

West Contra Costa Unified School District
June 14, 2017



2017-18

Budget Public Hearing June 14, 2017

Board Adoption June 28, 2017

Budget Development Factors

- Student Enrollment Generates...
 - Staffing Plans
 - Revenues
 - Per Pupil Allocations
- Subset of Student Enrollment
 - Unduplicated Student Count
 - Special Education Population

Guiding Budget Development

- Local Contracts with employee unions
 - United Teachers of Richmond
 - Local 1
 - School Supervisors Association (SSA)
 - West Contra Costa Administrators (WCCAA)
- Availability of Special Resources
 - Grants
 - Special Resources (such as Parcel Tax)

2017-18 Adopted Budget

- Executive Summary
- State Forms
 - Includes all funds of the district
 - Documentation of revenue calculations
 - Criteria and Standards
- Multi-Year Projection
 - Three year completed with up-to-date demographic projections
 - Working on a more accurate 5 year projection but demographics get less reliable the further out we work

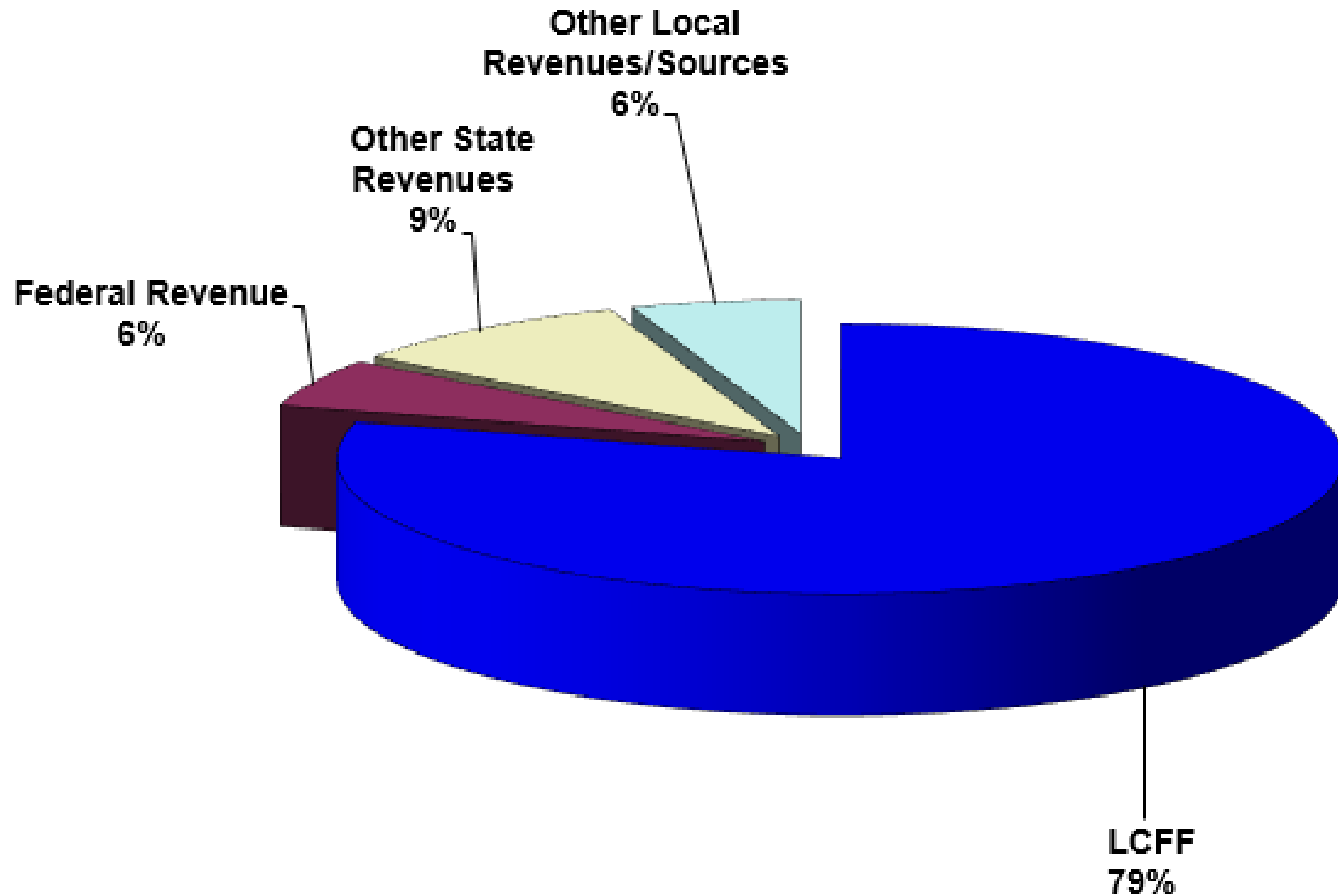
2017-18 Adopted Budget

- Closing Out 2016-17
- Ending Fund Balance
 - Unrestricted \$47.4 million
 - Restricted \$13.5 million
- Fund balances are subject to change based upon the closing of the books which will be final in September
- Fund balances are not necessarily uncommitted \$\$

Revenues

- Local Control Funding Formula
 - Based upon average daily attendance (ADA) 27,119
 - Unduplicated Student Count – 74.11%
- Lottery \$189 per pupil
- Locally Restricted
 - Parcel Tax \$9.7 Million
 - MRAD \$5.6 Million

**2017-18 ADOPTED BUDGET TOTAL GENERAL FUND
REVENUES & OTHER SOURCES by OBJECT
\$336,561,616**



Local Control Funding Formula

- Target vs Phase in entitlement calculation

Summary of Funding		2017-18	2018-19	2019-20
Target		\$ 276,358,062	\$ 279,558,944	\$ 284,694,004
Total Phase-In Entitlement		\$ 267,138,118	\$ 275,565,145	\$ 281,964,238
Base/TIIG/Transportation		\$ 216,100,730	\$ 222,608,571	\$ 227,699,043
Supplemental/Concentration		\$ 51,037,388	\$ 52,956,574	\$ 54,265,195
Total Funding		\$ 267,138,118	\$ 275,565,145	\$ 281,964,238
Estimated Percent toward Target		97%	99%	99%

This funding level assumes the State will fund the target “gap”

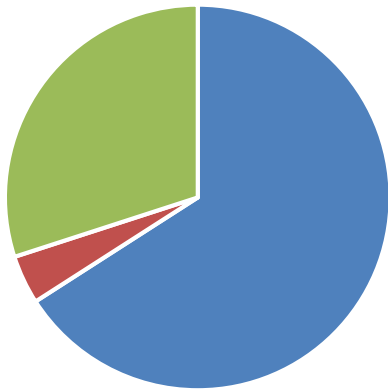
2017-18: 43.97% - **2018-19:** 71.53% - **2019-20:** 73.51%

How far away is our target?

