

# **2014-15 BUDGET/LCAP**

**Glendale Unified School District  
Board Of Education Meeting – June 17, 2014  
Discussion Report No. 2**

**Eva Rae Lueck, Chief Business & Financial Officer  
Mike Lee, Controller**

**Budget Report No. 9**

# State Budget 2014-15 for Governor's Approval

- **The State recognizes an additional increase of \$2.4 billion in revenues, most of which are committed to:**
  - Growth in the cost of Medi-Cal (\$1.2 billion)
  - Establishment of Rainy Day Fund (\$1.6 billion in 2014-15)
- **Approved AB 1469 - Retire California State Teachers Retirement System (CALSTRS) Unfunded Liability**
  - Employee contribution increase from 8% to 10.25% of pay (phased in over next three years)
  - Employer contribution increase from 8.25% to 19.1% of payroll (phased in over next seven years)
  - Burden on school districts
  - No new funding to school districts

REVISED

# State Budget 2014-15 for Governor's Approval

## ■ K-12 Deferral Buy Back

- Retirement of all deferrals by the end of 2014-15
- Combination of one-time and on-going funds \$5 Billion
- Provides no additional funding to School Districts

## ■ Other Items:

- Mandated Costs/Common Core - \$400 Million
- District reserves not to exceed 6% starting in 2015-16
  - Pending passage of November ballot measure
- Additional \$250 Million for LCFF
- Career Pathway Trust - \$250 Million
- Low Income Child Care - \$155 Million

REVISED

# 2014-15 Budget

## ■ June 17 GUSD Budget – “Placeholder”

- Assumes same LCFF Revenue used in Second Interim

## ■ Future Revision

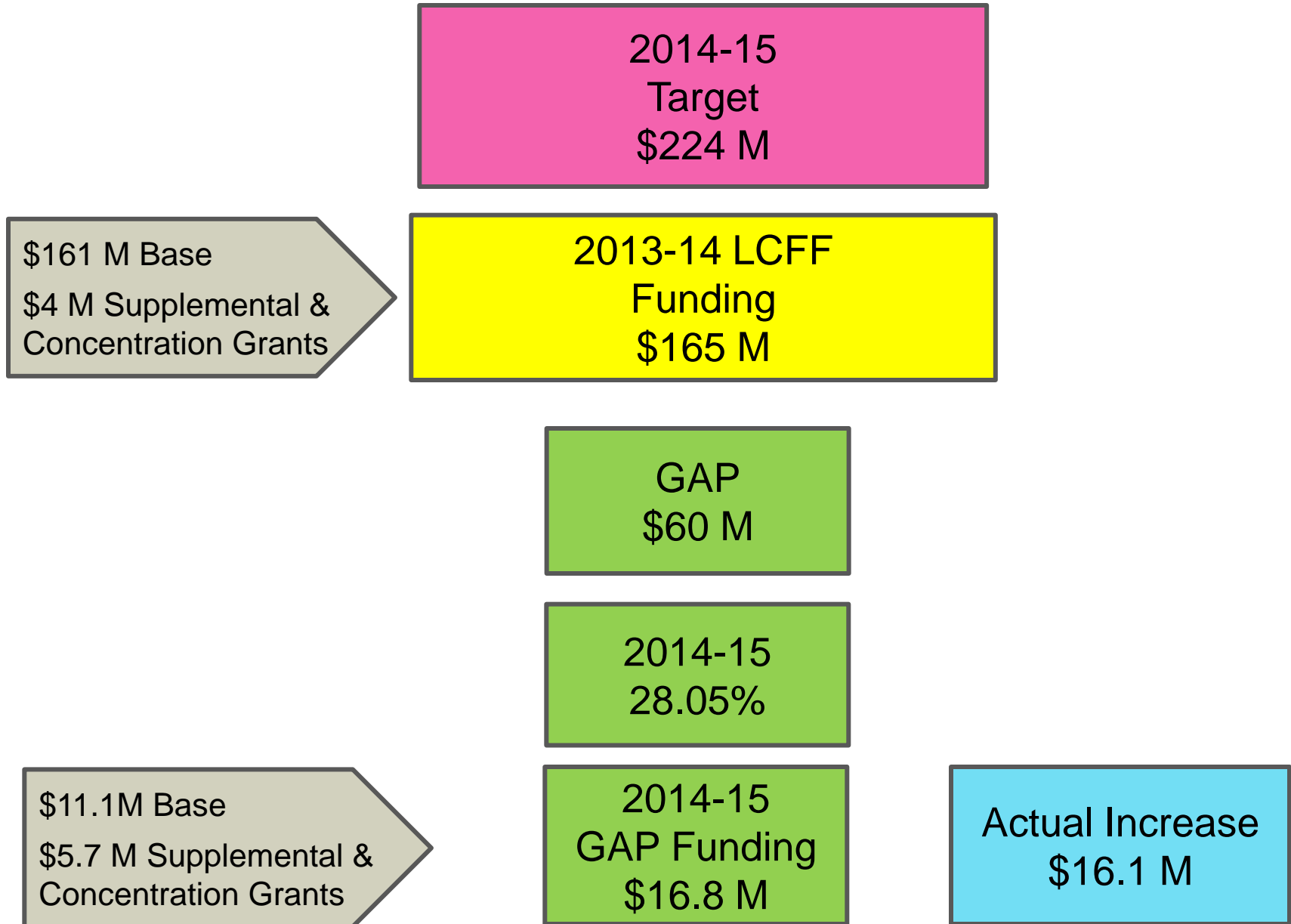
- Finalize Revision
  - 2013-14 Ending Fund Balance
  - Local Control Funding Formula (LCFF)
  - Pending STRS Increases
  - Multi-Year Projection
- Review of Staffing allocations

