



*"We Create Futures"*

2016-17

# Annual Budget Summary

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Presented to:  
Board of Education  
June 2016

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# Board Goals



*We exist to provide students with an education that affords them limitless opportunities for the future*

## WE BELIEVE

- ❖ **Every student can learn**  
Every child can engage in rigorous learning, and can achieve at high levels.
- ❖ **Learning is constant, time and resources are variable**  
Our focus is on learning, not just teaching. We will support students and adults to ensure that learning occurs.
- ❖ **We work in teams**  
Together, we can do more and better.
- ❖ **Families have the most influence in a child's life**  
The family is profoundly important in a child's emotional, social, and cognitive development.
- ❖ **The teacher is the most influential person in a student's educational life**  
The teacher-student relationship is the most important one in our organization.
- ❖ **The principal is the most influential person in the school**  
The site principal leads and coordinates the services that support the teacher-student relationship.
- ❖ **Every person in our school community has value**  
We respect and value every person who engages in our community.
- ❖ **We are all accountable for every student's future**  
Each of us has an important role in the development of children.
- ❖ **The diversity in our community is an asset**  
The students who attend our schools and their families are diverse in many ways, and we value the qualities that this diversity brings to our schools and to our community.
- ❖ **Ethics matter**  
We must develop the highest ethical standards in our students, and model those standards ourselves. Our values include hard work, excellence, perseverance, trustworthiness, caring, responsibility, respect, fairness, and citizenship.

## TO ATTAIN THIS GOAL, OUR ORGANIZATION WILL:

1. **Engage students in a challenging curriculum and provide them the support to be successful**
  - 1.1 Maintain consistently high academic standards in a curriculum that is relevant to each student's chosen path
  - 1.2 Provide equitable opportunities for every student to succeed
  - 1.3 Provide systematic and reliable access to services that support academic, social, and emotional development
2. **Support a district-wide collaborative culture for students and adults focused on learning and results**
  - 2.1 Establish a district-wide professional learning community
  - 2.2 Engage the community fully as a partner in the education of students
  - 2.3 Provide systematic and relevant opportunities for parents to participate in the education of their children
  - 2.4 Communicate effectively with parents and the community
3. **Maintain a caring and encouraging learning environment for students and adults**
  - 3.1 Ensure safe, secure, healthy, and positive environments that promote a sense of significance and belonging
4. **Recruit, hire, and retain highly qualified, talented, and productive staff**
  - 4.1 Aggressively recruit and hire highly qualified staff members who reflect the demographics of our students and community
  - 4.2 Ensure competitive salary and benefits for all staff
  - 4.3 Provide systematic and relevant certificated, classified, and management support services
5. **Align resources to support District goals, student achievement and school sites**
  - 5.1 Effectively manage resources to strengthen our fiscal foundation, maintain prudent reserves, and meet funding requirements for retiree health insurance and increases to employee retirement systems
  - 5.2 All schools, facilities, and grounds will be clean, safe, secure, and well maintained
  - 5.3 Refine VUSD facility plans to align with the Measure E Implementation and Facility Master Plan
  - 5.4 Plan for and open new schools that support the strategic interests of the district and the community
  - 5.5 Maintain total transparency in all services and projects and be accountable to the community

# Introduction

The budget is designed to inform the public how the District drives its financial resources and the manner in which the District plans to allocate those resources during the 2016-17 fiscal year. The document includes the budget development criteria, as well as the assumptions that are applied with respect to revenue and expenditures. Also included are District goals that serve as the blueprint for success for every student and drives the expenditures of the District.

All of the financial resources of the District are contained within various funds, some of which are restricted by State and Federal law, or committed for specific purposes by action of the Board of Trustees. The General Fund (010) is the primary operating fund of the District. The majority of District business is carried out through the General Fund.

The purpose of the Budget is to serve as a guideline for the utilization of resources to meet the needs of students in the Visalia Unified School District. The District's Budget is an expression in dollars of the educational program so as many benefits as possible are directly related to the students in the classroom and to the total educational program. The Budget is a planning document that translates educational policy into sound instructional programs and delivery systems through the prudent allocation of financial resources.

The Budget serves as an outline for the estimated revenue and expenses for the fiscal year and is intended to serve a variety of purposes including:

- ✓ **A statement of District priorities**
- ✓ **A description of the educational plan and resources to support the plan**
- ✓ **A financial plan outlining proposed District actions**
- ✓ **An accountability tool**
- ✓ **A public information document**
- ✓ **A reflection of District goals**



# Message from the Chief Financial Officer

The 2016-17 State Budget continues the recent trend of increasing revenues for school districts in California. The Governor's plan for the education budget increases revenues under the Local Control Funding Formula (LCFF) by \$2.9 billion bringing total education funding to \$71.9 billion from the low of \$47.3 billion in 2011-12, at the depth of the Great Recession. In the first four years of the new funding formula, schools have reached nearly 96% of the target towards full LCFF implementation (see **Chart 1. Progress Toward LCFF Implementation**). The news is not all good though, over the next two years, the temporary sales and income tax measures under Proposition 30 will expire. If these measures are not extended, the shortfall between revenues and expenditures is forecast to be \$4 billion by 2019-20.

As a refresher, the LCFF created base, supplemental, and concentration grants in place of most previously existing K-12 funding streams, thus eliminating revenue limits and approximately three-quarters of state categorical (restricted) programs. This streamlined funding results in more flexibility for school leaders, with the assistance of parents and other local stakeholders, to determine the local academic priorities and how the state funding will be used to improve student achievement so that they graduate from high school and are college and career ready.

As part of this new funding model, VUSD is required to develop, adopt, and annually update a three-year Local Control and Accountability Plan or LCAP. The LCAP is required to identify annual goals, specific actions, and measure progress for student subgroups across multiple performance indicators, including student academic achievement, school climate, student access to a broad curriculum, and parent engagement.

Once LCFF reaches full funding, increases are based on the State's Cost of Living Adjustment (COLA). In 2016-17, the COLA is 0%. Programs outside of the LCFF (Adult School, State Preschool and Child Nutrition) did not receive an increase in revenues for 2016-17.

Highlights of the VUSD 2016-17 Budget include:

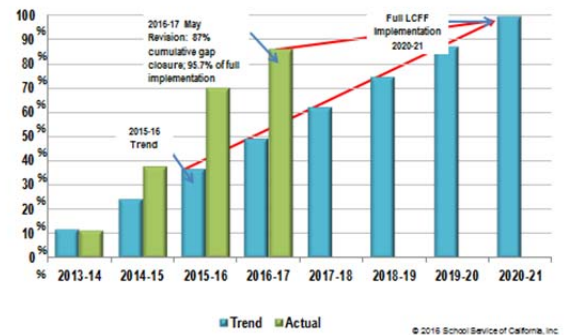
- Conversion of Kindergarten from half-day to full-day at all school sites.
- Implementation of the Local Control and Accountability Plan using supplemental and concentration (targeted) funds to improve services across the District by expanding student opportunities for learning, after-school enrichment and behavior support and intervention.
- Implementation of additional Linked Learning Academies at all four comprehensive high schools and VTEC with open enrollment for incoming freshman at those academies.
- Continued planning of Measure E modernization projects and opening of the new middle school, construction of a new elementary school, and modernization and safety projects throughout the District.
- Maintenance of the District Reserve for Economic Uncertainty of 13%

This budget demonstrates that Visalia Unified continues to place a priority on giving our students the best learning environment, the most qualified teaching and classified staff, safe schools, and continued excellence in education.

