

CSD Local Control Accountability Plan Committee



Cambrian School District

January 27, 2017

1:00 - 3:00 PM

<https://goo.gl/7tRMXZ>

Overview

- CSD LCAP Annual Board Updates
- NEW LCAP Format - Key Features
- Preliminary Budget Projections for 2017-18 (CFO, Jason Vann)
 - Implications for LCAP Development
- LCAP & Strategic Plan Alignment
- District & Site On-going Stakeholder Engagement
 - LCAP Community Stakeholders' Survey 2017-18

Group Norms

- Keep ALL students in mind
- Treat each other with respect
- Be present both physically and mentally
- Be concise when speaking
- Leave titles at the door - all team members are equals
- Agree to disagree
- Ask questions when in doubt



CSD LCAP Goals for 2016-17

Goal 1: High Student Achievement

Provide high quality and dynamic instruction for all students while preparing them for 21st century college and career readiness.

Goal 2: Effective Leadership, Teaching and Learning

Provide high qualified staff through recruitment, retention and professional development so every student thrives.

Goal 3: Positive School Environment, Climate and Culture

Provide a supportive, orderly and purposeful environment so that students can reach their full academic potential.

Goal 4: Strong Parent and Community Engagement

Promote a welcoming and inclusive environment for all parents, families and community stakeholders as partners in the education and support of all student's success in school.

CSD LCAP Board Annual Updates



- [CSD LCAP Board Annual Update - Goal 2](#)
- [CSD LCAP Board Annual Update - Goal 3](#)
- [CSD LCAP Board Annual Update - Goal 4](#)

Timeline for 2016-17

July – October 2016

- Identify and consult stakeholders
- Conduct needs assessments
- Review available data for Annual Report
- Develop timeline for data collection and reporting
- Report demographic information via CALPADS
- Review alignment of district plans with LCAP

November 2016 - January 2017

- Consult stakeholders
- Continue updating progress on Annual Report
- Review LCAP goals, actions and services for needed adjustments
- Review final, SBE-approved LCAP & Annual Report
- Review proposed state budget (2017-18) and local implications

February - March 2017

- Consult stakeholders
- Review draft LCAP Evaluation Rubric when available
- Continue modification of LCAP and updating progress on Annual Report
- Present draft LCAP to stakeholders

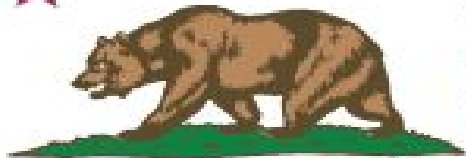
April - June 2017

- Consult stakeholders
- Review May revision of proposed State budget (2017-18) and local implications
- Invite public comment on draft LCAP
- Present draft LCAP to Board
- Respond to comments in writing
- Finalize Annual Report
- Hold LCAP and budget public hearing
- Receive local board approval
- Submit to COE
- Receive LCAPs from charter schools

New LCAP Format



Preliminary Budget Update for 2017-18

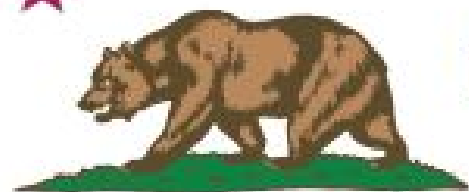


Themes for the 2017-18 Governor's Budget

1

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- Economic conditions continue to define options for the state
- Proposition 98 still controls education funding
- We expect major political and legislative challenges, particularly at the federal level
- The Local Control and Accountability Plan (LCAP) continues to evolve
- Execution of the Budget will present operational issues in several areas
- The road behind us has been filled with highs and lows – the road ahead will be equally uncertain

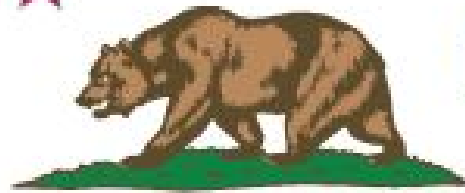


Economic Growth, Now and Later

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- All year long, the Administration has been warning of slower economic growth
 - Lower than expected state revenues
 - Continued forecasts for low growth in Proposition 98
 - The Governor over-contributed to the state's Rainy Day Fund
- We have been concerned that the top 1%, who pay half of the personal income tax and all of the Proposition 30 taxes, may not be doing as well as expected
- The November elections appear to have provided new stimuli to the economy
 - The stock market has soared
 - State and local school facility bonds were approved and will create new jobs
 - Passage of Proposition 55 will continue the high-bracket income tax supporting education funding

