

Stockton Unified School District 2013–14 First Interim Financial Report

Presented: January 14, 2014

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Outline

- ▶ Local Control Funding Formula (LCFF)
- ▶ School funding before and now
- ▶ LCFF calculation
- ▶ Local Control Accountability Plan (LCAP)
- ▶ 1st Interim Report

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LOCAL CONTROL FUNDING FORMULA

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Local Control Funding Formula (LCFF)

- ▶ Enacted as part of the Budget Act for 2013–14 under Assembly Bill (AB) 97
- ▶ Eliminates the Revenue Limit funding and most of the State categorical funds
- ▶ Establishes new funding formula that provides same base grant for all school districts
- ▶ Targeted supplemental funding based on fixed percentages of the base grant amounts per pupil
- ▶ Funding should be no less than 2012–13 level
- ▶ Full implementation over 8 years, starting in 2013–14
- ▶ Requires Local Control Accountability Plan (LCAP)

Local Control Funding Formula (LCFF)

- ▶ Equity, additional resources for students with greater needs
 - Low-income students
 - English learners
 - Foster youth
- ▶ Local decision-making and stakeholder involvement
- ▶ Accountability
- ▶ Transparency
- ▶ Alignment of budgeting with accountability plans

School Funding Before & Now

Before

- ▶ Revenue Limits
- ▶ State categorical programs with some flexibility
- ▶ K-3 class size reduction (CSR) with unlimited class sizes (originally at 20:1)
- ▶ Accountability and performance process unique for each funding source

Now

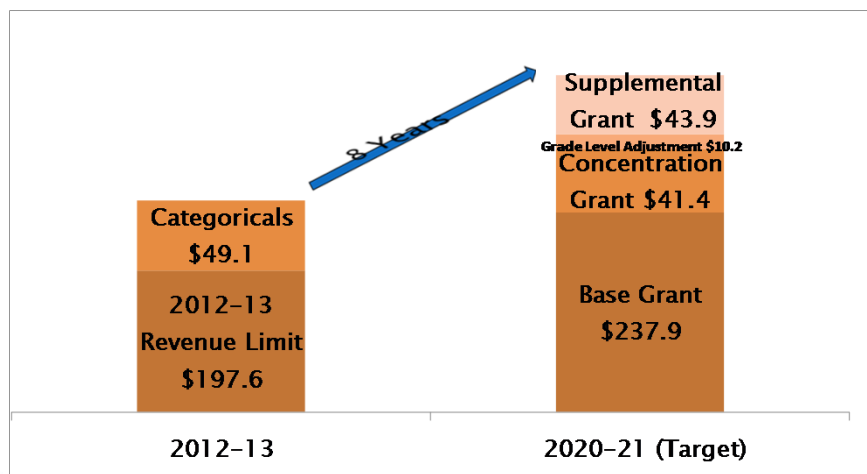
- ▶ LCFF base funding with grade span difference
 - K-3 CSR
 - CTE Grades 9 - 12
- ▶ Supplemental
- ▶ Concentration
- ▶ Local Control Accountability Plans required for the entire fund