Much appreciation goes out to the hard working and dedicated Budget and Finance folks who work diligently to prepare the Budget and keep up to date on the latest developments of this complex budget process. Appreciation is also extended to our Superintendent, Dr. Todd Oto, and our Board of Trustees who provide guidance and direction in setting the financial priorities of this budget, putting our students first.

**Nathan Hernandez**  
Chief Financial Officer

Progress Toward LCFF Implementation



# District Information

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Established in 1885, Visalia Unified School District is the oldest school district in Tulare County. Our services span 214 square miles with a population base of over 135,000. We govern 25 elementary schools, four middle schools, with the fifth opening August 2016, four comprehensive high schools, a continuation high school, a charter alternative academy, a charter independent study school, a K-8 charter home school, a charter technical early college high school, a school that serves orthopedic handicapped students, and an adult school. Over 32,000 students Pre-K to adult are served through the Visalia Unified School District. Our outstanding workforce is comprised of over 2,600 certificated and classified staff. Our District motto is “**WE CREATE FUTURES**”.

## Board of Education

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**Board President**  
John L. Crabtree

**Board Member**  
William A. Fulmer

**Board Member**  
Jim L. Qualls

**Board Member**  
Lucia D. Vazquez

**Board Clerk**  
Donna Martin

**Board Member**  
Juan Guerrero

**Board Member**  
Charles Ulmschneider

## Superintendents & Administrators

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**Superintendent**  
Todd Oto, Ed.D

**Area Superintendent, Elementary**  
Judy Burgess, Ed.D.

**Assistant Superintendent, Admin Services**  
Robert Gröeber

**Area Superintendent, Elementary**  
Jaqueline Gaebe

**Assistant Superintendent, HRD**  
Tamara Ravalin, Ed.D.

**Area Superintendent, High School & Charters**  
Jeff Hohne

**Assistant Superintendent, Instruction**  
Melanie Stringer

**Chief Financial Officer**  
Nathan Hernandez

## CALPADS 15-16

K-12 28,186

Adult (apx.) 3,468

**Total 31,654**

## Total Students – Average Daily Attendance (ADA)

K-12 and district Charters Average Daily Attendance (ADA) projected for 2016-17 - **26,989.59**

# Budget Accounts & Policy

The District accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's California School Accounting Manual (CSAM). The accounting policies of the District conform to accounting principles generally accepted in the United State of America as prescribed by the Governmental Accounting Standards Board (GASB) and by the American Institute of Certified Public Accountants.

## Fund Accounting

The accounts of the District are organized on the basis of funds or account groups, each of which is considered separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise assets, liabilities, fund balance, revenues and expenditures. District resources are allocated to, and accounted for, in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The table below describes the various fund groups and their purpose.

## District Funds

### General Fund 010

The General Fund is the chief operating fund of the district and is made up of both Unrestricted and Restricted funds. All transactions except those required or permitted by law to be reported in another fund are accounted for in this fund. Unrestricted General Fund consists of revenues to run the basic educational program, offset by the cost of the basic program. Restricted General Fund consists of revenue received for specific and limited purposes, offset by the cost of those specific programs. In some cases revenue not spent on a restricted program must be returned to the funding source. In other cases, unspent restricted funds are carried forward to the following year to be spent for the same specific purpose. Restricted projects or activities within the general fund must be identified and reported separately from unrestricted projects or activities.

## Special Revenue Funds

Special revenue funds are used to account for the proceeds from specific revenue sources that are restricted to the financing of particular activities.

### Adult Education Fund 110

The Adult Education Fund is used to account separately for federal, state, and local revenues for the adult education program. State revenues for adult education programs fell under the flexibility provisions enacted with the 2008-09 state budget, the revenue related to these programs is received in the district's general fund.

### Child Development Fund 121

The Child Development Fund is used to account separately for many of the federal, state, and local revenues to operate child development programs. Visalia Unified School District reports revenues and expenditures related to the State Preschool program and a reserve account in Fund 121.

### Cafeteria Fund 130

The Cafeteria Fund 130 is used to account for federal, state, and local revenues to operate the nutrition services program which provides meals and snacks to district students. Visalia Unified School District participates in the National School Lunch Program (NSLP) and as such, receives reimbursements for meals served to eligible needy students from both state and federal sources. In addition, fees are collected for meals from students whose families do not qualify for free or reduced meals.

### Special Reserve for Other Postemployment Benefits Fund 200

The Special Reserve for Other Postemployment Benefits Fund 200 is used to account for amounts the district has earmarked for the future cost of postemployment benefits but has not contributed irrevocably to a separate trust for its postemployment benefit plan.

## **Capital Project Funds**

Capital Project funds are used to account for revenues and expenditures related to the acquisition and/or construction of all major governmental fixed assets. The district maintains four capital projects funds.

### **Building Fund 210**

Building Fund 210 is used to account separately for proceeds from the sale of Visalia Unified's voter approved bonds and expenditures from this fund are most commonly made for capital outlay. In November 2012, voters approved Measure E to fund facility improvements at all of our school sites over 10 years old and to build a new middle school. With the approval of Measure E, \$60.1 million was approved.

### **Capital Facilities Fund 250**

Capital Facilities Fund 250 is used to account separately for monies received from developers. Fees are received from individual homeowners building or remodeling single family dwellings and from large scale developers, often in the form of Community Facilities District bonds (CFDs) and interest.

### **State School Facilities Fund 350**

State School Facilities Fund 350 is used to receive apportionments from the State School Facilities Fund for new school facility construction, modernization projects, and facility hardship grants. Typical expenditures from this fund are for site acquisition, site improvements, buildings, furniture, and fixtures that will be capitalized as part of a construction project.

### **Special Reserve for Capital Outlay Fund 400**

Special Reserve for Capital Outlay Fund 400 is used primarily to account for the accumulation of resources for capital outlay purposes. A principal revenue in this fund are derived from rental and lease income, interest, transfers in from other funds, and proceeds from the sale or lease-purchase of land and buildings.

## **Debt Service Funds**

Debt service funds are established to account for the accumulation of resources for the repayment of long term debt. The district maintains two debt service funds.

### **Bond Interest and Redemption Fund 511**

The Bond Interest and Redemption Fund 511 is used to account for the collection of tax receipts, premium payments, and accrued interest from the sale of bonds. This fund was established after the passage of Measure G in 1998. In 2010, these bonds were refinanced at a lower interest rate resulting in interest savings.

### **Bond Interest and Redemption Fund 514**

This fund was established after the passage of Measure E in 2012. All transactions within fund 511 and 514 are managed solely by the Tulare County Office of Education and the Assessor's Office. Revenues in these funds are comprised of ad valorem taxes paid by property owners within the VUSD boundaries.

### **Certificates of Participation Fund 561**

Fund 561 was established to account for the Certificates of Participation originally issued in 1996 and refinanced in 2005. Revenues for this fund come from Redevelopment revenues as well as transfers from the General Fund.

## **Proprietary Funds**

The district maintains one proprietary fund to account for transactions in its self-insurance accounts.

### **Self-Insurance Fund 670**

The Self Insurance Fund 670 is used to separate monies received for self-insurance activities from the districts other operating funds. Revenues come from employee payroll deductions and district contributions toward employee health insurance and worker's compensation costs.



