

SYLVAN UNION SCHOOL DISTRICT
Board of Trustees Budget Study
Planning for 2017-18 Fiscal Year
April 4, 2017 at 6:00 pm
Agenda

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WELCOME (Hendricks)

- 1.5 hours is allocated for the meeting.
- The focus of the study session will be to provide additional information requested by the Board at the March 21st Budget Study Session.
- The multi-year projection as provided at the March 21, 2017 Budget Study is included for additional review and for questions by the Board. Reminder: The MYP is a projection on a given date in time, and paints a picture of financial impacts that must be planned for the 2017-18 fiscal year. It is based on the best information we have to date from various sources and assumptions as presented.
- The Board requested information on issues that will not be provided at tonight's meeting, but will instead be presented at future regular Board meetings. The information requested does not have an impact on the 2017-18 budget and includes:
 - Bullying-State and Federal guidelines & District guidelines (Heidi)
 - Science Adoption Options: paper vs paper & digital (Laura W)
 - Facilities Needs: Can we get an extension on the bond so we do not drain the general fund? (Yvonne)
 - Information on "renting" rather than purchasing music instruments (Yvonne)

SPECIAL EDUCATION TAKE BACK REVIEW (Perez, Phan, Wood)

During the 2012-2013 Fiscal Year, the district began the process of taking back the Autism Program from the County Office of Education Program. The take back is complete, and as a regional provider, the district provides services to students residing within the district boundaries and to other students within the county. The cost of providing services to other students in the county are recovered through the "fee for service" coordinated by the SELPA. The following table provides a cost comparison of the district's program as compared to the cost of a County Office of Ed program.

Special Education Autism Program Cost Comparison						
Pre-formal through 8th Grade Autism						
2016-17	FTE	Estimated Salary	Total Salaries	Statutory Benefits	Health Benefits	
Teachers	9.00	\$ 56,958	\$ 512,624	\$ 77,816	\$ 49,049	\$ 639,489
BCBA	1.00	\$ 72,708	\$ 72,708	\$ 11,037	\$ 13,396	\$ 97,141
Psychologist	1.00	\$ 77,700	\$ 77,700	\$ 11,795	\$ 13,396	\$ 102,891
Speech	1.00	\$ 79,602	\$ 79,602	\$ 12,084	\$ 13,396	\$ 105,081
Program Specialist	1.00	\$ 101,389	\$ 101,389	\$ 15,391	\$ 13,396	\$ 130,176
Sub teachers (per day)	35.00	\$ 140	\$ 4,900	\$ 744		\$ 5,644
Aides (36)	32.25	\$ 39,804	\$ 1,283,694	\$ 289,987	\$ 52,048	\$ 1,625,729
Support Staff	0.375	\$ 38,586	\$ 14,470	\$ 3,240	-	\$ 17,709
Sub aides (per day)	84.0	\$ 102	\$ 8,568	\$ 1,935.51		\$ 10,504
			\$ 2,155,655	\$ 424,028	\$ 154,680.12	\$ 2,734,363.55
Supplies						\$ 20,000.00
Equipment						\$ 6,000.00
						\$ 2,760,363.55
		SDC	Speech	APE (4)	Other	
SCOE Per Pupil Fee		\$ 43,513	\$ 3,102	\$ 3,514		
Total Cost	75	\$ 3,263,475	\$ 232,650	\$ 14,056		\$ 3,510,181
Savings						\$ 749,817

The district is supporting the Autism Program at a lower cost than the County Office of Education, with estimated savings of \$749,817. In addition, we believe the district program:

- Decreases the cost of special education and encroachment on the general fund.
- Improve the quality and continuum of special education services in the Sylvan District.
- Provides consistency of practices and classroom placements for students and families.
- Provides the district with greater control over the quality of the program by serving the students within our district, thus decreasing liability and increasing control.
- Eliminates scheduling conflicts.
- Provides the district with a greater ability to build relationships and trust with families and allow us to offer a greater continuum of services at a lower cost.

INDUCTION (Granger)

Currently, SUSD teachers teaching for their first or second year under a California Preliminary Credential are enrolled in the SCOE Induction Program for the purposes of obtaining a clear credential. The SCOE Induction Program is approved by the California Commission on Teacher Credentialing (CTC).

Program costs associated with the SCOE Induction Program for 2016-2017 and 2017-2018 are summarized below. Sub costs are associated with providing each teacher candidate at least one ½ day of release time per year in order to participate in peer observations. Because program

content is delivered on Saturdays and afterschool/evenings, there are no additional sub costs required.

Induction Program Component	2016-2017			
	Quantity	Cost	Funding Source	Total Cost
Registration	51 teacher candidates	\$3,000 per teacher	EEF	\$153,000
Mentor Salaries & Benefits	2 Gen. Ed. .5 Sp. Ed.	Approx. \$100,000 per teacher	Title II (Gen. Ed.) EEF (Sp. Ed.)	\$250,000
Director Salary & Benefits	0.3	\$39,723	LCFF Supplemental	\$39,723
Staff Secretary Wages & Benefits	.5	\$30,957	LCFF Supplemental	\$30,957
Sub Costs	51	\$4,000	EEF	\$4,000
Total Induction Program Cost				\$477,680
Additional Cost for Intern Mentors (\$2,000 per mentor, 5 mentors)				\$11,518
Grand Total				\$489,198

* EEF=Educator Effectiveness Funds

Induction Program Component	2017-2018			
	Projected Quantity	Projected Cost	Funding Source	Approximate Total Cost
Registration	45 teacher candidates	\$3,000 per teacher	EEF	\$135,000
Mentor Salaries & Benefits	2 Gen. Ed. .5 Sp. Ed.	Approx. \$100,000 per teacher	Title II (Gen. Ed.) EEF (Sp. Ed.)	\$250,000
Director Salary & Benefits	0.3	\$40,432	LCFF Supplemental	\$40,432
Staff Secretary Wages & Benefits	.5	30,957	LCFF Supplemental	\$30,957
Sub Costs	45	\$4,000	EEF	\$4,000

Total Induction Program Cost	\$460,389
Additional Cost for Intern Mentors (\$2,000 per mentor, 11 mentors)	\$25,725
Grand Total	\$486,114

* *EEF=Educator Effectiveness Funds*

Induction costs beyond 2017-2018 will need to be addressed as EEF allocated for the purpose of providing beginning teachers with mentoring and support will be completely expended by July 2018. **The cost of induction will be shifted to the general fund LCFF supplemental dollars in the 2018-19 fiscal year.**

If approved by the CTC, a take-back of the Induction Program would position SUSD as an Institute of Higher Learning and place the responsibility for offering an accredited induction program on the LEA. The successful completion of an accredited induction program leads to a clear teaching credential that authorizes the individual to teach or provide services in California's public schools.