# 2013-14 Projected Year-End Balance

## 2013-14 Unrestricted General Fund Balance

<b>Unrestricted General Fund</b>	<b>Projected May 20, 2014</b>
<b>Designated for Economic Uncertainty</b>	<b>\$ 7,158,814</b>
<b>Revolving Cash &amp; Warehouse</b>	<b>196,879</b>
<b>MAA, Tier III, Miscellaneous</b>	<b>2,502,790</b>
<b>School Site &amp; Program Carry Overs</b>	<b>?</b>
<b>Unassigned Reserve</b>	<b>16,315,383</b>
<b>Total Unrestricted General Fund Balance</b>	<b>\$ 26,173,866</b>

# Gap Funding and Proportionality Calculation



# Multi-Year Budget Projection

Assumptions	2014-15	2015-16	2016-17
<b>Revenue</b>			
ADA #	25,117	24,975	24,798
GAP % Funding	28.05%	33.95%	21.67%
LCFF Increase	\$16.0 M	\$15.2 M	\$6.7M
<b>Expense</b>			
CalSTRS	8.250%	8.250%	8.250%
CalPERS	11.771%	12.600%	15.000%
Workers' Compensation	3.530%	3.530%	3.530%
Retiree Benefits	0.470%	2.170%	2.170%
Health & Welfare Increase	\$0*	\$950,000	\$950,000

\* No increase in Health & Welfare

**No 2014-15 Salary Increase Budgeted at this time**

# Multi-Year Budget Projection

Public Hearing May 20, 2014

	2014-15	2015-16	2016-17
<b>Total Unrestricted General Fund Balance</b>	<b>\$43,557,607</b>	<b>\$51,904,774</b>	<b>\$66,187,893</b>
Revolving Cash & Warehouse	\$196,879	\$196,879	\$196,879
Designated for Economic Uncertainty	\$6,918,747	\$7,047,898	\$7,069,130
MAA, Tier III, Miscellaneous	\$2,152,198	\$1,878,606	\$2,891,014
Reserve LCFF Net Income Growth	-	\$15,219,081	\$37,182,415
Unassigned Ending Balance	\$34,289,783	\$27,562,310	\$18,848,455



# Multi-Year Budget Projection

## Changes Since Public Hearing

	2014-15	2015-16	2016-17
<b>Unassigned Ending Balance (Public Hearing)</b>	<b>\$34,289,783</b>	<b>\$27,562,310</b>	<b>\$18,848,455</b>
Reverse Transfer	(\$19,800,000)	(\$19,800,000)	(\$19,800,000)
Transfer	-	-	\$3,000,000
Economic Uncertainty and PERS Adjustments	-	(\$461,633)	(\$1,866,575)
<b>Unassigned Ending Balance</b>	<b>\$14,489,782</b>	<b>\$7,300,676</b>	<b>\$181,880</b>

- Board's desire to have transparent budget
  - LCAP Committee Process
  - Utilization of reserves/one-time dollars
  - Structural deficit
  - Competing priorities

Does not include proposed STRS adjustment

# Increased Funding in Future Years

## Impact on Unrestricted General Fund Ending Balance/Structural Deficit

	In Millions			
	2013-14	2014-15	2015-16	2016-17
<b>Adjusted Ending Balance Projected</b>	\$ 26.2	\$ 23.8	\$ 31.7	\$ 47.6
	↓	↓	↓	↓
<b>Adjusted Balance in Excess of Assigned 3% Reserve</b>	\$ 16.3	\$ 14.5	\$ 7.3	\$ (.2)
<b>Structural Deficit Estimated Actuals</b>	\$ (15.3)	\$ (5.9)*	\$ (7.3)*	\$ (10.4)*

\* Does not include future salary increases  
2015-16 and 2016-17 does not include new LCFF revenue