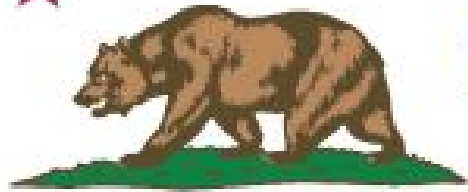


Proposition 98 Growth, Now and Later

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- Stable or expanding economic conditions increase prosperity for the population – and increase tax revenues for the state
 - Taxes drive Proposition 98 obligations to schools
 - Revenue projections dictate the rate at which the state moves toward the Local Control Funding Formula (LCFF) full implementation targets
- Passage of Proposition 55 maintains, but does not increase, education funding above the Proposition 30 level
 - Proposition 55 is a replacement for Proposition 30, not an addition to it
- However, variability in education funding from lowered economic forecast and tax revenues more than offset the benefit of Proposition 55
- The state continues to meet the minimum Proposition 98 guarantee – and nothing more



Proposition 98

4

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- The Governor's Budget proposes a revised current-year Proposition 98 guarantee of \$71.4 billion
 - A decrease of \$506 million from the enacted Budget due to lower-than-expected General Fund tax revenues, which declined by \$5.8 billion over the three-year budget period
- The Budget proposes Proposition 98 funding of \$73.5 billion in 2017-18, down \$953 million from the forecast level accompanying the enacted Budget
 - Funding is based on Test 3 (per capita General Fund revenues, plus 0.5%)
 - The average daily attendance (ADA) is expected to drop slightly by 0.01%
- Maintenance Factor increases by \$264 million for a total of \$1.6 billion by the end of 2017-18
 - Due to the operation of Test 3



Proposition 98 and the Major K-12 Proposals

5

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- The Governor's Budget proposal includes:
 - \$744 million for LCFF gap closure; 96% of the way there to 2007-08 levels
 - \$422.9 million for the K-12 portion of Proposition 39 (2012) – Clean Energy Jobs Act
 - \$287 million for discretionary one-time uses (Approx. \$48 per ADA)
 - \$200 million for the Career Technical Education Incentive Grant (CTEIG) Program
 - \$93 million to support projected charter school ADA growth
 - \$58.1 million for categorical programs' cost-of-living adjustment ([COLA] – 1.48%)
 - \$8.5 million for Mandate Block Grant (MBG); reflects the addition of Training for School Employee Mandated Reporters program (less than \$2 per ADA increase)
 - \$2.4 million for county offices of education (COEs) to support COLA and ADA changes

