



# **CVUSD LCAP/Budget Progress and Update Board of Education May 21, 2019**



# Purpose of the Presentation

- Provide the Board of Education (BOE) an opportunity to discuss the District's LCAP and budget alignment
- Share stakeholder engagement with the BOE
- Inform BOE of this year's LCAP focus areas
- Allow administration to obtain budgetary guidance from the BOE on options with the LCAP and budget process



# Stakeholder Feedback and Engagement

## LCAP Review and Feedback from all DAC Committees

- Mr. Lichtl presented & led LCAP activity during March/April meetings
- Purpose of the exercise was to:
  - Review LCAP Goals & Actions with parent representatives
  - Solicit information from parents as related to LCAP actions:
    - **Evidence** – has the action been implemented on your student’s campus?
    - **Feedback** – what is the efficacy of the action or service?
    - **Suggestions** – what is needed to achieve continuous improvement?
  - Parents worked in small groups (3-4) and addressed the prompts
  - Feedback compiled and reviewed as part of our LCAP process

## LCAP Stakeholder [Survey](#)

Survey Respondents	Participants
Parents	4,687
School Site Certificated Employees	731
School Site Classified and DO Employees	345
Elementary Students – Grades 4 & 5	2,212
Middle School Students – Grades 7 & 8	2,780
High School Students – Grade 10 & 11	3,005



# LCAP Focus Areas

- Instruction & Intervention
- Programs and Operations
- Personnel
- Parent Engagement
- LCAP and SPSA Alignment



# 2018/19 SPSA Progress Monitoring

- SPSA meetings – twice this year, fall and spring
- What was accomplished
  - Tighter alignment to LCAP
  - Evidence of more in-depth data analysis, though work remains.
- SPSA must be a continuous improvement process

# What We've Learned

- Future SPSA to include all student groups
  - Data pages disaggregated (all, targeted, SWD)
  - Actions & Services provided to student groups
- Future SPSA to include actions that are not funded through SPSA programs
  - This is a new paradigm
  - Will allow sites to include more actions
- SPSA process
  - Is different from site to site; working to standardize
  - Training for principals forthcoming
  - Work with parent engagement groups to train parents
- Professional Learning is our **KEY** to success



# Possible New Initiatives

- Increase teacher supports to manage caseloads
  - Additional preparation day in August
  - Focus on language arts and math (targeted skills)
- Adopting "Sandy Hook Promise" components TK-12
- Provide stronger mental health service delivery on campuses
- Increase engagement with foster and homeless youth and parents/guardians to expand support
- Increase outreach to students and families to grow attendance (e.g. home visits)
- Additional training with principals and teachers on English Language Development



2019-20

# Budget Information and Discussion





# Budget Cycle and Reporting

Note: Fiscal Year is July 1 to June 30



# Economic Outlook (State of CA)

- Strong personal income tax (PTI) in April offset lower revenues between December and March
- Year to date revenue should support K-12 spending consistent with, or slightly higher than, the January proposal
- COLA may be down to 3.26% (previously 3.46%)
- Why are these important for CVUSD?
- Answer: These economic factors may influence “May Revise” resulting in different assumptions used to build the budget

# May Revise

- Continued assumption of Statewide declining enrollment
- Year to date tax collections have been good
- Special Education proposal increased by \$119m
  - CVUSD estimated impact: none
- COLA on LCFF lowered from 3.46% to 3.26%
  - CVUSD estimated impact: loss of \$400k
- CalSTRS contribution rate lowered from 17.10% to 16.70%
  - CVUSD estimated impact: savings of \$400k



# Changes from Second Interim

- Negotiations with two of three bargaining units completed for 2018-19
- Health benefit program running well. We see potential savings from Health and Welfare of approximately \$1.5m
- Workers' Compensation program running well. We have a low incident rate. We see potential savings from Workers' Compensation program of approximately \$500k
- Edison rate structure change could result in savings on electricity expense
- Legal expenses have increased substantially
- P-2 Average Daily Attendance lower than estimate



# A little bit about...

- Workers' Compensation program

- Has been running relatively well
- Low incident rate of injury
- 2018-19 Rate = 1.73% of salaries
- Estimate for 2019-20: 1.25%
- Estimated savings of \$500k



- Health Benefits

- After three poor performance years, we had a good year (so far)
- Composite rate reduced from \$16,641 to \$15,519 per employee
- Year over year estimated savings \$1.5m (net 500k as \$1m is a repayment for loan into the health and welfare fund from 2017-18)
- Recent data shows Rx costs to be approximately 27% of total PPO cost. A few years ago, it was around 10%.