The process to become an eligible institution is lengthy, taking up to 12 months to write a comprehensive LEA program and begin the initial approval process. The Commission approves applications for induction programs that meet its adopted standards of quality and effectiveness. An institution seeking to offer an induction program must first be approved for initial accreditation as a new program sponsor and must do so by completing the Initial Institution Approval process. The process includes five stages that must be successfully completed in the order below:

1. Stage I - Prerequisites
2. Stage II - Eligibility Requirements
3. Stage III - Alignment with All Applicable Standards and Preconditions
4. Stage IV - Provisional Approval
5. Stage V - Full Approval

Institutions that receive Provisional Approval at Stage IV are required to adhere to all expectations and responsibilities of an approved program including but not limited to applicable program standards, reporting requirements, annual accreditation fees, credential recommendation, and student record responsibilities, as well as all requirements of the 7-year Accreditation Cycle. After an institution completes 2-3 years on Provisional Approval and facilitates a focused site visit, the Commission will determine if the institution is eligible for Full Approval.

As part of the Initial Institutional Approval Process, LEAs seeking to implement a new proposed induction program must explain how the institution will address specific issues as required by the Commission's Common Standards for New Programs. The Common Standards require that LEA's address Educational Leadership, Unit and Program Assessment System, Resources, Faculty and Instructional Personnel, Admissions, Advice and Assistance, Field Experience and

Clinical Practice, District Employed Supervisors, and Candidate Assessment. In addition, responses to the Common Standards must include a description of how the institution plans to sustain the program over time.

In order for SUS D to effectively sponsor its own Induction Program, a new department would need to be created and accounted for in the application for consideration by the CTC. Staffing requirements and associated costs for the establishment and operation of an LEA Induction Program are as follows:

Staffing and Resources Needed for SUSD Induction Program	One-Time or Ongoing Cost	Estimated Cost
0.5 Director of Professional Learning & Induction	Ongoing	\$70,444
1.0 FTE Credential Analyst for HR	Ongoing	\$86,442
1.0 Induction Coordinator to support the Director of Professional Learning & Induction	Ongoing	\$132,222
1.0 Staff Secretary to support the Director and Coordinator	Ongoing	\$63,671
Office space to house the additional staff and additional space to host trainings at the District Office location (portables)	One-Time	\$120,000
Related costs for furniture, technology, etc.	One-Time	\$8,000
Curriculum Development	One-Time	\$25,000
Printing and Operational Costs	Ongoing	\$5,000
Accreditation Fees	Ongoing	\$2,500
Induction Mentor Salaries & Benefits	Ongoing	\$250,000
Sub Costs for Peer Observations	Ongoing	\$4,000
Estimated Total of SUSD Induction Program or “Take-Back” from SCOE		\$767,279
Additional Cost for Intern Mentors (\$2,000 per mentor, est. 10 mentors)		\$25,480
Estimated Grand Total		\$792,759

Based on the information above, it is recommended that participation in a Commission-approved Induction Program continue with SCOE in lieu of a LEA Induction Program.

CHILD CARE FACILITIES UPDATE (Perez)

The Child Care Fund is designated as an Enterprise Fund. An Enterprise Fund as defined by the California School Accounting Manual is a restricted account and is financed and operated in a manner that is similar to that employed by private business enterprises; that is, the governing board's intent is that the costs (expenses, including depreciation) of providing continuous goods or services can be financed or recovered primarily through charges to users.

The Capital Outlay Plan Draft for the 2017-18 fiscal year, identified the following projects for the district's Child Care Program.

Childcare	Playground	Seal coat and restripe	Asphalt	3,500
Childcare	All portables	Replace Carpet and linoleum	Flooring	15,000
Childcare	Playground	Correct fall surface and playground equipment	Playground	20,000
Childcare	Playground	Entire play area, strcutre, fall protection, Miracle	Playground	50,000
Childcare	All portables	Paint or replace tack board	Walls	10,000
		Total for Child Care		98,500

The Board inquired if the child care facilities upgrades could be paid for with the Child Care Fund. The program is profitable and at the end of the 2015-16 fiscal year, retained a fund balance of \$767,770 which is projected to increase by \$28,426 for a projected ending fund balance on June 30, 2017 of \$796,196.

Childcare Fund	2015-2016 Actual	2016-2017 Estimate
BEGINNING BALANCE	\$ 557,844	\$ 767,770
Total Revenue	\$ 939,082	\$ 803,000
Total Expenditures	\$ 729,155	\$ 774,574
Net Balance increase/(decrease)	\$ 209,927	\$ 28,426
ENDING BALANCE	\$ 767,770	\$ 796,196

There are sufficient reserves in the Child Care Fund to finance the needed upgrades to the programs facilities. This will free up \$98,500 from the Routine Repair and Maintenance Account for other facilities needs throughout the district.

TITLE 1, PART A 10% REDUCTION IN FUNDING (Reed)

We are anticipating a 10% reduction to our 2017-2018 Title I, Part A allocation. This is an impact of \$196,000.

The cost of our centralized services out of Title I funds is:

Instructional Coaches - 7.5 FTE	Cost: \$632,800
Counselors - 4 FTE	Cost: \$314,085

In 2015-2016 we had 8 Instructional Coaches. One of these Instructional Coaches left the district and was not replaced. In addition, we added a new Instructional Coach/Induction position, the 0.5 FTE position reflected above.

Given the reduction in Title I funds and the data indicating how Instructional Coaches are currently being utilized, we do not plan to add back the 1.0 FTE Instructional Coach.

ENROLLMENT AND STAFFING PROJECTION (Perez and Roddick)

- TK and Kindergarten's enrollment are based on actual 2016-17 enrollment as of January 31, 2017.
- Enrollment has declined by just under 200 students as compared to this time last year, with largest decline in enrollment at the middle school level.
- Projected staffing for the 2017-18 school year is aligned with enrollment
- An updated projection will be provided for the April 11 Board Meeting.

