


EVERGREEN SCHOOL DISTRICT

Enclosure No. 20
Agenda Item 10.2
Date 6/12/14 REVISED

DATE: June 12, 2014

TO: Katherine Gomez, Superintendent and
The Board of Trustees

FROM: Nelly Yang – Chief Financial Officer 

SUBJECT: Approval of the 2014-15 Budget

The FY 2014-15 Budget is being presented with the Governor's May revision proposal for the 2014-15 State Budget for California schools and with the passage of the local parcel tax (Measure H) on June 3, 2014.

Major assumptions included in the Budget are as follows:

Revenue Assumptions

- The Local Control Funding Formula is based on the Fiscal Crisis and Management Assistance Team's (FCMAT) LCFF calculator and with the Department of Finance's projected funding GAP:
 - 2014-15 at 28.06%
 - 2015-16 at 30.39%
 - 2016-17 at 19.50%
- LCFF per ADA for Evergreen School District:
 - 2014-15 at \$6,725
 - 2015-16 at \$7,217
 - 2016-17 at \$7,476
 - Estimated target for LCFF per ADA in 2020-21 at \$8,130
- Five-year Parcel Tax (Measure H) with annual revenue of \$2.4 million included in the budget
- Transfer GASB 45 Fund, \$1.69 million to General Fund starting 2015-16
- Federal, State, and Local estimated carryovers are not included in future years

Expenditure Assumptions

- Reduction of Students:
 - 2014-15 reduce 254 students; reduce 13 teachers
 - 2015-16 reduce 249 students; reduce 10 teachers
 - 2016-17 reduce 228 students; reduce 10 teachers
- \$1.08 million for step and column salary increase for all groups

- Savings from 12 teacher retirements in 2014-15 and 5 teacher retirements annually in future years
- \$211,008 savings from leaves and resignations
- No salary increase in future years
- Health benefits at 5.14% increase in future years
- K-3 class size maintained at 1:24
- Home to school transportation at 2013-14 level
- Library at five days service level
- Assistant principals maintained at 2013-14 level
- Music program is status quo
- 3% required contribution for Maintenance program starting 2015-16
- Addition of staff for Information Services and Human Resources
- STRS rate increase proposed in Governor's May revision, 8.25% in 2013-14
 - 2014-15 at 9.5%
 - 2015-16 at 11.1%
 - 2016-17 at 12.7%
- PERS rate increase in future years, 11.442% in 2013-14
 - 2014-15 at 11.7%
 - 2015-16 at 12.6%
 - 2016-17 at 15%
- Proportionality requirement met, spend supplemental grant for students in needs
 - 2014-15 at \$5,606,897
 - 2015-16 at \$6,390,019
 - 2016-17 at \$6,798,385

The FY 2013-14 beginning balance had an available unrestricted reserve of \$15.86 million. Currently, based on the Local Control Funding Formula for future years' revenue projections, the District will use \$3.92 million in FY 2013-14; \$3.45 million in FY 2014-15; \$1.39 million in FY 2015-16; and \$2.34 million in FY 2016-17. Despite revenue increases, the District will still be on a deficit spending and will continue to work closely with all stakeholders to address the issue.

Recommendation:

It is recommended that the Board of Trustees approve the 2014-15 Budget.