Caution: Past performance is not indicative of future results

# 2019-20 Assumptions

Item	Amount	Source
2018/19 Adopted Budget Estimated Enrollment	18,597	Cooperative Strategies Projection
2018/19 Month 7 (March)	18,454	Monthly Enrollment Report
2019/20 Estimated Enrollment	18,291	Staffing from HR
CALPADS LCFF Unduplicated Funding Percentage	27.19%	CALPADS
2018/19 Estimated P-2 ADA (95.9%)	17,708	P-2
2019/20 Estimated P-2 ADA (96.3%)	17,614	Estimated P-2
LCFF Revenue Sources by Grade 2019/20 Estimate		
Base ~LCFF per ADA ~ Grades K-3	\$7,717.00	Governor's Proposed Budget
Base ~LCFF per ADA ~ Grades 4-6	\$7,833.00	Governor's Proposed Budget
Base ~LCFF per ADA ~ Grades 7-8	\$8,066.00	Governor's Proposed Budget
Base ~LCFF per ADA ~ Grades 9-12	\$9,347.00	Governor's Proposed Budget
Grade Span ~ LCFF per ADA ~ Grade K-3	\$803.00	Governor's Proposed Budget
Grade Span ~ LCFF per ADA ~ Grade 9-12	\$243.00	Governor's Proposed Budget
Supplemental ~ LCFF per ADA ~ Grades K-3	\$465.00	Governor's Proposed Budget
Supplemental ~ LCFF per ADA ~ Grades 4-6	\$427.00	Governor's Proposed Budget
Supplemental ~ LCFF per ADA ~ Grades 7-8	\$440.00	Governor's Proposed Budget
Supplemental ~ LCFF per ADA ~ Grades 9-12	\$523.00	Governor's Proposed Budget

# 2019-20 Assumptions

Item	Amount	Source
LCFF COLA Percentage	3.26%	Reduced at May Revise (was 3.46%)
State Special Ed Program COLA	3.46%	Governor's Proposed Budget
California CPI	3.18%	Governor's Proposed Budget
Lottery, Unrestricted, per Adjusted Annual ADA	\$151.00	Governor's Proposed Budget
Lottery, Prop 20 Restricted, per Adjusted Annual ADA	\$53.00	Governor's Proposed Budget
K-3 CSR Staffing Ratio	21.5 : 1	District
9-12 Class Size	30.0 : 1	District
Additional work day SPED teachers	\$100k	Negotiated agreement
2019/20 State Teachers Retirement Contribution (STRS)	16.7%	May Revise (was 17.10%)
2019/20 Public Employees Retirement Contribution (PERS)	20.733%	Projected Rate (SSC)
Workers' Comp Rate*	1.25%	Projected Rate (prior year 1.73%)
Certificated Step & Column	1.44%	Estimated
Classified Step & Column	1.62%	Estimated
Certificated retirees: current 17 elementary, 4 secondary, 2 counselors, 3 SLP's and 1 admin. = 27		Project 30 retirees (-3)
Current FTE certificated: 720.4 Projected FTE - 712.7		- 7.7 (mix of positions and assignments)
Certificated Salary Increase	TBD	Pending negotiations
Classified Salary Increase	TBD	Pending negotiations
Health & Welfare Rate*	-7%	Estimate based on performance
Utilities	0%	Estimate based on new rate structure
<b>Estimated Revenues</b>	<b>\$194,000,000</b>	Governor's proposed budget/enrollment
<b>Estimated Expenses</b>	<b>\$199,300,000</b>	Staffing, expense projections
<b>Estimated Surplus/(deficit)</b>	<b>\$(5,300,000)</b>	TBD (May Revise, continued budget work)

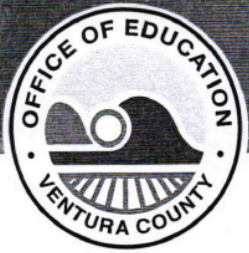
# A New Era Minus One-time Funds

- Operating deficits have become common for many school districts in the LCFF era. One-time funds have given districts the ability to maintain or enhance programs and filled that GAP each year since 2013.

