



Lancaster School District 13-14 Budget Update

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Local Control Funding Formula (LCFF) Elements



- There are direct parallels with how Calif. funded schools in the past
 - The LCFF base grants ----- revenue limits
 - The LCFF supplemental and Concentration grants ----categorical programs
- Additional funding based on the demographics of the school district:
 - English learners
 - Pupils eligible for free and reduced-price meals program
 - Foster youth
- An unduplicated count
 - The number of unduplicated pupils enrolled for each school district and as a percentage of total enrollment
- The LCFF provides that each school district receive at least as much state aid in 2013-14 and future fiscal years as the district received in 2012-13

Categorical Programs and the LCFF



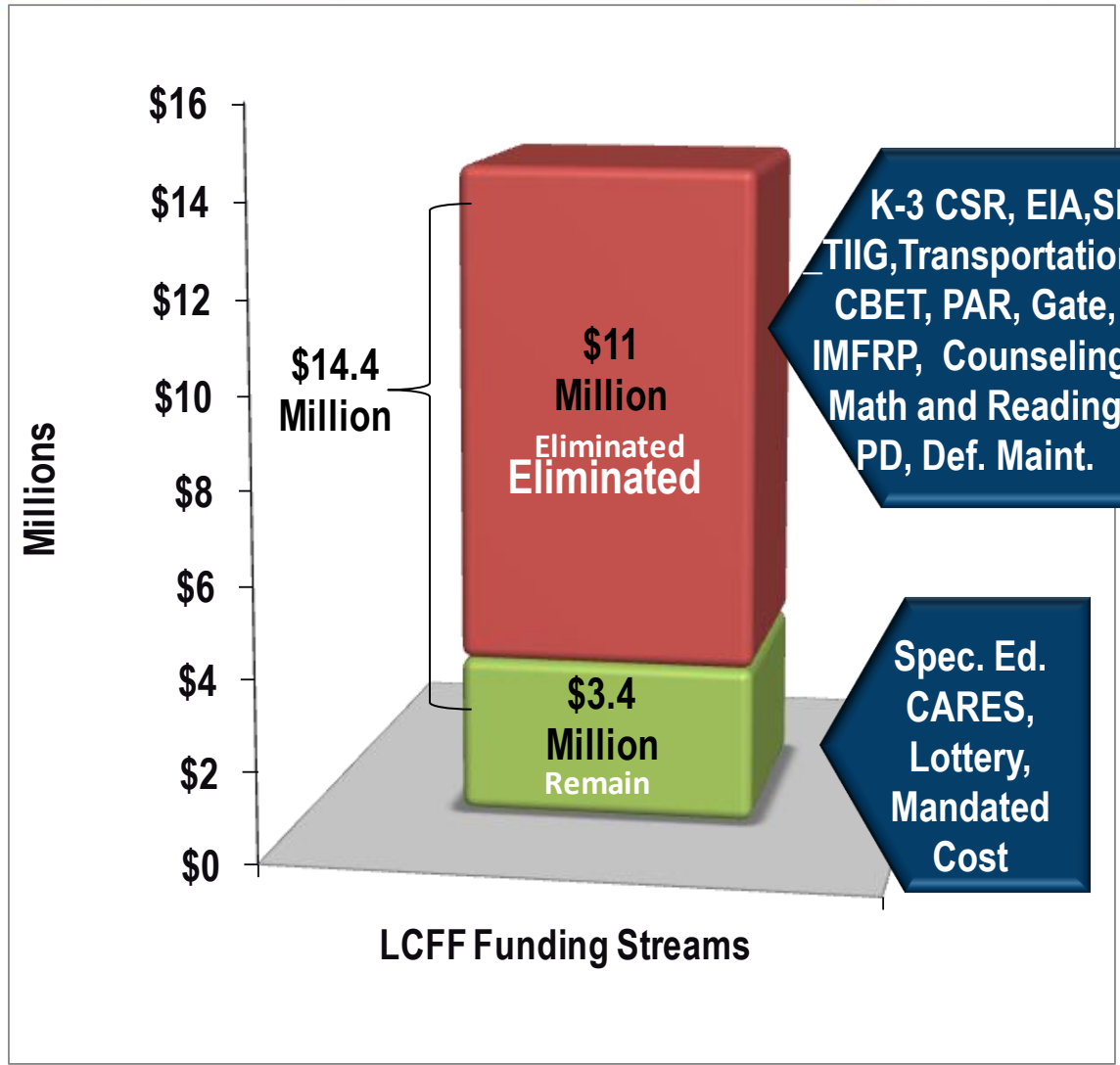
- The LCFF replaces most categorical programs with two weighting factors applied against the LCFF base grant
 - 20% on behalf of each eligible student
 - An additional 50% for the eligible students exceeding 55% of total enrollment
 - The combination of the two factors still equals 70%, as in the May Revision