# The Chart of Accounts

The Visalia Unified School District’s chart of accounts is designed in accordance with the Standardized Account Code Structure as defined by the California School Accounting Manual (available from the California Department of Education). The district’s components of the SACS account string are:

Fund	Resource	Project Year	Goal	Function	Object	Site	Type	Manager
XXX	XXXXX	X	XXXXX	XXXXX	XXXXX	XXX	XXXX	XXX

**Fund** – The fund field is used to account for financial activities in the appropriate fund. District funds are:

## General Fund

Fund 010 – General Fund

## Special Revenue Funds

Fund 110 – Adult Education

Fund 130 – Cafeteria Fund

Fund 121 – State Preschool

Fund 200 – Other Postemployment Benefits

## Capital Project Funds

Fund 210 – Building Fund

Fund 350 – County School Facilities

Fund 250 – Capital Facilities – Developer Fees

Fund 400 – Special Reserve for Capital Outlay

## Debt Service Funds

Fund 511-516 – Bond Interest

## Proprietary Funds

Fund 670 – Self Insurance Fund

**Resource** – The resource field allows the district to account separately for activities funded with revenues that have restrictions on how funds are spent and for activities funded with revenues that have financial reporting or special accounting requirements. Unrestricted revenues are not subject to specific constraints and may be used for any purposes not prohibited by law. Restricted revenues are those funds received from external sources that are legally restricted or are restricted by the donor for specific purposes.

### Resource Group

- Unrestricted Resources
- Restricted Resources
- Federal Resources Restricted
- State Resources Restricted
- Local Resources Restricted

### Resource Range

00000-19999  
20000-99999  
30000-59999  
60000-79999  
80000-99999

**Project Year** – The project year field is used to identify the fiscal year in which the funding for a project or activity terminates for those projects and activities that cross multiple years.

**Goal** – The goal field applies primarily to expenditure accounts and is used to identify the specific objective or objectives of the expenditure. Undistributed expenditures are expenditures other than those for instruction. Undistributed expenditures are distributed to benefiting goals using a standardized allocation formula.

<b>Goal Group</b>	<b>Goal Range</b>
• Undistributed	00000
• Instructional	00001-69999
o General Education, Pre-K	00001-09999
o General Education, K-12	10000-39999
o General Education, Adult	40000-47490
o Supplemental Education, K-12	47500-49999
o Special Education	50000-59999
o ROC/P	60000-69999
• Other Goals	70000-99999
o Non-Agency	71000-71999
o Community Services	81000-81999
o Child Care & Development Services	85000-85999
o County Services to Districts	86000-86999
o Other Locally Defined Goals	90000-99999

**Function** – The function code identifies the general operational area of an LEA and groups together related activities. The function describes the activity or services performed to accomplish a set of objectives or goal. Examples of functions are transporting, teaching, feeding students, and improving health services. All expenditures must be coded to a function.

<b>Function Group</b>	<b>Function Range</b>
• Revenue	00000
• Instruction	10000-19999
• Instruction Related Services	20000-29999
• Pupil Services	30000-39999
• Ancillary Services	40000-49999
• Community Services	50000-59999
• Enterprise	60000-69999
• General Administration	70000-79999
• Plant Services	80000-89999
• Other Outgo	90000-99999

**Object** – The object field classifies expenditures according to the types of items purchased or services received. The object field identifies revenues by their source and type, and balance sheet accounts as assets, liabilities, or fund balances.

<b>Object Group</b>	<b>Object Code Range</b>
• Expenditures	10000-74999
• Other Financing Uses	76000-76999
• Revenues	80000-87999
• Other Financing Sources	89000-89999
• Balance Sheet	90000-99999

The above descriptions and SACS information were obtained from the California School Accounting Manual (CSAM), 2013 edition, published by the California Department of Education.

# Budget Policy

## Initial Budget Adoption

On or before July 1 of each year, the Governing Board shall adopt a budget which adheres to the state's standardized account code structure (SACS) as prescribed by the Superintendent of Public Instruction (SIP). (Education Code 42126,42127).

Before adopting the district budget for the subsequent fiscal year, the Board shall hold a public hearing. An agenda for this hearing shall be posted at least 72 hours before the hearing and shall indicate the location where the budget may be inspected. The proposed body shall be available for public inspection at least three working days before this hearing. This hearing shall be held at the same meeting as the public hearing to solicit public input on the local control and accountability plan (LCAP) or the annual update to the LCAP. (Education Code 42103, 42127, 52062)

(cf. 0460 – Local Control and Accountability Plan)

(cf. 9320 – Meetings and Notices)

(cf. 9322 – Agenda/Meeting Materials)

The Superintendent or designee shall notify the County Superintendent of Schools of the location, dates, and times at which the proposed budget may be inspected, as well as the location, date, and time of the public hearing, in sufficient time for the County Superintendent to publish such information in a newspaper of general circulation at least 10 days but not more than 45 days before the hearing as required by Education Code 42103.

During the hearing, any district resident may speak to the proposed budget or to any item in the budget. The hearing may conclude when all residents who have requested to be heard have had the opportunity to speak. (Education Code 42103)

(cf. 9323 – Meeting Conduct)

After the public hearing, at a public meeting held on a different date, the Board shall adopt the district budget following adoption of the LCAP at the same meeting. The budget shall not be adopted if an approved LCAP or annual update to the LCAP is not in effect for the budget year. (Education Code 52062)

The Superintendent or designee shall file the adopted budget with the County Superintendent no later than five days after adoption or by July 1, whichever occurs first. The budget and supporting data shall be maintained and made available for public review. (Education Code 42127)

(cf. 1340 – Access to District Records)

## Revised Budget

No later than 45 days after the Governor signs the annual Budget Act, the Superintendent or designee shall make available for public review any revisions in budgeted revenues and expenditures which are constantly necessary. (Education Code 42127)

If the County Superintendent disapproves the district's budget, the Board shall review and respond to his/her recommendations at a public meeting on or before September 8. The response shall include any revisions to the adopted budget and any other proposed actions to be taken as a result of those recommendations. (Education Code 42127)

Before revising the budget, the Board shall hold a second public hearing regarding the proposed revisions in accordance with Education Code 42103. In addition, if the initial budget was disapproved by the County Superintendent, the public hearing shall include a review by the Board and the County Superintendent of the disapproval and the County Superintendent's recommendations. (Education Code 4217)

The revised budget and supporting data shall be maintained and made available for public review. (Education Code 42127)

## **Budget Development**

Beginning in January of each fiscal year, the budget development process begins with the Governor of California publishing his/her proposed State budget. Financial information applicable to school districts that is contained in the January budget is applied to the Local Control Funding Formula and various state categorical programs. District staff prepare initial budget assumptions and current fiscal year activity is estimated. As part of legislation that authorized the Local Control Funding Formula (LCFF), districts are now also required to reach out to the community and parent groups for input on their Local Control Accountability Plan (LCAP). This process begins in the spring of each year.

In February, Cabinet and Business Services staff coordinate to develop preliminary enrollment projections. Cabinet reviews the staffing formulas in conjunction with staffing requests in relation to the enrollment projections.

The month of March consists of meetings with the district's leadership team and the Governing Board with the intent to develop budget goals and recognize resource needs throughout the district for the next fiscal year. Preliminary staffing allocations are developed and evaluated based on the projected enrollment and resource needs.

During April and May, the district focuses its efforts on identifying resources to meet anticipated needs and again, meetings are held with the district leadership team and the Governing Board where all members are encouraged to participate and provide input in developing the district's budget priorities. Revenue and expenditure estimates are analyzed to identify potential unfunded priorities and surplus revenues. Input from the community, bargaining units, parents, and other stakeholders is used to identify and prioritize goals to include in the district's LCAP. The identified goals are entered into the state's LCAP template and the LCAP is released for a final 30 day public comment period.

In mid-May, the Governor publishes the May Revision of the January proposed budget. The Governor's revised budget provides additional insight for the direction in which education funding is headed. With the additional information, cabinet reviews the applicable changes to the base budget and creates a proposed budget for consideration by the Board.