- LCFF full implementation is still scheduled for 20-21
- The 2017-18 Funding Target as of Governor's May Revision is \$276.3 million
- The 2017-18 Estimated Funding \$267.1 million
 - **The Funding “Gap” is \$9.2 million**
- Each year the LCFF base grants are adjusted, but not necessarily funded. That will be a decision of the State Legislature based upon funds available.
- LCFF is tied to the annual unduplicated pupil count, which will vary

Local Progress Towards Full LCFF Implementation: West Contra Costa Unified

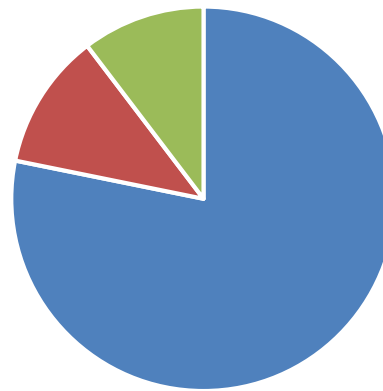
Year 1: 2013-14



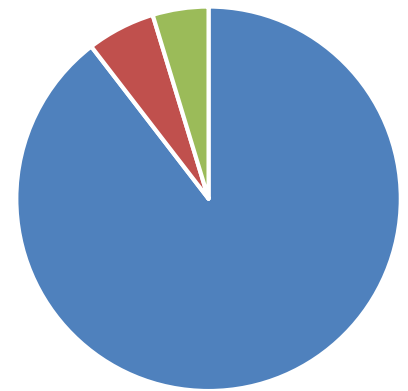
Year 2: 2014-15



Year 3: 2015-16



Year 4: 2016-17

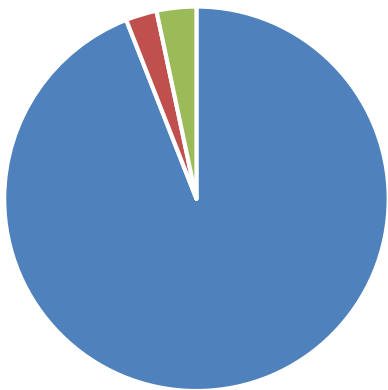


 Floor

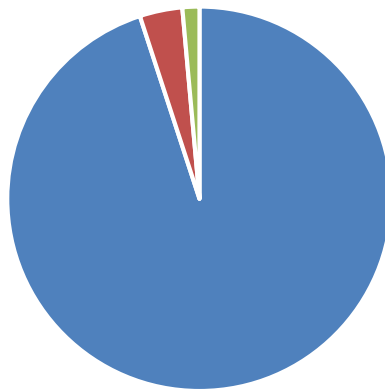
 Gap

 Remaining Need after Gap

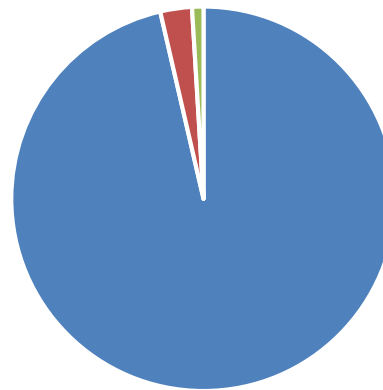
Year 5: 2017-18



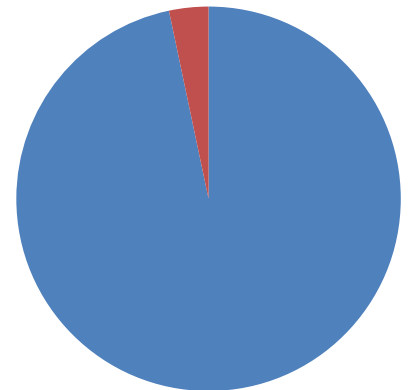
Year 6: 2018-19



Year 7: 2019-20



Year 8: 2020-21



Multi Year Projection

- 2018-19 Assumptions
- Funded ADA: 26,934
- LCFF Gap Funding Rate: 71.53%
- District Unduplicated Percentage: 73.99%
- Estimated Supplies Increase: California CPI 3.19%
- Step and Column: 1.0%
- CalPERS Rate: 18.1%
- Cal STRS Rate: 16.28%
- Active Health Benefits: 0%
- Retiree Health Benefits: 0%
- Reserve for economic uncertainty 6%

Multi Year Projection

- 2019-20 Assumptions
- Funded ADA: 26,805
- LCFF Gap Funding Rate: 73.51%
- District Unduplicated Percentage: 74%
- Estimated Supplies Increase: California CPI 2.86%
- Step and Column: 1.0%
- CalPERS Rate: 20.8%
- Cal STRS Rate: 18.3%
- Active Health Benefits: 0%
- Retiree Health Benefits: 0%
- Reserve for economic uncertainty 6%

Multi Year Projection

Unrestricted General Fund

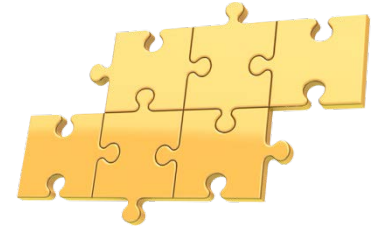
Chart in Thousands			
	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Revenues	\$218,849	\$227,048	\$233,297
Expenses	\$225,169	\$233,448	\$239,939
Excess/(Deficit) Spending	(\$6,319)	(\$6,339)	(\$6,642)
Beginning Fund Balance	\$47,491	\$41,172	\$34,772
Use/Increase to Fund Balance	(\$6,319)	(\$6,339)	(\$6,642)
Ending Fund Balance	\$41,172	\$34,772	\$28,130
Required Reserve	\$10,498	\$10,619	\$11,044
Assigned Reserve	\$1,288	\$1288	\$1288
Stores & Revolving Cash	\$300	\$300	\$300
Balance	\$29,086	\$22,566	\$15,499

Structural Deficit

- Defined as having ongoing programs and financial commitments for a given year that exceed that particular year's revenue
- Ending Fund Balance or Special Reserve Funds can be used to address the deficit

