



2015-16 PROPOSED BUDGET

Regular Board Meeting
June 16, 2015

STATE BUDGET - MAY REVISION, STATE REVENUES, AND PROP 98

- State budget has not been enacted, therefore OPUSD proposed budget is based on Governor's May Revise proposal
- Combination of rapidly recovering California economy and Prop 30 temporary taxes drive increased state revenues and growth in Prop 98 for both 2014-15 and 2015-16
- This state revenue increase in turn drives a revision to the Proposition 98 minimum funding guarantee
 - An increase of \$3.1 billion in 2014-15 to \$66.3 billion
 - Prop 98 Maintenance funding for 2014-15 treated as one-time dollars
 - An increase of \$2.7 billion in 2015-16 to \$68.4 billion
 - 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

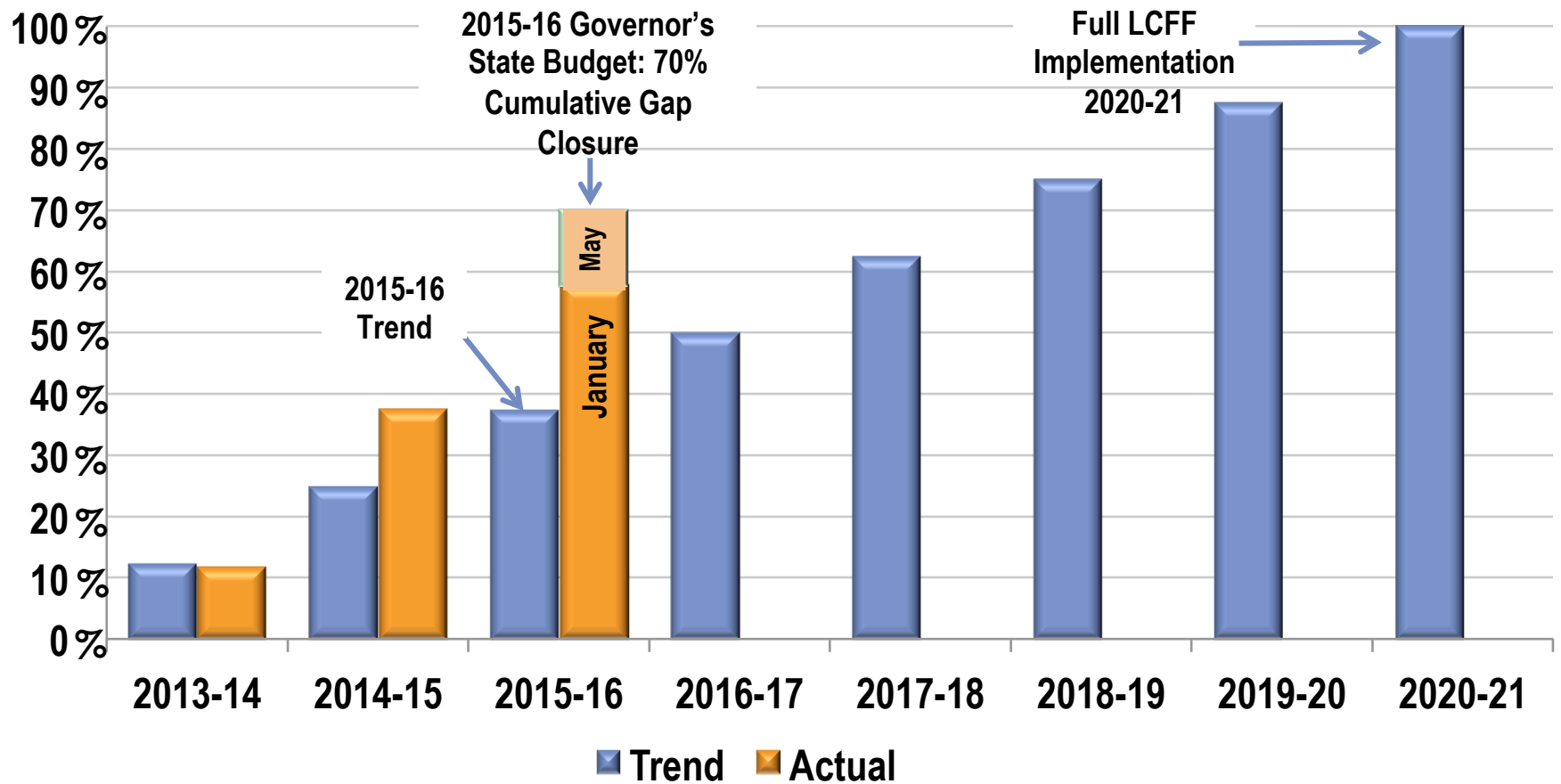
CHANGE FROM JANUARY BUDGET TO MAY REVISION

