sylvan Union Elementary	8,217	33 0.40%	4,305 52.39%	1,208 14.70%	4,572	55.64%
17 Denair Unified	508	1 0.20%	280 55.12%	53 10.43%	284	55.91%
18 Oakdale Joint Unified	5,249	10 0.19%	2,133 40.64%	566 10.78%	2,236	42.60%

Source: California Department of Education website

<http://www.cde.ca.gov/ds/sd/sd/files/cupc.asp>

Posted August 17, 2016

Why are books so expensive? Using technology vs. actual textbooks?

- Estimates used for 2017-18 were based on language arts adoption costs increased for the expectation that science textbooks and materials will be more expensive than language arts.
- Furthermore, we added additional costs for new science equipment and materials.
- Additional explanation on this question will be provided in a future update.

Why do we have to absorb all the STRS and PERS costs?

- This has been a concern for several years now. The Governor and state legislature are aware of this financial burden imposed on school districts, but have not addressed it in the state budget and have not provided funding for the increased cost. School district advocates, lobbyists, organizations, and consultants have cautioned districts of this predicament we are facing.
- Employees and the State do contribute to STRS and PERS.
- The table below shows employees historical, current, and projected contributions to STRS

Employee Contributions			Historical		Current	PROJECTED				
			2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
STRS	Hired BEFORE 01/01/2013	2% at age 60	8.15%	9.2%	10.25%	10.25%	10.25%	10.25%	10.25%	10.25%
	Hired on or AFTER 01/01/2013	2% at age 62	8.15%	8.56%	9.205%	9.705%	10.205%	10.205%	10.205%	10.205%

- We could not locate any projected changes for employee contributions to PERS, however, we have provided the current and historical rates below:

Employee Contributions		Historical		Current
		2014-15	2015-16	2016-17
PERS	Classic	7.00%	7.00%	7.00%
	New	6.00%	6.00%	6.00%

- While the State does contribute to PERS, we could not locate the projected rates. We have provided the State's current and projected contribution to STRS:

State Contributions	Current	PROJECTED				
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
STRS	8.828%	9.328%	9.828%	10.328%	10.828%	11.328%

#### Mrs. Lindsey

Will teachers also have an increase in their STRS contribution?

- See response above.

Buses need to be updated to the latest standards, will there be another standard, or more changes to the standards for buses in the future?

- All buses have to comply with low emission standards by 2023. Based on current information available, we believe there will not be additional standards placed on buses after 2023. However, it is impossible for us to know. This year we replaced three buses that were extremely old. The replacement buses comply with the 2023 standards. An 84 passenger bus costs \$191,000. We have three more buses to replace over the next few years to be compliant with the 2023 standard.

#### Mrs. Miyakawa

For enrollment projections, is the new housing development included in the projections?

- No, projections provided with the January 31 Budget Study Session only include current enrollment projected over the next few years. New housing development projections have been provided to the board as part of the facility inventory. The completed facility inventory is a component of the Facilities Master Plan that is under development.

Page 4, instructional materials of \$2.6 million, is this the total or on top of \$350,000 ongoing consumables?

- \$2.6 million is the total for textbooks and consumables.

Page 8, home-to-school transportation as add-on, is this additional funding?

- Home-to-school transportation was folded into the LCFF calculation in what the CDE had called as an “add-on.” It is built into the LCFF calculation as a standalone revenue source along with TIIG (Targeted Instructional Improvement Block Grant). It does not increase with COLA, therefore, the amount received in 2012-13 has been the same amount since then. While transportation cost has increased over the years, funding remains the same. In essence, the general fund has to cover the additional cost the transportation add-on does not cover. We can show this when we do a side-by-side LCFF comparison.

Page 9, how will the repeal of the Affordable Care Act (ACA) affect Health & Welfare costs?

- There is so much uncertainty with the Trump administration that we do not have an answer at this moment. Before ACA, H&W costs have increased over the years, so we can expect to see that trend to continue. We will continue to keep everyone posted as we receive more information.

### **Mrs. Zeek**

Housing and developing question similar to Mrs. Miyakawa.

PERS and STRS question similar to Mr. Rawe.

LCFF was originally to get us to 2008 funding levels, but now looks doubled. Why?

- This is due to inflation. LCFF targets will only bring districts to the 2008 funding level adjusted for inflation. A dollar in 2008 is worth more than a dollar in 2017. It is a similar concept to purchasing a house 20 years ago. Houses cost less, and salaries were less than they are today.
- State paid maintenance factor – amount owed to districts for previous cuts and deficits
- LCFF combined revenue limit and many state categorical programs. Prior to LCFF, revenue limit would be under unrestricted sources and separated from the state categorical programs which would be in restricted sources. Therefore there are more dollars in LCFF that were previously in restricted categories, with the intent that we still meet all the needs that the categorical programs provided.

### **2015-16 Audit Report Question**

Below is the response from Sarah Fiehler regarding the sample size for the income verification audit process:

- Our initial sample for the Unduplicated Pupil Count was 60 students tested out of a total testing population of 357.
  - This testing population was the students at the school sites we visited for Attendance Testing who are only on the Unduplicated Pupil Count because they are Free/Reduced Meal Status.
  - We noted an error of 2 students.
- Because we identified that the error was isolated to students that had been moved to paid status after the income verification process. The additional test was focused on students that were selected for the income verification process.
  - For the income Verification process, 86 students were selected (56 meal applications). Of these 86 students, 53 of these students’ families had their status changed to Paid Status following the meal application process.
  - Then of these 53 student’s, 34 of these students fell into our population of testing (Student’s only designated as Free or reduced on the Unduplicated Pupil Count).
- This gave us an error rate of 36 misclassified students (2 students from the initial sample and 34 students from the additional sample of the students changed after the income verification process) out of a total testing population of 1,695
  - The total testing population is for all sites with students designated as Not Direct Certification, Not Foster Youth, Not Homeless, Not EL, and Free/Reduced for the NSLP Program.