Year	Amount of One-Time Dollars	Ending Fund Balance
2015	\$2.0m	\$9.0m
2016	\$10.8m	\$22.1m
2017	\$4.7m	\$27.5m
2018	\$3.4m	\$25.2m
2019 current year	\$3.3m	Estimate \$20m-\$23m
2020	\$0	TBD

- One-time dollars are not projected for 2019-20. A new Governor has instituted a new funding philosophy that requires us to take action that ensures we operate within our fiscal constraints while minimizing impact on our students.
- CVUSD has managed our budget relatively well and historically, un-spent funds come in at \$2m - \$3m. These funds positively impact end of year fund balance
- Finances coming in under projections are positive
  - Less need and/or lower cost of supplies, materials, services
  - Mid-year resignations and retirements
  - Unfilled positions
  - Services not needed/performed
  - Holding funds for future expense (ex. textbooks)





## Administration

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# VENTURA COUNTY OFFICE OF EDUCATION

Stanley C. Mantooh, County Superintendent of Schools

→ April 12, 2019

THE GOVERNING BOARD OF THE SCHOOL DISTRICT AND TO THE SUPERINTENDENT OF SCHOOLS

Based upon our review of the second interim report of the Conejo Valley Unified School District, the positive certification submitted by the district has been accepted. **However, we noted that the district has projected deficit spending in the current and subsequent fiscal years. The district is balancing its current year and subsequent fiscal years budgets by spending down available reserves. While deficit spending is a short-term budget strategy when available reserves exist, it is not a long-term solution. Failure to minimize deficit spending could jeopardize the financial standing of the district, including its ability to meet the state recommended minimum reserve for economic uncertainties.**

We also noted the district's subsequent years projected average daily attendance (ADA) decline does not reflect the level of decline experienced in recent years. **The district should continue to monitor its multi-year plans that include aligning its expenditures with revenues, while closely watching enrollment.**



# Staff Discussion of Expense Reductions

Department	Potential Savings	Description
Business Services	\$725k	Contracted services, IT infrastructure, utilize outside print services, elimination of two bus routes, misc. supply, travel, professional development expenses
Instruction	\$516k	Shift expenses to Title II, Stand Proud, Focus on the Arts, SHINE staff back to 1 FTE, SHINE other services, BOOST camp, Saturday work study program, Summer school, misc. supplies
Student Support Services	\$365k	File storage fees, potential attrition, Workability program, misc. supplies

- Staff brainstorming of potential adjustments to the current budget revealed:
  - Substantial changes to *expenditures* require changes to programs, learning opportunities, staffing, and/or benefit levels.
  - Substantial changes to *revenues* require changes in community relations (facility use, private and charter schools rent and use, student and other fees).

# Comments/Discussion from LCAP/Budget Committee on Budget Deficit:

- Sell property
- Increase facility use costs
- Increase charges on lease agreements
- Close schools
- Look at rental income
- Grant writing
- Contributions for healthcare
- Contribution for pension
- Larger class size
- Pool use fees
- Promote attendance
- Decide what is absolutely “off the table”
- Extra-curricular activities
- Enterprise programs
- Evaluate current programs for success
- Is 300 the number for an elementary school?
- Strategy of Magnet schools
- Utilize denials for student exit requests
- Review data on low attendance days and adjust calendar
- Auxiliary periods in lieu of hiring full-time
- Soft hiring freeze



# Purpose of the Presentation

1. Provide the Board of Education (BOE) an opportunity to discuss the District's LCAP and budget alignment
  - a) Look to make changes to 2020-21 budget through a collaborative process
2. Share stakeholder engagement with the BOE
  - a) Establish an agenda to ensure the public has input into the process
3. Inform BOE of this year's LCAP focus areas
4. Allow administration to obtain budgetary guidance from the BOE on options with the LCAP and budget process
  - a) Establish parameters to close the budget gap

# Proposed Next Steps...

1. Board to discuss expectations of the current and future operating budget
  - a) *Considerations: Should we establish a balanced budget priority? Do we establish a timeline to close the deficit? Do we establish a budget cap on expense increases?*
2. Board of Education to discuss and agree upon the level of expense reductions/revenue increases to be proposed (ex. Net \$2m each year).
  - a) *Considerations: student programs, rising cost of operations, competitive strategies;*
  - b) *Without significant and potential devastating changes, closing the deficit must be done over time.*
3. Board charges the Administration with bringing forward expense reductions for the 2020-21 budget to go toward closing the deficit no later than March 2020.
4. The Administration shall convene the LCAP/Budget committee to meet each month starting in September 2019.
  - a) *Considerations: Who sits on the committee? Selection process?*
5. Board of Education shall hold public budget study sessions to review recommendations from the committee in November, January, March, April & May to discuss BOE/staff recommendations.
  - a) *Considerations: What is the best time? Days to meet? Length of meetings?*
6. Discussion/alternatives/suggestions

# Discussion