Item	January Budget	May Revision
LCFF Gap Funding Percentage	32.19%	53.08%
Prop 98 Minimum 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

2015-16 LOCAL CONTROL FUNDING FORMULA

- 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
- State is making rapid progress toward full LCFF implementation
 - When combined with 2013-14 and 2014-15 funding, implementation progress would close 70% of gap in just 3 years

PROGRESS TOWARD LCFF FUNDING IMPLEMENTATION



LCFF CALCULATIONS

■ OPUSD 2015-16 Target Entitlement calculation (w/1.02% COLA)

Factors	K-3	4-6	7-8	9-12
Base grants	\$7,083	\$7,189	\$7,403	\$8,578
CSR, CTE amounts	\$737	–	–	\$223
% Eligible UPP	8.78%	8.78%	8.78%	8.78%
20% Supplemental	\$1,564	\$1,438	\$1,481	\$1,760
50% Concentration (above 55% UPP)	\$0	\$0	\$0	\$0

*Supplemental/concentration grants calculated on percentage of students (unduplicated pupil percentage or [UPP]) who are English learners (EL), free and reduced-price meal (FRPM) program eligible, or foster youth

■ 2015-16 entitlement calculation (w/53.08% LCFF Gap Funding)

Total 2015-16 LCFF Per ADA Funding	Projected 2015-16 ADA	Projected 2015-16 LCFF Revenue	2014-15 LCFF Revenues	Net Increase in Ongoing LCFF
\$7,403	4,544	\$33,639,052	\$30,036,438	\$3,589,270

PRIORITY RECOMMENDATION - ONGOING FUNDING

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ESTIMATED NEW ON-GOING LCFF FUNDING (May Revise) \$ 3,589,270

REQUIRED/ ESSENTIAL BUDGET PRIORITIES	FTE	Estimated Cost
STRS (based on current salaries/positions)	All	\$ 344,316
PERS (based on curent salaries/positions)	All	\$ 2,915
Step and Column	All	\$ 389,158
Additional special ed teacher (Elem)	0.5	\$ 56,651
Additional psychologist time (District-wide)	1.5	\$ 122,985
Additional behaviorist hours	0.5	\$ 66,070
Sub Total Required/ Essential		\$ 982,095

NET ESTIMATED ON-GOING FUNDING TO ADDRESS PRIORITIES \$ 2,607,175

RECOMMENDED BUDGET PRIORITIES	FTE	Estimated Cost
STAFFING - COUNSELORS		
**Additional counselor - High School	1	\$ 110,426
	Sub Total	\$ 110,426
STAFFING - OTHER CERTIFICATED		
Admin salary schedule adjustments to Top Tier (1-3) in County	7 FTE	\$ 69,946
Increase Sub pay from \$110 to \$115 per day		\$ 15,478
	Sub Total	\$ 85,424
STAFFING - OTHER CLASSIFIED		
**Additional custodian staffing (100% allocation of 2000 levels)	3.59375	\$ 216,516
**Additional grounds people (100% allocation of 2000 levels)	2	\$ 123,293
**Additional maintenance engineer	1	\$ 71,181
Additional Office support - 100% Staffing Formula .05 hr/50 students (Elem)	0.3625	\$ 11,413
Additional Office staff - OPHS	1	\$ 53,129
Additional Campus Supervision (Elem)	0.625	\$ 14,037
Additional Child Nutrition Staff	2.9375	\$ 112,415
**Positions also listed in 2014-15 LCAP for 2015-16	Sub Total	\$ 601,984
OTHER ITEMS:		
SITE Discretionary Budgets (increase formula from from current level of 30% to 40%)		\$ 86,168
	Sub Total	\$ 86,168