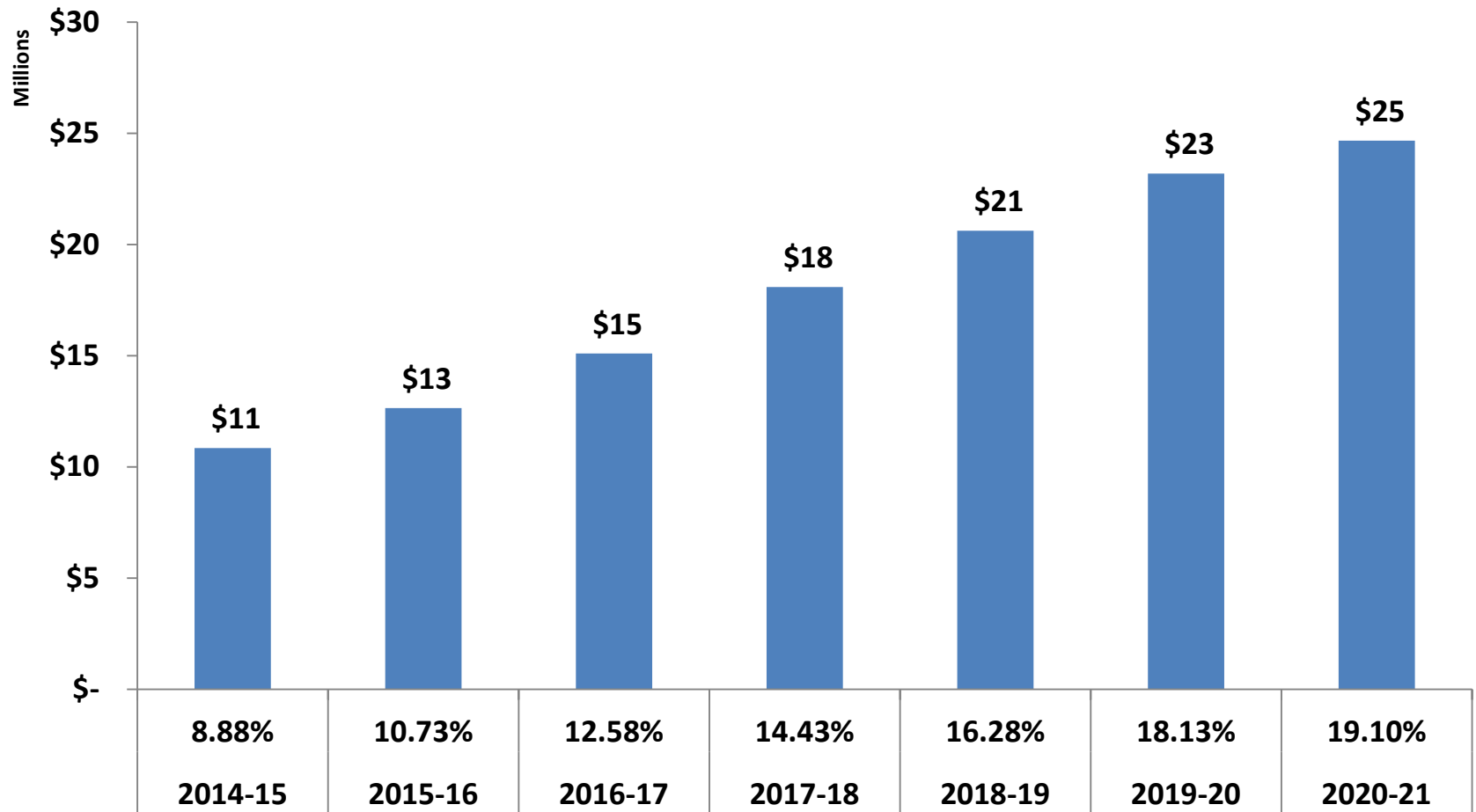


Structural Deficit

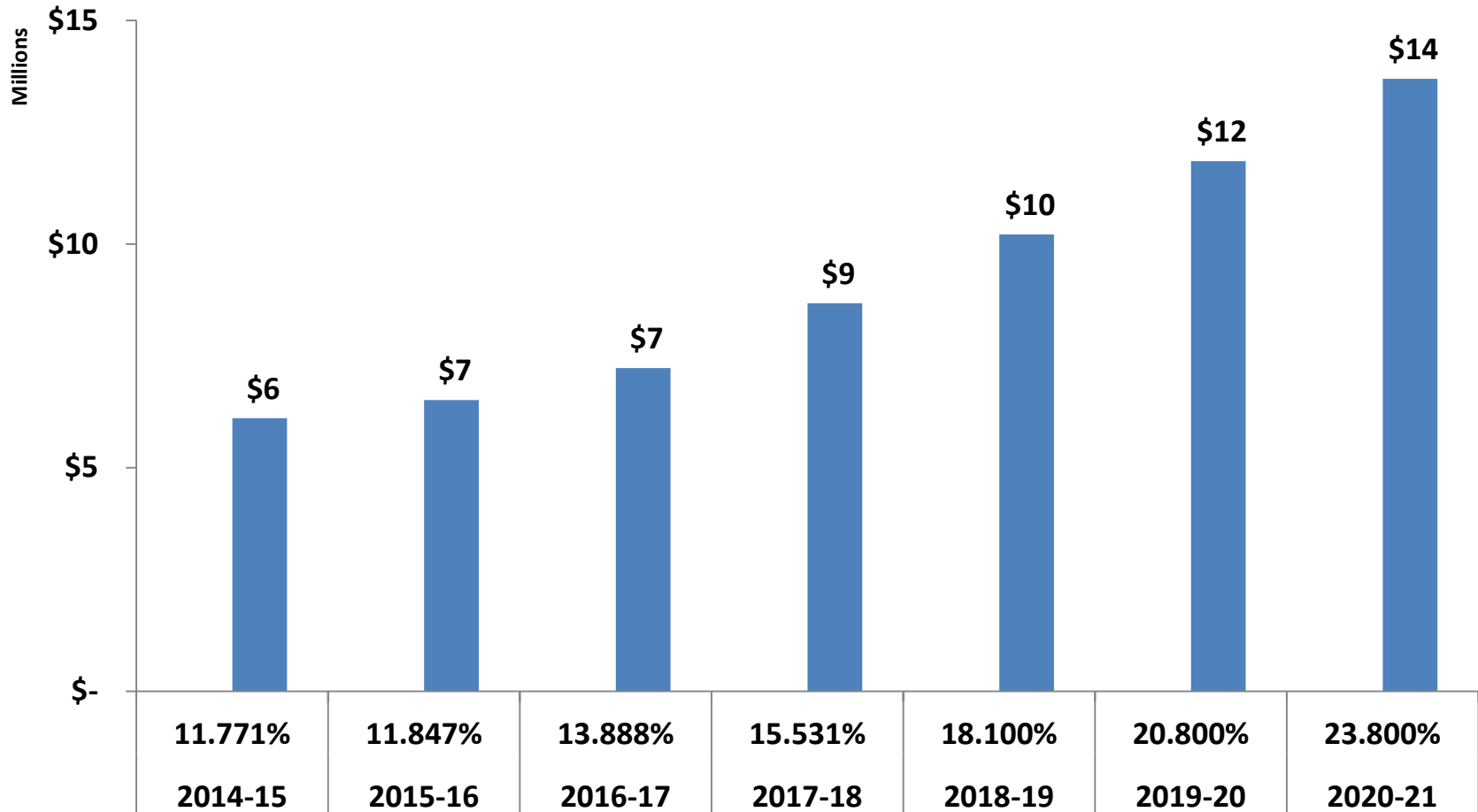


- The Board needs to be aware of the use of one-time funds and prepare plans for reducing commitments as one-time funds are depleted
- 2017-18 the District is projected to deficit spend by \$6.3 million
- 2018-19 the District is projected to deficit spend by \$6.4 million
- 2019-20 the District is projected to deficit spend by \$6.6 million