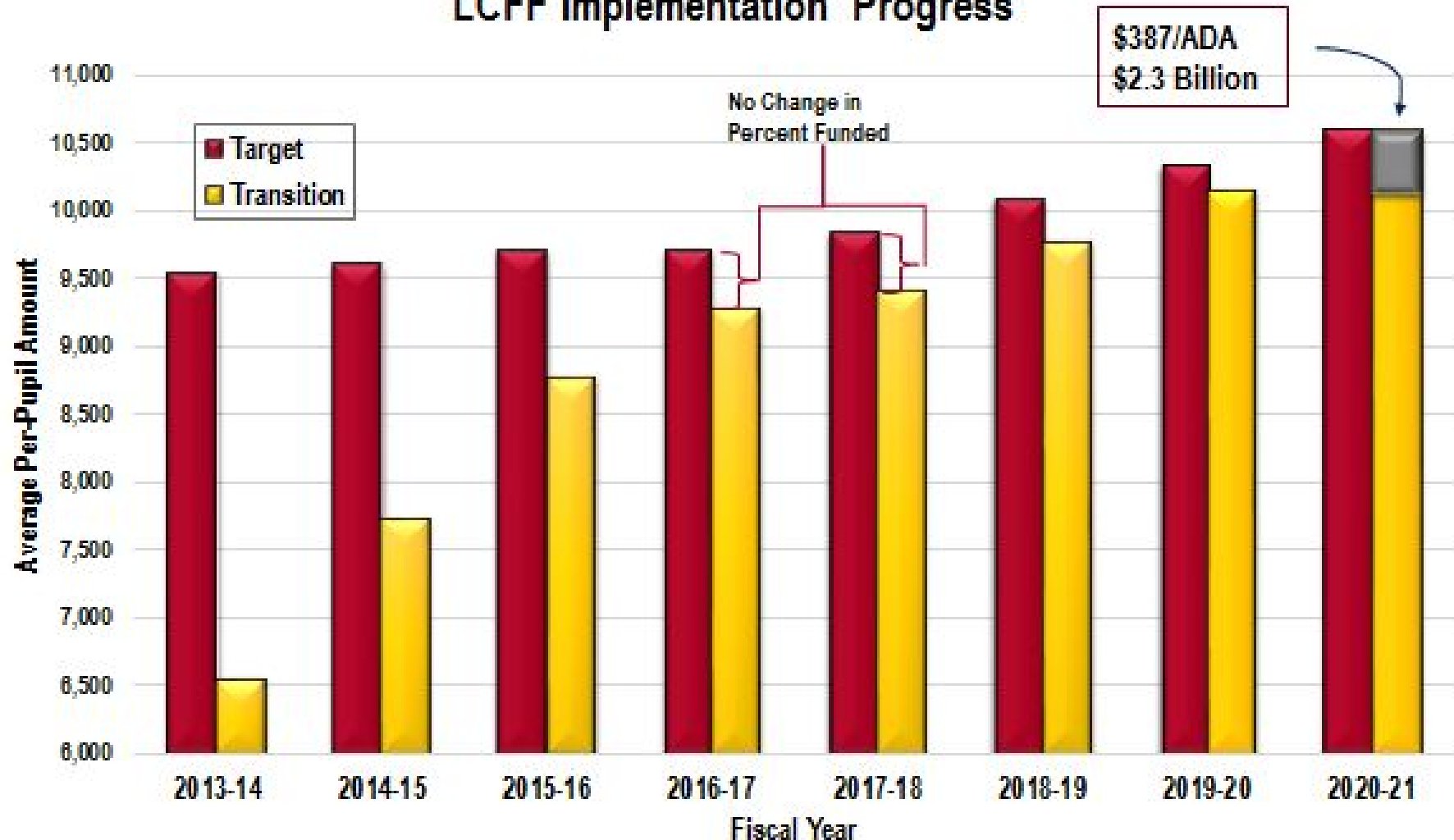


What's Ahead... Chasing COLA!

6

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LCFF Implementation Progress