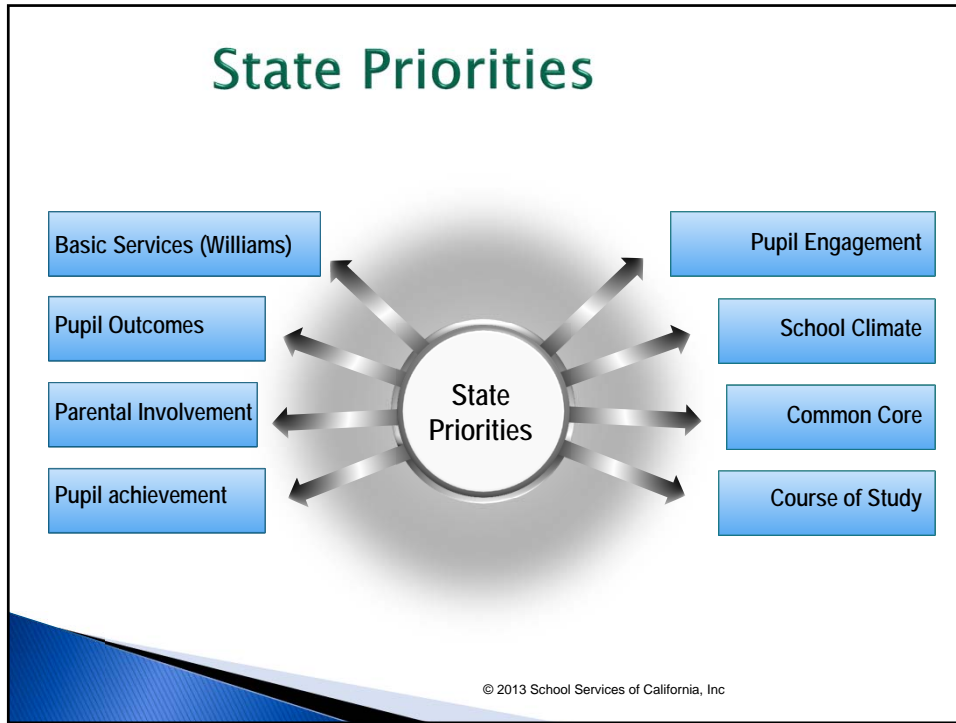
LCFF Target Funding in 2020-21

Factors	K-3	4-6	7-8	9-12
Base Grant per ADA	\$6,952	\$7,056	\$7,266	\$8,419
Augmentation Grant	(K-3 CSR) 723			(CTE) 219
Adjusted Base Grant per ADA	\$7,675	\$7,056	\$7,266	\$8,638

Factors	K-3	4-6	7-8	9-12
Supplemental Grant	\$1,357	\$1,248	\$1,285	\$1,527
Concentration Grant	1,282	1,179	1,214	1,443
Total Base, Supplemental, and Concentration Grant	\$10,314	\$9,483	\$9,765	\$11,608

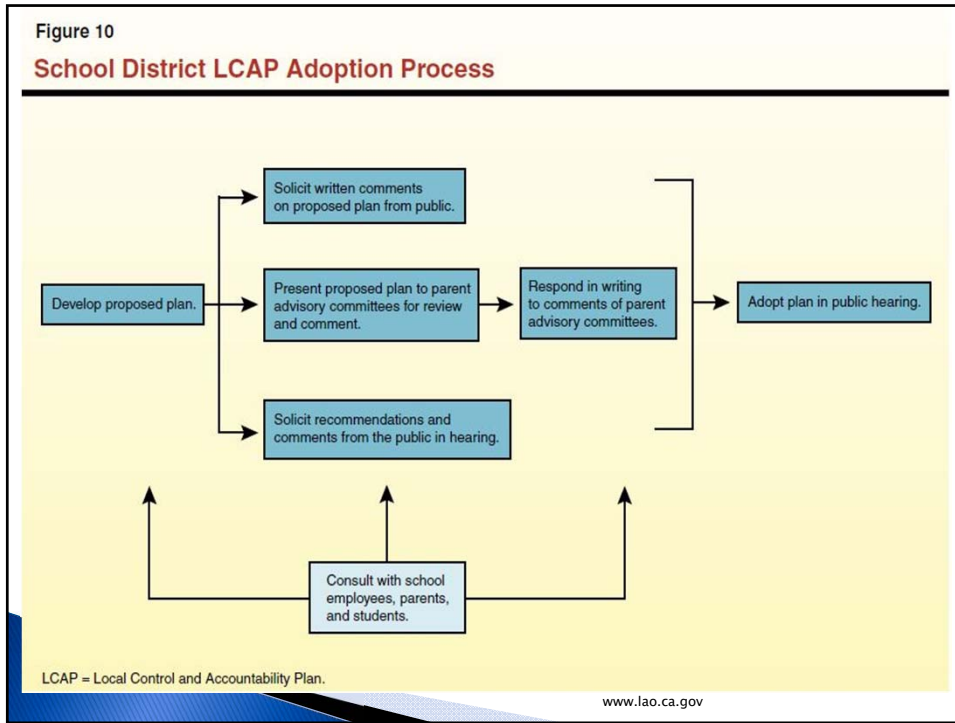
How LCFF Works (in millions)





