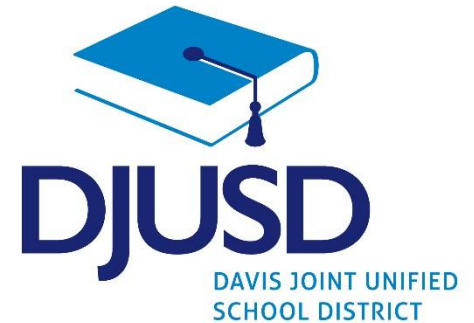


May Revise Budget Update



School
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INC. TM

Davis Joint Unified School District
June 4 , 2015





The Big News – 2015-16 Provides the Highest Increase in Education Funding Ever!

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- The May Revision provides an additional \$3.1 billion for education funding in 2014-15
 - This funding is for 2014-15, but treated as one-time dollars
- That is on top of \$4.75 billion already provided in the enacted Budget for the Local Control Funding Formula (LCFF)
- The combination of a rapidly recovering California economy and Proposition 30 temporary taxes drive the increased state revenues and growth in Proposition 98 for 2014-15
- The Governor proposes adding \$2.1 billion to the \$4 billion proposed in January for 2015-16 LCFF growth, for a total of \$6.1 billion
 - Gap closure rate goes from 32.19% to 53.08%
 - Average increase is 14.13%, or \$1,088 per average daily attendance (ADA)
- The state is making rapid progress toward full implementation of the LCFF



Issues of Note

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- Issues not addressed
 - California State Teachers' Retirement System (CalSTRS)/California Public Employees' Retirement System (CalPERS) cost relief
 - Repeal of the reserve cap
- No manipulation of Proposition 98 – we appreciate that
- Is the funding increase proposed by the Governor affordable for the state?
YES
 - Property tax growth alone is sufficient to cover the growth in Proposition 98
 - The “anti-spike” provisions increase non-Proposition 98 spending by about \$400 million
- Repayment of the cuts to education are affordable now

“If not us, who? If not now, when?”

– Rabbi Hillel

Proposition 98 Funding Will Slow

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- Proposition 98 has provided major increases in funding for K-14 education as the state economy recovers and funding cuts imposed during the recession are restored
 - Compared to the 2011-12 Proposition 98 guarantee, funding in 2015-16 will have increased \$21.1 billion to \$68.4 billion under the May Revision, an average annual gain of 9.7%
- These gains are largely attributed to the repayment of the Proposition 98 maintenance factor, an amount equivalent to the loss of funds imposed on K-14 education during the recession (a restoration, not a repayment)
- According to the May Revision, \$772 million in maintenance factor payments will remain at the end of 2015-16
- Conclusion: Proposition 98 funding will slow considerably once the maintenance factor has been fully paid
 - Growth will likely be in the range of 2% to 4% annually