ENROLLMENT PROJECTION 2017-18
Based on January 31 Data for General Ed Students Only

	TK		K		1		2		3		K-3 Avg	4		5		Total Enrollment	Total Staff	Avg Per School		
	Enroll	Staff	Enroll	Staff	Enroll	Staff	Enroll	Staff	Enroll	Staff		Enroll	Staff	Enroll	Staff					
Brown	35	2	74.00	3.00	75.00	3.00	63.00	3.00	71.00	3.00	22.71	65.00	2.00	64.00	2.00	447	18	24.8	(1.00)	5th
		17.5		24.67		25.00		21.00		23.67			32.50		32.00					
Sherwood	35	2	70.00	3.00	69.00	3.00	69.00	3.00	73.00	3.00	22.57	67.00	2.00	56.00	2.00	439	18	24.4	(1.00)	2nd
		17.5		23.33		23.00		23.00		24.33			33.50		28.00					Watch 3, 4
Standiford	0		66.00	3.00	64.00	3.00	65.00	3.00	78.00	3.00	22.75	71.00	3.00	73.00	3.00	417	18	23.2	(1.00)	3rd
									26.00	ATG		25.00	ATG	27.00	ATG					
						-		-	52.00	2.00		46.00	2.00	46.00	2.00					
				22.00		21.33		21.67		26.00			23.00		23.00					
Coffee			76.00	3.00	76.00	3.00	58.00	3.00	69.00	3.00	23.25	82.00	3.00	70.00	3.00	431	18	23.9	(1.00)	3rd
				25.33		25.33		19.33		23.00			27.33		23.33					Watch 5th
Sylvan	Note: Have not yet adjusted for STEAM Enrollment		-		-		-		-											
			46.00	2.00	46.00	2.00	41.00	2.00	32.00	2.00	20.63	49.00	2.00	40.00	2.00	254	12	21.2		Watch 3,4,5
				23.00		23.00		20.50		16.00			24.50		20.00					
Woodrow			64.00	3.00	62.00	3.00	61.00	3.00	77.00	3.00	22.00	60.00	2.00	62.00	2.00	386	16	24.1	(1.00)	5th
24.000				21.33		20.67		20.33		25.67			30.00		31.00					
Orchard	48	2	85.00	4.00	85.00	4.00	90.00	4.00	81.00	4.00	21.61	89.00	3.00	87.00	3.00	565	24	23.5		
		24.0		21.25		21.25		22.50		20.25			29.67		29.00					
Freedom	0		91.00	4.00	91.00	4.00	104.00	5.00	106.00	5.00	21.78	115.00	4.00	122.00	4.00	629	26	24.2		
				22.75		22.75		20.80		21.20			28.75		30.50					
Sanders	0		87.00	4.00	87.00	4.00	96.00	4.00	79.00	4.00	21.81	83.00	3.00	94.00	3.00	526	22	23.9	(1.00)	5th
				21.75		21.75		24.00		19.75			27.67		31.33					
Crossroads	21	1	135.00	6.00	135.00	6.00	143.00	6.00	132.00	6.00	22.64	117.00	4.00	143.00	5.00	826	34	24.3		
		21.0		22.50		22.50		23.83		22.00			29.25		28.60					1.00 3rd
																			(1.00)	4th
Total	139	7	794.00	35.00	790.00	35.00	790.00	36.00	798.00	36.00	22.18	798.00	28.00	811.00	29.00	4,920	206		(6.00)	
		19.86		22.69		22.57		21.94		22.17			28.50		27.97					
																4,920	206			
																-				
Savage	Grade	Sect	Stud	Avg.			Grade	Sect	Stud	Avg			Grade	Sect	Stud	Avg				
	6	8.00	210	26.25	-1.00	SO	6	9.00	286	31.78	-1.00	EU	6	10.00	316	31.60				
	7	9.00	271	30.11			7	12.00	313	26.08			7	12.00	332	27.67				
	8	9.00	271	30.11			8	11.00	294	26.73			8	11.00	321	29.18				
		26.00	752					32.00	893					33.00	969					
	7/8	18.00	542	30.11			7/8	23	607	26.39			7/8	23.00	653	28.39				

MIDDLE SCHOOL ELECTIVES (Wharff) (2 min)

MIDDLE SCHOOL ELECTIVES		
Dan Savage Middle School	Somerset Middle School	Ustach Middle School
Science Elec: Ag Science	Science Elec: Minecraft	Science Elec-Food Science
	Science Elec: Marine Biology	
History Elec: Exploring Geog.	History Elec: Current Events	History Elec-Current Events
	History Elec: (History of Ag)	
PE Elect: Fitness		
Leadership	Leadership	Leadership
Speech		
Yearbook	Yearbook	Yearbook
Computer: Keyboarding	Computer: Keyboarding	Computer: Keyboarding
Coding	Coding	Coding
Computer: Digital Media	Computer: Digital Media	Computer: Digital Media
Computer Applications	Computer Applications	Computer Applications
Digital Art	Digital Art	Digital Art
		Goooogle Apps
		Computer Skills
Art - 7/8	Art - 7/8	Art - 7/9
Music: Jazz Band		
Music: Advanced Wind		
Music: Symphonic Band	Music: Concert Band	Music: Symphonic Band
Music: Orchestra	Music: Orchestra	Music: Orchestra
Music: 6th Grade Band	Music: 6th Grade Band	Music: 6th Grade Band
	Music: Guitar	Music: Guitar
	Music: Choir	Music: Choir
	Music: Cadet	
Industrial Tech: Woodshop	Industrial Tech: Woodshop	Industrial Tech: Woodshop
Industrial Tech: Drafting		
Indust Tech: Weird Science		
	Study Skills	
	Living Skills	
Peer Helpers	Peer Helpers	
	Sign Language	
	Duolingo	
		Nutrition
W.E.B. Class		

BUDGET ASSUMPTIONS KEY POINTS (Phan, Perez)

Multi-year projections (MYP) are the mathematical result of today's decisions based on a given set of assumptions. MYP's are expected to change as various factors are updated and revised. Projections will change any time the underlying factors and assumptions are modified, therefore, we must plan and prepare to make changes as conditions and situations change.

The assumptions described below are implemented in the latest MYP. The primary source of these assumptions are the Governor's 2017-18 Proposed State Budget, California Department of Education, Department of Finance, School Services of California's Financial Projection Dashboard, other external sources and organizations, and of course the District's historical trends.

The 2016-17 budget column has been updated for the second interim reporting period with the most up-to-date information available at the time of its development.