Developing District's Local Control Accountability Plan (LCAP)

- ▶ Local governing board must adopt LCAP, which will be effective for a 3-year period and updated every July 1
- ▶ Set annual goals in each of the eight (8) priority areas for the subgroups. Potential subgroups are:
 - Ethnic/racial subgroups
 - Socio-economically disadvantaged students
 - English Learners
 - Students with disabilities
 - Foster youth
- ▶ Identify the specific actions the District will take to achieve those goals as aligned to the budget



LCAP Timeline

- ▶ January 31, 2014
 - State Board of Education (SBE) adopts regulations that govern expenditure of funds
 - SBE receives recommended changes to the Academic Performance Index (API)
- ▶ March 31, 2014 (Revised to January 2014 to align with expenditure regulations)
 - SBE adopts LCAP template
- ▶ June, 2014
 - Stockton Unified School District (SUSD) Board of Education adopts the 3-year LCAP
 - SUSD adopts the 2014-15 budget

FIRST INTERIM

Stockton Unified School District Budget Assumptions as Presented

- ▶ The LCFF funding model is incorporated in the documents as presented, including the Multiple Year Projections (MYP's).
- ▶ California Consumer Price Index (CPI) included for the MYP's and these factors are included in our calculations for LCFF in our out years.
- ▶ Step/Column/Range projected costs for Certificated and Classified employees are included in the budget and MYP's.
- ▶ Electricity rates projected to increase by California CPI in the MYP's.

Budget Assumptions as Presented

- ▶ Federal categorical revenues are budgeted based on current year entitlements less a 5.23% for sequestration.
- ▶ Enrollment/ADA funded at prior year ADA for the current budget.
- ▶ Enrollment/ADA projections for the current year are slightly down compared to prior years. Future budgets will be adjusted as actual numbers are received, analyzed and multiple year projections calculated.

Budget Assumptions as Presented

- ▶ The impact of the Affordable Care Act (ACA) is currently unknown and is not included in the MYP's.

Revenue Unrestricted/Restricted

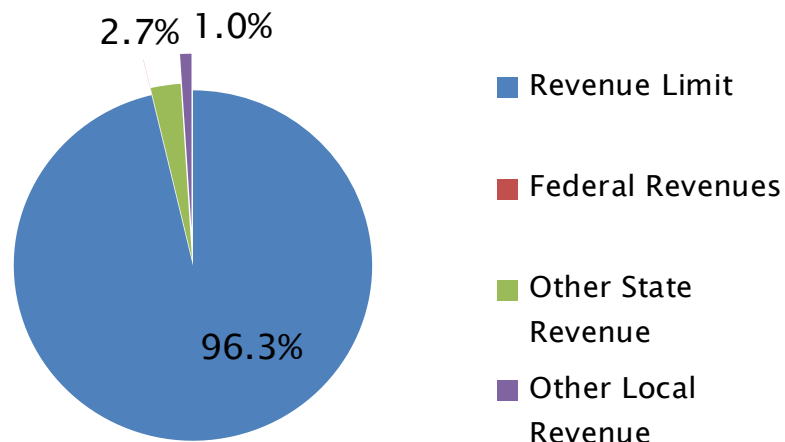
Description	2013-14 Unrestricted	2013-14 Restricted	Total
LCFF Transition	\$230,172,644	\$6,950,180	\$237,122,824
Federal Revenue	45,092	57,894,030	57,939,122
State Revenue	6,417,573	36,641,586	43,059,159
Other Local Revenue	2,424,299	1,964,636	4,388,935
Total Revenues	\$239,059,608	\$103,450,432	\$342,510,040