January Budget vs. May Revision

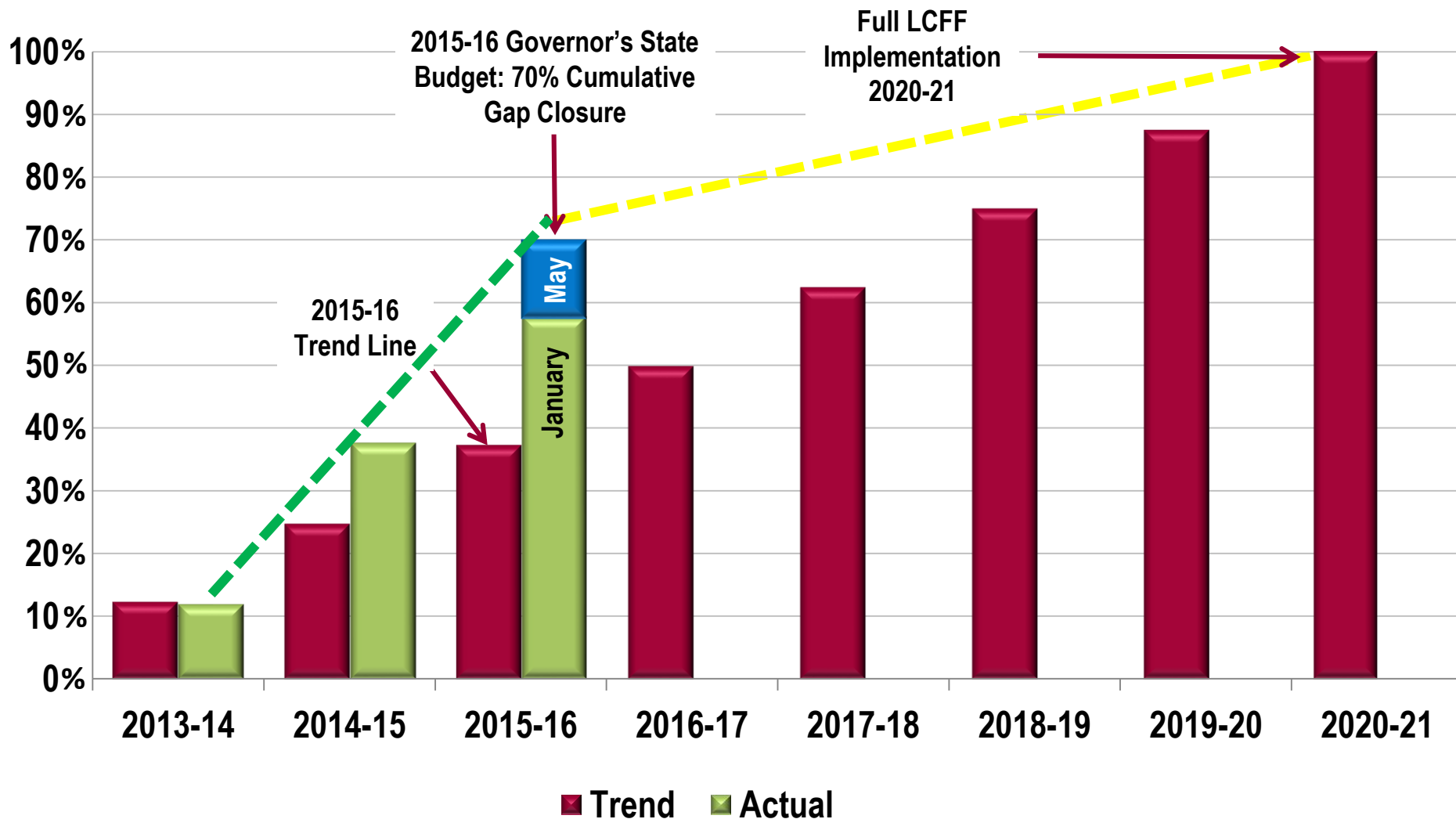
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Item	January Budget	May Revision
LCFF Gap Funding Percentage	32.19%	53.08%
Proposition 98 Minimum Funding Guarantee 2014-15 2015-16	\$63.2 billion \$65.7 billion	\$66.3 billion \$68.4 billion
2015-16 COLA	1.58%	1.02%
One-time Discretionary Funds for 2015-16	\$1.1 billion \$180 per ADA	\$3.5 billion \$601 per ADA

- The January Budget proposed \$4 billion for continued implementation of the LCFF
- The May Revision provides another \$2.1 billion, for a total of \$6.1 billion of additional Proposition 98 revenues flowing to schools
- New funding is estimated to close the gap between 2014-15 funding levels and LCFF full implementation targets by 53.08% in 2015-16
 - The May Revision slightly revises the current-year gap closure estimate, up from 29.15% to 29.97% for 2014-15
- When combined with 2013-14 and 2014-15 LCFF funding, implementation progress would close almost 70% of the gap in just 3 years

Progress Toward LCFF Implementation

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What Does the LCFF Mean for DJUSD