SUBTOTAL RECOMMENDED PRIORITIES \$ 884,002

REMAINING ON-GOING FUNDING \$ 1,723,173

ONE-TIME DISCRETIONARY FUNDS

- The May Revision provides districts an increase of \$2.4 billion in discretionary one-time Proposition 98 funding
 - The May Revision suggests that school districts 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”
- From \$1.1 billion proposed in January to \$3.5 billion in May is equivalent to \$601 per ADA – an estimated **\$2,708,106** in one-time funding for OPUSD in 2015-16

PRIORITY RECOMMENDATION - ONE-TIME FUNDING

ONE-TIME FUNDING (Governor's May Revise Proposal) \$ 2,708,106

RECOMMENDED BUDGET PRIORITIES	EXPENSE/ASSIGNMENT	AMOUNT
SPECIAL EDUCATION		
Potential Settlement	Budget Expense	\$ 50,000
		\$ 50,000
OTHER ITEMS:		
Move to from 3% to 4% Reserve for Economic Uncertainties	Assign in Ending Balance	\$ 450,000
Repay Measure R for Loan to upgrade OPIS campus	Budget Expense	\$ 300,000
Deferred Maintenance	Assign in Ending Balance	\$ 350,000
Technology and M&O departments building modifications	Assign in Ending Balance	\$ 150,000
Shade Structures	Budget Expense	\$ 200,000
Language Lab OPHS (permanent computer lab in joint use library)	Budget Expense	\$ 55,000
OPHS and OVHS/OPIS building modifications	Assign in Ending Balance	\$ 150,000
District Nurse Stipend (Health Screenings)	Budget Expense	\$ 10,000
		\$ 1,665,000
LCAP ESTIMATES FROM 2015-16 PLAN		
GOAL 1 - CCSS IMPLEMENTATION		
CCSS implementation materials, supplies and staff development	Assign in Ending Balance	\$ 553,106
LCAP Additional Technology TOSA	Budget Expense	\$ 100,000
		\$ 653,106
GOAL 2 - STUDENT HEALTH, SAFETY, & WELL BEING		
LCAP Nutrition/ Sustainability TOSA	Budget Expense	\$ 100,000
Outdoor Classroom, OPNS and BES	Budget Expense	\$ 150,000
		\$ 250,000
GOAL 4 - FACILITIES THAT SUPPORT LEARNING, HEALTH & SAFETY		
LCAP Oak Park Needs Assessment Committee (OPNAC) study	Budget Expense	\$ 40,000
SUBTOTAL - IDENTIFIED POTENTIAL PRIORITIES		\$ 2,658,106
BALANCE OF ONE-TIME FUNDING		\$ 50,000

KEY BUDGET ASSUMPTIONS

Following are key budget assumptions for 2015-16 based on the Governor's May Revise:

Enrollment/ADA	4646 enrollment / 4544 ADA
Funded COLA	1.02% for LCFF and Special Ed
Step and Column	Approximately 1.5%
Employee Salaries	No increase to employee salaries
Health and Welfare	No increase in District-funded caps
Staffing Levels	<p>Class ratios set at contractual maximum: Gr DK-1 = 1:24, Gr 2-3 = 1:28 Gr 4-5 = 1:32, Gr 6-8 = 1:31.5, Gr 9-12 = 1:33</p> <p>Net staffing increase for 2015-16: 0</p> <p>Recommended priorities for 2015-16 LCAP and other staffing (slides 6 and 8)</p>
Reserve for Economic Uncertainties	Restored to 3% (Funds 010 and 170)