Unrestricted Expenditures

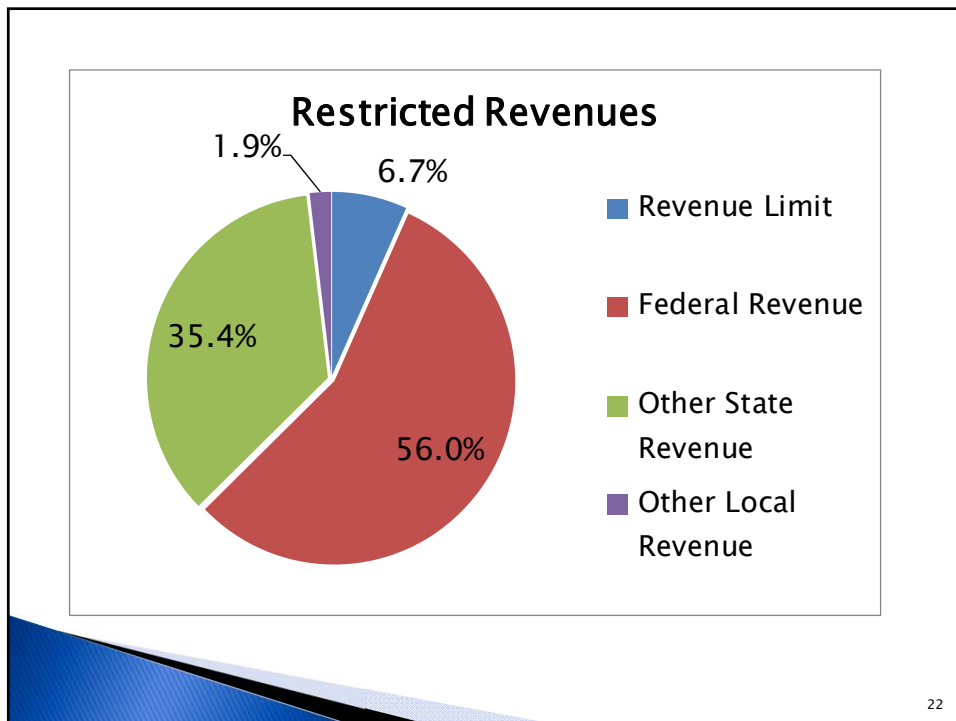
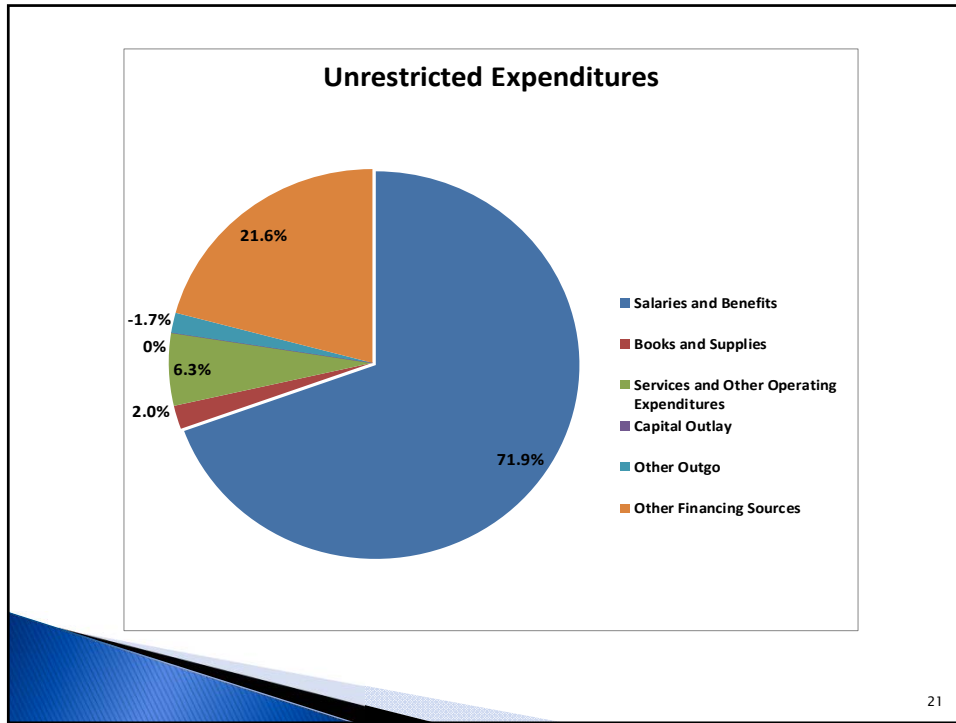
Description	2013-14 Unrestricted	2013-14 Restricted	Total
Salaries and Benefits	\$173,335,092	\$94,583,816.00	\$267,918,908
Books and Supplies	4,884,238	38,245,200	43,129,438
Services, Other Operating Expenditures	15,107,578	21,004,104	36,111,682
Capital Outlay	0	2,000	2,000
Other Outgo	-4,141,797	4,577,276	435,479
Other Financing Sources	52,000,177	-47,457,789	4,542,388
Total Expenditures/ Financing	\$241,185,288	\$110,954,607	\$352,139,895

