

2014-15 ADOPTED BUDGET

Pleasant Valley School District

June 5, 2014

Governor's May Revision

- Economy continuing to improve
- Additional increase of \$2.4 billion in State revenues
 - 2012-13 revenue collections revised downward
 - Proposition 98 guarantee falls to \$60.9 billion (\$61.6 in January)
 - Net effect over three years is increase of \$242 million
- \$4.5 billion for continued implementation of the Local Control Funding Formula

Governor's May Revision

- California State Teachers' Retirement System's (CalSTRS) unfunded liability estimated at over \$74 billion
- Governor proposes to fully fund CalSTRS by 2045-46
- Contribution rate increase proposed for all three parties:
 - State - increase from 3.041% to 6.3% over three years
 - Employee - increase from 8.% to 10.25% over three years
 - Employers - increase from 8.25% to 19.1% over seven years

Governor's May Revision

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	Actual	Proposed/Projected						
STRS	8.25%	9.50%	11.10%	12.70%	14.30%	15.90%	17.50%	19.10%
PERS	11.442%	11.771%	12.60%	15.00%	16.60%	18.20%	19.90%	20.40%

For 2014-15:

- STRS contribution costs increase by \$313,000
- PERS contribution costs increase by \$24,300

For 2015-16:

- Additional STRS contribution costs of \$401,000
- Additional PERS contribution costs of \$61,200

2013-14 Year End Estimate vs. 2014-15 Adopted

	2013-14 Year End Estimate	2014-15 Adoption
Revenue	50,474,724	51,867,291
Expenditures	54,078,600	56,181,902
Net Increase/(Decrease)	(3,603,876)	(4,314,611)
Beginning Balance	13,485,745	9,881,869
Ending Balance	9,881,869	5,567,258

2014-15 Adopted Budget

- Unrestricted Operations
 - ongoing operational costs
 - classroom teachers, support staff, utilities
- Unrestricted Programs
 - varying degrees of flexibility
 - focused on particular needs
 - Transportation, English Learners, Donations
- Restricted Programs
 - specific guidelines
 - Title I, Special Education, CCSS Implementation

