

## Budget and Fiscal Update

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Fiscal and Facilities Advisory Committee

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Chief Business Officer

April 15, 2013

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## Measure L School Bond Program

### Status update as of April 2013

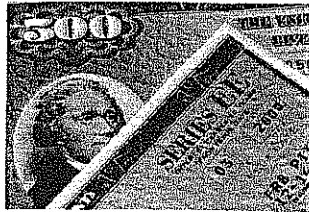
Staff has completed the following since November:

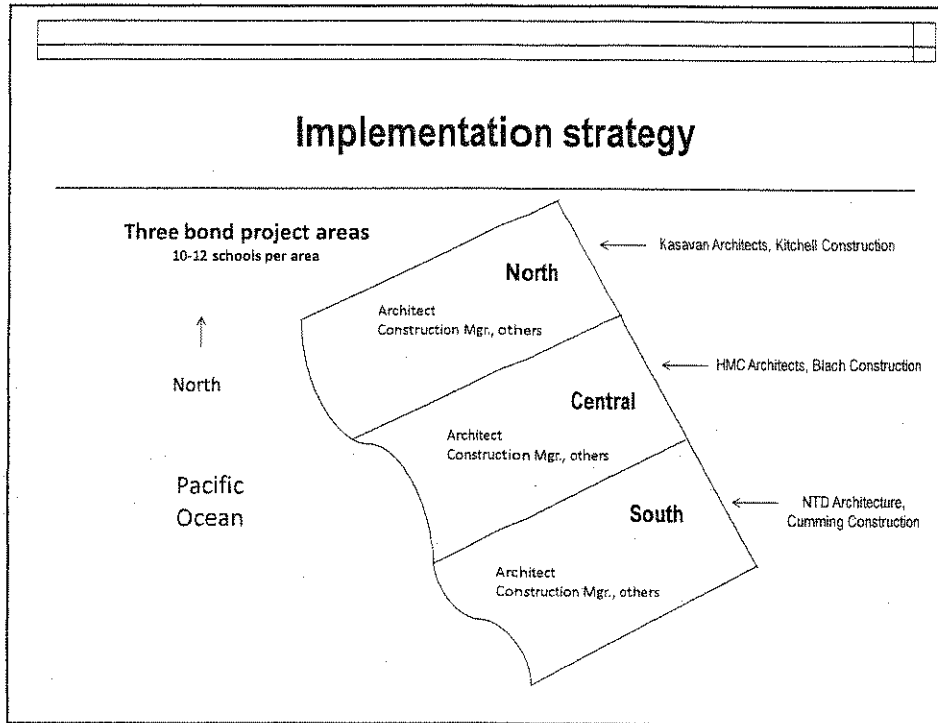
- Selected program manager, architectural, and construction management firms
- Secured strong credit ratings for the district
- Refinanced the Measure J bond to a 2.38% fixed interest rate (down from 5.5%)
- Implemented sale of first Measure L issuance - \$80 million
- Finalized district-wide bond implementation strategy
- Launched initial design and regulatory approval of major projects
- Initiated RFQ/RFP process for phase one of solar projects
- Appointment of the Citizen's Oversight Committee
- Reviewed successful bond implementation programs in other districts
- Launching "quick start" projects

### Bond Issuances\*

<input type="checkbox"/> April, 2013	\$80,000,000
<input type="checkbox"/> February, 2016	\$40,000,000
<input type="checkbox"/> February, 2018	\$30,000,000

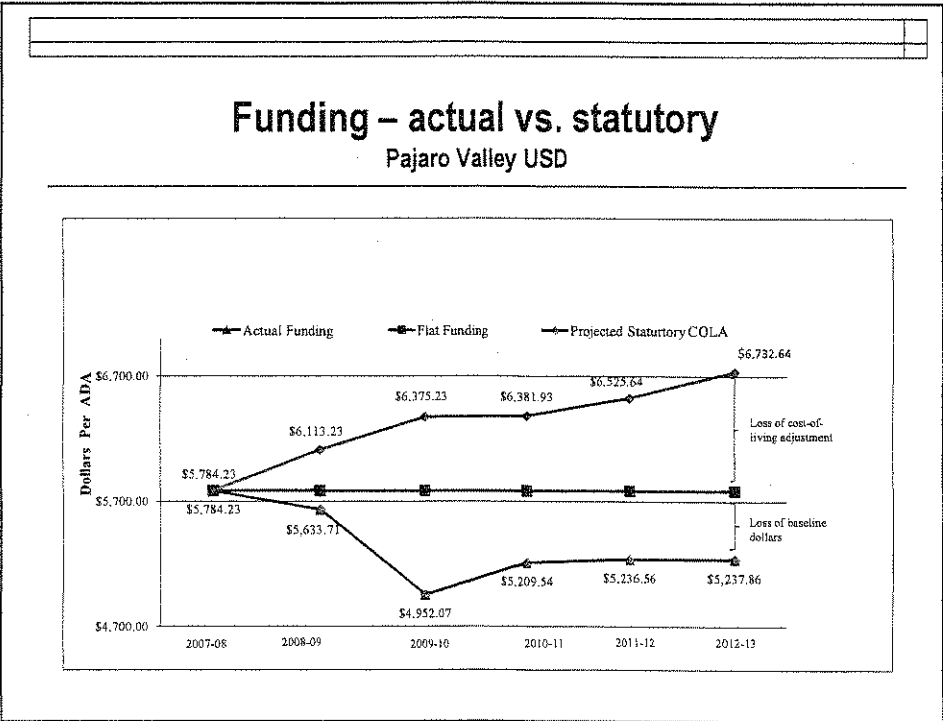
\* Amounts and timing subject to change depending on AV growth, legislation, project schedules, etc.