2015-16 ENROLLMENT & STAFFING

- Enrollment projected to decline to 4646 (K3 CSR implementation)
- No change in certificated staffing from 2014-2015 to 2015-16
- OPUSD capacity and enrollment by program and grade Levels:

Current District Capacities by Grade Level	Site Capacity (04/28/15)	2015-16 Projected (04/28/15)	2014-15 Enrolled (04/17/15)	2013-14 Enrolled	2012-13 Enrolled	2011-12 Enrolled
ELEM (DK-Gr1@24:1, Gr2-3@28:1, Gr4-5@32:1)	1750	1731	1788	1766	1717	1569
OPHS (33-1)	1530	1520	1512	1477	1437	1412
MCMS (32-1)	1105	1105	1127	1123	1126	1077
OVHS (17-1)	51	40	41	40	52	37
OPIS (28-1)	252	250	233	220	187	111
TOTAL	4688	4646	4701	4626	4519	4206

PROPOSED 2015-16 BUDGET

REVENUES	2014-15 2ND INTERIM	2015-16 PROPOSED BUDGET
LCFF Sources	30,036,438	30,049,782
COLA, Target "GAP" Funding		3,589,270
Federal Revenue	951,616	954,259
Other State Revenue	1,059,730	1,059,730
One-time funding	300,974	2,708,106
Program Adjustments		(89,006)
Other Local Revenue	4,445,695	4,445,695
Parcel Tax	902,654	892,016
Friends of Oak Park	113,040	118,582
Funding changes (ROP, Donations, Facilities)		(343,283)
TOTAL REVENUES	37,810,147	43,385,151

PROPOSED 2015-16 BUDGET

EXPENDITURES	2014-15 2ND INTERIM	2015-16 PROPOSED BUDGET
Salaries & Benefits	31,763,564	31,763,564
Step and Column		389,158
STRS/PERS Rate Increase		347,231
LCAP Staffing		1,360,195
Other Staffing Priorities		149,966
Supplies, Services & Other Operating	5,271,224	5,271,224
LCAP Textbooks; Site Discretionary; Special Ed		421,168
Prior Yr One-time/ Program/ Donation Adjustments		(517,983)
Capital Outlay	1,491,450	418,180
Other Outgo (Excess Costs)	513,264	503,071
Sources & Uses	(838,560)	1,142,153
TOTAL EXPENDITURES & Sources/ Uses	38,200,942	41,247,927

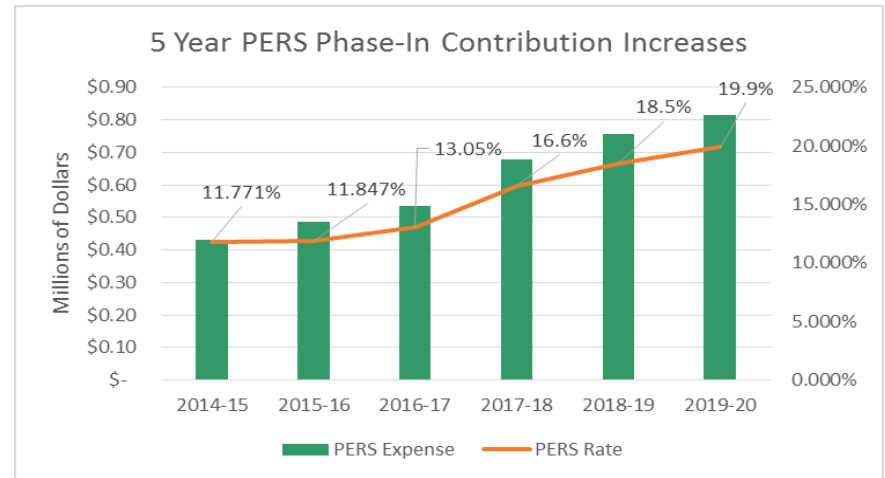
PROPOSED 2015-16 BUDGET

BUDGET SUMMARY	2014-15 2ND INTERIM	2015-16 PROPOSED BUDGET
Total Revenue	37,810,147	43,385,151
Total Expenditures & Sources/Uses	38,200,942	41,247,927
Net Increase (Decrease) Fund Balance	390,795	2,137,224
Fund Balance - Beginning	1,421,636	1,030,841
Net Ending Fund Balance	1,030,841	3,168,065
Amount Needed for 3% Reserve	1,171,185	1,237,438
Fund 010 (GF) Unrestricted Balance	815,776	2,146,993
Fund 170 (Reserve) Unrestricted Balance	386,388	817,163
Total Unrestricted Reserves (Amount)	1,202,164	2,964,156
Total Unrestricted Reserves (Percentage)	3.08%	7.39%