2014-15 Adopted Budget

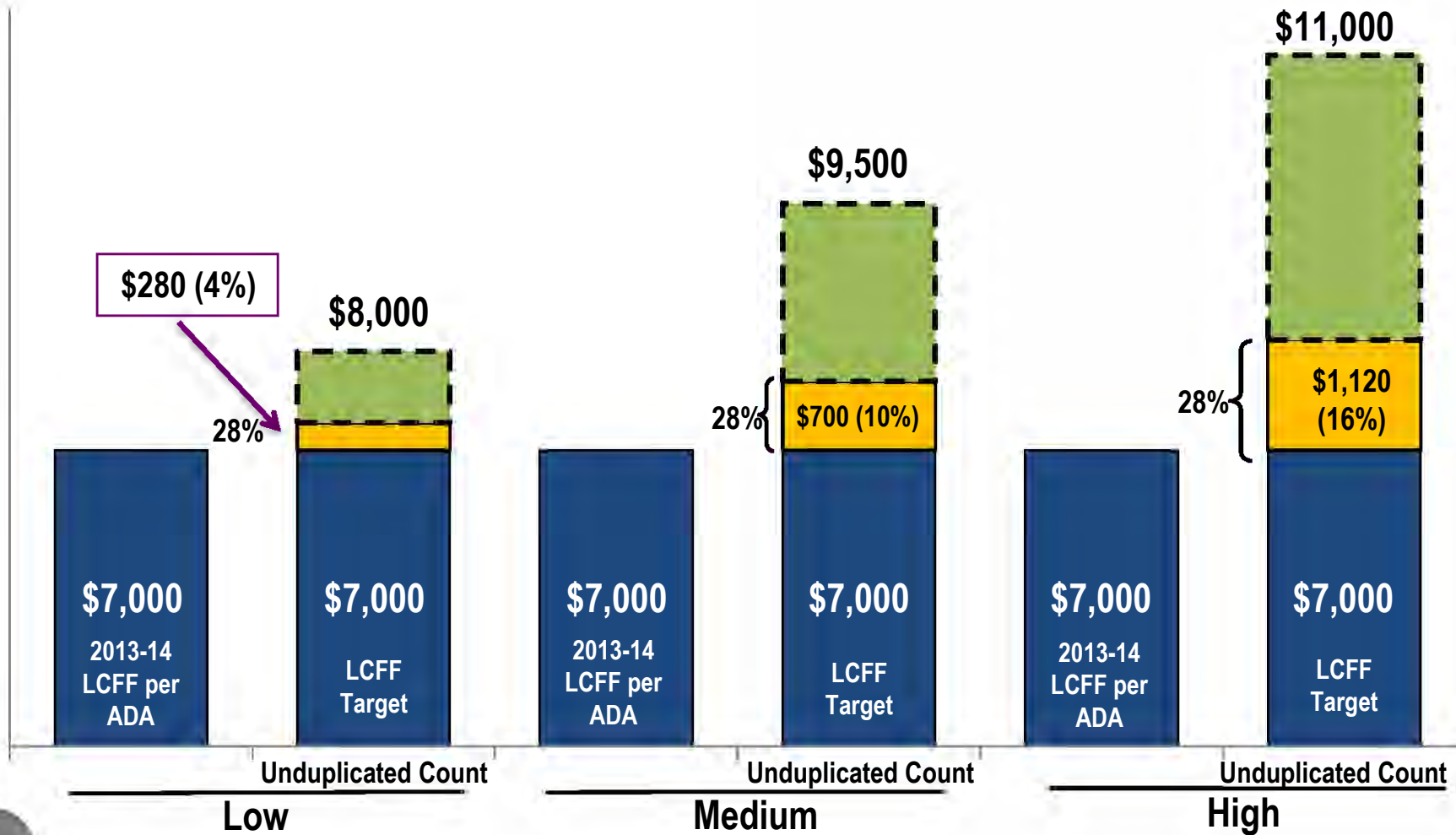
	Unrestricted Operations	Unrestricted Programs	Restricted Programs	Total Budget
Revenue	36,319,633	7,415,747	8,131,911	51,867,291
Expenditures	38,833,040	8,446,200	8,902,662	56,181,902
Net Increase/ (Decrease)	(2,513,407)	(1,030,453)	(770,751)	(4,314,611)
Beginning Balance	7,943,824	1,040,754	897,291	9,881,869
Ending Balance	5,430,417	10,301	126,540	5,567,258

