



Irvine Unified School District

LCAP/Budget Update for Public Hearing

June 13, 2017

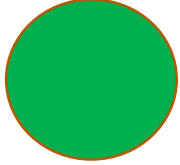
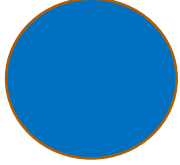
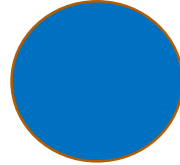
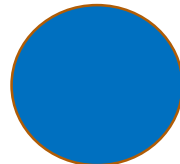


Local Control Accountability Plan

Part 1: Plan Summary

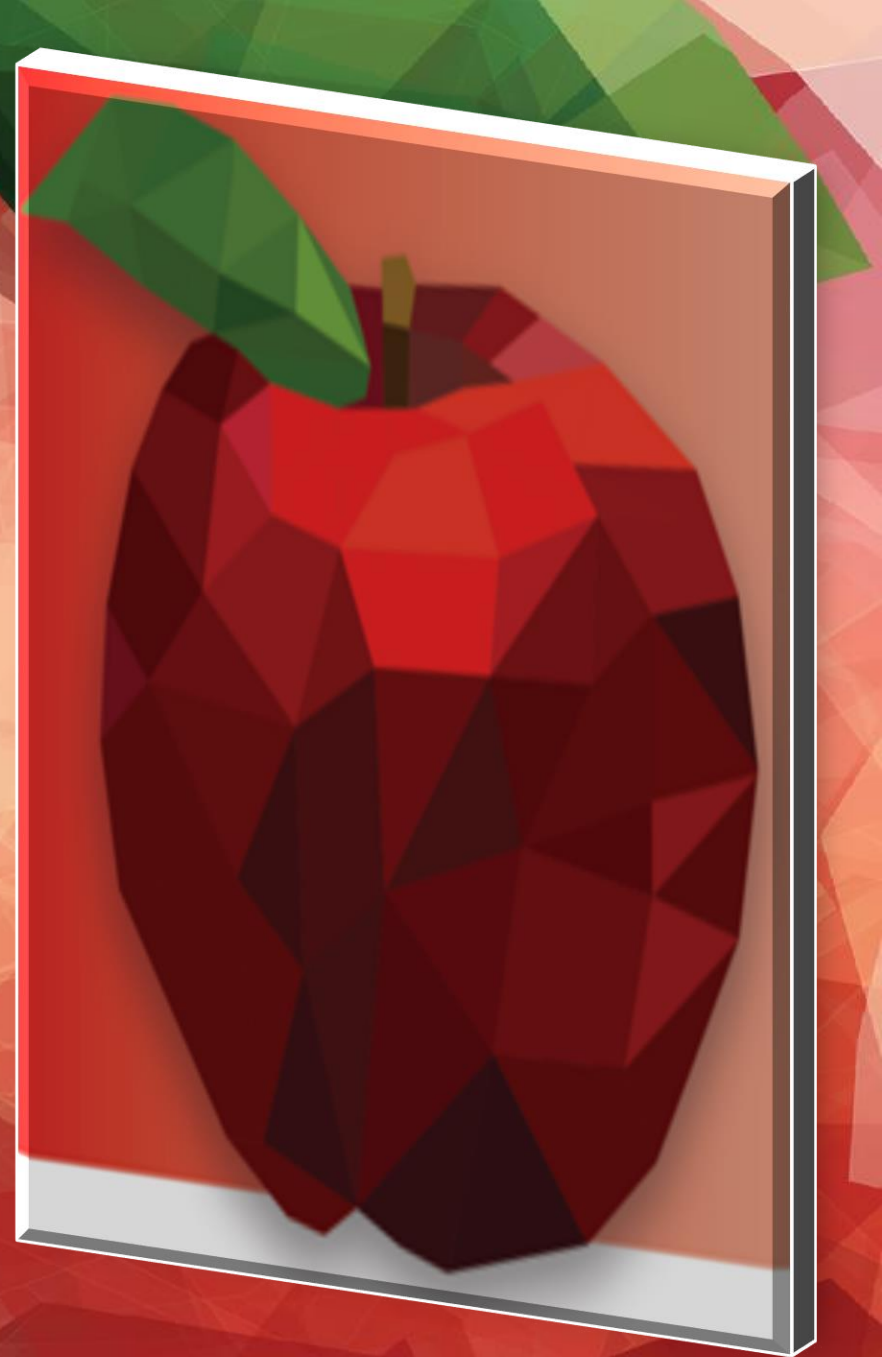


Dashboard Indicators

	Status	Change
Suspension: 	Low	Maintained
EL Progress: 	Very High	Increased
Graduation: 	Very High	Maintained
ELA/Math: 	Very High	Maintained