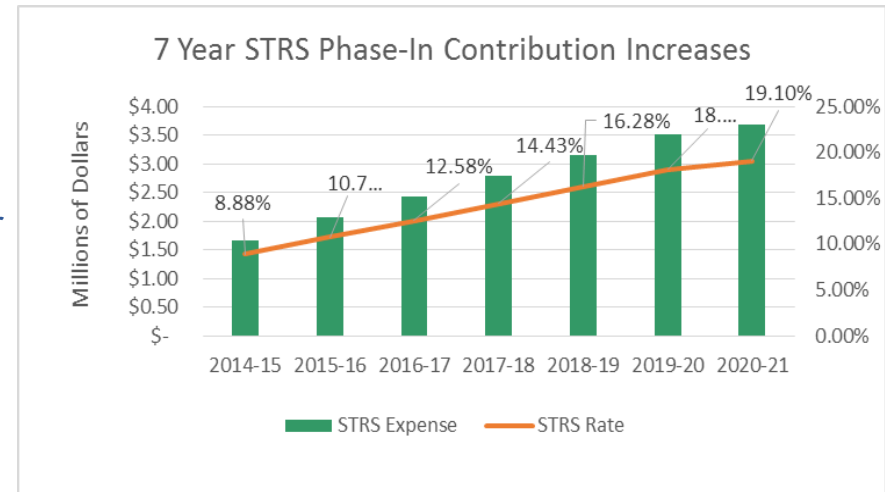
CHALLENGES: FUNDING CalPERS/CalSTRS

- The employer contribution costs for both CalPERS and CalSTRS are significantly increasing over the next several years - State Budget proposal does not address these increases

- The 2015-16 CalPERS employer contribution less than expected – 11.847% vs.12.6%, but increases each year to a projected 19.9% by 2019-20, or about \$815,000 based on current salaries



- The 2015-16 CalSTRS employer contribution rate statutorily increases to 10.73% - a 30% increase above the 2013-14 rate, and increases by 1.85% each year to a projected 19.1% in 2020-21, about \$3.7 million based on current salaries