Both the budget and LCAP are presented in a public hearing at a board meeting prior to the meeting at which both documents are submitted for final approval. By June 30<sup>th</sup> of each year, the annual budget and LCAP are presented to the board for final consideration and adoption.

# Assumptions

There are many variables which impact a school district's budget, including student enrollment, student attendance, school facilities, State and Federal funding, and program expenditures. Because of this, the district makes assumptions based on the best information available at the time that the budget is adopted, and develops the budget accordingly. The adopted budget, therefore, should be considered a "financial snapshot" of the District as it stands on the date that the budget is adopted. As circumstances change, revisions are made to the budget to reflect the changes. The Board approves these budget revisions as they are made. The assumptions on which the 2016-17 Budget is based are as follows:

## LCFF

-State LCFF/Local Control Funding Formula- State Aid, LCAP Supplemental and Concentration funds, EPA, Education Projection Act and Property Taxes total \$248,132,953

## Federal Revenue

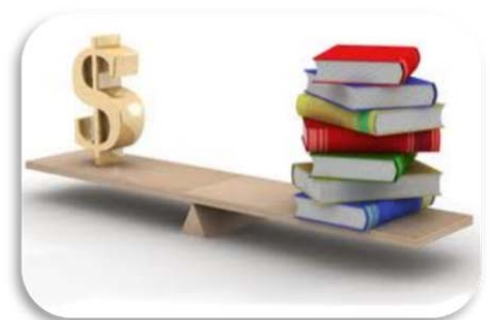
- Special Education Federal Revenue \$4,025,711
- No Child Left Behind \$12,173,494
- One-time Revenue not budgeted until received.

## Other State Revenue

- A zero COLA increase and/or reduction on all State programs.
- Mandated Cost Block Grant \$969,050
- Mandated One Time Discretionary \$6,396,532
- Lottery revenue is projected to be \$181.00 per ADA, of which \$41.00 is restricted to instructional materials, and \$140.00 is unrestricted = \$5,032,705
- After School Education & Safety (ASES) \$1,997,358
- California Clean Energy Jobs Act \$1,000,000

## Other Local Revenue

- Community Redevelopment Funds \$949,990
- Special Education SELPA \$6,950,114
- Rent and Leases \$330,000
- Interest \$725,000
- Other Local Revenue \$730,858
- One-time revenue from donations not budgeted until received.



# Expenditure Assumptions

## Certificated Salaries

- Implementation of Board adopted Fiscal Policies
- Full implementation of certificated VUTA salary and stipend schedules for 2016-2017
- Step & Column/Class increases are budgeted at \$2,067,084

## Classified Salaries

- Implementation of Board adopted Fiscal Policies.
- Implementation of classified CSEA salary schedule for FY 2016-2017
- Step increases are budgeted at \$953,486

## Employee Benefits

-Continued implementation of current fringe benefits and Health & Welfare program at full cost as follows:

- SISC Certificated budgeted at \$14,081 at adoption
- SISC Classified budgeted at \$14,126 at adoption
- SISC Management budgeted at \$13,971 at adoption

-Employer Benefits are budgeted as follows:

	<u>Certificated</u>	<u>Classified</u>
Retirement	12.58%	13.888%
Payroll taxes	6.46%	12.663%

## Books & Supplies

- Unrestricted supplies are budgeted from LCFF/LCAP Funds
- Implementation of Board adopted Fiscal Policy site allocations
- Site allocations are based on October 2015 CALPADS

## Services & Other Operating Expenses

-Routine Restricted Maintenance Account is funded at 3% of total General Fund expenditures

## Capital Outlay

-Contributions to restricted programs to cover projected encroachment will be \$27,385,537

# Budget Summary

## Assumptions

### General Fund Summary (in millions)

#### Restricted & Unrestricted

#### Revenues

LCFF Sources	\$ 248.13
Federal	18.21
Other State	21.02
Other Local	11.28
<b>Total Revenues</b>	<b>\$ 298.64</b>

#### Expenditures

Certificated Salaries	\$ 123.23
Classified Salaries	38.58
Benefits	71.60
Books & Supplies	24.35
Services & Capital Outlay	28.40
Other Outgo, Transfers & Contributions	5.64
<b>Total Expenditures</b>	<b>\$ 291.80</b>
<b>Net Increase in Fund Balance</b>	<b>\$ 6.84</b>

## Local Control Accountability Plan (LCAP)

#### Revenues

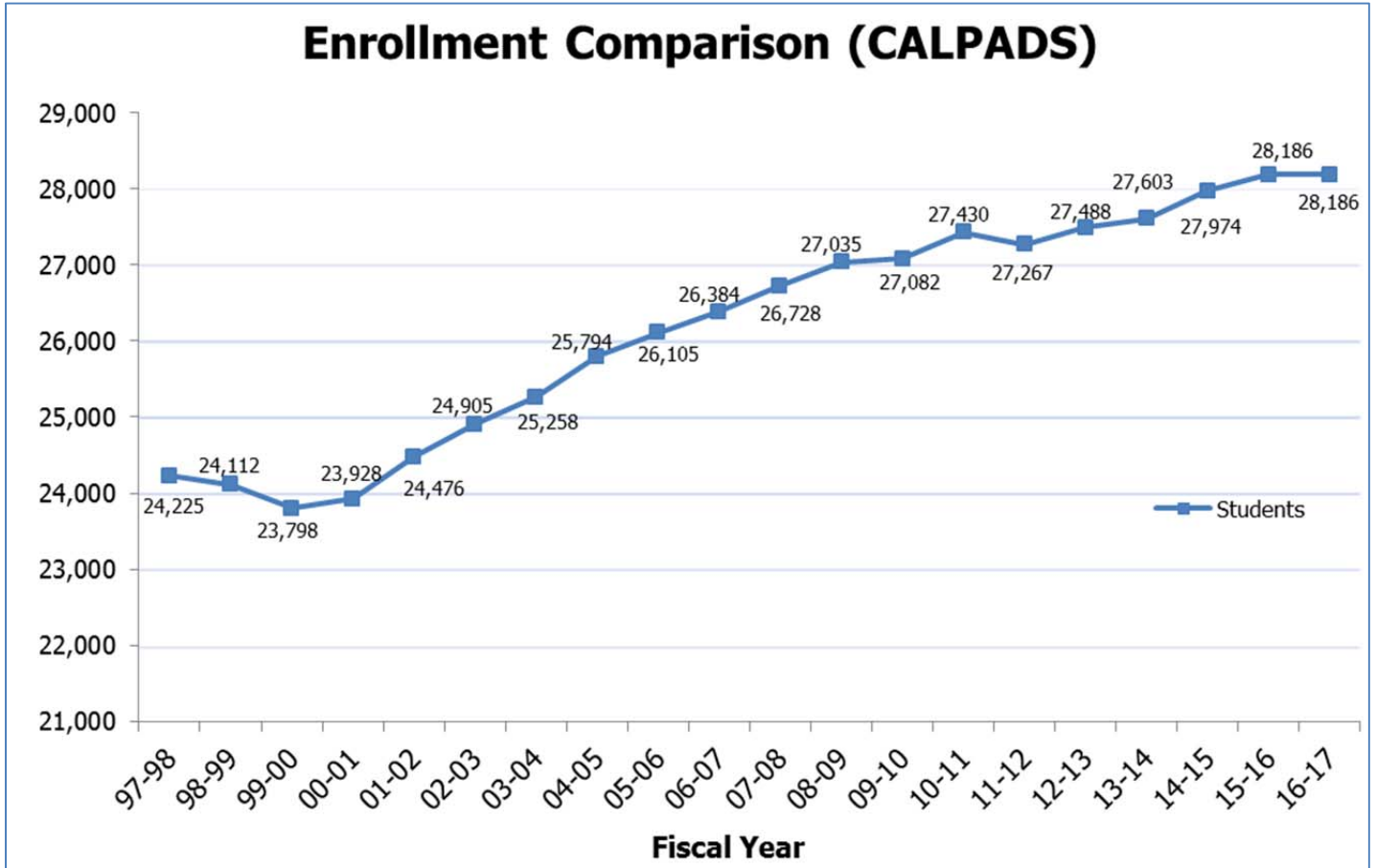
LCAP Sources	\$ 35,319,146
<b>Total Revenues</b>	<b>\$ 35,319,146</b>