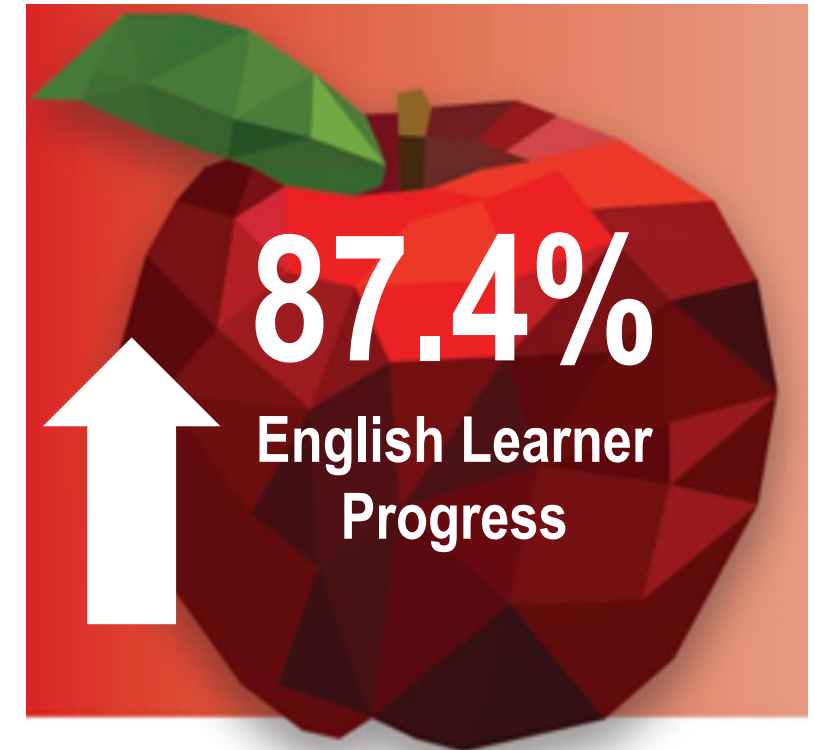
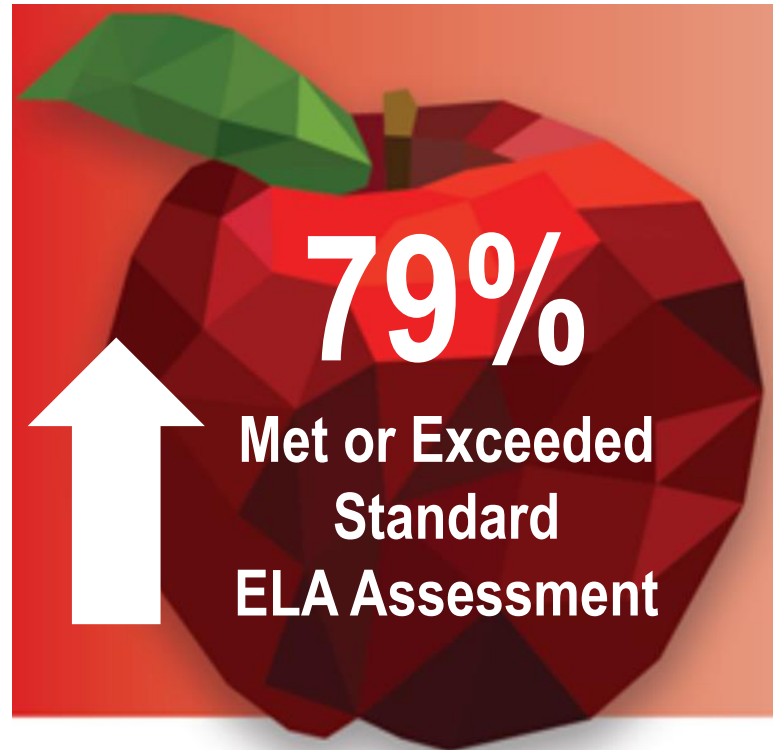
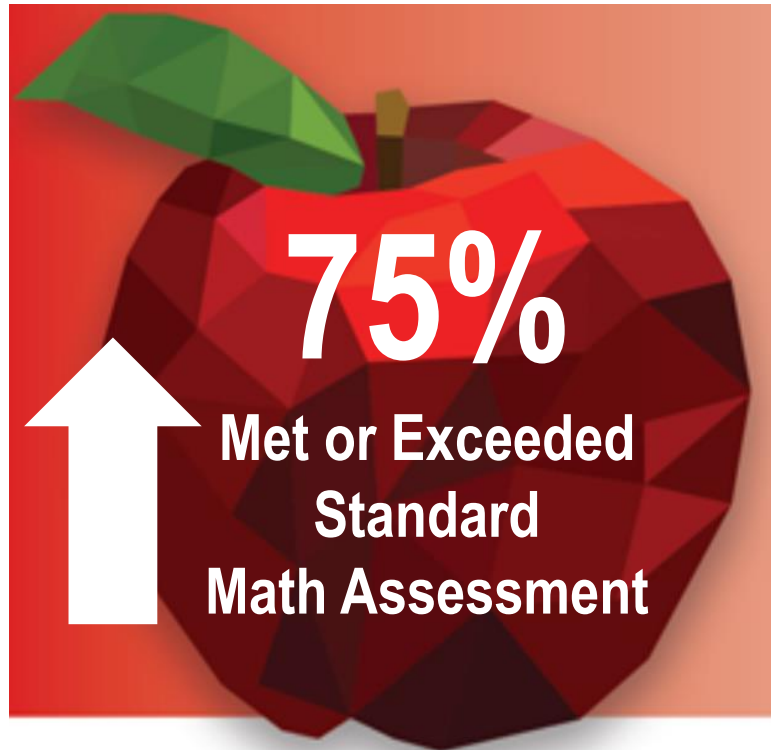
Local Control Accountability Plan