Davis Joint Unified

	LCFF Per ADA Funding	Projected ADA	Projected LCFF Total Revenue
2014-15	\$6,947	7,695	\$53,458,561
2015-16	\$7,719	7,617	\$58,798,885
<i>Change</i>	<i>+\$772</i>	<i>-34</i>	<i>+\$5,340,324</i>



What Does the LCFF Mean for DJUSD

- **2015-16 LCFF Budget Uses**
 - **Employee compensation**
 - **Step and Column**
 - **Collective Bargaining**
 - **State mandated programs**
 - **Restricted maintenance**
 - **Pension rate increases (STRS & PERS)**
 - **Supplemental student programs (LCAP specific)**
 - **Class Size**
 - **Local programs**
 - **Budget deficit**
 - **Class size**
 - **Other LCAP priorities**

What Does the LCFF Mean for DJUSD

LCFF Multi-Year Projections

2014-15	2015-16	2016-17	2017-18
\$53,458,561	\$58,798,885	\$61,460,195	\$64,252,551
<i>Change</i>	<i>+\$5,340,324</i>	<i>+\$2,661,310</i>	<i>+\$2,792,356</i>

*** Growth rate will slow down in the future**

- **The May Revision provides an increase of \$2.4 billion in discretionary one-time Proposition 98 funding**
 - From \$1.1 billion to \$3.5 billion, equal to about \$601 per ADA
 - Of these funds, \$40 million is for county office of education (COEs) to assist in meeting new responsibilities associated with the Local Control and Accountability Plan (LCAP)
- **The May Revision suggests that local educational agencies (LEAs) prioritize these funds for professional development, teacher induction, and instructional materials and technology**
 - This is not a mandate and the funds can be used for “any one-time purpose, as determined by the governing board”
 - However, any funds received will offset state obligations for any LEA with outstanding mandate reimbursements, consistent with the approach used in the 2014 Budget Act

Discretionary Funds for DJUSD

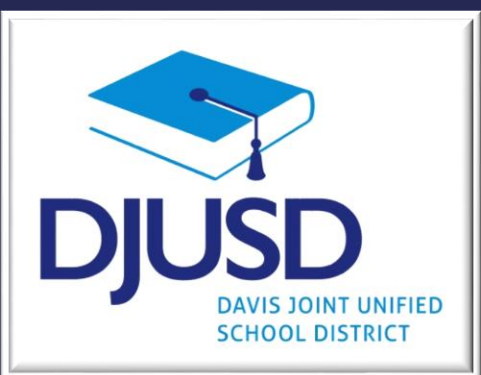
- From \$1.1 billion to \$3.5 billion, equal to about \$601 per ADA

Discretionary One-Time Funds		
2014-15 Fund Balance	\$0.5m	From 2013-14 ending balance
2014-15 Payment	\$0.5m	Current year funding
***2015-16 Payment	\$4.6m	May Revise funding
USES:		
Collective Bargaining:		
One-time payments	\$3.0m	5% over 2 years
Professional Development	\$1.2m	4 days over 2 years
Sub-Total	\$4.2m	Allocated to Employees
Remaining to Allocate	\$1.4m	Available for LCAP Goals

*****Pending State Budget Approval, could be reduced in final budget!**

- Supplemental Program activities \$500,000 on-going
- Other LCAP Priorities \$400,000 on-going
- *One-Time Discretionary* *** *\$1,400,000 one-time*


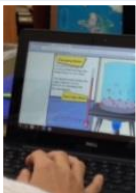
*****Pending State Budget Approval, could be reduced in final budget!**