#### Expenditures

Certificated Salaries	\$12,207,239
Classified Salaries	\$4,928,360
Benefits	\$6,127,908
Books & Supplies	\$6,956,273
Services & Capital Outlay	\$4,272,078
Other Outgo, Transfers & Contributions	\$827,288
<b>Total Expenditures</b>	<b>\$35,319,146</b>

# Student Information

The actual number of students enrolled within Visalia Unified School District is referred to as “enrollment”. Budgeting for school site staffing is based on enrollment projections for 2016-17. The following chart illustrates VUSD’s enrollment history for 1997-2017.



## Average Daily Attendance

**Regular K-12 Average Daily Attendance (ADA) from 2015-16 P2 with zero projected growth for 2016-17:**

<b>K-12</b>	26,057.33
<b>District Charters</b>	<u>932.26</u>
	<b>26,989.59</b>



# Staffing Benefits

## Benefit Formulas

### Statutory Benefits

In compliance with federal and state laws, Visalia Unified School District provides the following statutory benefits.

#### Social Security / OASDI / FICA / Alternate Retirement

Most employees who are not eligible for STRS participate in the federal Social Security program through mandatory payroll deductions. Social Security, also known as OASDI (old-age, survivor, disability insurance) or FICA (federal insurance contributions act) provides retirement benefits for individuals who have worked the number of years required for eligibility. Other benefits may include disability income, survivor, dependent, and medical benefits. The amount contributed, which is matched by the district is based on a rate determined and established by the Social Security Administration and is currently 6.2% for both the employee and employer. The district also provides an alternate retirement plan (PARS) to substitute and part-time employees who work less than four hours per day in all combined positions. This plan invests employee and employer contributions in a private retirement plan which the employee has access to upon retirement. The rate is currently set at 3.75% for both the employee and employer.

#### Medicare / FICA

Medicare is a federal program which pays certain healthcare expenses for individuals 65 years of age and older. Payment is required through the federal insurance contributions act (FICA). Enrolled individuals must pay deductibles and co-payments, but much of their medical costs are covered by the program. Medicare is less expensive than some other health care programs and it is an important source of post-retirement healthcare. Employees contribute a percentage of their salary each pay period to the program with their employer contributing an equal matching amount. Rates are established by the Medicare program and currently are 1.45% for both employer and employee contributions.

#### Unemployment Insurance

Most employees of the district are covered by the State Unemployment Security laws. Under provisions of these laws, employees of the district who become totally or partially unemployed, and who meet the eligibility requirements set forth may be eligible to receive unemployment compensation.

Unemployment contributions are an employer paid expense. The 2016-17 unemployment rate for all district in the county remains unchanged from 2015-16 and is set at 0.05%.

#### Workers Compensation

The district also sets aside a percentage of the amount it pays each employee for workers compensation insurance. The employer contribution rate for worker's compensation in 2016-17 is projected to be 4.10700% increase.

## **Other Benefits**

In addition to the statutory benefits described above, Visalia Unified School District also contributes to retirement plans and health and welfare benefits.

### Retirement Plans

Certificated employees in regular positions are eligible to participate in the State Teachers Retirement System (STRS). Historically, the district has contributed an amount equivalent to 8.25% of an employee's salary to the plan. However, with the STRS plan facing large unfunded liabilities, increases to employer contributions were enacted in 2014-15. Employer STRS rates increase by 1.85% annually until 2020-21 when rates will reach 19.10% of certificated salary costs. The STRS rate for 2016-17 is 12.58% and is included in 2016-17 budget.

Classified employees who meet certain criteria are eligible to participate in the California Public Employees Retirement System (CalPERS). School districts are required to pay the employer share of PERS costs. For 2016-17, the employer PERS rate has been set at 13.888%. Like STRS, PERS employer costs are also expected to increase dramatically over the next several years in order to pay down the plan's growing unfunded liability. PERS rates are expected to reach 20.40% of salaries by 2020-21.

### Health & Welfare Benefits

The total cost of health and welfare insurance coverage varies based on the plan which is based on bargaining unit.

### *District's Insurance Committee*

- Composed of individuals representing each of the employee groups: VUTA, CSEA, and Management.
- Makes recommendations regarding our health benefits in order to maintain a viable health benefit plan for our employees/retirees.
- Reviews claim utilization & costs, health trends and impact on VUSD benefits.
- Reviews renewal quotes during April of each year.
- Makes recommendations to respective bargaining groups regarding possible health benefit changes.

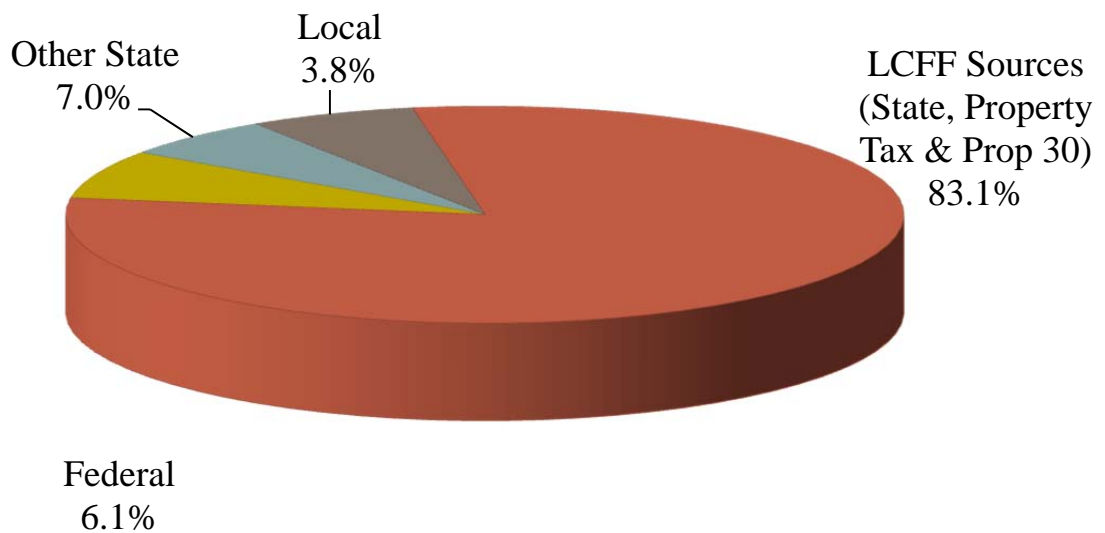
### Other Postemployment Benefits (OPEB)

Employees who retire from Visalia Unified and who have reached a specified age and completed a designated number of years of service will be eligible to receive an annual contribution from the district towards health and welfare costs. The benefits are paid for a maximum of 10 years or until the retired employee reaches age 65, whichever comes first. The current contribution for retiree health insurance is \$13,371. A percentage of all active employees' salaries are paid by the district to fund this cost on a pay-as-you go basis. The rates charged for OPEB costs for 2016-17 to cover current year retiree benefits costs are projected to be 1.55% of salaries and a flat rate of \$770.00 per FTE to fund active retiree benefits.