Part 2: Annual Update



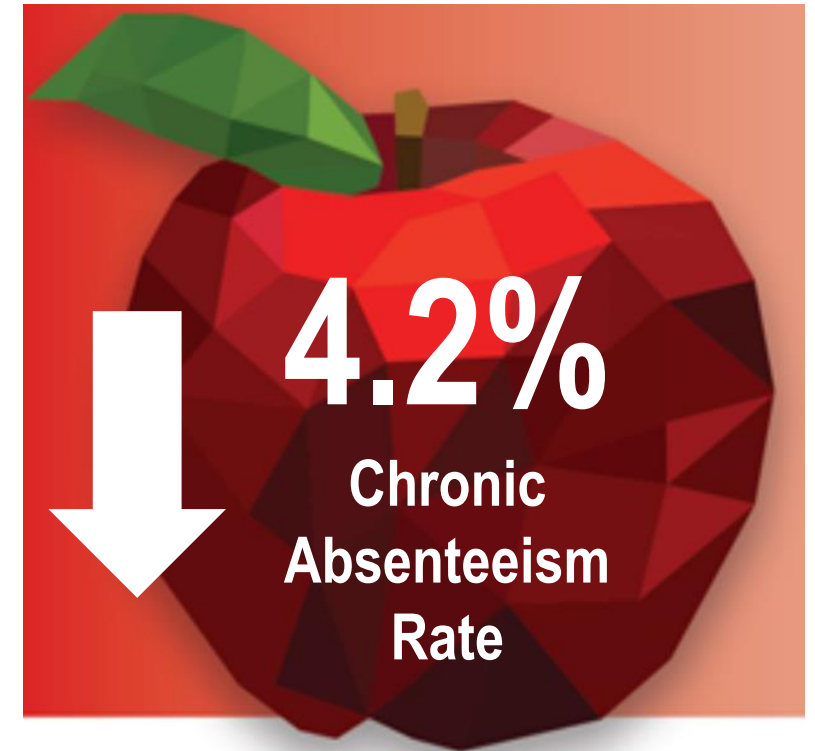
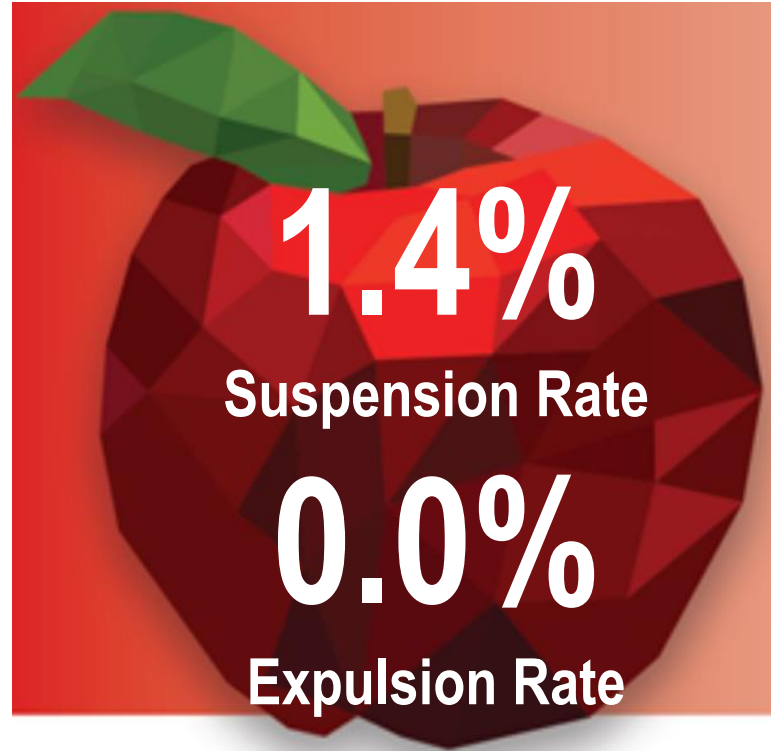
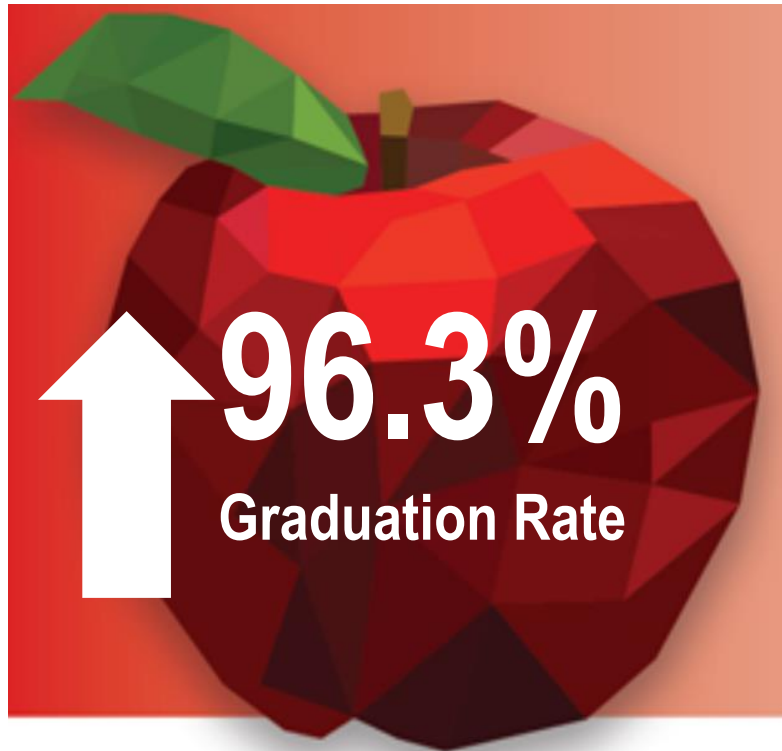