STRS Multi Year Rates



PERS Multi Year Rates



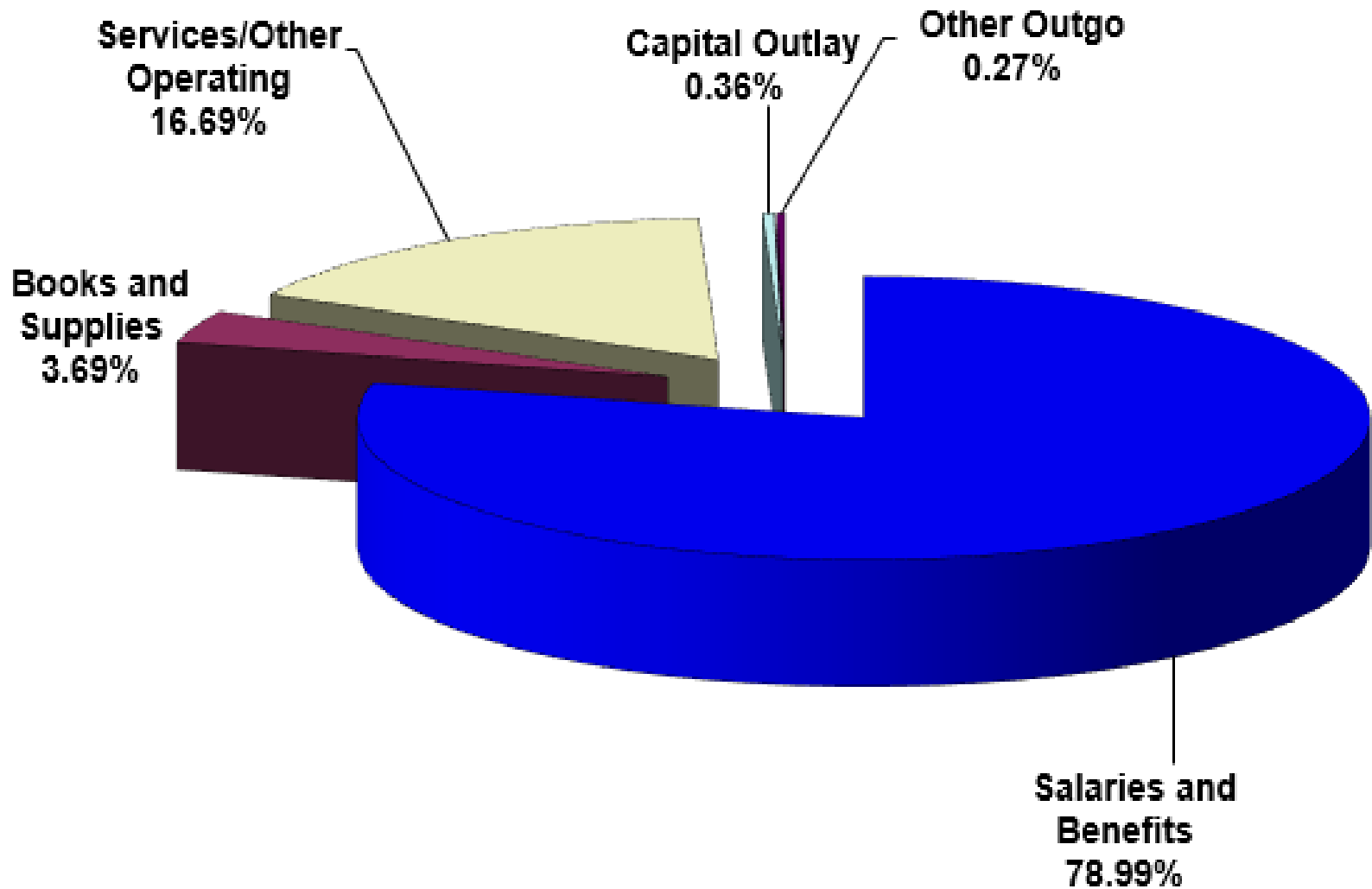
Future Funding Concerns

- Higher volatility and risk in the funding model as years progress
 - Student Demographic Changes
 - Legislative Support must continue over time
 - Economic Stability and Growth – much of the increase in base funding is being supported by capital gains
- “Full Implementation” in the next 1-3 years currently means revenue will only grow by COLA while expenses continue to grow at higher rates. Full implementation does not mean adequate funding; rather it means full implementation of the LCFF plan from ‘13-’14.

Budget Areas by Object

- Grouping Budget
 - Classifies expenses by type
 - Salaries & Benefits (Total Compensation)
 - Supplies
 - Contracted Services
 - Capital Outlay