An actuarial study, dated 10-4-14 has estimated the district's total liability for this plan at \$76,479,010. The district funds a portion of this liability annually in addition to the pay-as-you-go costs. The actuarial determined annual required contribution or ARC is \$9,028,827. To-date, the district has set aside \$13,948,344 in Fund 200, a special reserve fund and plans to add another \$1,961,555 to the fund in 2016-17.

# Combined General Fund Budget

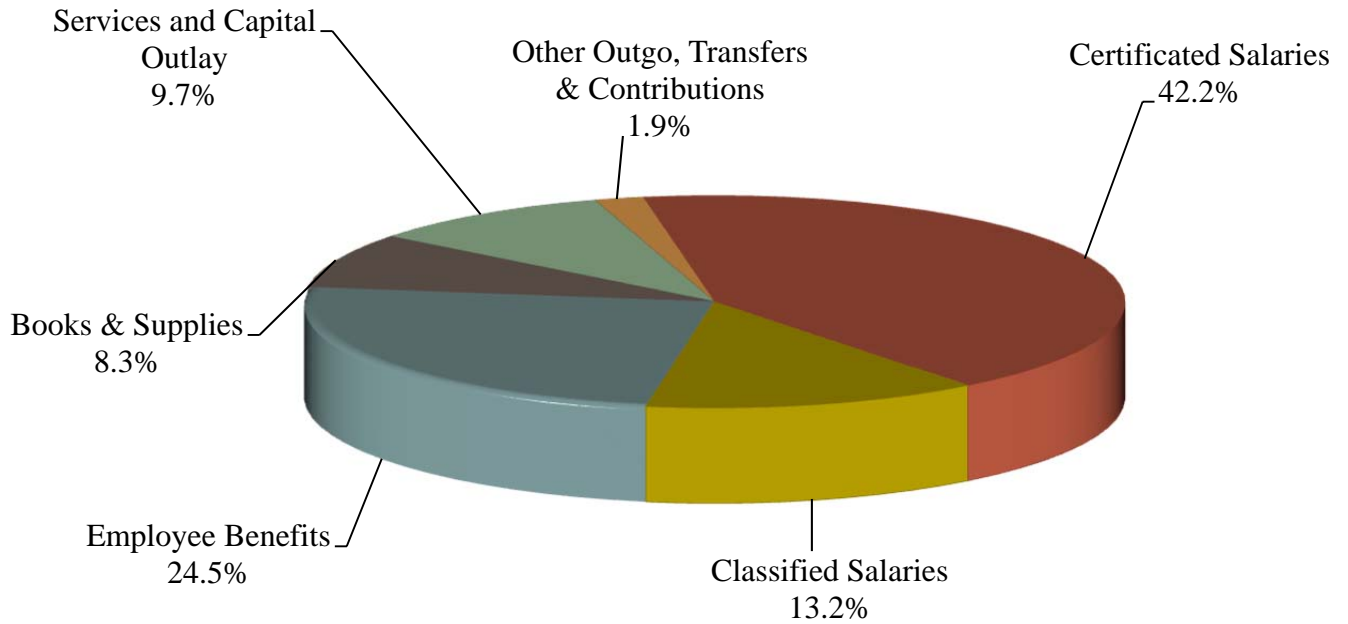
## *REVENUE - General Fund Restricted and Unrestricted*



**FY 16-17 (in millions)**

<b>LCFF Sources</b>	\$ 248.13
<b>Federal</b>	18.21
<b>Other State</b>	21.02
<b>Local</b>	11.28
<b>Total</b>	<b>\$ 298.64</b>

## ***EXPENDITURES - General Fund Restricted and Unrestricted***



**FY 16-17 (in millions)**

<b>Certificated Salaries</b>	\$ 123.23
<b>Classified Salaries</b>	38.58
<b>Employee Benefits</b>	71.60
<b>Books and Supplies</b>	24.35
<b>Services and Capital Outlay</b>	28.40
<b>Other Outgo, Transfers &amp; Contributions</b>	5.64
<b>Total</b>	<b>\$ 291.80</b>

# Revenue Details

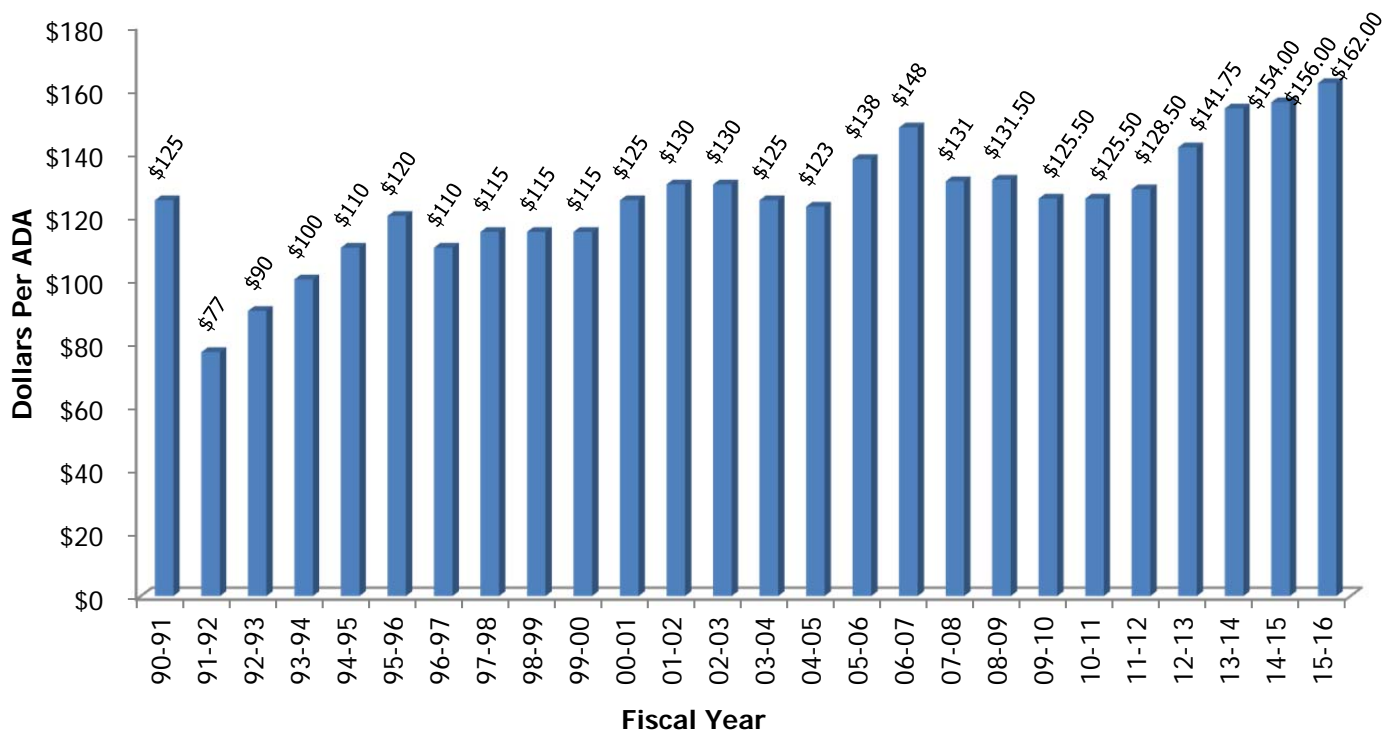
	2015-16 Adopted Budget	2015-16 Estimated Actuals	2016-17 Proposed Budget
<b>LCFF SOURCES</b>			
State Aid	203,938,884	164,068,308	179,917,890
Education Protection Account Aid - EPA	-	37,721,019	36,343,795
Property Taxes	28,241,666	32,927,136	32,927,136
Education Revenue Augmentation Fund (ERAF)	-	-	-
Trfs to Charter Schools in Lieu of Property Taxes	(746,068)	(1,055,868)	(1,055,868)
Unrestricted LCFF Transfers	-	-	-
<b>TOTAL LCFF SOURCES</b>	<b>231,434,482</b>	<b>233,660,595</b>	<b>248,132,953</b>
<b>FEDERAL REVENUES</b>			
Special Education Entitlement	3,986,963	3,985,559	4,025,711
Federal Interagency Contract	1,148,632	1,123,153	1,051,543
NCLB/IASA	12,610,835	16,004,452	12,173,494
Voc & Technology Education Act	308,456	280,495	261,738
Other Federal Revenue	719,785	383,104	694,584
<b>TOTAL FEDERAL REVENUES</b>	<b>18,774,671</b>	<b>21,776,763</b>	<b>18,207,070</b>
<b>OTHER STATE REVENUES</b>			
Mandated Costs Reimbursements	16,991,359	15,091,718	7,365,582
State Lottery Revenue	4,465,150	5,032,705	5,032,705
After School Education and Safety (ASES)	1,997,358	1,997,358	1,997,358
Ca. Clean Energy Jobs Act	-	3,061,004	1,000,000
Career Tech Ed Incentive Grant Program	-	1,712,208	-
All Other State Revenue	182,379	9,934,127	5,626,348
<b>TOTAL OTHER STATE REVENUE</b>	<b>23,636,246</b>	<b>36,829,120</b>	<b>21,021,993</b>
<b>OTHER LOCAL REVENUES</b>			
Community Redevelopment Funds	-	902,324	949,990
Sale of Equipment and Supplies	-	300	500
Leases and Rentals	175,000	417,000	330,000
Interest	-	700,000	725,000
Transportation Services	-	-	-
Local Interagency Services	1,490,158	2,566,925	1,560,168
Mitigation / Developer Fees	-	35,000	35,000
All Other Fees and Contracts	-	30	-
All Other Local Revenue	532,338	2,240,328	730,858
All Other Transfers In	-	-	-
Special Education SELPA Transfers from COE	7,378,161	7,485,841	6,950,114
<b>TOTAL OTHER LOCAL REVENUES</b>	<b>9,575,657</b>	<b>14,347,748</b>	<b>11,281,630</b>
<b>TOTAL REVENUE</b>	<b>283,421,056</b>	<b>306,614,226</b>	<b>298,643,646</b>