NEEDS PRIORITIES



LOCAL CONTROL ACCOUNTABILITY PLAN (LCAP) REVIEW









DJUSD Goal	Related State Priorities	Services/Actions	Sample Metrics
1. Professional Growth 	Student Achievement, Parent Involvement, Course Access , Stud Outcomes, Basic Services, Common Core Standards, Student Engagement, School Climate	Increased site budgets, CTE Coordination, Instructional Computer Support	<ul style="list-style-type: none"> • Teacher misassignments • PG participation • Report cards • PG survey
2. Physical Space and Technology Infrastructure 	Student Achievement, Course Access, Basic Services, Student Engagement	Increased site budget, Instructional Computer Support, Chromebooks/WiFi	<ul style="list-style-type: none"> • Building review • Wi-Fi Plan completion • Customer support • Report cards


DJUSD Goal	Related State Priorities	Services/Actions	Sample Metrics
3. Assessment 	Student Achievement, Basic Services, CC Standards, Student Engagement, School Climate	Instructional Materials and Implementation of Common Core, Families in Transition Center	<ul style="list-style-type: none"> • Assessment PG • Text books per student • CC Observations • State assessments • Dropout and Grad rates (MORE)
4. Student Goals 	Student Achievement, Parental Involvement, Student Engagement, School Climate	Nursing Services, Elementary Counseling, Mental Health Intern, AVID, CTE Coordination, Increased site budget, Title I Site support, Instructional Materials and Implementation of Common Core, Foster Youth Support, Family resource Center, Families in Transition Center	<ul style="list-style-type: none"> • Differentiation PG, • # risk assessments • fitness tests, • # CTE students • A-G reqs/AP/AP passing • Attendance/Chronic Absenteeism rates • Elementary time for core subjects and academic intervention for target students, (MORE)

DJUSD Goal	Related State Priorities	Services/Actions	Sample Metrics
5. English Learner Proficiency 	Student Achievement, Parental Involvement, Course Access, Other Student Outcomes, Basic Services, Common Core State Standards	Title I Site Support, Instructional Materials and Implementation of Common Core, Family Resource Center	<ul style="list-style-type: none"> • CCSS/ELD standards PG • % students progressing in English proficiency, • SBAC/ API/Re-class rate • EL /RFEP students in AP • Chronic Absenteeism • EL grad /dropout rates, • EL parents at ELAC/DELAC (MORE)
6. Climate 	Student Achievement, Basic Services, Student Engagement, School Climate	Nursing, elementary counseling, Mental Health Intern, CTE Coordination, elem. campus supervision, Increased site budgets, Climate Coordination, Foster Youth Support, Families in Transition Center	<ul style="list-style-type: none"> • Suspension rates • Expulsion rates, • Connectedness with adult on campus (CA Healthy Kids)

DJUSD Goal	Related State Priorities	Services/Actions	Sample Metrics
7. Parent Engagement 	Student Achievement, Parental Involvement, Student Engagement, School Climate	Parent Engagement Nights, Events on home learning	<ul style="list-style-type: none"> • CA Healthy kids survey #s • Parent Engagement Night #s • Events on home learning #s • LCAP survey
8. Valuing each person 	Student Achievement, Course Access, Basic Services, Common Core, Student Engagement, School Climate	Climate Service Coordination	<ul style="list-style-type: none"> • Staff retention • Recognitions; • Substitute requests

Services/Actions	Description
Nursing Services 	Increase nursing FTE from 4.0 to 4.4 FTE to decrease student ratio from 1: 2150 to 1:1900
Elementary Counseling 	1.0 FTE allocation on school demographics and 1.0 FTE allocation on school enrollment (0.25 FTE at each site). 2.0 FTE to provide baseline services at all elementary schools (0.25 FTE at each site). Total of 4.0 FTE, 0.5 FTE at each elementary site.
Mental Health Intern Program 	Provide additional 0.5 FTE to current 0.5 FTE Prevention and Crisis Manager to develop, coordinate, and supervise mental health interns. The interns will provide short-term counseling to districtwide.
Coordination of Climate Services	Increase outreach to DJUSD staff and provide PD for teachers to aid in the implementation of restorative practices at district schools (0.3 FTE Climate Coordinator).
Support for Foster Youth	Provide liaison services between county and sites, and between sites and students for our foster youth population which has increased in the past year to over 30 students (Increase Climate Coordination by 0.2 FTE)