Local Control Funding Formula (LCFF)

LCFF is at 96% of full implementation. Funding is based on using the latest FCMAT (Fiscal Crisis & Management Team) LCFF calculator (v17.2b) which includes the following factors:

		<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
	COLA	0.00%	1.48%	2.40%	2.53%
	Gap Funding %	55.28%	23.67%	53.85%	68.94%
	UPP	54.93%	54.90%	54.55%	54.67%
(Unduplicated Pupil Count)					

LCFF for 2016-17 will be reduced by the following adjustments:

(\$31,106) 2015-16 UPP correction
(\$) \$27,469 LCFF Reduction will be charged as service fees
(\$31,106) Total 2016-17 LCFF Reduction

Enrollment and ADA (Average Daily Attendance)

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
Enrollment	8,178	8,283	8,190	8,107	8,006	7,979	7,932
Increase / (Decrease)	(14)	105	(93)	(83)	(101)	(27)	(48)
ADA	7,855	7,958	7,865	7,787	7,691	7,665	7,619
Increase / (Decrease)	(23)	104	(93)	(78)	(97)	(26)	(46)
3-Year Average Retention	96.05%						

Federal, State, and Local Revenues

Federal, State, and Local revenues were adjusted for one-time revenues and Federal carryover.

	<u>2016-2017</u>	<u>2017-2018</u>	
Federal	\$1,103,228	\$294,366	Federal Carryover
State	\$1,687,542	\$373,783	One-Time Mandate Reimbursement
	\$466,785	\$379,448	Prop. 39, CA Clean Energy Jobs Act
Local	\$807,000	-	One-Time Workers' Compensation Reimbursement
	\$69,320	-	One-time Energy Audit, Projects
	<u>\$4,133,875</u>	<u>\$1,047,597</u>	

Salaries and Benefits

Certificated and classified salaries assumed a 2% step and column increase.

The following are employer contribution rates for the projected years:

	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
STRS	12.58%	14.43%	16.28%	18.13%	19.10%	19.10%	19.10%	19.10%
PERS	13.888%	15.8%	18.7%	21.6%	24.9%	26.4%	27.4%	28.2%
SS	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%
Medicare	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%
SUI	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
W/C	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Certificated	15.08%	16.93%	18.78%	20.63%	21.60%	21.60%	21.60%	21.60%
Classified	22.59%	24.50%	27.40%	30.30%	33.60%	35.10%	36.10%	36.90%

Health Insurance premium increases for the budget and projected years for Sutter, Kaiser, Dental and Vision are estimated at 5%.

Supplies, Services, Capital Outlay, and Other Outgo

The purchase of state adopted textbooks and the instructional materials/consumables anticipated for the next four years are scheduled below:

<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
\$2,631,029	\$3,350,000	\$1,850,000	\$350,000

One time-expenditures and CPI (Consumer Price Index) were applied in resources, programs, and object categories as applicable.

The following interfund transfers are assumed to be ongoing:

\$337,000 To Fund 20 – Special Reserve for Postemployment Benefits
\$200,000 To Fund 40 – Special Reserve for Bus Replacement
\$ 25,000 To Fund 40 – Special Reserve for Equipment Replacement

Instructional Materials Adoption

Beginning with the 2014-15 Fiscal Year, the state began requiring textbook adoptions that had previously been on hold for eight years due to the economic downturn. In the past, funding was provided through an allocation of categorical funding. With the implementation of LCFF, categorical funding was mostly eliminated and additional dollars to fund textbook adoptions are not expected.

The governor has indicated that with additional funding provided through LCFF, districts are expected to fund previously funded initiatives (like textbook adoptions) through the increase in dollars that have been received from the LCFF funding formula. The following chart provides a rough estimate of the cost of textbooks based on our most recent adoption for Language Arts during the current fiscal year (2016-17) which totaled \$2,631,029 for TK-8th grades. Of the \$2.6 million spent on instructional materials about \$350,000 is spent each year for consumable type instructional materials and supplies.

		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Instructional Materials Adoptions									
Math		X							2,000,000
English Language Arts/ELD			2,631,029						
History-Social Sciences					1,500,000				
Science				3,000,000					
Health							400,000		
World Language									200,000
Visual & Performing Arts									
Physical Ed (Content Standards Only Req)									

Lottery funding provides about \$350,000 that is restricted to the purchase of instructional materials. In addition, the district has contributed an additional \$450,000 for this purpose from the General Fund.

The district wisely retained funds for the purchase of instructional materials that were not fully expended each year. We estimate we will have a carryover balance of \$1.3 million for fiscal year 2017-18, resulting in a shortfall of \$1.2 million for the science adoption required for purchase in 2017-18. This will be an area that will require financial planning for future textbook adoptions.

Instructional Materials		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Beg Fund Balance			3,152,876	1,317,044	(1,237,759)	(2,292,562)	(1,847,365)	(1,802,168)	(1,356,971)
Add: Revenue			795,197	795,197	795,197	795,197	795,197	795,197	795,197
Funds Available to Budget			3,948,073	2,112,241	(442,562)	(1,497,365)	(1,052,168)	(1,006,971)	(561,774)
Less: IM State Adoption Exp.			-2,631,029	-3,000,000	-1,500,000	0	-400,000	0	-2,200,000
Less: IM Ongoing Exp.				-350,000	-350,000	-350,000	-350,000	-350,000	-350,000
Ending Fund Balance Projected		3,152,876	1,317,044	(1,237,759)	(2,292,562)	(1,847,365)	(1,802,168)	(1,356,971)	(3,111,774)
On-going Sources		Beg FB 16-17							
Unrestricted (01.0617) IM Realign	450,000	1,526,770							
Restricted (01.6300) Lottery IM	345,197	1,626,106							
	795,197	3,152,876							

2015-16 Comparison of Unduplicated Pupil Count for Stanislaus County Schools (Phan, Perez) (5 min)

- In general, high school districts receive the most funding, then unified, and elementary school districts receive the least.
- Within elementary school districts, Sylvan is second from the highest for base funding per ADA.
- For supplemental and concentration, Sylvan is one of the lowest or is the lowest per ADA.
- The UPP (unduplicated pupil percentage) has a big impact on how much LCFF a school district will receive.
- The current fiscal year data is not yet available for county wide comparison. Therefore, 2015-16 data is presented. It is expected that results will not vary significantly over a one year period.

This table compares the different components of the LCFF formula, and is sorted by the “Base Funding” component of the calculation.