Academic



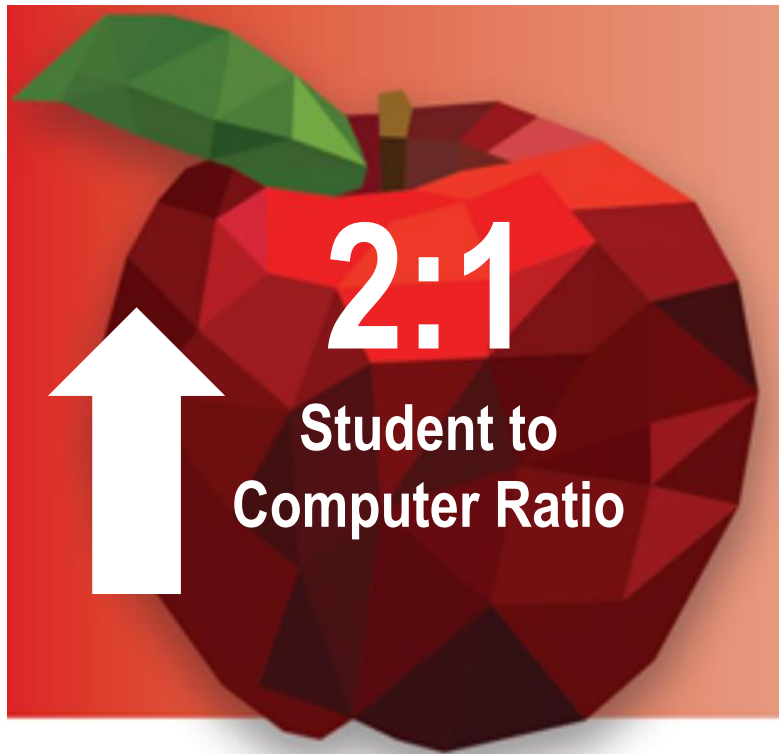


Climate





Access





College/Career Readiness



98%

Completion of 2 or
More College Prep
Classes



89%

Scoring 3 or Higher on
Advanced Placement
Assessments



69.4%

Students Satisfying
UC/CSU Requirements



Local Control Accountability Plan