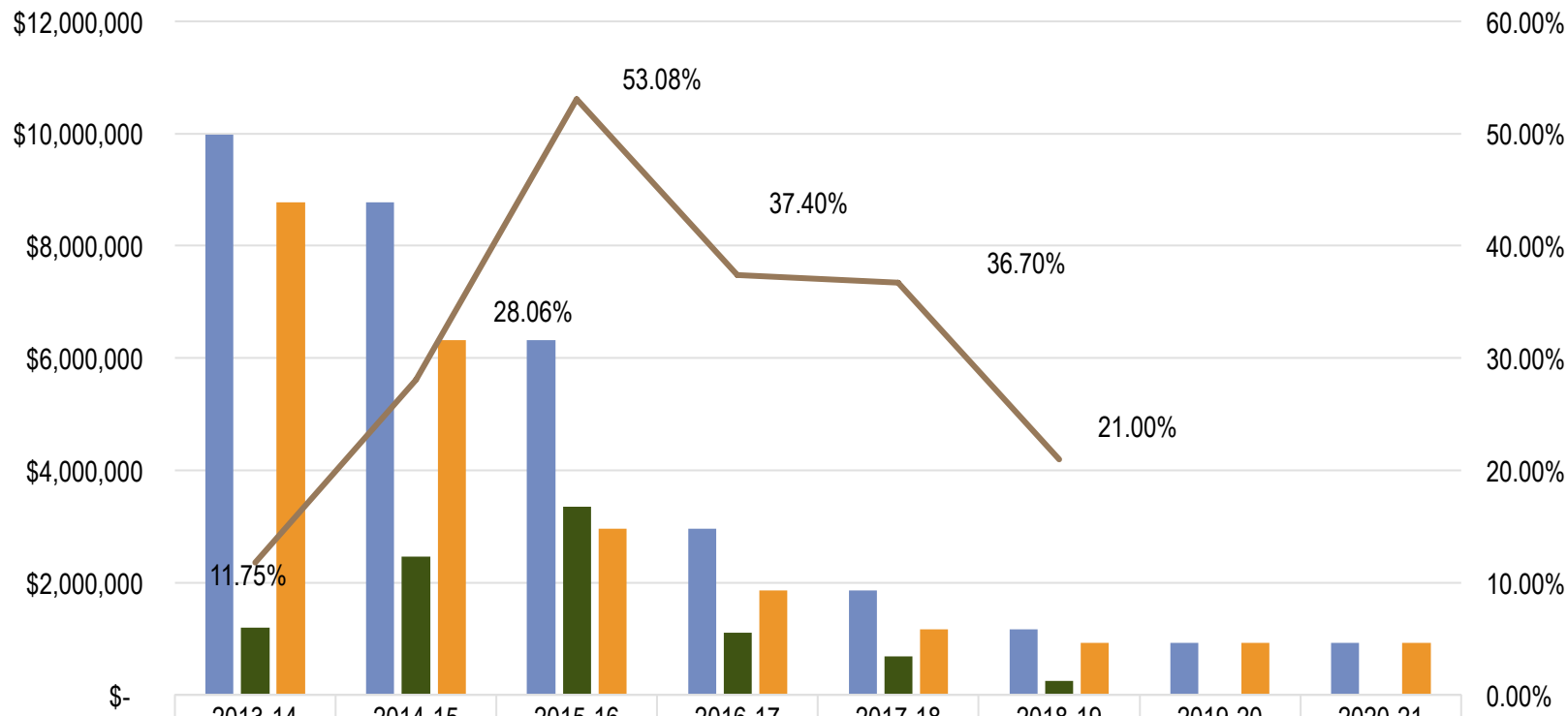


CHALLENGES: TEMPORARY TAXES AND DECLINING ENROLLMENT

- Prop 30 temporary taxes begin to sunset in 2016-17
- OPUSD Measure C Parcel Tax sunsets 2016 – absent renewal, this represents a reduction of \$900,000/year
- Declining Enrollment – Target amounts set on current enrollment – target amount becomes less as enrollment declines
- Backfill of Gap is 70%-80% achieved
 - Future gap percentages may seem substantial (20%-35%), but are applied to an ever-diminishing amount, yielding very few new dollars
- 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

CHALLENGES: DECLINING LCFF GAP FUNDING

GAP Funding 2013-14 thru 2020-21



	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
■ GAP Total	\$9,973,581	\$8,776,582	\$6,313,873	\$2,962,469	\$1,854,506	\$1,173,902	\$927,383	\$927,383
■ GAP Funded	\$1,196,999	\$2,462,709	\$3,351,404	\$1,107,963	\$680,604	\$246,519	\$-	\$-
■ GAP Remaining	\$8,776,582	\$6,313,873	\$2,962,469	\$1,854,506	\$1,173,902	\$927,383	\$927,383	\$927,383
— GAP %	11.75%	28.06%	53.08%	37.40%	36.70%	21.00%		

SUMMARY – NEXT STEPS

■ State Level

- Vote on State Budget by Legislature
- Governor signs Budget - expected by June 30, 2015

■ Local Level

- Adopt the 2015-16 LCAP and Annual Budget
- 45-day budget revision if material changes from adopted budget
- A 2015-16 budget revision and revised spending plan will be prepared for Board action after State budget is enacted
- OPUSD revision in August or September
- Discussion/recommendation/decision on spending plan for “excess” revenues (if any) at that time.

THANK YOU – QUESTIONS?