Source:FCMATLCFF Calculator Version 17.2b - Does not include any 2015-16 adjustments or corrections except for SUSO

	Local Educational Agency	District Type	2015-2016				Base Funding		Supplemental		Concentration		Add-ons (TIIG, H2S Transp.)		Total LCFF	
			UPP Single Year	Funded UPP (3-Year Ave.)	ADA (w/ SCOE)	Funded ADA (w/ SCOE)	Total Base	Base Per ADA	Total Supp.	Supp. Per ADA	Total Conc.	Conc. Per ADA	Total Add-ons	Add-ons Per ADA	Total Funding	\$ per ADA
1	Modesto City High	High	63.97%	63.90%	14,424.13	14,424.13	\$113,799,345.00	\$7,889.51	\$14,543,556.00	\$1,008.28	\$5,064,071.00	\$351.08	\$1,175,998.00	\$81.53	\$134,582,970.00	\$9,330.40
2	Denair Unified	Unified	56.08%	61.07%	498.54	646.47	\$4,957,325.00	\$7,668.30	\$605,487.00	\$936.60	\$150,455.00	\$232.73	\$138,951.00	\$214.94	\$5,852,218.00	\$9,052.57
3	Hughson Unified	Unified	56.26%	55.87%	2,061.34	2,098.17	\$15,496,123.00	\$7,385.54	\$1,731,538.00	\$825.26	\$67,408.00	\$32.13	\$240,822.00	\$114.78	\$17,535,891.00	\$8,357.71
4	Oakdale Joint Unified	Unified	42.92%	43.78%	5,059.05	5,059.05	\$37,016,994.00	\$7,316.99	\$3,241,209.00	\$640.68	\$0.00	\$0.00	\$568,887.00	\$112.45	\$40,827,090.00	\$8,070.11
5	Riverbank Unified	Unified	85.16%	85.93%	2,190.48	2,190.48	\$15,776,111.00	\$7,202.13	\$2,711,283.00	\$1,237.76	\$2,439,775.00	\$1,113.81	\$257,191.00	\$117.41	\$21,184,360.00	\$9,671.10
6	Turlock Unified	Unified	64.64%	65.98%	13,381.77	13,381.77	\$95,849,873.00	\$7,162.72	\$12,648,350.00	\$945.19	\$5,262,159.00	\$393.23	\$1,123,848.00	\$83.98	\$114,884,230.00	\$8,585.13
7	Waterford Unified	Unified	79.60%	78.34%	1,753.60	1,753.60	\$12,490,360.00	\$7,122.70	\$1,956,989.00	\$1,115.98	\$1,457,624.00	\$831.22	\$349,884.00	\$199.52	\$16,254,857.00	\$9,269.42
8	Newman-Crows Landing Unified	Unified	69.27%	71.97%	2,843.70	2,843.70	\$19,892,707.00	\$6,995.36	\$2,863,357.00	\$1,006.91	\$1,687,897.00	\$593.56	\$216,755.00	\$76.22	\$24,660,716.00	\$8,672.05
9	Patterson Joint Unified	Unified	77.05%	74.35%	5,509.79	5,565.79	\$38,858,540.00	\$6,981.68	\$5,778,264.00	\$1,038.17	\$3,759,564.00	\$675.48	\$460,240.00	\$82.69	\$48,856,608.00	\$8,778.02
10	Ceres Unified	Unified	86.12%	86.18%	12,721.72	12,721.72	\$88,085,382.00	\$6,924.02	\$15,182,397.00	\$1,193.42	\$13,732,510.00	\$1,079.45	\$828,057.00	\$65.09	\$117,828,346.00	\$9,261.98
11	Hart-Ransom Union Elementary	Elem.	56.33%	57.01%	782.67	787.54	\$5,384,951.00	\$6,837.69	\$613,992.00	\$779.63	\$54,119.00	\$68.72	\$123,462.00	\$156.77	\$6,176,524.00	\$7,842.81
12	Sylvan Union Elementary	Elem.	55.70%	55.00%	7,954.53	8,047.42	\$54,635,919.00	\$6,789.25	\$6,009,951.00	\$746.82	\$0.00	\$0.00	\$646,311.00	\$80.31	\$61,292,181.00	\$7,616.38
13	Salida Union Elementary	Elem.	73.20%	72.54%	2,283.41	2,383.26	\$16,066,336.00	\$6,741.33	\$2,330,903.00	\$978.03	\$1,409,018.00	\$591.21	\$218,355.00	\$91.62	\$20,024,612.00	\$8,402.19
14	Stanislaus Union Elementary	Elem.	69.56%	69.95%	3,302.89	3,302.89	\$22,085,747.00	\$6,686.79	\$3,089,796.00	\$935.48	\$1,650,910.00	\$499.84	\$305,500.00	\$92.49	\$27,131,953.00	\$8,214.61
15	Chatom Union	Elem.	85.43%	83.45%	591.89	591.89	\$3,956,927.00	\$6,685.24	\$660,412.00	\$1,115.77	\$562,873.00	\$950.98	\$268,864.00	\$454.25	\$5,449,076.00	\$9,206.23
16	Modesto City Elementary	Elem.	87.50%	87.79%	14,630.10	14,637.07	\$97,389,331.00	\$6,653.61	\$17,099,619.00	\$1,168.24	\$15,966,981.00	\$1,090.86	\$1,558,828.00	\$106.50	\$132,014,759.00	\$9,019.21
17	Empire Union Elementary	Elem.	84.81%	84.48%	2,908.27	2,912.49	\$19,308,940.00	\$6,629.70	\$3,262,438.00	\$1,120.15	\$2,846,138.00	\$977.22	\$450,624.00	\$154.72	\$25,868,140.00	\$8,881.80
18	Keyes Union	Elem.	92.85%	93.01%	735.76	735.76	\$4,844,665.00	\$6,584.57	\$901,205.00	\$1,224.86	\$920,729.00	\$1,251.40	\$73,126.00	\$99.39	\$6,739,725.00	\$9,160.22

The next few pages illustrate a county wide snapshot of each component of the funding formula.

This table provides a comparison of the base portion of the Local Control Funding formula, and is sorted by

- District Type first, and then by Base Funding per ADA.
- Base Funding is formulated by the number of students per each grade level multiplied by the allocation amount for each group of grades.
- Due to the makeup of enrollment per grade, the Sylvan District is the second highest district for base funding per ADA for Elementary type districts.