Part 3: Stakeholder Engagement



LCAP Overview

IUSD has completing an in-depth process to engage stakeholders:

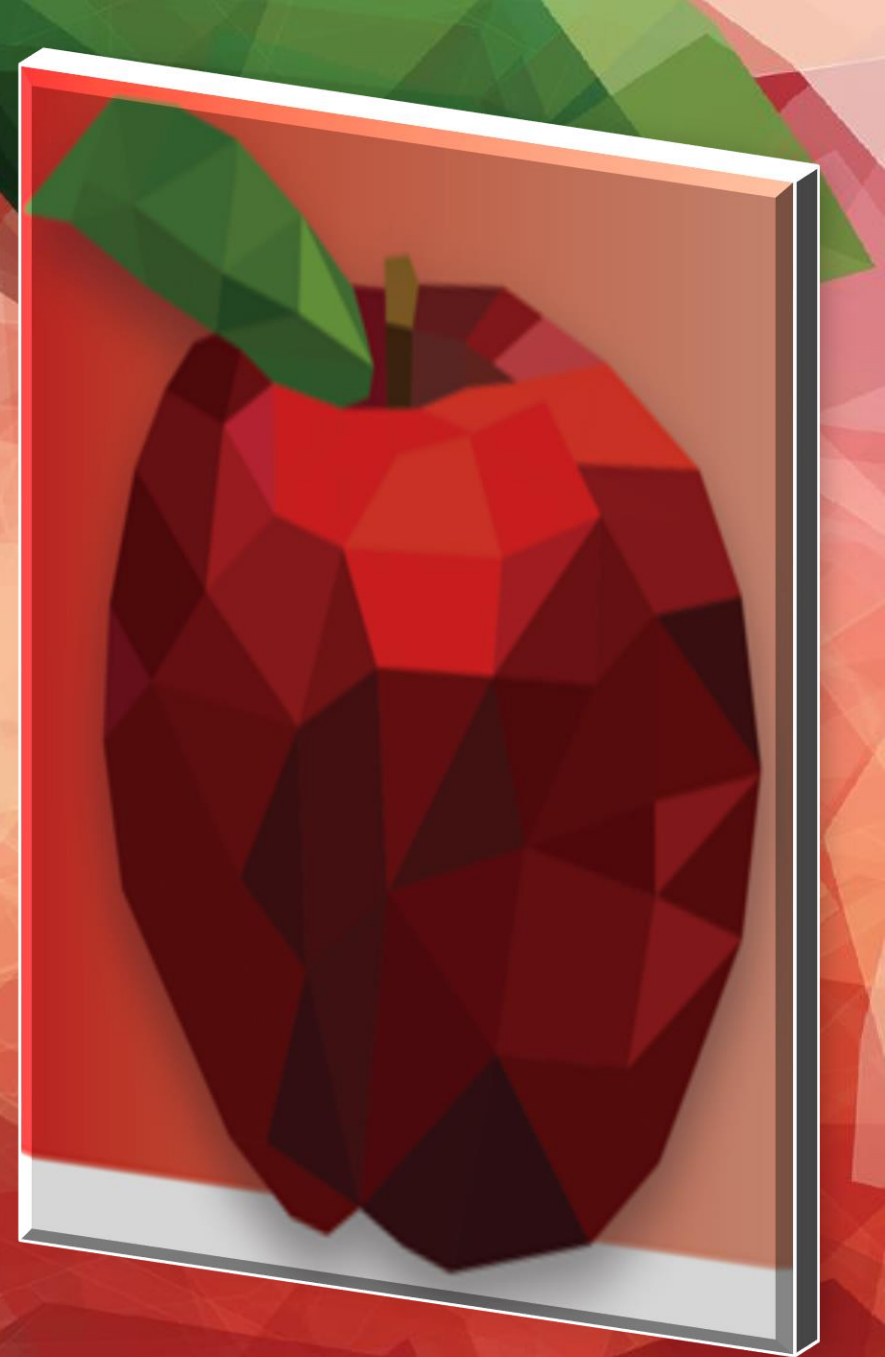
- **Sharing information on LCFF and LCAP**
- **Gathering input on developing the draft 2017-18 LCAP**
- **Gathering feedback on draft 2017-18 LCAP**