Services/Actions	Description
Reading Support Equity and Early Literacy	Improve instructional strategies to meet the needs of English Learners and low income students. 
English Learner Specialists Support	Increase 0.2 FTE to three sites (Patwin, Willett and Birch) that have increased numbers of EL students (0.6 FTE total)
Family Resource Center at MME	Provide access to DJUSD families to county and district resources. Maintain an engaging center for community families
Families in Transition Center	Support for homeless students 
Advancement Via Individual Determinations (AVID)	Increased coordination between school sites/district - field trips, summer institutes, membership fees and coordination 0.2 FTE. 
Coordination of Career Technical Education	Coordination of district wide pathways for Career Technical Education courses, updating existing courses, facilitate internship programs (0.2 FTE)

Services/Actions	Description
Elementary Campus Supervision , > 600 students	Will be based in a site level formula per students 
Increased Site Budgets for Site Priorities	One-half allocation based on student demographics (unduplicated counts) and one-half allocation based on total student enrollment of each site.
Cover Title I Site Budget Support	Several Title I sites will lose a portion of their Title I allocation funds due to changes in federal funding levels. This funds would hold those sites "harmless."
Instructional Computer Support	Site computer technician per elementary, possible incremental allocation (0.5 FTE per site)
Chromebooks	Addition of two (2) Chromebook cart per elementary, four (4) Chromebook carts per junior high, six (6) Chromebook carts at DSHS, and five (5) Chromebooks per small school site
Instructional Materials and Implementation of the Common Core	English Language Arts/English Language Development Adoption, Next Generation Science Standards and updating existing instructional materials.
Operational Costs	Psychologist, clerical, book keeping,



● Supplemental Program activities \$500,000 on-going

Services/Actions	Budget
Elementary Counseling	\$136,000
Mental Health Intern Program	\$45,000
Coordination of Climate Services	\$22,500
Support for Foster Youth	\$9,200
Reading Support Equity and Early Literacy	\$48,000
English Learner Specialists Support	\$40,000
Family Resource Center at MME	\$20,000
Families in Transition Center	\$10,000
AVID	\$49,000
Increased Site Budgets	\$100,000
Title I Site Budget Support	\$40,000

● Other LCAP Priorities

\$400,000 on-going

Services/Actions	Budget
Nursing Services	\$33,000
Elementary Counseling	\$136,000
Coordination of Career Technical Education	\$10,000
Elementary Campus Supervision	\$10,000
Increased Site Budgets	\$100,000
Instructional Computer Support	\$100,000
Operational Costs	\$40,000

LCAP Planning for DJUSD

- ***One-Time Discretionary ****** ***\$1,400,000 one-time***

Services/Actions	Budget
Chromebooks	\$521,000
Instructional Materials	\$500,000

*****Pending State Budget Approval, could be reduced in final budget!**

- Parcel taxes of \$9.5m expire in June 2017
- The 2017-18 (3rd year) Multi-Year projection will not include these taxes
 - Parcel taxes not allowed in projections until voter approval
 - Parcel tax program expenditures not subject to collective bargaining will be dropped along with the revenue (approximately \$7.6m)
 - K-3 Class Size and Elementary Prep subject to bargaining
- The net impact of these actions is a budget deficit of \$1.9m in 2017-18