**2017-18 ADOPTED BUDGET TOTAL GENERAL FUND
EXPENDITURES & OTHER USES by OBJECT
\$343,993,428**

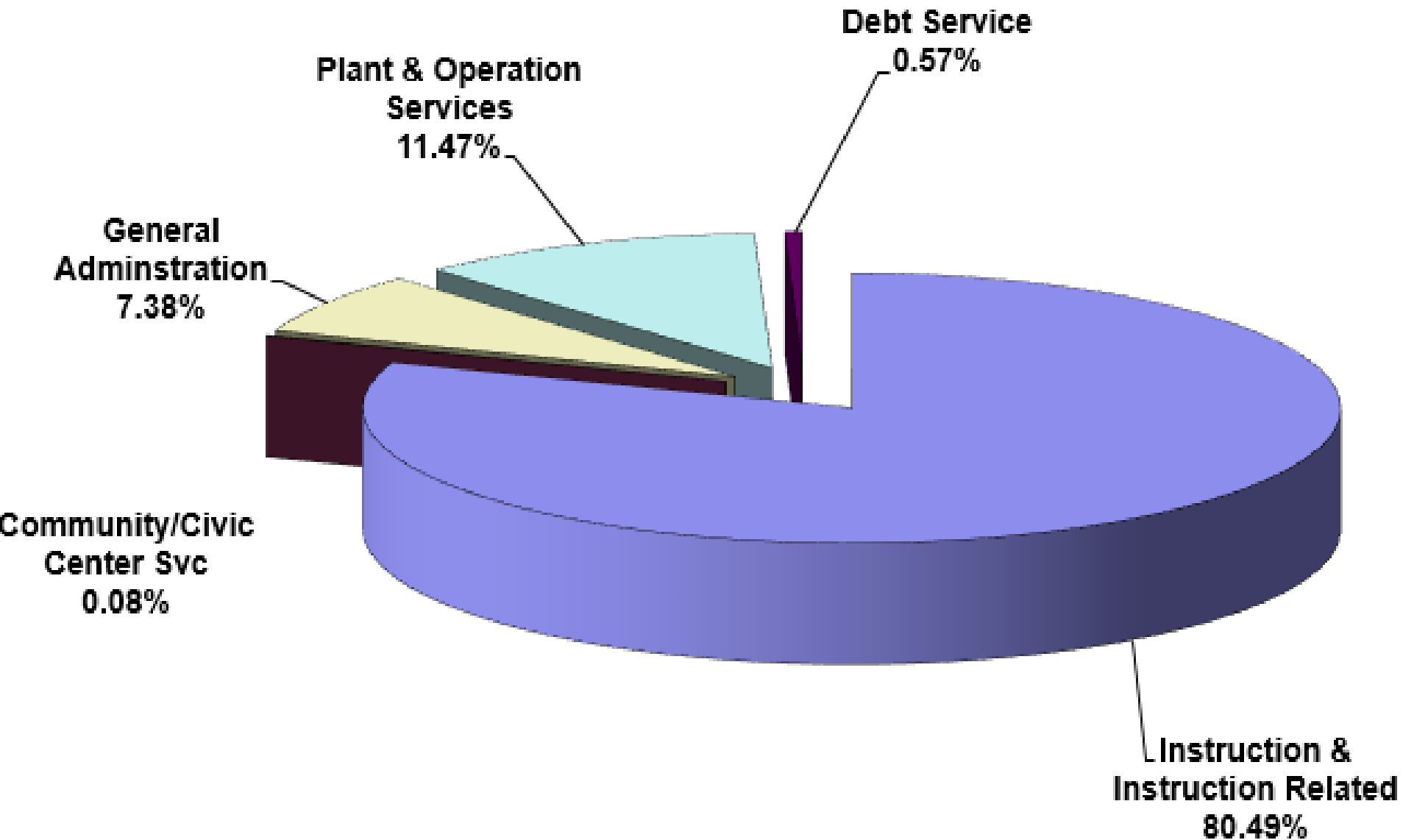


Budget by Function

- Grouping Budget Areas
 - Activity Based - Function
 - Instruction & Instruction Related
 - Plant Maintenance & Operations
 - General Administration
 - Debt Service

**2017-18 ADOPTED BUDGET TOTAL GENERAL FUND
EXPENDITURES BY FUNCTION**

\$343,993,428



Special Reserve Summary

	2017-18 Adopted Budget
Special Reserve Fund – 17	
Balance June 30, 2017	\$13,888,319
3% Reserve	\$10,497,964
Technology Replacement	\$3,200,000
Unassigned Special Reserve Fund Balance Projection June 2018	\$190,355

The 2017-18 budget includes 6% as a designated reserve using both general and special reserve funds.



Fund Review

- Review of Budget Fund Schedules
 - Schedule 2
 - Adult Ed, Child Development, Cafeteria, Deferred Maintenance, Special Reserve
 - Schedule 3
 - Building, Capital Facility, County School Facility, Special Reserve for Capital Outlay
 - All funds are estimated to have positive ending fund and cash balances for 17-18, moving into the 2018-19 budget year

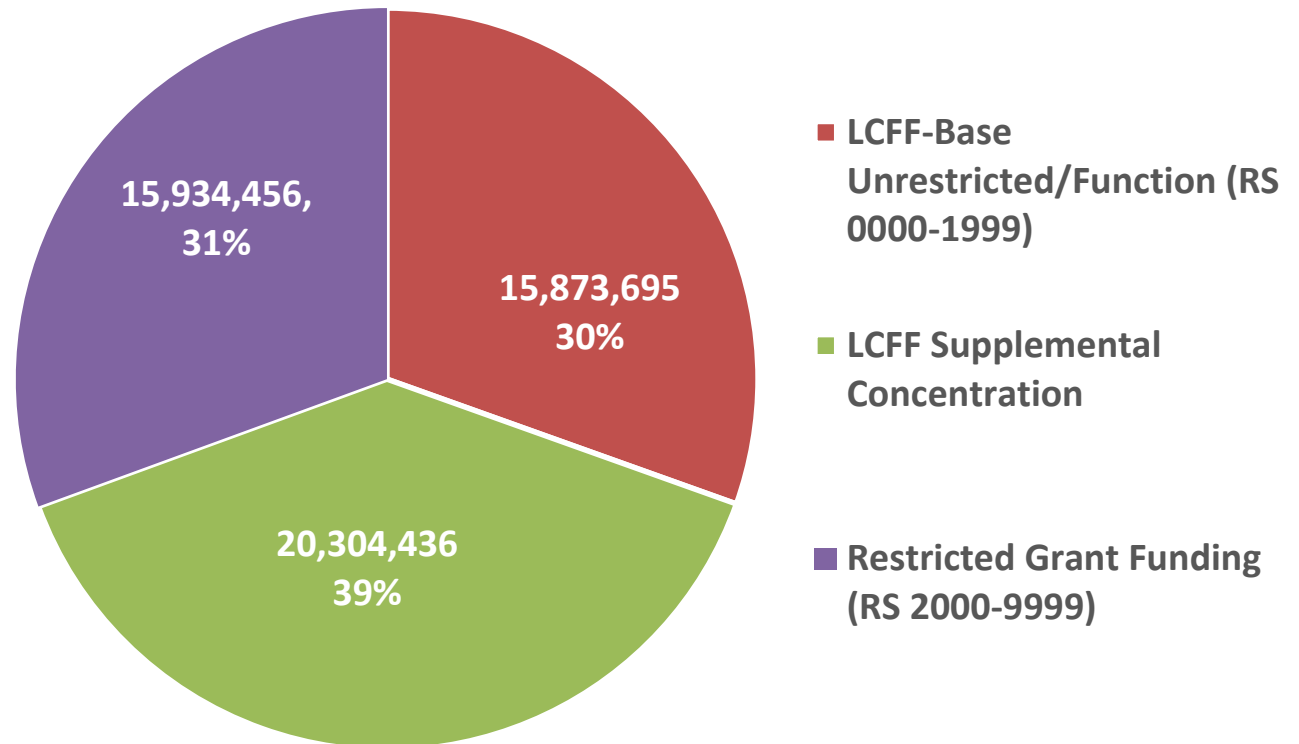
General Fund Budget by District Goal Concept



- All Unrestricted Expenditures by the State Account Code (SACS) definition of function has been reviewed and assigned to one of the District's five goals
- All Restricted Expenditures by the State, Federal or Local Account Code definition of resource has been reviewed and assigned to one of the District's five goals based upon the intent of the funding source