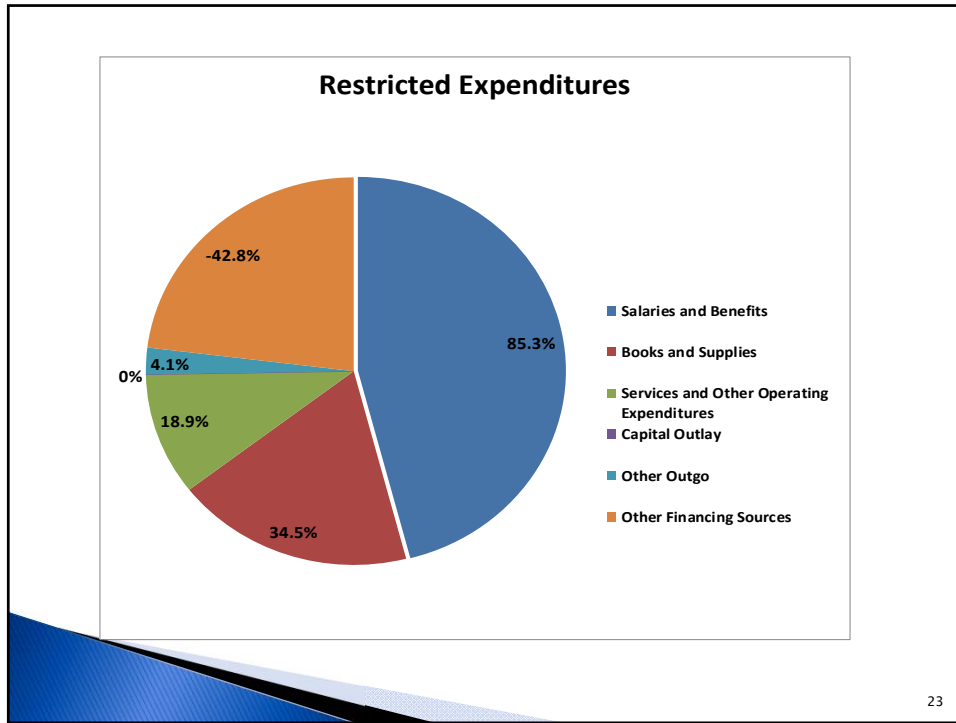
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Unrestricted Revenues



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Education Protection Account for 2013-14

- Revenues generated by Proposition 30 are deposited into the EPA by the State Controller's Office, and then are used to pay a portion of the state aid entitlement to school agencies
- These funds are received on a quarterly basis beginning in 2013-14 .

Description	2013-14	
State Aid	\$171,311,303	74%
Proposition 30	31,963,162	14%
Property Taxes	26,898,179	12%
Total Revenue Limit	\$228,381,891	100%

Proposition 30

Temporary Tax Type	Expiration Date	Fiscal Year of Expiration
Sales Tax	December 31, 2016	2016-17
Income Tax	December 31, 2018	2018-19

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Summary

- ▶ This is the first statutory period reporting for 2013-14
- ▶ The next statutory reporting period will be in March 2014, for the period ending January 31, 2014

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Thank You!