Lancaster School District 2012-13 State Categoricals

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- Most categorical program funding are eliminated by LCFF, equals \$11 million
- Total state categorical programs that will remain after LCFF, equals \$3.4 million



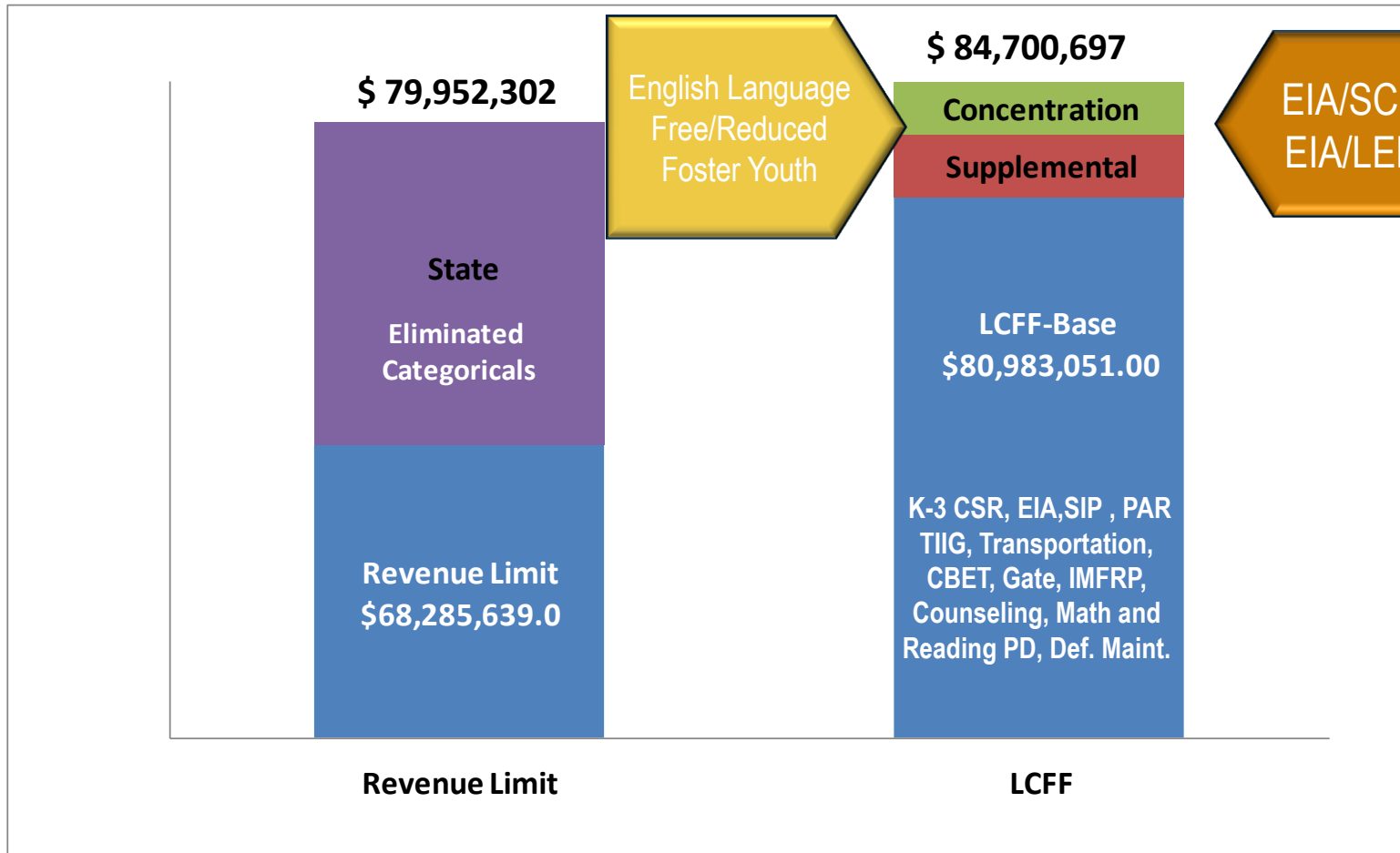
LCFF – K-3 CSR Adjustment



- 2013-14 target entitlement calculation
 - K-3 CSR adjustment is an addition to the base grant

Factors	K-3	4-6	7-8
Base grants – 2013-14	\$6,952	\$7,056	\$7,266
Adjustment percentage	10.4% CSR	-	-
Adjustment amount	\$723	-	-
Adjusted grant per ADA	\$7,675	\$7,056	\$7,266

Lancaster School District 2013-14 Revenue Limit Vs. Projected LCFF



LCFF – From 2012-13 to 2013-14

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- **LCFF entitlement calculation**
 - **Multiply each grade span per-pupil grant amount by the ADA for that grade span, and add the results**
 - **Add any amounts received in 2012-13 for Home-to-School Transportation and TIIG**
- **Determine 2012-13 base funding**
 - **Add together your:**
 - (1) 2012-13 deficated base revenue limit**
 - (2) 2012-13 funding received for categorical programs included in LCFF**
 - (3) 2012-13 funding received for Transportation and TIIG**
- **Subtract the 2012-13 base funding total from the calculated LCFF entitlement**
- **Multiply the difference (if it is positive) by 12% (est.)**
- **Add the difference to your 2012-13 base funding amount**