Goal 1

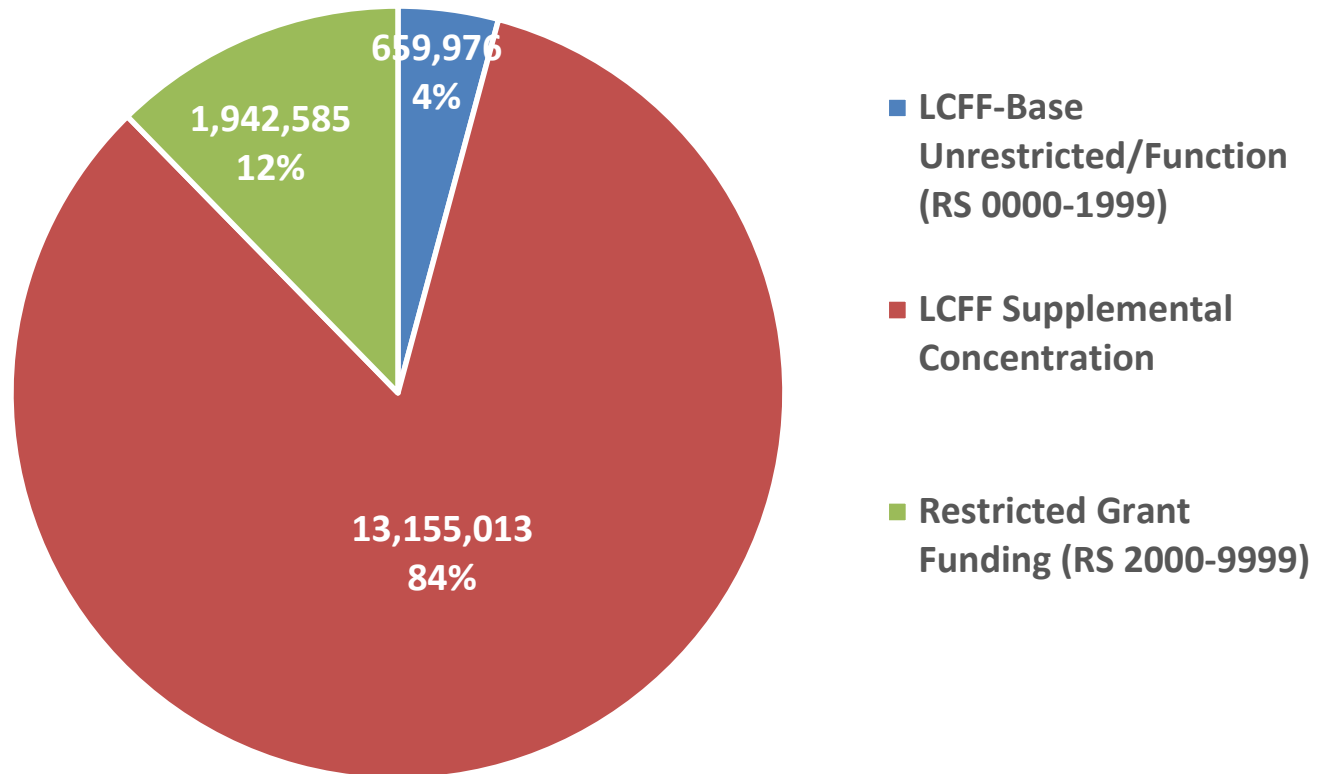
Improve student achievement for all students and accelerate student learning increases for ELL and low income students.



Total: \$52,112,587

Goal 2

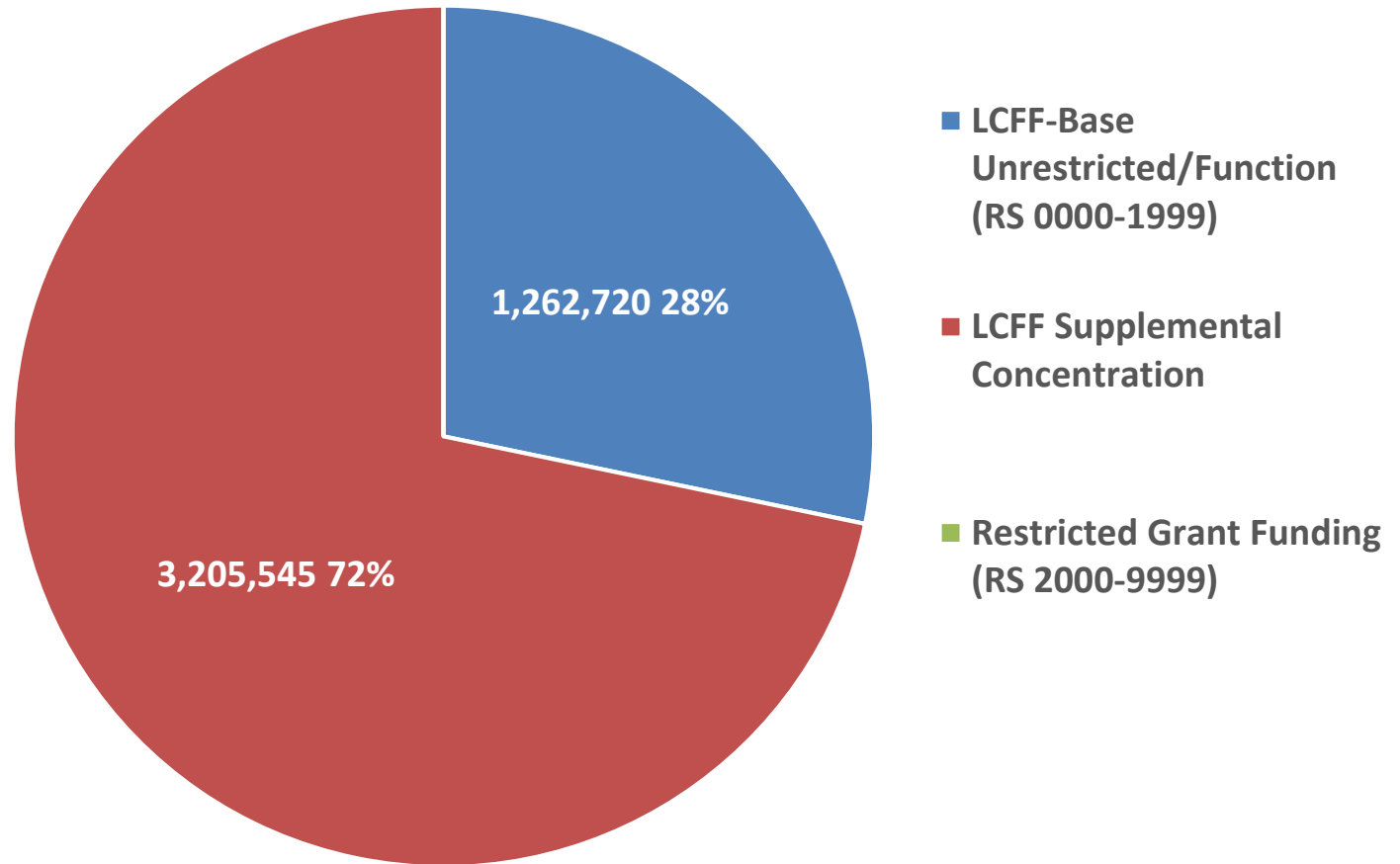
Improve instructional practice through professional development and professional learning communities at schools and recruiting and retaining high quality teachers