- ### Next steps
- Implement quick start projects this summer –
    - Safety projects - door locks, new doors, lighting, security systems
    - New code compliant playground structures at 11 elementary sites
    - Instructional Tech – complete Aptos area upgrade, install IT system upgrades, install network for Bradley Elementary School, finish Aptos High
    - Other – Aptos High Water Tank replace, Freedom Field completion, etc.
    - Launch RFP on solar projects – ground breaking for six potential sites by Sept
    - Identify energy reduction/efficiency projects that can be implemented ASAP
    - 11 elementary site getting playground upgrades
  - Contact appropriate public agencies to begin permitting processes where necessary – city, county, and state
  - Begin design process on major modernization projects
  - Refine and adopt updated local hiring policy

## Fiscal and Budget Update



<b>District's MYP</b> (2012-13 Second Interim)				
	2012-13	2013-14	2014-15	2015-16
<b>Beginning Balance</b>	44.65	34.80	27.86	16.79
<b>Revenues</b>	173.33	167.06	167.15	170.16
<b>Expenditures</b>	183.18	174.00	178.22	181.59
<b>Increase/Decrease (deficit)</b>	(9.85)	(6.94)	(11.07)	(11.43)
<b>Ending Balance</b>	34.80	27.86	16.79	5.36
<b>Revolving Cash/Rest.Bal</b>	4.32	4.52	5.01	5.50
<b>3% Reserve</b>	5.50	5.22	5.35	5.45
<b>Unapprop Reserve</b>	24.98	18.12	6.43	(5.59)

This version reflects all items required by law  
It has been approved by the SCCOE

<b>LCFF grade spans</b>				
<input type="checkbox"/> Entitlement Calculation: <ul style="list-style-type: none"> <li> <input checked="" type="checkbox"/> Grade span per pupil grants, based on 2012-13 statewide average undeficit revenue limit (est. \$6,816 per ADA)                     </li> </ul>				
<b>Factors</b>	K-3	4-6	7-8	9-12
<b>Grade Span Base Grant per ADA</b>	\$6,342	\$6,437	\$6,628	\$7,680
<b>Adjustment factors</b>	11.2% CSR	--	--	2.8% CTE
<b>CSR, CTE amounts</b>	\$710	--	--	\$215
<b>Add the following amounts to the base grant and adjustments above:</b>				
<ul style="list-style-type: none"> <li>• 35% of the grade span base grant multiplied by the districtwide % eligible students</li> <li>• 35% of the grade span base grant multiplied by the districtwide % eligible students that exceed 50% of total enrollment</li> </ul>				

### LCFF implementation urgency?

- Argument was made verbally and via email to the board that LCFF K-3 CSR requirements go into effect July 1
  - District needs to start hiring process, securing facilities, etc. now
- That argument is inaccurate
- Per LCFF language – districts will have time to transition and ramp up to new K-3 CSR levels
- Information from the state Education Coalition representatives (CFT and CSEA are members) is that LCFF implementation could be delayed

### Local Control Funding Formula (LCFF)

- Governor's Local Control Funding Formula promises more funding in future years
- Good news / bad news – we get flexibility, but we get flexibility
- Things we will still have to (including but not limited to):
  - K-3 CSR at 24:1
  - Special education – encroachment of \$8 million +
  - Transportation – encroachment of \$5 million +
  - HW benefits – over 30% of the GF
  - Basic operations
  - Common core (textbooks, IT, PD)
  - Misc. legal requirements – i.e. Williams
  - Career technical education
  - Adult education

Our future is much brighter

Education will get more money, but right now we don't know how, where, or when

## Federal sequestration

- Federal sequestration went into effect March 1
- District now at risk of losing almost \$4 million in federal program funding
- These are General Fund dollars
- Cuts effective in 12-13 and could hit as early as late spring

<u>Program</u>	<u>Annual allocation</u>	<u>Potential cut</u>
Special Ed	4,361,262.00	393,000.00
Migrant Head Start	6,358,438.00	572,000.00
Other Child Development Programs	535,787.00	48,000.00
Title I	5,031,509.00	453,000.00
Title II	982,706.00	88,000.00
Title III	880,988.00	80,000.00
Migrant Ed	5,043,142.00	454,000.00
Food Services	7,815,318.00	703,000.00
SIG Cohort I	4,053,874.00	365,000.00
SIG Cohort II	2,212,574.00	199,000.00
Perkins (CTE)	173,163.00	16,000.00
Ca MSP	1,010,223.00	92,000.00
21st Century (Extended Learning)	3,633,731.00	327,000.00
LEA Reimbursement	600,000.00	54,000.00
MAA Billing	500,000.00	45,000.00
Adult Ed	39,532.00	4,000.00
	<u>43,242,247.00</u>	<u>3,892,000.00</u>

## Conclusion

Questions and comments?