June 2017:

- **Final review and approving 2017-18 LCAP**

Local Control Accountability Plan

Part 4: Goals, Actions and Services





Determining LCAP Actions and Expenditures

As a result of the feedback received, the Superintendent and Cabinet have designed additional investments to support the eight state priorities and the four District goals. These actions are additional expenditures which will be added to the current three year LCAP reflecting increased funding. Expenditures include an approximate increase of **\$8.5 million** in one-time funds.

Irvine Unified School District Local Control Accountability Plan (LCAP) Goals:

1. Ensure all students attain proficiency in the current content standards.
2. Ensure access to rigorous and relevant learning tools, resources, and skills for all staff and students.
3. Cultivate a positive school culture and system of supports for student personal and academic growth.
4. Communicate effectively and form strategic alliances to secure the support and resources necessary to deliver our vision.



Additional Investments

Proposed Action	Ongoing	One-Time	
		17-18	18-19
Summer Athletic Camp Augmentation		\$30,000	\$30,000
Science Equipment Repair Contract		\$18,000	
Assistive Technology Devices		\$130,000	
Technology Maintenance Fund		\$400,000	
Student Online Assessment Tool		\$400,000	
Professional Learning Software		\$110,000	
Classroom Technology Grants		\$515,280	
Irvine Family Resource Center Support		\$125,000	



Survey Responses

Proposed Action	Highly Likely/Likely	Not Likely/Will not	No Opinion
Summer Athletic Camp Augmentation	57.8%	30.7%	11.6%
Science Equipment Repair Contract	94.5%	3.4%	2.1%
Assistive Technology Devices	76.7%	14.9%	8.4%
Technology Maintenance Fund	94.0%	4.8%	1.3%
Student Online Assessment Tool	73.2%	19.6%	7.1%
Professional Learning Software	78.0%	16.3%	5.8%
Classroom Technology Grants	90.3%	7.6%	2.1%
Irvine Family Resource Center Support	78.1%	13.9%	8.0%



Continued Funding for Existing Actions

Proposed Action	2017-18	2018-19
K-12 Summer School Programs	\$300,000	\$300,000
Curriculum Teachers on Special Assignment		\$1,700,000
Primary Art Instruction	\$300,000	
Instrument Repair Supplies	\$15,000	
Technology Matching Program (Additional funds 17/18)	\$200,000	
Education Technology Teachers on Special Assignment		\$330,560
Technology Mentors (Addition of Portola HS)	\$22,037	
Textbook Funding (Increase 17/18, add funds 18/19)	\$2,000,000	\$1,000,000
Augmentation to Elementary Resource Counselor Program	\$482,000	
Online Learning	\$150,000	