Lancaster School District Projected LCFF Funding 2013-14



2013-14 target entitlement calculation

- Supplemental and concentration grant increases are calculated based on the percentage of total enrollment accounted for by English learners, free and reduced-price meal program eligible students, and foster youth

Factors	K-3	4-6	7-8
Adjusted grant per ADA	\$7,675	\$7,056	\$7,266
Funded ADA	6064.07	4514.02	2833.63
Unduplicated % of Enrollment	84%	84%	84%
Base Grant *	\$ 38,079,515	\$ 26,058,286	\$ 16,845,250
20% supplemental Grant *	\$ 938,289	\$ 642,083	\$ 415,071
50% concentration Grant * (Unduplicated pupil count > 55%)	\$ 809,807	\$ 554,161	\$ 358,235
Total LCFF *	\$ 39,827,611	\$ 27,254,530	\$ 17,618,556

*adjusted for gap reduction

Total Projected LCFF Funding 2013-14 \$ 84,700,697
Projected Total Target Amt. by 2020-21 \$ 130,789,602

The LCFF Accountability System

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- On or before July 1, 2014, and every three years thereafter, LEAs must adopt the Local Control Accountability Plan (LCAP) using the template adopted by the State Board of Education
- The LCAP must include the following:
 - Annual Goals and Specific Actions
 - Based on state priorities for all students and “numerically significant subgroups” (30 or more students)
 - Foster youth – 15 or more students
 - Description of expenditures implementing the specific actions in the plan.