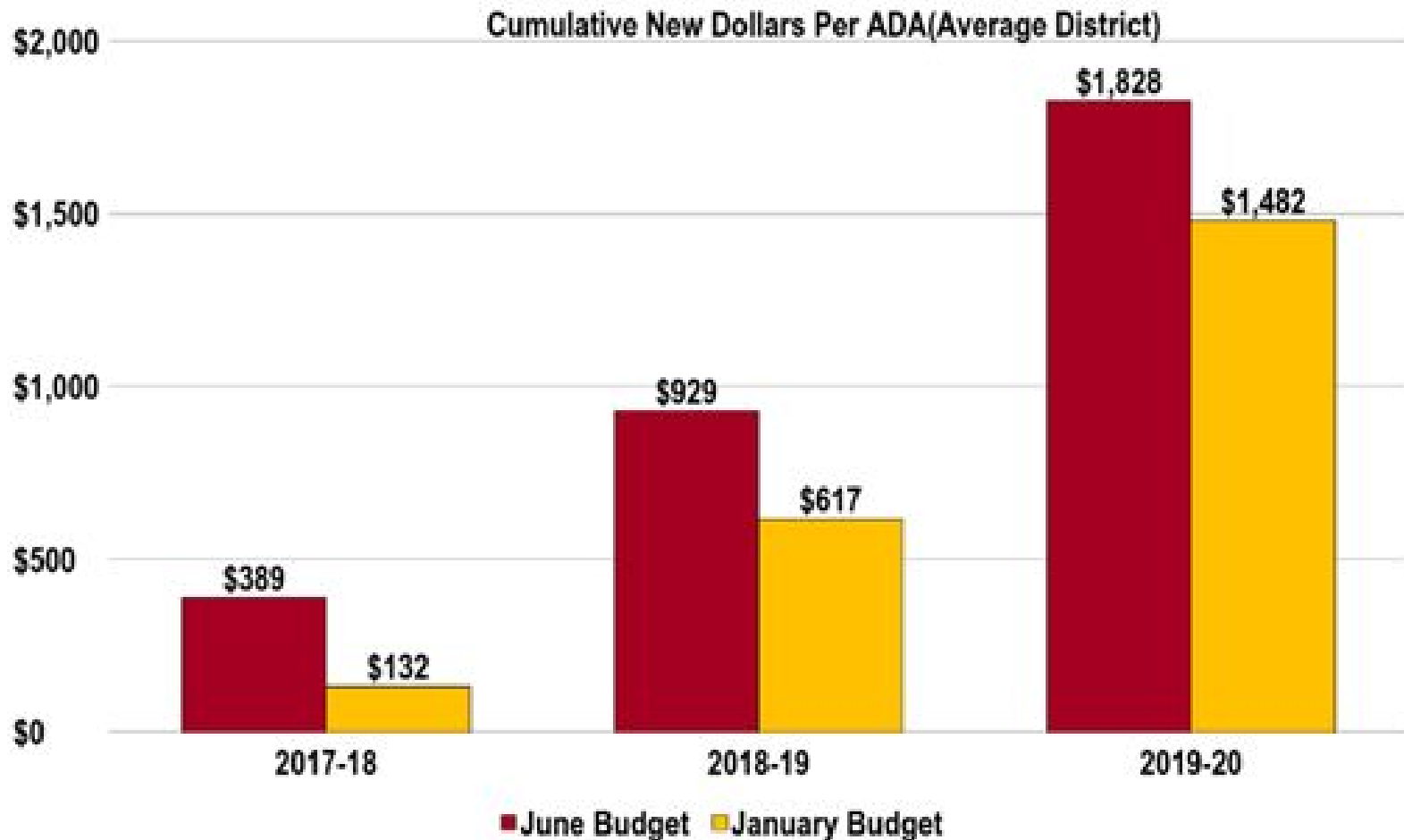


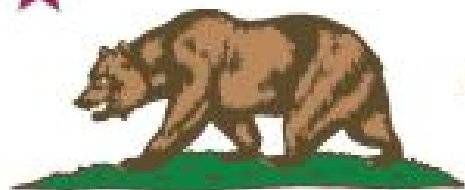


Impact of revised Prop 98 funding on average district

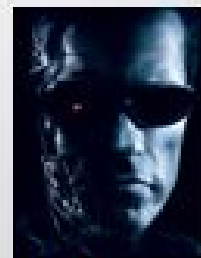
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Apportionment Deferrals Are Back!



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- The Governor's State Budget proposes to re-establish apportionment deferrals, shifting \$859.1 million in LCFF costs from June 2017 to July 2017
 - DOF officials indicate that this deferral will be paid along with the July 2017 apportionment
 - Results from reductions to the Proposition 98 guarantee in 2015-16 and 2016-17
 - Rather than reduce each month's apportionment, the entire amount is taken out of June's apportionment
 - Approximately **\$341K** "I.O.U." for Cambrian.
- In 2015-16, the Governor eliminated deferrals by shifting an \$897.2 million deferred payment from July 2016 back to June 2016
- How bad did it get?
 - In 2011-12, inter-year deferrals reached a peak of \$9.5 billion, or about 20% of the annual payment to schools



What Does the LCFF Mean for Cambrian?

10

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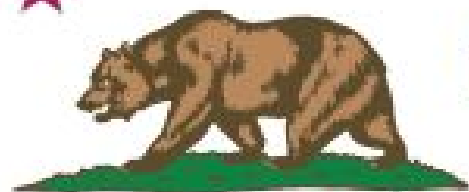
Cambrian School District – 2017-18 (Based on Governor's Proposal)

2017-18 LCFF Estimated Per ADA Funding	Projected 2017-18 ADA	Projected 2017-18 LCFF Total Revenue
\$7,902.14	3,509.16	\$27,729,873

- *Was \$28,472,574 at First Interim.*
- *A \$742,701 decrease primarily driven by a \$197 decrease in per ADA funding*
 - *The rest is due to a decrease in ADA estimates by 6*

Discretionary Funds – ONE TIME	Total
\$48 (one-time) X 2016-17 P2 ADA =	\$168,720*

- *Was \$1.7M in 2015-16 and \$700K in 2016-17*
 - *We are lucky to get \$169K for 2017-18*