Source:FCMAT LCFF Calculator Version 17.2b - Does not include any 2015-16 adjustments or corrections except for SUS

					2015-2016	Base Funding	
	County Code	District Code	Local Educational Agency	District Type	UPP Single Year	Total Base	Base Per ADA
1	50	71175	Modesto City High	High	63.97%	\$113,799,345.00	\$7,889.51
2	50	71068	Denair Unified	Unified	56.08%	\$4,957,325.00	\$7,668.30
3	50	75549	Hughson Unified	Unified	56.26%	\$15,496,123.00	\$7,385.54
4	50	75564	Oakdale Joint Unified	Unified	42.92%	\$37,016,994.00	\$7,316.99
5	50	75556	Riverbank Unified	Unified	85.16%	\$15,776,111.00	\$7,202.13
6	50	75739	Turlock Unified	Unified	64.64%	\$95,849,873.00	\$7,162.72
7	50	75572	Waterford Unified	Unified	79.60%	\$12,490,360.00	\$7,122.70
8	50	73601	Newman-Crows Landing Unified	Unified	69.27%	\$19,892,707.00	\$6,995.36
9	50	71217	Patterson Joint Unified	Unified	77.05%	\$38,858,540.00	\$6,981.68
10	50	71043	Ceres Unified	Unified	86.12%	\$88,085,382.00	\$6,924.02
11	50	71092	Hart-Ransom Union Elementary	Elem.	56.33%	\$5,384,951.00	\$6,837.69
12	50	71290	Sylvan Union Elementary	Elem.	55.70%	\$54,635,919.00	\$6,789.25
13	50	71266	Salida Union Elementary	Elem.	73.20%	\$16,066,336.00	\$6,741.33
14	50	71282	Stanislaus Union Elementary	Elem.	69.56%	\$22,085,747.00	\$6,686.79
15	50	71050	Chatom Union	Elem.	85.43%	\$3,956,927.00	\$6,685.24
16	50	71167	Modesto City Elementary	Elem.	87.50%	\$97,389,331.00	\$6,653.61
17	50	71076	Empire Union Elementary	Elem.	84.81%	\$19,308,940.00	\$6,629.70
18	50	71134	Keyes Union	Elem.	92.85%	\$4,844,665.00	\$6,584.57

This table provides a comparison of the Unduplicated Pupil Count (UPP is a count of the districts “low socio-economic” “English Learners” and Foster Youth” students enrolled in the district.

- The Local Control Funding Formula provides additional supplemental and concentration dollars based on a district’s UPP. The UPP must be over 55% to receive the “Concentration” funding provided in the formula
- The Sylvan District is not eligible for “Concentration” funding
- The table is sorted by the UPP-3 year average.
- The Sylvan District has the second lowest UPP count as compared to other county schools.

Source: Version 17.2b - Does not include any 2015-16 adjustments or corrections except for SUSD								
	County Code	District Code	Local Educational Agency	District Type	2015-2016			
					UPP Single Year	Funded UPP (3-Year Ave.)	ADA (w/ SCOE)	Funded ADA (w/ SCOE)
1	50	71134	Keyes Union	Elem.	92.85%	93.01%	735.76	735.76
2	50	71167	Modesto City Elementary	Elem.	87.50%	87.79%	14,630.10	14,637.07
3	50	71043	Ceres Unified	Unified	86.12%	86.18%	12,721.72	12,721.72
4	50	75556	Riverbank Unified	Unified	85.16%	85.93%	2,190.48	2,190.48
5	50	71076	Empire Union Elementary	Elem.	84.81%	84.48%	2,908.27	2,912.49
6	50	71050	Chatom Union	Elem.	85.43%	83.45%	591.89	591.89
7	50	75572	Waterford Unified	Unified	79.60%	78.34%	1,753.60	1,753.60
8	50	71217	Patterson Joint Unified	Unified	77.05%	74.35%	5,509.79	5,565.79
9	50	71266	Salida Union Elementary	Elem.	73.20%	72.54%	2,283.41	2,383.26
10	50	73601	Newman-Crows Landing Unified	Unified	69.27%	71.97%	2,843.70	2,843.70
11	50	71282	Stanislaus Union Elementary	Elem.	69.56%	69.95%	3,302.89	3,302.89
12	50	75739	Turlock Unified	Unified	64.64%	65.98%	13,381.77	13,381.77
13	50	71175	Modesto City High	High	63.97%	63.90%	14,424.13	14,424.13
14	50	71068	Denair Unified	Unified	56.08%	61.07%	498.54	646.47
15	50	71092	Hart-Ransom Union Elementary	Elem.	56.33%	57.01%	782.67	787.54
16	50	75549	Hughson Unified	Unified	56.26%	55.87%	2,061.34	2,098.17
17	50	71290	Sylvan Union Elementary	Elem.	55.70%	55.00%	7,954.53	8,047.42
18	50	75564	Oakdale Joint Unified	Unified	42.92%	43.78%	5,059.05	5,059.05

This table provides a comparison of the Supplemental, Concentration components of the Local Control Funding Formula for both Unified and Elementary Districts in the county. The focus points relate to Elementary type districts.

- All districts receive supplemental dollars to their base funding for targeted students. The funds must be used to increase and improve services for those students.
- The Sylvan Union School District and Oakdale Joint Unified are the only two districts in the county with UPP's less than 55%. As a result, our two districts are not eligible for the "Concentration" factor in the funding formula.
- The Sylvan School District receives the lowest per pupil funding in the county at \$7,616.38 per pupil as compared to Riverbank that has a very high UPP generating additional dollars for their district at \$9,671.10 per pupil (See last column of table).
- Modesto City Elementary District, receives \$1,402.83 more dollars per ADA than the Sylvan District.
- Districts are required to utilize supplemental and concentration funds to increase or improve services for economically disadvantaged students, English learners, and foster youth.
- The district's lower per pupil funding, requires us to be very strategic in our choices for providing excellent and quality services to not only our targeted students but for all students.