LCFF and K-3 CSR Penalties

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- **As a condition of receiving the 10.4% K-3 CSR funding adjustment, limit class enrollment in grades K-3, eventually reaching a maximum average enrollment per class of no more than 24 students at each school site, unless an alternate ratio is locally negotiated**
 - **24-student average must be reached at full implementation of the LCFF (planned for 2020-21)**
 - **During the intervening years, districts are to meet intermediate targets, based on the funding provided to move all districts to their LCFF target Unless a collectively bargained alternative ratio is agreed to by the school district**
 - **A district's failure to meet the target at one school site would result in the loss of all K-3 CSR funds districtwide – a penalty that is likely to be out of proportion to the error**

K-3 Class-Size Reduction – Planning for 2013-14

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- In order to receive K-3 CSR funds, all school site average class enrollment ratios must meet the targets
- ➔ Next step:
 - Evaluate your enrollment projections for 2013-14 and estimate the progress your district's school sites will need to demonstrate
 - The penalties are prohibitive if the targets aren't met – no CSR funding!!

Common Core State Standards - CCSS

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- **CCSS is a nationwide initiative to establish a single set of standards for K-12 education in English language arts and mathematics to ensure college and career readiness**
- **To date, no funding for CCSS implementation had been provided to LEAs to defray the costs of technology updates, professional development, or instructional materials**
- **The State Budget provides \$1.25 billion statewide in one-time funds from 2012-13 for the implementation of the CCSS – LSD = \$2 million**
- **Must be spent by June 2015**
- **Develop, hold public and adopt an annual plan for expenditures detailing how the funds shall be spent**

CCSS Expenditure Rules

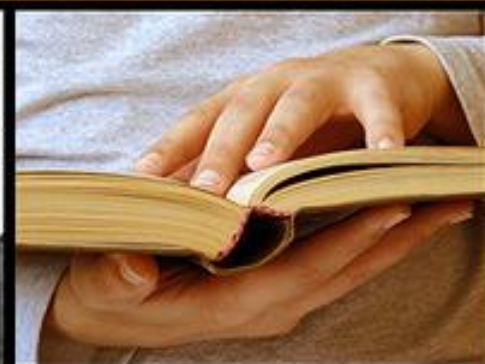
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- LEAs can spend the funds for the following allowed purposes:
 - Professional Development
 - For teachers, administrators, and paraprofessional educators or other classified employees involved in the direct instruction of pupils that is aligned to the CCSS academic content standards
 - Instructional materials and supplemental instructional materials aligned to the CCSS academic content standards
 - Technology
 - Funds can be used for the integration of the content standards through technology-based instruction for the purposes of improving the academic performance of pupils including, but not limited to:
 - The administration of computer-based assessments and providing adequate Internet connectivity to support the computer-based assessments



Planning for the Future



Balances, Reserves, and Planning

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- This has huge implications for districts
 - Much of the “new money” will still be tied to expenditures for specific programs
 - SSC Dartboard will be more subjective than in the past, but more relevant than ever for conservative and reasonable planning
 - Proposition 30 taxes expire between 2018 and 2020.
 - Must develop plans that address how funding will be used to support student learning and target “closing the achievement gap” for at-risk students prior to spending.