Multi-Year Projection Assumptions

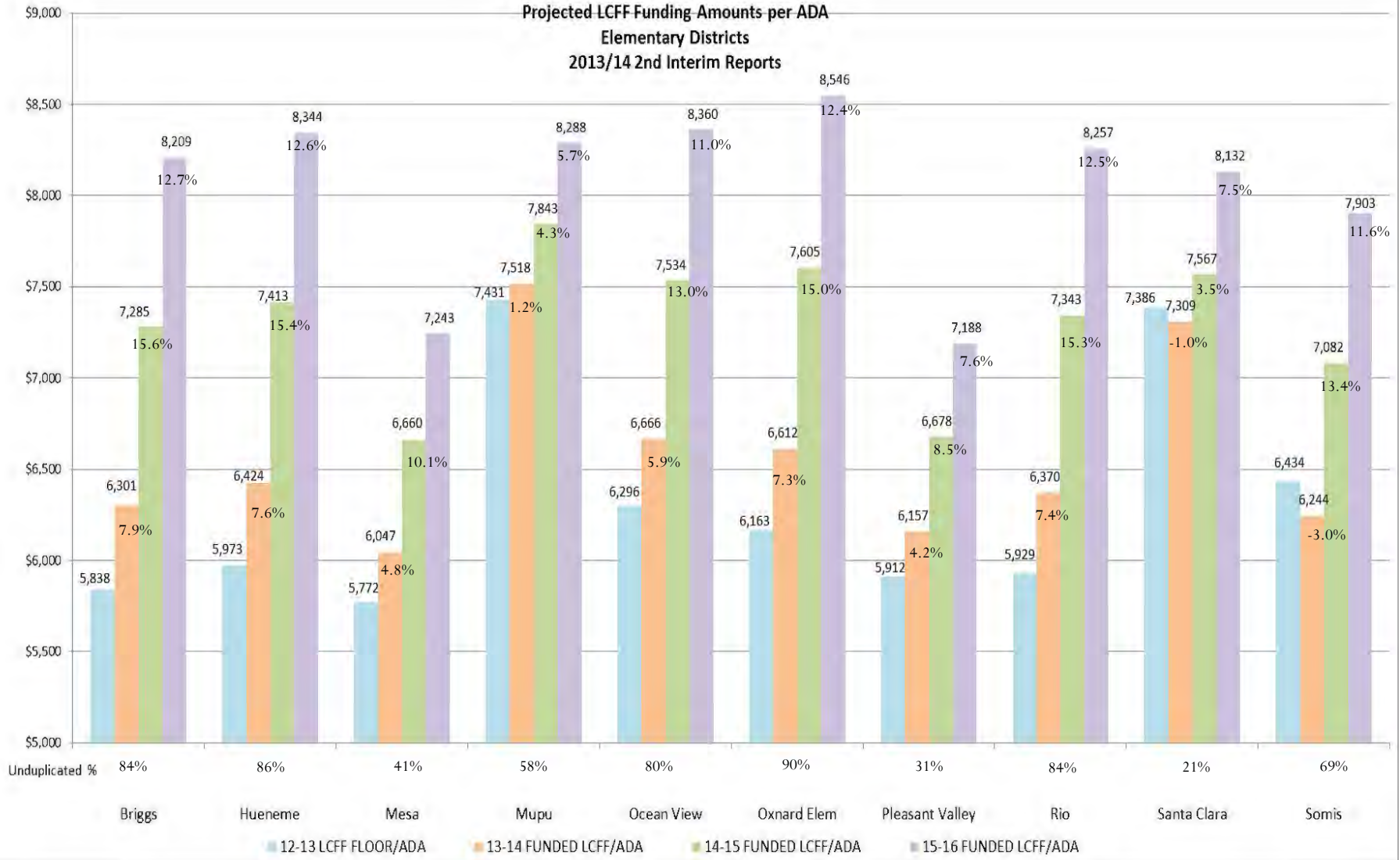
	2014-15 Adoption	2015-16 Estimate	2016-17 Estimate
Enrollment	6,580	6,580	6,580
Local Control Funding Formula (LCFF) Average Daily Attendance (ADA)	6,353.97	6,353.97	6,353.97
County Special Ed ADA	34.43	34.43	34.43
LCFF Funding per ADA	\$6,671	\$7,130	\$7,369
Percent of LCFF Gap Funded	28.06%	30.39%	19.50%
COLA	0.85%	2.19%	2.14%
California Consumer Price Index (CPI)	2.1%	2.3%	2.5%
PERS Rate	11.771%	12.6%	15.0%
STRS Rate	9.5%	11.1%	12.7%

Gap Closure Percentage vs. Percentage Change

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**Projected LCFF Funding Amounts per ADA
Elementary Districts
2013/14 2nd Interim Reports**