# State Lottery Fund

School Districts in California first received proceeds from the State Lottery in 1986. Over the years, lottery income has proven to be a steady but unpredictable source of income fluctuating tremendously, from a high point of \$179 per ADA in 1988-89 to a low of \$77 per ADA in 1991-92.

Lottery revenues are based on the district's annual Average Daily Attendance (ADA). Lottery revenue of \$162 per ADA for 2015-16 is based on \$128 per ADA, Unrestricted and \$34 per ADA, Restricted.

## Lottery Funding



# Site Allocations

LCFF Base funding is used at the site's discretion for instructional and non-instructional supplies. Site allocations are based on 2015-2016 CALPADS enrollment.

## 2016-17 Site LCFF Base Allocations

Site #	Site Name	2015 CALPADS	Total Per Pupil Rate	Total Site Allocation
<b>ELEMENTARY</b>				
341	Annie R. Mitchell	766	\$ 103.2059	\$ 79,056
311	Conyer	453	\$ 103.2059	\$ 46,752
350	Cottonwood	731	\$ 103.2059	\$ 75,444
320	Crestwood	632	\$ 103.2059	\$ 65,226
312	Crowley	653	\$ 103.2059	\$ 67,393
314	Elbow Creek	505	\$ 103.2059	\$ 52,119
315	Fairview	523	\$ 103.2059	\$ 53,977
342	Four Creeks	695	\$ 103.2059	\$ 71,728
325	Golden Oak	572	\$ 103.2059	\$ 59,034
316	Goshen	706	\$ 103.2059	\$ 72,863
317	Highland	563	\$ 103.2059	\$ 58,105
318	Houston	546	\$ 103.2059	\$ 56,350
360	Hurley	647	\$ 103.2059	\$ 66,774
319	Ivanhoe	580	\$ 103.2059	\$ 59,859
331	Linwood	656	\$ 103.2059	\$ 67,703
363	Manuel F. Hernandez	843	\$ 103.2059	\$ 87,003
321	Mineral King	660	\$ 103.2059	\$ 68,116
322	Mountain View	597	\$ 103.2059	\$ 61,614
343	Oak Grove	683	\$ 103.2059	\$ 70,490
353	Pinkham	511	\$ 103.2059	\$ 52,738
323	Riverbend - Autism @ V.B.	39	\$ 54.3400	\$ 2,119
323	Riverbend - Elementary	28	\$ 54.3400	\$ 1,522
324	Royal Oaks	502	\$ 103.2059	\$ 51,809
354	Shannon Ranch	881	\$ 103.2059	\$ 90,924
328	Veva Blunt	599	\$ 103.2059	\$ 61,820
329	Washington	307	\$ 103.2059	\$ 31,684
330	Willow Glen	530	\$ 103.2059	\$ 54,699
<b>TOTAL</b>		<b>15,408</b>		<b>\$ 1,586,921</b>
<b>MIDDLE</b>				
319	Ivanhoe	19	\$ 86.7221	\$ 1,648
330	Willow Glen 7-8	75	\$ 86.7221	\$ 6,504
343	Oak Grove 7-8	126	\$ 86.7221	\$ 10,927
505	Divisadero	912	\$ 86.7221	\$ 79,091
506	Green Acres	979	\$ 86.7221	\$ 84,901
526	Valley Oak	887	\$ 86.7221	\$ 76,923
545	New Middle School	360	\$ 86.7221	\$ 31,220
564	La Joya	816	\$ 86.7221	\$ 70,765
323	Riverbend - Middle	16	\$ 59.8200	\$ 957
<b>TOTAL</b>		<b>4,190</b>		<b>\$ 362,936</b>
<b>HIGH</b>				
601	Redwood	2,151	\$ 115.0000	\$ 247,365
602	Mt. Whitney	1,590	\$ 115.0000	\$ 182,850
636	Golden West	1,650	\$ 115.0000	\$ 189,750
638	El Diamante	1,958	\$ 115.0000	\$ 225,170
323	Riverbend - High	23	\$ 115.0000	\$ 2,645
<b>TOTAL</b>		<b>7,372</b>		<b>\$ 847,780</b>
<b>ALTERNATIVE</b>				
603	Sequoia	304	\$ 97.61000	\$ 29,673
932	Charter Alt.	72	\$ 97.61000	\$ 7,028
<b>TOTAL</b>		<b>376</b>		<b>\$ 36,701</b>
<b>TOTAL ALL SITES</b>		<b>27,346</b>		<b>\$ 2,834,338</b>