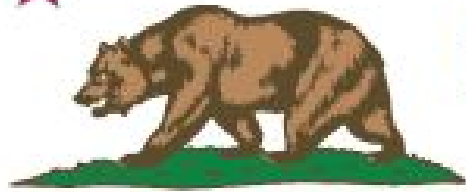


Revenue vs. Cost

11

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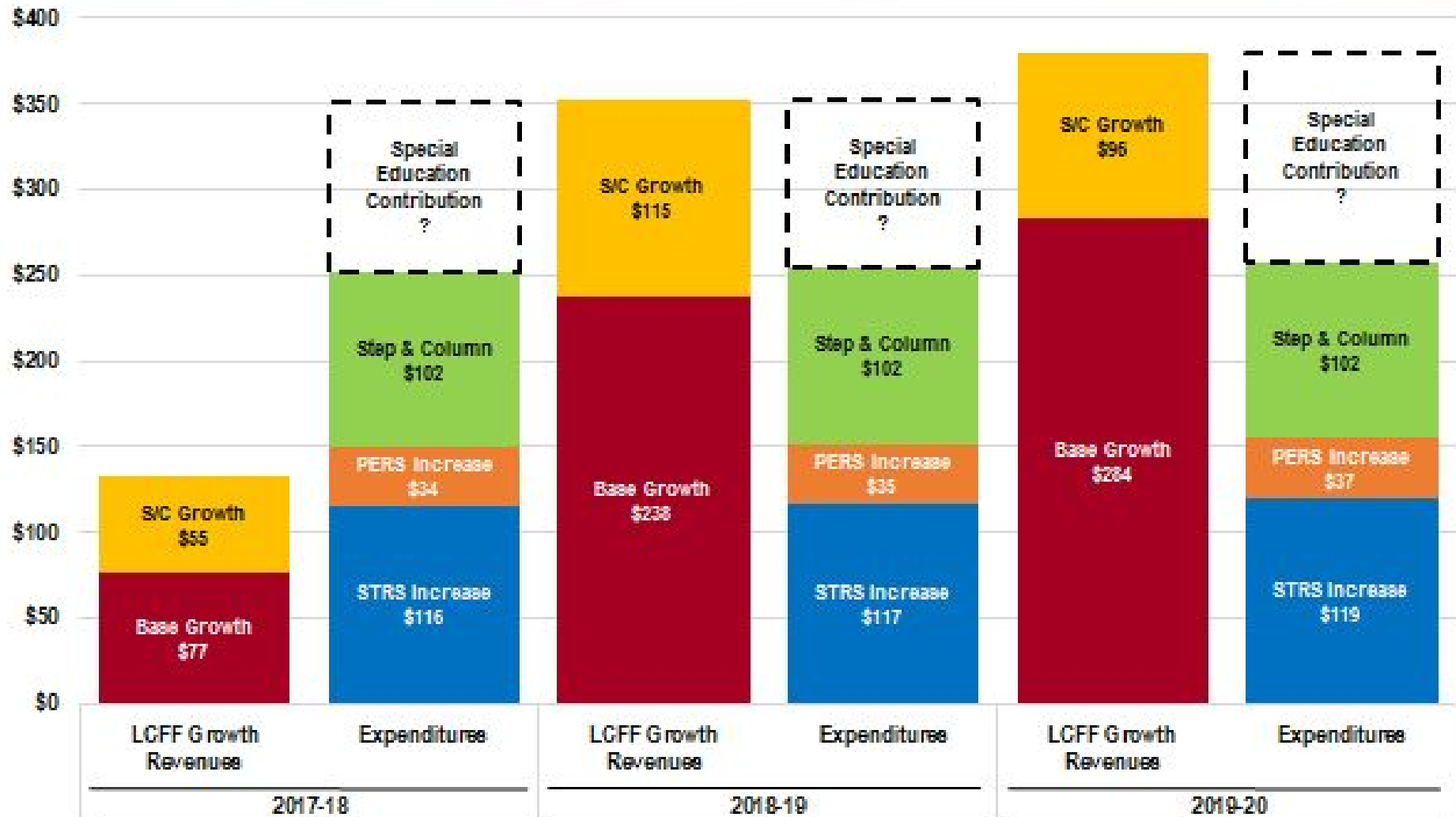
- On the natural, costs continue to rise
 - Step and column
 - Health and welfare
 - CalPERS/CalSTRS contributions
- Declining enrollment also results in revenue losses
- Ongoing revenues rise by only 1.48% for 2017-18
- Ongoing costs for most districts are likely to exceed 4%
- New revenues will not cover new costs
 - And it gets worse in the out years
- There is no new “targeted money” for gap closure in 2017-18
- Bottom line, most districts will have difficulty sustaining commitments made in prior years in the face of lower state revenue projections