Source:FCMAT LCFF Calculator Version 17.2b - Does not include any 2015-16 adjustments or corrections except for SUSD

					2015-2016		Supplemental		Concentration			
	County Code	District Code	Local Educational Agency	District Type	2015-16 P-2 ADA	UPP Single Year	Total Supp.	Supp. Per ADA	Total Conc.	Conc. Per ADA	Total LCFF Funding	\$ per ADA
1	50	71175	Modest City	High	13,888.79	63.97%	\$14,543,556.00	\$1,008.28	\$5,064,071.00	\$351.08	\$134,582,970.00	\$9,330.40
2	50	71068	Denair	Unified	492.67	56.08%	\$605,487.00	\$936.60	\$150,455.00	\$232.73	\$5,852,218.00	\$9,052.57
3	50	75549	Hughson	Unified	2,036.63	56.26%	\$1,731,538.00	\$825.26	\$67,408.00	\$32.13	\$17,535,891.00	\$8,357.71
5	50	75556	Riverbank	Unified	2,159.28	85.16%	\$2,711,283.00	\$1,237.76	\$2,439,775.00	\$1,113.81	\$21,184,360.00	\$9,671.10
7	50	75572	Waterford	Unified	1,701.96	79.60%	\$1,956,989.00	\$1,115.98	\$1,457,624.00	\$831.22	\$16,254,857.00	\$9,269.42
10	50	71043	Ceres	Unified	12,601.00	86.12%	\$15,182,397.00	\$1,193.42	\$13,732,510.00	\$1,079.45	\$117,828,346.00	\$9,261.98
9	50	71217	Patterson	Unified	5,451.00	77.05%	\$5,778,264.00	\$1,038.17	\$3,759,564.00	\$675.48	\$48,856,608.00	\$8,778.02
8	50	73601	Newman-Crows Ld	Unified	2,831.47	69.27%	\$2,863,357.00	\$1,006.91	\$1,687,897.00	\$593.56	\$24,660,716.00	\$8,672.05
6	50	75739	Turlock	Unified	13,206.83	64.64%	\$12,648,350.00	\$945.19	\$5,262,159.00	\$393.23	\$114,884,230.00	\$8,585.13
4	50	75564	Oakdale	Unified	5,006.29	42.92%	\$3,241,209.00	\$640.68	\$0.00	\$0.00	\$40,827,090.00	\$8,070.11
15	50	71050	Chatom	Elem.	589.06	85.43%	\$660,412.00	\$1,115.77	\$562,873.00	\$950.98	\$5,449,076.00	\$9,206.23
18	50	71134	Keys	Elem.	730.32	92.85%	\$901,205.00	\$1,224.86	\$920,729.00	\$1,251.40	\$6,739,725.00	\$9,160.22
16	50	71167	Modesto City	Elem.	14,592.88	87.50%	\$17,099,619.00	\$1,168.24	\$15,966,981.00	\$1,090.86	\$132,014,759.00	\$9,019.21
17	50	71076	Empire	Elem.	2,869.48	84.81%	\$3,262,438.00	\$1,120.15	\$2,846,138.00	\$977.22	\$25,868,140.00	\$8,881.80
13	50	71266	Salida	Elem.	2,242.45	73.20%	\$2,330,903.00	\$978.03	\$1,409,018.00	\$591.21	\$20,024,612.00	\$8,402.19
14	50	71282	Stanislaus	Elem.	3,269.86	69.56%	\$3,089,796.00	\$935.48	\$1,650,910.00	\$499.84	\$27,131,953.00	\$8,214.61
11	50	71092	Hart-Ransom	Elem.	779.16	56.33%	\$613,992.00	\$779.63	\$54,119.00	\$68.72	\$6,176,524.00	\$7,842.81
12	50	71290	Sylvan Union	Elem.	7,865.44	55.70%	\$6,009,951.00	\$746.82	\$0.00	\$0.00	\$61,292,181.00	\$7,616.38

MULTIPLE YEAR PROJECTION (Phan, Perez and Hendricks)

See next page.

UNRESTRICTED	2016-2017	2017-2018	2018-2019	2019-2020
REVENUES				
Local Control Funding Formula (LCFF)	\$ 64,074,637	\$ 64,408,450	\$ 66,039,942	\$ 68,436,628
Federal Revenues (MAA)	79,154	-	-	-
Other State Revenues	1,344,345	1,352,278	1,378,104	1,405,483
One-Time Mandate Reimbursement	1,687,542	373,783	-	-
Other Local Revenues	471,639	461,639	461,639	461,639
One-Time Wrks. Comp. & Energy Audit/Proj. Reimb.	876,320	-	-	-
Total Revenues	\$ 68,533,637	\$ 66,596,150	\$ 67,879,684	\$ 70,303,749
OTHER FINANCING SOURCES				
Interfund Transfers In	\$ -	\$ -	\$ -	\$ -
Other Sources	-	-	-	-
Contributions To Restricted Programs:				
Special Education (RS 6500)	(11,205,393)	(11,679,196)	(12,246,402)	(12,823,547)
Ongoing & Major Maintenance (RS 8150)	(2,510,809)	(2,459,692)	(2,462,810)	(2,497,558)
Facilities Improvement (RS 9225)	(1,961,318)	(300,000)	(300,000)	(300,000)
Total Other Financing Sources	\$ (15,677,520)	\$ (14,438,888)	\$ (15,009,212)	\$ (15,621,105)
TOTAL REVENUES and OTHER FINANCING SOURCES	\$ 52,856,117	\$ 52,157,262	\$ 52,870,472	\$ 54,682,644
EXPENSES				
Certificated Salaries	\$ 30,526,688	\$ 30,802,093	\$ 31,426,536	\$ 32,080,095
Classified Salaries	6,717,013	6,851,355	6,988,381	7,128,146
Cost of 1%	577,000	577,000	577,000	577,000
Professional Training		425,000	425,000	425,000
Est. Savings over Budget Based on Historical Trends	-1,000,000			
			#3	
Employee Benefits				
STRS	3,820,479	4,444,742	5,116,239	5,816,121
PERS	830,301	1,082,514	1,306,827	1,539,680
Social Security	388,839	424,784	433,280	441,945
Medicare	528,681	545,974	557,016	568,519
H&W	4,008,400	4,208,821	4,419,263	4,640,226
SUI	19,079	18,826	19,208	19,604
W/C	418,680	376,534	384,150	392,083
Other Benefits	304,973	304,973	304,973	304,973
OPEB	328,118	344,524	361,750	379,838
Other Supplies & Materials	1,080,903	819,851	708,027	618,188
State Adopted Textbooks & Instructional Materials (Partially funded w/ Restricted funds)	1,933,571	1,639,449	1,448,087	306,800
Services & Other Operating Expenditures	3,244,407	3,321,744	3,346,741	3,374,876
Printing Services for Adopted Textbook Consumables	43,200	43,200	43,200	43,200
Capital Outlay	34,000	-	-	-
Other Outgo	124,874	128,271	132,017	135,449
Direct Support/Indirect Costs	(738,316)	(758,398)	(780,543)	(800,837)
Total Expenses	\$ 53,190,890	\$ 55,601,258	\$ 57,217,152	\$ 57,990,906
OTHER FINANCING USES				
Interfund Transfers Out	\$ 562,000	\$ 562,000	\$ 562,000	\$ 562,000
Other Uses	-	-	-	-
Total Other Financing Sources & Uses	\$ 562,000	\$ 562,000	\$ 562,000	\$ 562,000
TOTAL EXPENSES and OTHER USES	\$ 53,752,890	\$ 56,163,258	\$ 57,779,152	\$ 58,552,906
BEGINNING FUND BALANCE	\$ 15,516,670	\$ 14,619,896	\$ 10,613,900	\$ 5,705,220
NET INCREASE/(DECREASE) IN FUND BALANCE	\$ (896,773)	\$ (4,005,996)	\$ (4,908,680)	\$ (3,870,261)
ENDING FUND BALANCE	\$ 14,619,896 17.23%	\$ 10,613,900 12.95%	\$ 5,705,220 6.95%	\$ 1,834,959 2.20%
GENERAL FUND - COMPONENTS OF ENDING FUND BALANCE				
Nonspendable: Revolving Cash	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	625,000	625,000	625,000	625,000
Insurance Deductibles	200,000	200,000	200,000	200,000
Professional Learning	425,000	425,000	425,000	425,000
Unassigned/Unappropriated				
Reserve for Economic Uncertainties (REU)	2,546,266 3.00%	2,459,692 3.00%	2,462,810 3.00%	2,497,558 3.00%
Unassigned/Unappropriated Amount	\$ 11,438,630 13.48%	\$ 7,519,208 9.17%	\$ 2,607,410 3.18%	\$ (1,297,599) -1.56%
TOTAL COMPONENTS OF ENDING FUND BALANCE	\$ 14,619,896 17.23%	\$ 10,613,900 12.95%	\$ 5,705,220 6.95%	\$ 1,834,959 2.20%