Volatility Increases Reserve Requirements

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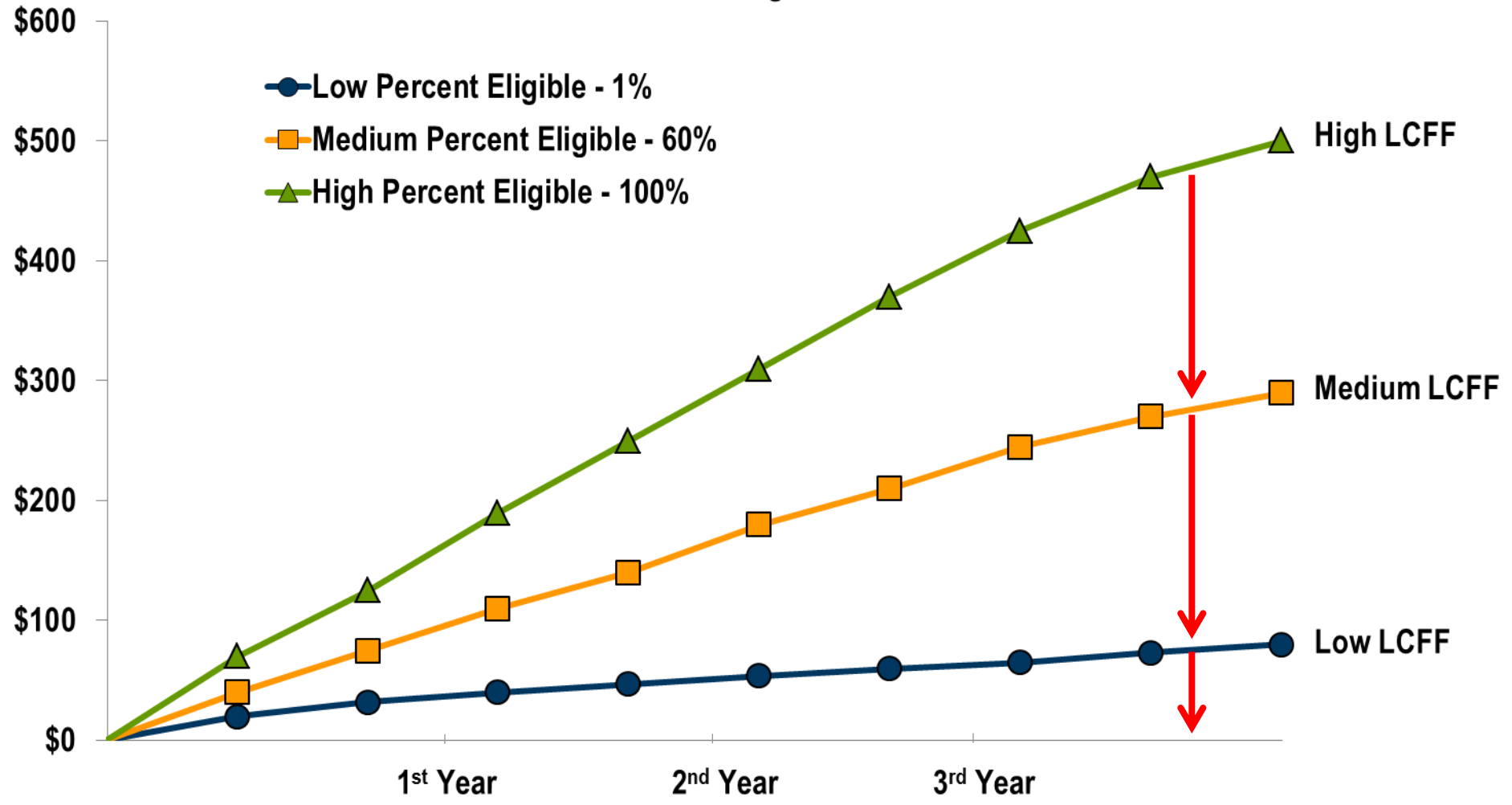
- Under the old rules, all districts could plan for similar changes in revenue limits – not so under the LCFF
 - Every district has its own starting point and its own unique goal
 - Some districts will project very large increases and others very modest increases
 - And while the percentage contributed by the state toward the goal is said to be consistent, the actual dollar differences are huge
- A good year, with a very high percentage contribution, will drive expenditures higher
 - But what happens when times are not so good and there is no increase or even another cut? Remember the new taxes expire starting in 2018
- Districts will need a larger buffer to provide time to make ongoing budget adjustments

Differential Risks – An Example

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New Funding Per ADA



What Constitutes a Reasonable Reserve?

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- **School Services has already concluded that a reserve level dictated solely by district size is no longer relevant when volatility and exposure is disparate**
- **School Services recommends that every district first observe the current SBE-required reserve level for the traditional economic uncertainties**
- **They recommend the establishment of a separate LCFF reserve to provide a “softer landing” when the next downturn occurs, as it surely will.**



Thank You