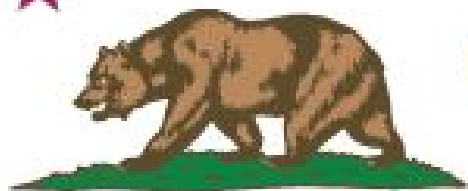


Per-ADA Revenues vs. Expenses

12

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CalPERS Rate Increases

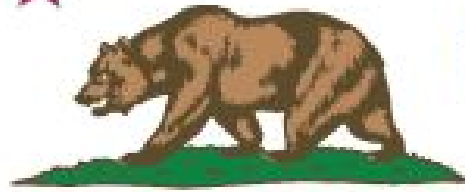
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- The employer contribution to CalPERS will increase to 15.8% in 2017-18, up from 13.888% in 2016-17
- “Classic” members continue to pay 7.0%; New members pay 6.0%,
- Future contribution rate increases for school employers are as follows:

	This Year	Future			
	2016-17	2017-18	2018-19	2019-20	2020-21
Before	13.888%	15.8%	17.7%	19.7%	21.1%
Now	13.888%	15.8%	18.7%	21.6%	24.9%

- Estimated increase in 2018-19 employer contributions is **\$91K** for Cambrian.
- No increase expected for employee contributions at this time.

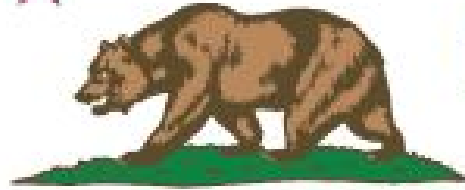


Uncertainties

22

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- Federal fiscal policy is a great uncertainty
 - How will federal spending and taxation affect the economy?
 - New federal policies
 - ACA?
 - Vouchers?
 - *Friedrichs* and union fees?
 - Federal funding for state programs?
 - The Governor is taking a wait-and-see approach
- April income tax collections could reverse the weakening revenue trend that has developed since last summer
 - Prior years have seen multi-billion dollar increases in April
 - But this year could be different



Next Steps

23

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- **State level**

- Budget committee hearings
- Next update – May Revision

- **Local level**

- Parcel Tax Survey and Survey Results
- Finalize negotiations with California State Employee Association
- Second Interim Report due to Santa Clara County Office of Ed by March 16

CSD LCAP 2016-17 Budget Allocations by Goal

School	Goal 1	Goal 2	Goal 3	Goal 4	Total Estimated Cost
Fammatre ES	\$118,300	\$17,000	\$39,000	\$22,200	\$196,500
Farnham ES	\$118,917	\$2,500	\$82,741	\$12,100	\$216,258
Sartorette ES	\$163,404	\$16,400	\$48,000	\$16,500	\$244,304
Price MS	\$152,200	\$20,500	\$161,000	\$6,250	\$339,950
Subtotal	\$552,821	\$56,400	\$330,741	\$57,050	\$997,012
*CSD LCAP	\$723,764	\$129,000	\$71,000	\$62,000	\$985,764
Grand Total	\$1,276,585	\$185,400	\$401,741	\$119,050	\$1,982,776

* CSD LCAP Budget only reflects estimated cost for Bagby ES, Steindorf SS and District Office combined.

Budget does not include teacher salaries, maintenance, and other misc. operations.

Team Discussion

- How is our district/school sites using base funds?
- How is our district/school sites using supplemental funds?
- What have you noticed about the planned increased or improved services?
- Have you developed any new services, ideas or resources to share?

15 minutes



Stakeholder's Engagement DRAFT - LCAP Community Survey

<https://goo.gl/forms/uBLBVlqrf1fHRhWX2>



Team Discussion

- What is your process this year for continuing to work with stakeholder groups to monitor goal implementation and student outcomes?
- How do you intend to consult with all groups?
- How can we get all stakeholders to take part in the community survey?

15 minutes



Next Steps

- LCAP Community Survey Input
- Review and
- Begin to Draft the LCAP Goals, Actions/Services for 2017-2020
- Get Stakeholder Input on Draft
 - Next Meeting is Friday, March 10, 2017 from 1-3:00pm
 - Review most current data and stakeholder inputs
 - Revise the Draft LCAP for 2017-18, 2018-19, 2019-20