#1

A 1% salary increase has been budgeted

#2

\$425,000 for on-going professional development is budgeted.

#3

Historically, expenditures have been overstated. For comparison purposes, we have reduced expenditures by the district’s historical trend. As the 2017-18 budget is fully developed, the actual expenditure projection can be more accurately projected.

Large Deficit spending

Average monthly payroll totals \$5.2 million. The standard rule of thumb for adequate reserves is 3 months of payroll. Applying the industry standard means the district should retain an ending fund balance of \$15.6 million.

Average monthly payroll is \$5.2 million based on August 2016-February 2017 actual payroll. Operating expenses average \$6.5 million per month. The Governmental Finance Officers Association recommends two standards of reserve balances.

- **Three months of payroll. For the Sylvan District this equals \$15.6 million. Since the district's budget is predominately salaries and benefits, this standard is recommended.**
- **Two months of operating expenses. For the Sylvan District this equals \$13 million**

Total Compensation Comparison (Roddick)

Stanislaus top 5
2016-17 AVERAGE TOTAL COMPENSATION as of January 2017

District	Average Total Compensation* (ATC)	Work Days	ATC Per Diem Rate
Sylvan	90,650	182	498
Ceres**	90,204	187	482
SCOE**	89,524	182	492
Modesto	89,438	185	483
Turlock**	89,068	183	487

* ATC calculated by adding 6 cells (see below) from current salary schedules, dividing the total by 6 for the average, then adding the district's annual health/vision/dental contribution to each full time teacher.

- 6 cells used for ATC:
- Step 1 (BA+24/30)
 - Step 5 (BA+45/48)
 - Step 10 (BA+60)
 - Step 14/15 (BA+72/75)
 - Top salary w/maximum longevity
 - Top salary w/maximum longevity + MA

** Settled for 2016-17

- Ceres @ 3% + \$ to benefits
- SCOE @ 5%
- Turlock @ 2% + \$1,000 to benefits

Financial impacts to consider as we plan the 2017-18 budget (Hendricks)

- The district is in good financial standing and remains fiscally solvent as we enter the 2017-18 fiscal year budget planning cycle, but there are large financial impacts that must be planned in order to retain financial health.
- The district remains competitive with teacher salaries and benefits (total compensation) as compared to other districts in the county. This will become more challenging as per pupil funding discrepancies widen as compared to other districts in Stanislaus County.
- Increases to STRS contribution requirement: Estimated at \$2.4 million over the next three years, a 5.5% increase, with ongoing increases over the next four years.
- Increases to PERS contribution requirement: Estimated at \$1.2 million over the next three years, a 7.17% increase with ongoing increases for the next seven years.
- Increase of minimum wage to \$15.00 to be increased \$1.00/hour each year beginning January 2017 through January 2022. The financial impact is unknown at this time, but is under review by staff.
- Increases to health benefits.
- Increasing contribution to Special Education: \$11.2 million as of Second Interim Budget Report
- Textbook adoption schedule: Estimated at \$7.1 million over a six year period. \$3.2 million is budgeted for the 2017-18 fiscal year for the Next Generation Science standards, and for instructional materials and supplies.
- Facilities in need of repair beyond the 3% required contribution. We have identified \$9.3 million of facility upgrades that are needed. The routine repair and maintenance resource funding mandate provides only about \$1 million for larger projects each year after salaries/benefits and on-going normal maintenance needs of the district are met.
- LCFF target GAP is estimated at 96% implementation, resulting in flattening year over year increases to revenue.
- Economic concerns at both a national and state level are evident. Although we cannot predict the next recession, it will occur again, and we need to be fiscally ready.
- Reserve balances: District must retain a sufficient reserve to maintain fiscal solvency.
- Federal fiscal policy is uncertain.

Next Steps (Hendricks)

- April 11 Regular Board Meeting:
 - Budget Assumptions Draft Approved
 - Final Board Direction on the 2017-18 Fiscal Year Budget provided to Staff
- May 9 Regular Board Meeting: Update on Budget and LCAP Progress
- May 30 Regular Board Meeting:
 - Public Hearing for the 2017-20 Local Control and Accountability Plan
 - Public Hearing for the 2017-18 Fiscal Year Budget
- June 20 Regular Board Meeting:
 - Adopt the 2017-20 Local Control and Accountability Plan
 - Adopt the 2017-18 Fiscal Year Budget