# Proposed Increase CalSTRS and CalPERS

	2014-15	2015-16	2016-17
Proposed CalSTRS Cumulative Impact (Not Budgeted)	\$1,300,000*	\$4,400,000*	\$9,200,000*
CalPERS Cumulative Impact (Budgeted)	\$130,000	\$450,000	\$1,370,000
<b>Total Increase</b>	<b>\$1,430,000</b>	<b>\$4,850,000</b>	<b>\$10,570,000</b>

\*Not Budgeted - Governor Brown May Revise Proposal

- **IF fully implemented - 2020-21 STRS cumulative impact will be \$46 Million.**

# Retirement Program Costs per ADA

## CalSTRS, CalPERS, Social Security, Medicare

	2014-15	2015-16	2016-17
CalSTRS			
➤ Current	\$353	\$358	\$362
➤ Proposed Increase (Not Budgeted)	\$52	\$125	\$195
CalPERS Annual Impact			
➤ Current (Budgeted)	\$140	\$148	\$173
Social Security/Medicare			
➤ Current (Budgeted)	\$168	\$169	\$171
<b>Total Retirement Cost Per ADA</b>	<b>\$713</b>	<b>\$800</b>	<b>\$901</b>

**Excludes Early Retiree Health Benefits**

## Next Steps

- **Board Adoption of 2014-15 District LCAP and Budget on June 17, 2014**
- **Finalize Ending Fund Balance (Aug. 2014)**
- **Impacts of Final 2014-15 State Budget**

# **Local Control Accountability Plan (LCAP)**

**2014-15 through 2016-17**

# Glendale Unified School District

## Local Control Accountability Plan (LCAP)

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# LCAP Committee

90 members attended 1 to 5 meetings

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74% attendance

- Parents
- Students
- Teachers
- Principal
- Administrators
- Classified
- Board Members
- Community Members





# GUSD Board Priorities

— GLENDALE UNIFIED SCHOOL DISTRICT —



## **BOARD PRIORITIES**

**"PREPARING OUR STUDENTS FOR *THEIR* FUTURE!"**

- 1** Ensure learning environments that are safe and support student success through high quality, research-based instructional practices, consistent with models of effective teaching, California's teaching standards and the Common Core State Standards.
- 2** Use Board adopted budgetary principles to maintain District fiscal integrity and stability of instruction and programs.
- 3** Continue the Measure S sequence planning and plan for the future issuance of bonds.
- 4** Continue implementation of the GUSD 2015 Strategic Plan.

# GUSD Strategic Directions

## STRATEGIC PLAN

“PREPARING OUR STUDENTS FOR THEIR FUTURE!”

### SKILLS FOR SUCCESS

*Students will...*

demonstrate effective oral and written skills to communicate with individuals and groups using media as appropriate. [SP 1.1](#)

*Students will...*

be able to think critically and access, evaluate and synthesize information effectively. [SP 1.6](#)

### LEARNING BEYOND THE CORE

*Students will...*

participate in a well-rounded curriculum that includes performing and visual arts, physical education, foreign languages, guidance in life skills, career preparation, and healthy living. [SP 2.2](#)

### THE LEARNING ENVIRONMENT

*Students will...*

be taught by highly trained and motivated teachers who use rigorous, consistent and fair standards in evaluating academic performance. [SP 3.9](#)



### MISSION STATEMENT

The Glendale Unified School District provides a high quality education that addresses the unique potential of each student in a safe, engaging environment.





# The 8 State Priorities

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- **Priority 1: Basic**
- **Priority 2: Implementation of State Standards**
- **Priority 3: Parent Involvement**
- **Priority 4: Pupil Achievement**
- **Priority 5: Pupil Engagement**
- **Priority 6: School Climate**
- **Priority 7: Course Access**
- **Priority 8: Other Pupil Outcomes**





# GUSD 7 LCAP GOALS

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- **Goal 1: Improve student achievement for all students while implementing the common core state standards**
- **Goal 2: Ensure all students are given the opportunity to be college and/or career ready upon graduation**
- **Goal 3: Ensure all schools support the social, emotional and physical needs of all students**



# GUSD 7 LCAP GOALS

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- **Goal 4: Implement research-based intervention programs and practices for all students not yet proficient, specifically, English learners, low income, foster/homeless, and students with disabilities**
- **Goal 5: Provide opportunities for all students to learn beyond the core curriculum**



# GUSD 7 LCAP GOALS

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- **Goal 6: Create a district of engaged parents, teachers, staff, students, and community members**
- **Goal 7: Create a safe and secure learning environment for students to learn in well-maintained facilities**



# LCAP Timeline Recap

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- Feb - May - LCAP/DELAC committee meetings
  - May 20, 2014 - public hearing
  - June 17, 2014 - LCAP and budget approval
  - October 15, 2014 - LACOE approves
  - (August 15, 2014 recommended approval)
  - On-going implementation and monitoring of the LCAP plan throughout the year
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