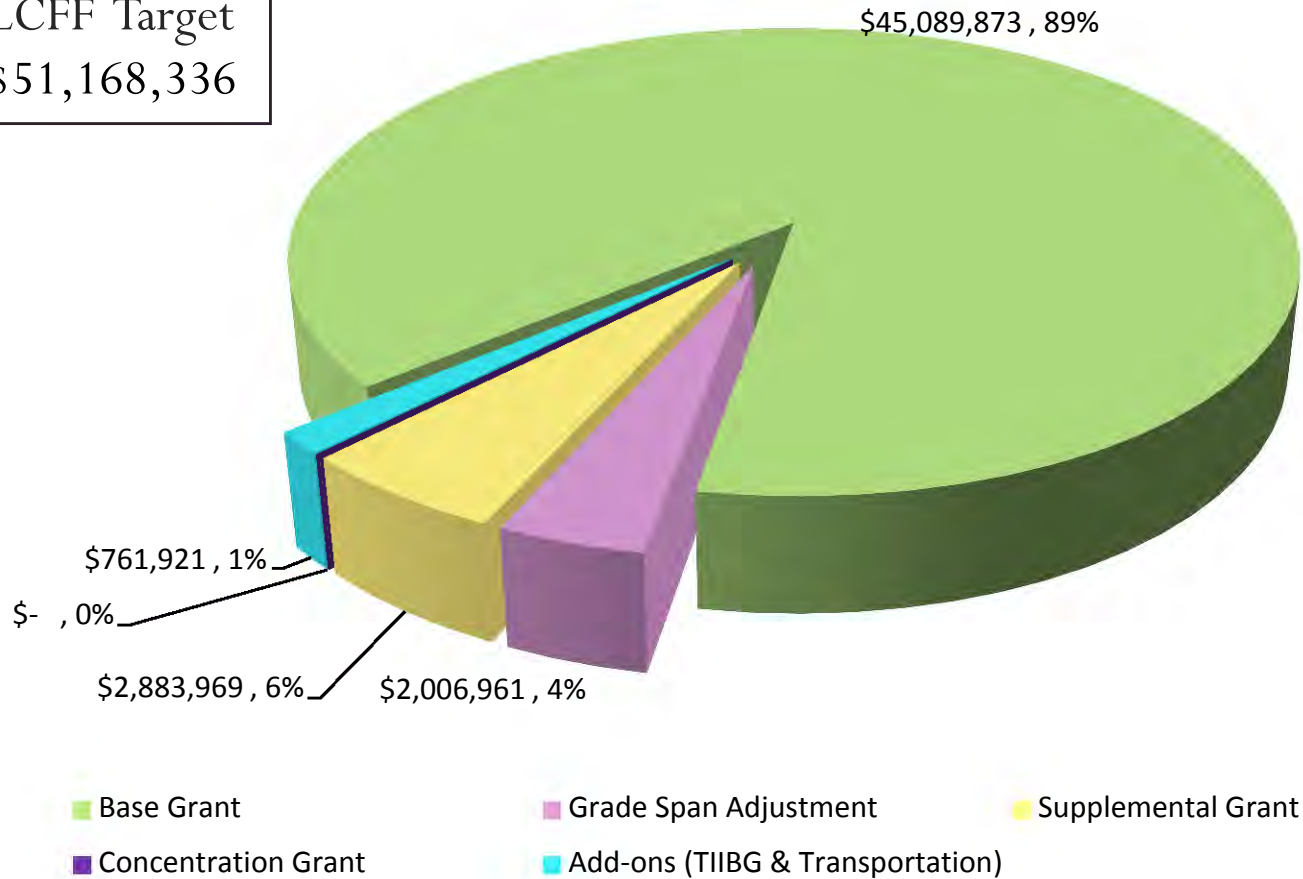
% shown near the top of colored bars is the annual increase over the prior year's funded LCFF amount per ADA

Summary of LCFF Funding

	2014-15 Adoption	2015-16 Estimate	2016-17 Estimate
LCFF Target	\$51,168,336	\$52,269,813	\$53,374,903
Floor	39,282,167	42,617,426	45,550,786
CY Gap	11,886,169	9,652,387	7,824,117
CY Gap Funding	3,335,259	2,933,360	1,525,703
Gap Funding per ADA	\$522	\$459	\$239
Percent of Gap Funding	28.06%	30.39%	19.50%
Total Phase-In Entitlement	\$42,617,426	\$45,550,786	\$47,076,489

Components of 2014-15 LCFF Target

LCFF Target
\$51,168,336



Multi Year Projection

	2014-15	2015-16	2016-17
	Adoption	Estimate	Estimate
Revenue	51,867,291	54,800,651	56,326,354
Expenditures	56,181,902	54,369,915	54,694,263
Net Increase/ (Decrease)	(4,314,611)	430,736	1,632,091
Beginning Balance	9,881,869	5,567,258	5,997,994
Ending Balance	5,567,258	5,997,994	7,630,085

For 2015/16

- Increase LCFF revenue by \$2.9 million
- Reduce expenditures for prior year CCSS & textbook adoption
- Return Routine Restricted Maintenance contribution to 3%
- Add cost of step/column, CPI and increase in PERS and STRS rates

For 2017/18

- Increase LCFF revenue by \$1.5 million
- Add cost of step/column, CPI, and increase in PERS and STRS rates

Multi Year Projection Fund Balance

	2014-15	2015-16	2015-16
	Adoption	Estimate	Estimate
Ending Fund Balance	5,567,258	5,997,994	7,630,085
<u>Reserves:</u>			
Cash	5,250	5,250	5,250
Legally Restricted	126,540	126,540	126,540
Designated Econ Uncert	1,685,458	1,631,097	1,640,828
Instructional Materials Adoption	1,889,301	2,248,149	2,606,997
Equipment Replacement	192,045	192,045	192,045
Program Balances	10,301	10,301	10,301
Budget Stabilization	1,658,363	1,784,612	3,048,124

Questions