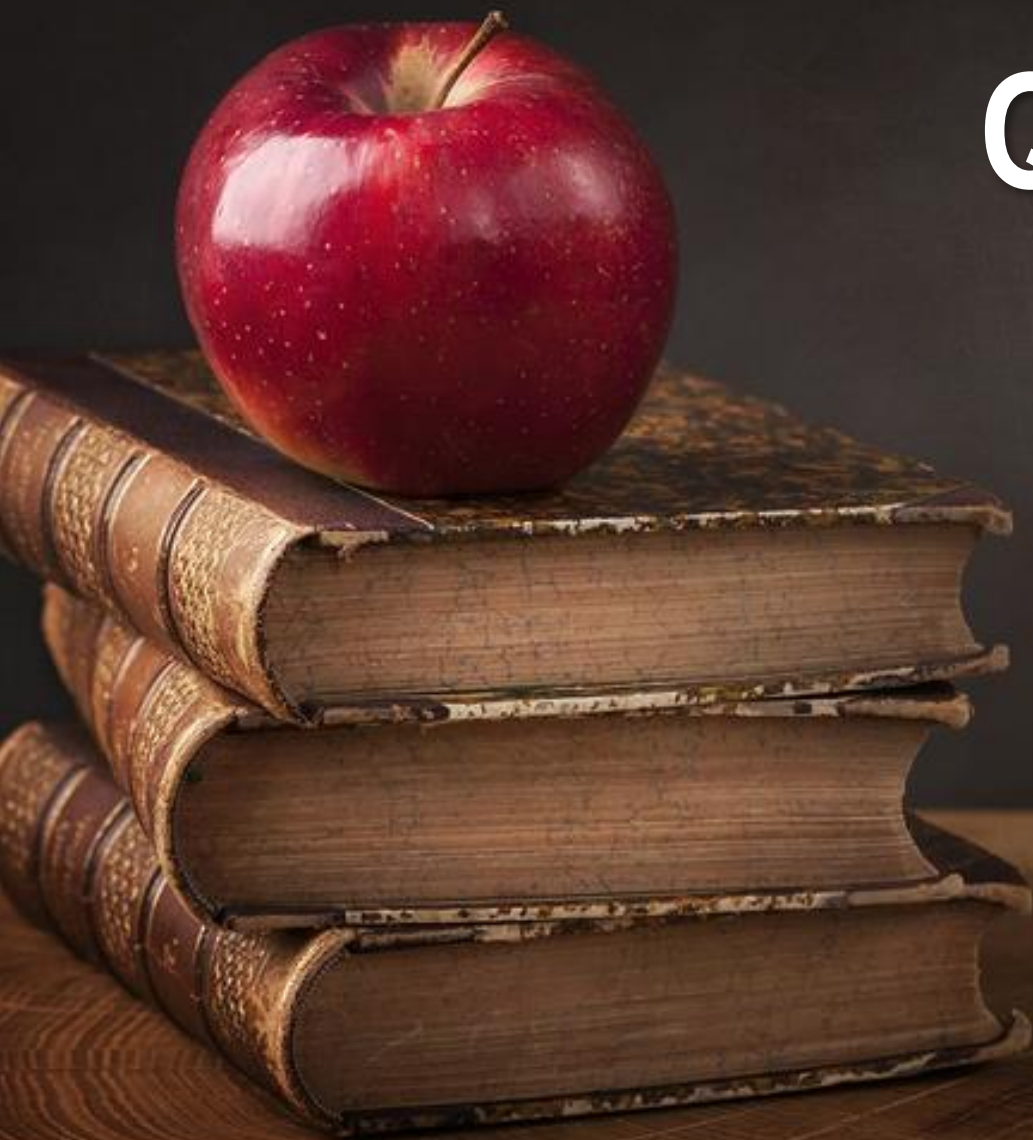
- The Board will need to develop a plan over the next year for the renewal of the tax
- An election needs to be held prior to June 2017
 - Election ballots need Board approval 120 Days prior to the election date
 - Next Board general election is Nov 2016
 - Election ballot approval by July 1 2016
- Board needs to develop tax terms for ballot measure
 - Program
 - Tax-Rate
 - Duration

■ State level

- Budget committee hearings
- Vote on Budget by Legislature
- Governor signs Budget

■ District level

- Adopt the LCAP and budget
 - Public Hearing June 18th
 - Board Approval June 25th
- 45-day budget revision if material changes from adopted budget



Questions?