Total: \$15,757,574

Goal 3

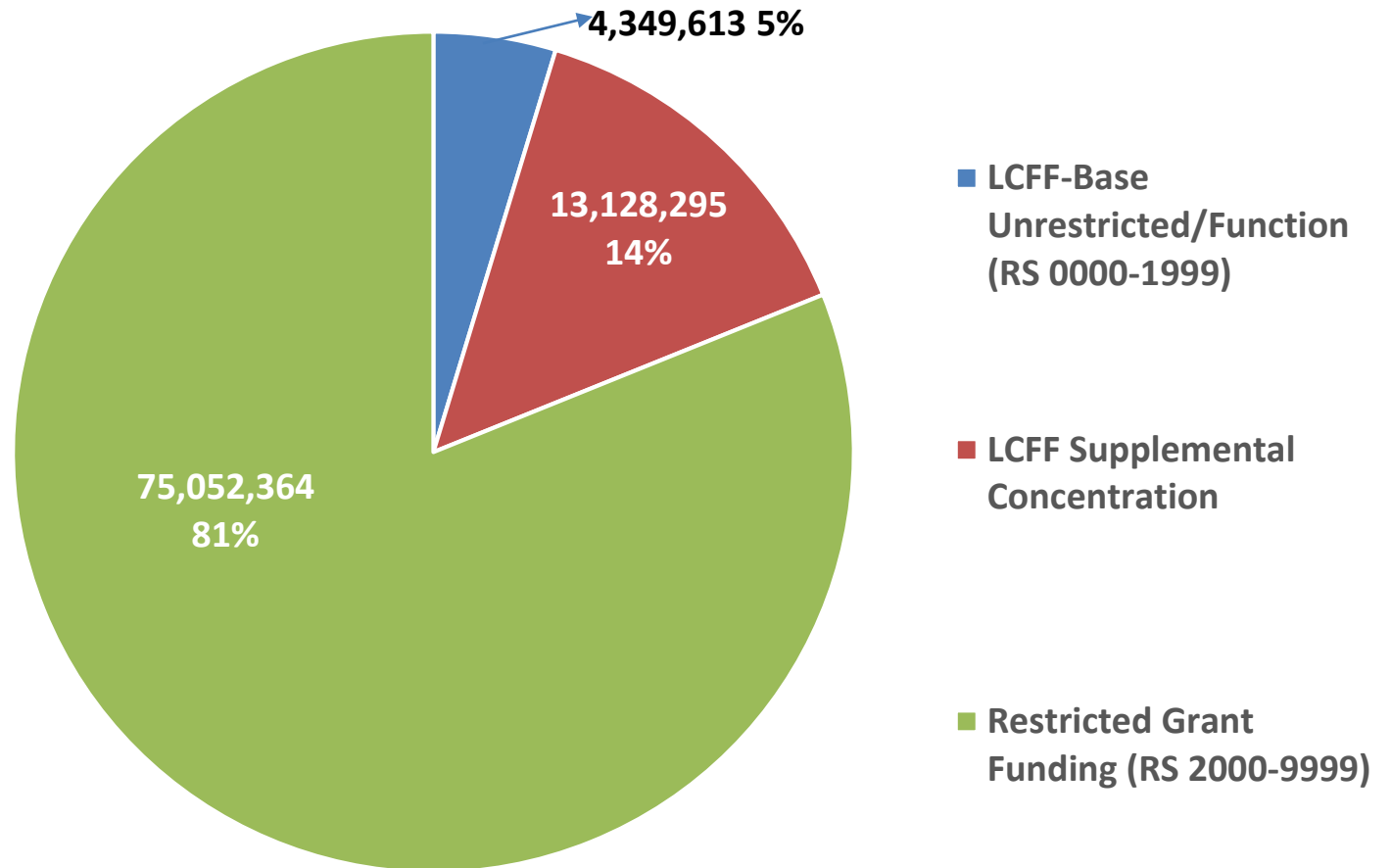
Increase parent and community engagement, involvement, and satisfaction.



Total: \$4,468,265

Goal 4

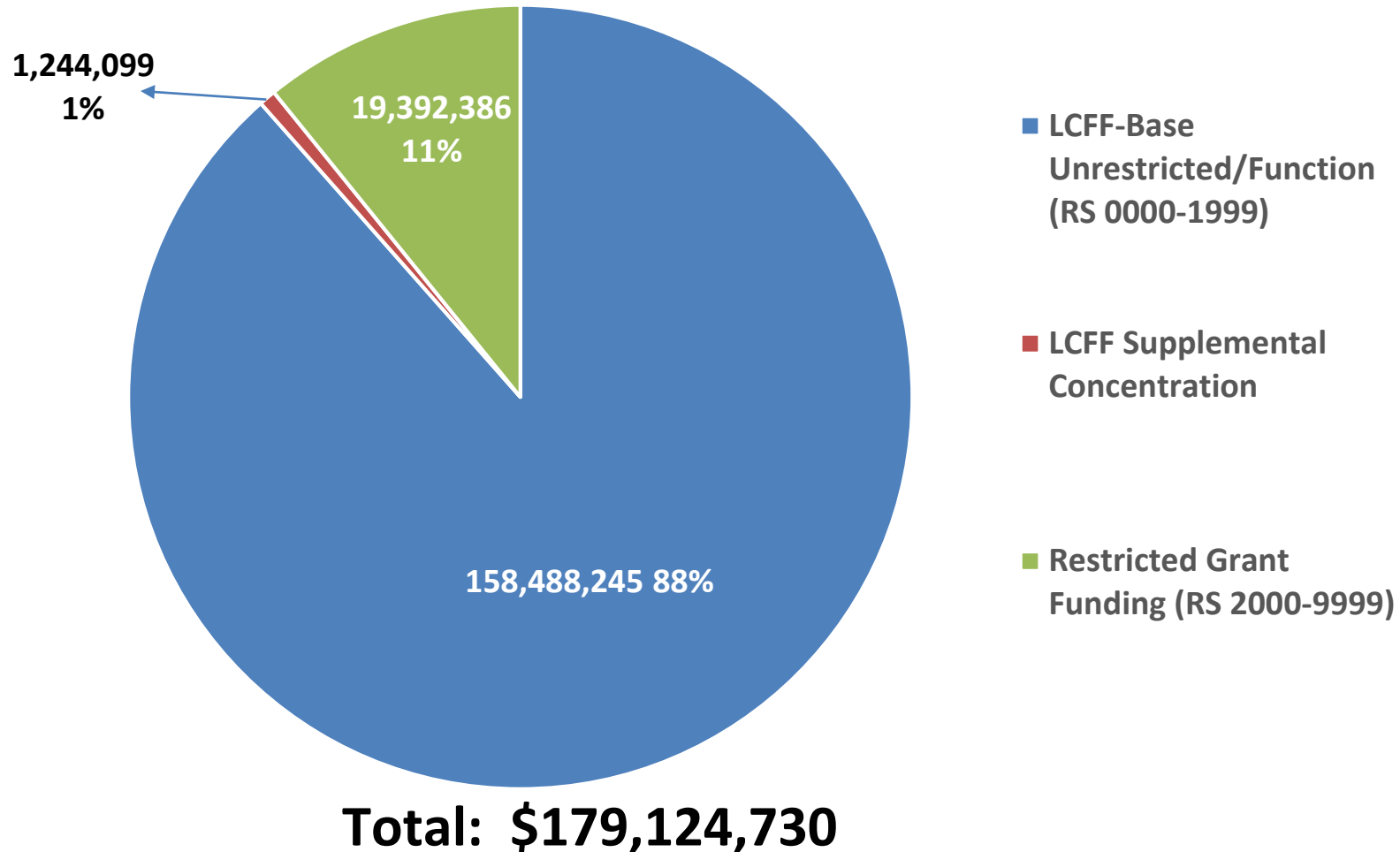
Improve student engagement and climate outcomes,
and allocate services to ELL and LI students.