## 2016-17 LCAP Site Allocations

SiteName	Unduplicated 2016	LCAP Allocation 2016/17
<b>ELEMENTARY</b>		
Annie R. Mitchell	552	\$ 116,472.00
Conyer	362	\$ 76,382.00
Cottonwood Creek	378	\$ 79,758.00
Crestwood	541	\$ 114,151.00
Crowley	566	\$ 133,576.00
Elbow Creek	390	\$ 82,290.00
Fairview	437	\$ 103,132.00
Four Creeks	560	\$ 132,160.00
Golden Oak	422	\$ 89,042.00
Goshen	623	\$ 147,028.00
Highland	530	\$ 125,080.00
Houston	513	\$ 121,068.00
Hurley	219	X
Ivanhoe	545	\$ 128,620.00
Linwood	382	\$ 80,602.00
Manuel F. Hernandez	613	\$ 129,343.00
Mineral King	479	\$ 101,069.00
Mountain View	444	\$ 93,684.00
Oak Grove	240	X
Pinkham	419	\$ 88,409.00
River Bend	73	\$ 15,403.00
Royal Oaks	363	\$ 76,593.00
Shannon Ranch	376	\$ 79,336.00
Veva Blunt	506	\$ 106,766.00
Washington	285	\$ 67,260.00
Willow Glen	491	\$ 103,601.00
<b>MIDDLE</b>		
Divisadero Middle	642	\$ 135,462.00
Green Acres Middle	662	\$ 139,682.00
La Joya Middle	562	\$ 118,582.00
Ridgeview Middle	185	\$ 39,035.00
Vallev Oak Middle	680	\$ 143,480.00
<b>HIGH</b>		
El Diamante High	1061	\$ 133,686.00
Golden West High	997	\$ 125,622.00
Mt. Whitney High	859	\$ 108,234.00
Redwood High	981	\$ 123,606.00
Sequoia High	232	\$ 75,632.00
Charter Alt		\$ 70,684.00
VTEC		\$ 156,306.00
Charter Home		\$ 122,354.00
VCIS		\$ 835,055.00
<b>Totals</b>	<b>18170</b>	<b>\$ 3,533,846.00</b>



# Reserves & Ending Fund Balance

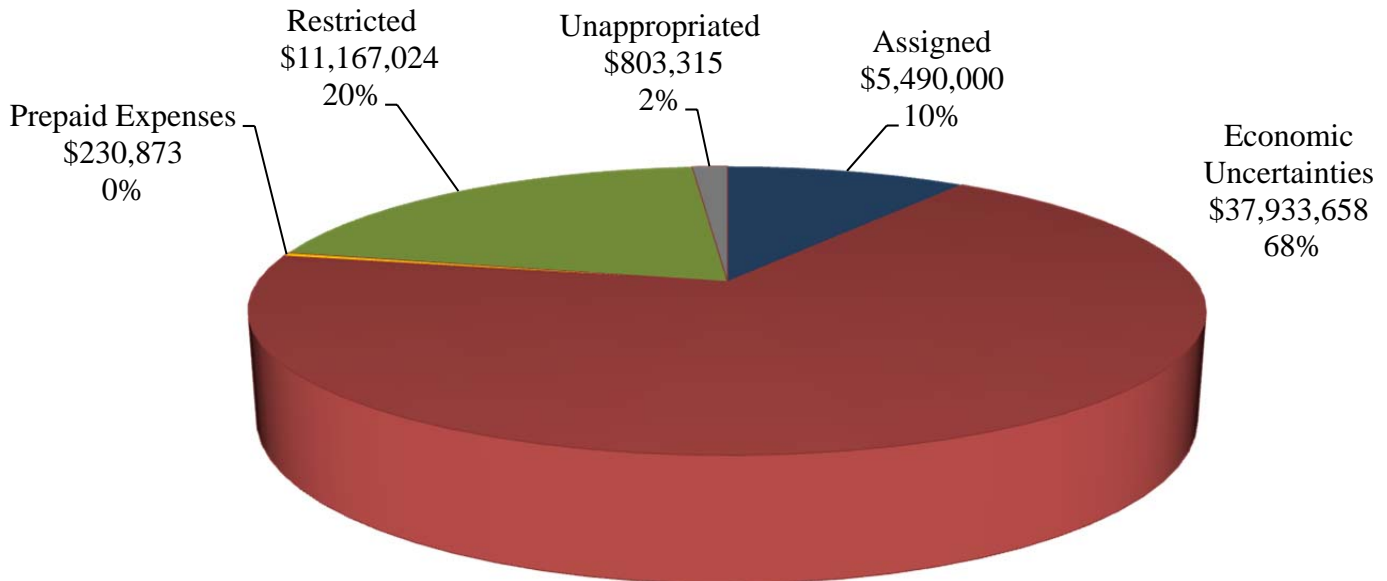
The total budget includes the beginning balance and all anticipated income for the year. The “ending balance” is the resources that remain after expenditures are deducted from the total budget amount. The ending balance is also referred to as the District’s “Reserves”.

## Remaining Unrestricted General Funds

### Components of Ending Fund Balance:

- Reserve for Revolving Cash – Money set aside for emergency needs
- Designation for Economic Uncertainties – State mandated minimum of 3% of total anticipated expenditures; however VUSD maintains approximately 15%
- Other Designations – Designations for specific purposes
- Restricted
- Stores – Custodial Warehouse stock
- Unappropriated Balance – Funds not designated for specific purpose

### *Estimated Balance 6/30/17*



Assigned	FY 16-17
<b>Ridgeview Year #2 FFE</b>	\$ 775,000
<b>New Elementary FFE</b>	\$ 550,000
<b>Unrestricted Neg. Salary/Benefit Increases</b>	\$ 4,165,000
<b>Total</b>	<b>\$ 5,490,000</b>

# Other Restricted Funds

The District operates other special purpose funds in addition to the General Fund. These funds are utilized for any transactions permitted or required by law to be in a separate fund.

Fund	Revenues (in millions)	Expenditures (in millions)
Adult Education – Fund 110	\$6.21	\$5.63
Child Development State Preschool – Fund 121	2.36	2.36
Cafeteria – Fund 130	10.79	11.30
Postemployment Benefit Reserve - Fund 200	0.10	0.00
Building (Measure E) – Fund 210	0.00	0.90
Capital Facilities – Fund 250	3.34	3.37
County School Facility – Fund 350	0.00	0.00
Facilities – Fund 400	0.05	0.03
Bond Interest and Redemption – Fund 510 (Measure E)	3.40	3.40
Debt Service – Fund 560 (COP)	1.08	1.08
Self Insurance – Fund 670	36.81	40.79
<b>Total Other Funds</b>	<b>\$64.14</b>	<b>\$68.86</b>

# Multi-Year Projection

## Unrestricted General Fund MYP

	2016-17	2017-18 (Est)	2018-19 (Est)
<b>Revenues</b>			
LCFF	\$ 248,132,953	\$ 250,983,166	\$ 257,263,899
Other State and Local Contributions	14,859,233	8,462,701	8,462,701
	(27,385,537)	(27,985,537)	(28,585,537)
<b>Total</b>	<b>235,606,649</b>	<b>231,460,330</b>	<b>237,141,063</b>
<b>Expenditures</b>			
Salaries and Benefits	192,365,719	202,517,956	207,745,067
Supplies, Services and Capital	34,893,056	26,741,524	26,937,250
Other Outgo	4,866,301	4,866,301	4,866,301
<b>Total</b>	<b>232,125,076</b>	<b>234,125,781</b>	<b>239,548,618</b>
Surplus/Deficit	3,481,573	(2,665,451)	(2,407,555)
COLA	(4,165,000)		
	\$ (683,427)	\$ (2,665,451)	\$ (2,407,555)

\*\*Assumes no extension of the Proposition 30 tax measures