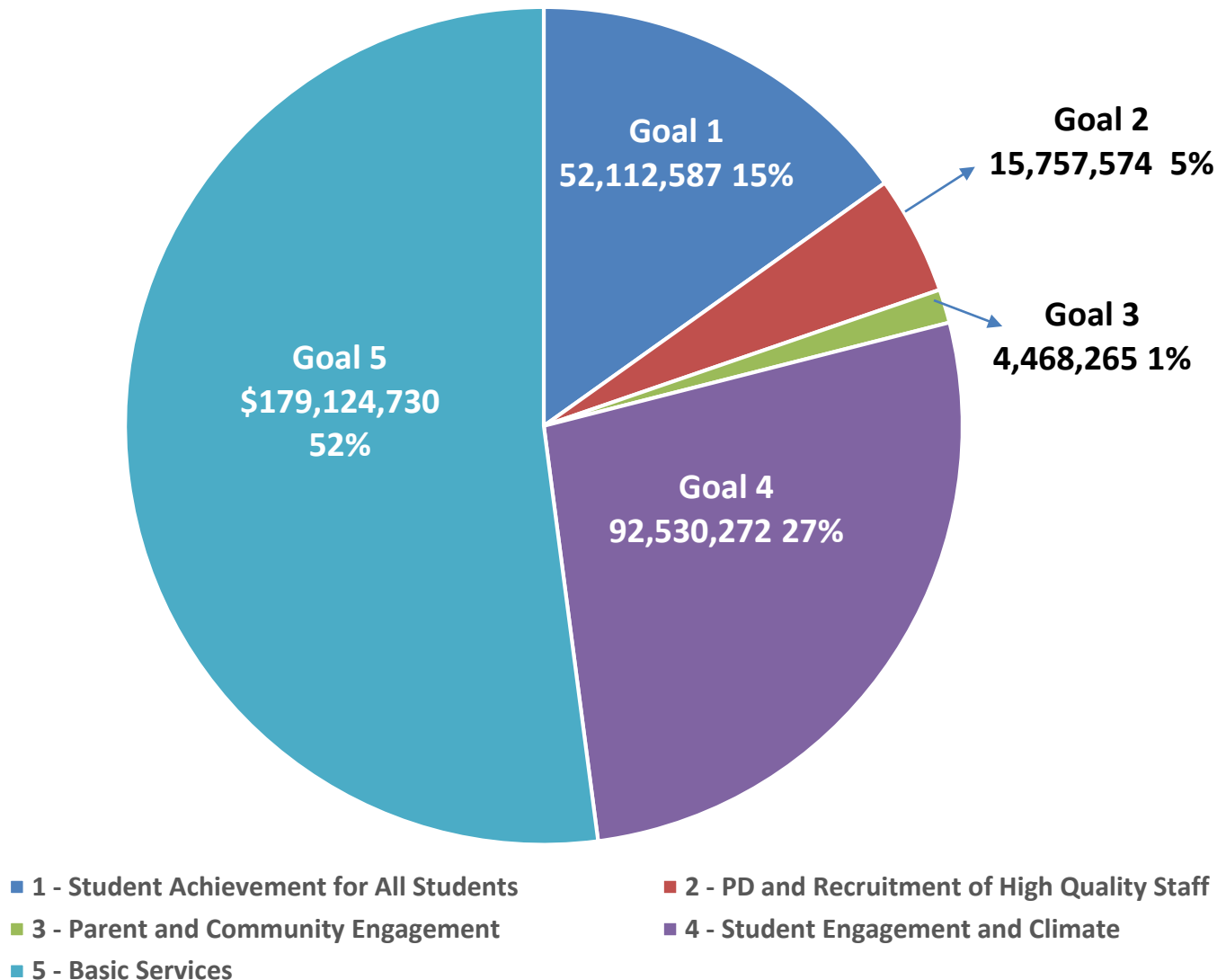
Total: \$92,530,272

Goal 5

Provide services to all students, including teachers, facilities, access to materials and technology.



Total General Fund by Goal



Total: \$343,993,428

All Inclusive Budget

- The concept of providing the community with a budget overview that includes all general fund resources has been a board interest
- The LCAP now includes high level summary information which corresponds to the graphs as well as budget summary information in the appendices giving summary descriptions

Work in Progress

- The online transparency tool is fully implemented for Fund 1 – the General Fund
- For 2017 – 2018 we will assess how often the new transparency tool is utilized. This will provide context to discuss further transparency tool roll-outs



Next Steps

2016-2017 Budget:

- September – 2016-17 Unaudited Actuals
- January 2018 – 2016-17 Audit and Final Financial Statements

2017-2018 Budget:

- June 28 – Adoption of 2017-18 Budget
- August 23 – 45 Day Revision Report 2017-18 Budget
- December – 2017-18 First Interim Report
- March 2018 – 2017-18 Second Interim Report

Financial reports available on the web

<http://www.wccusd.net/>