2017-18 Budget

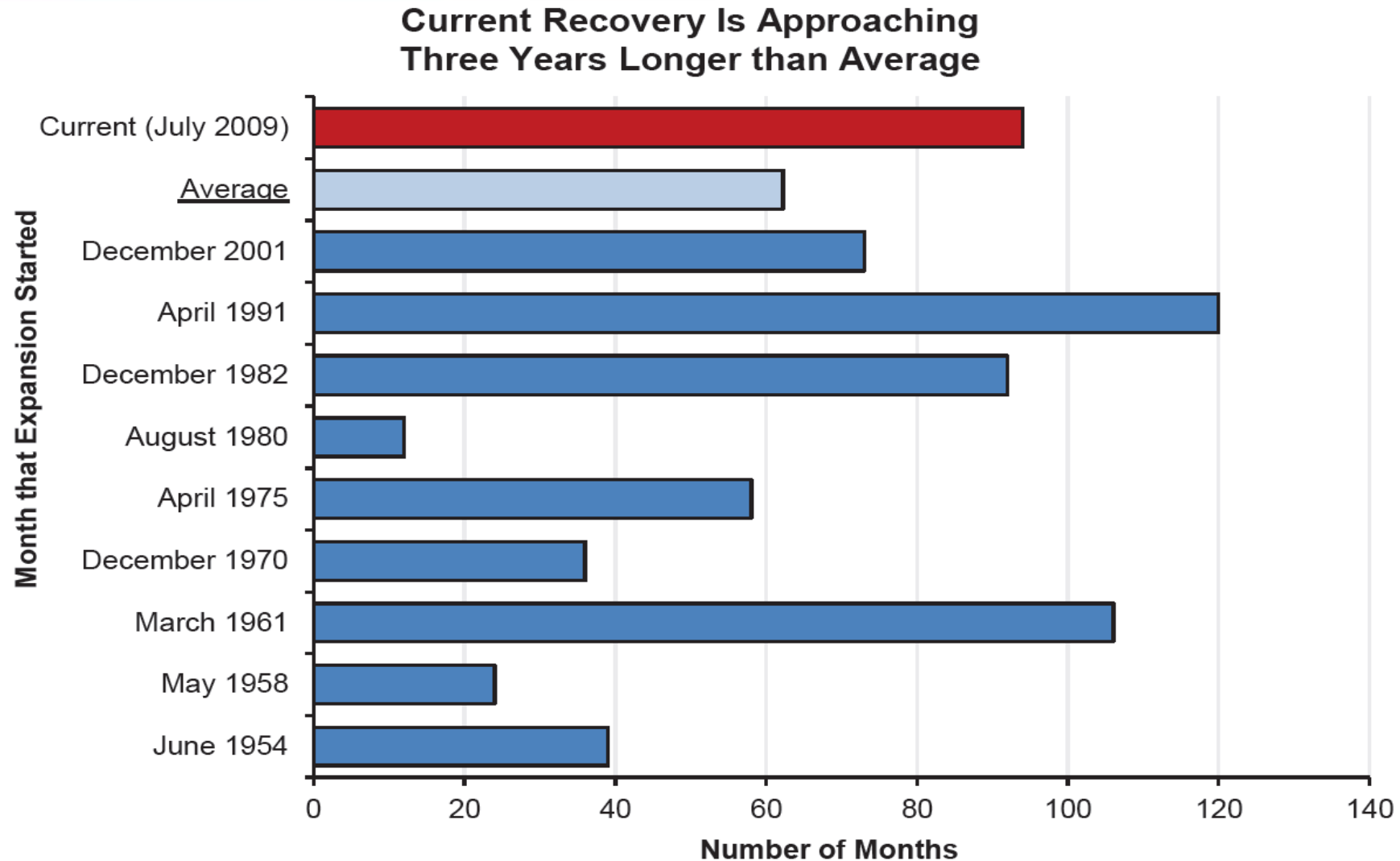


2017-18 May Revise Highlights

- While the 2017-18 May Revise provides additional funding to support K-12 education, the Administration continues to caution against an impending recession
 - Current economic expansion began in 2009 – only two years shorter than the longest recovery since World War II
 - 2016-17 State revenues continue to fall short of budgeted projections
- Citing the continued growth and strength of the stock market, and in contrast to the current projected shortfall in state revenues, the Governor's May Revise forecasts an increase of \$1.9 billion in state revenues in 2017-18
- Increased 2017-18 revenue projections provide additional \$1.1 billion in Proposition 98 funding from what was proposed in January
 - Recognizing 2017-18 revenue projections may be overly optimistic, Governor's May Revise Proposal contains contingency language for Proposition 98

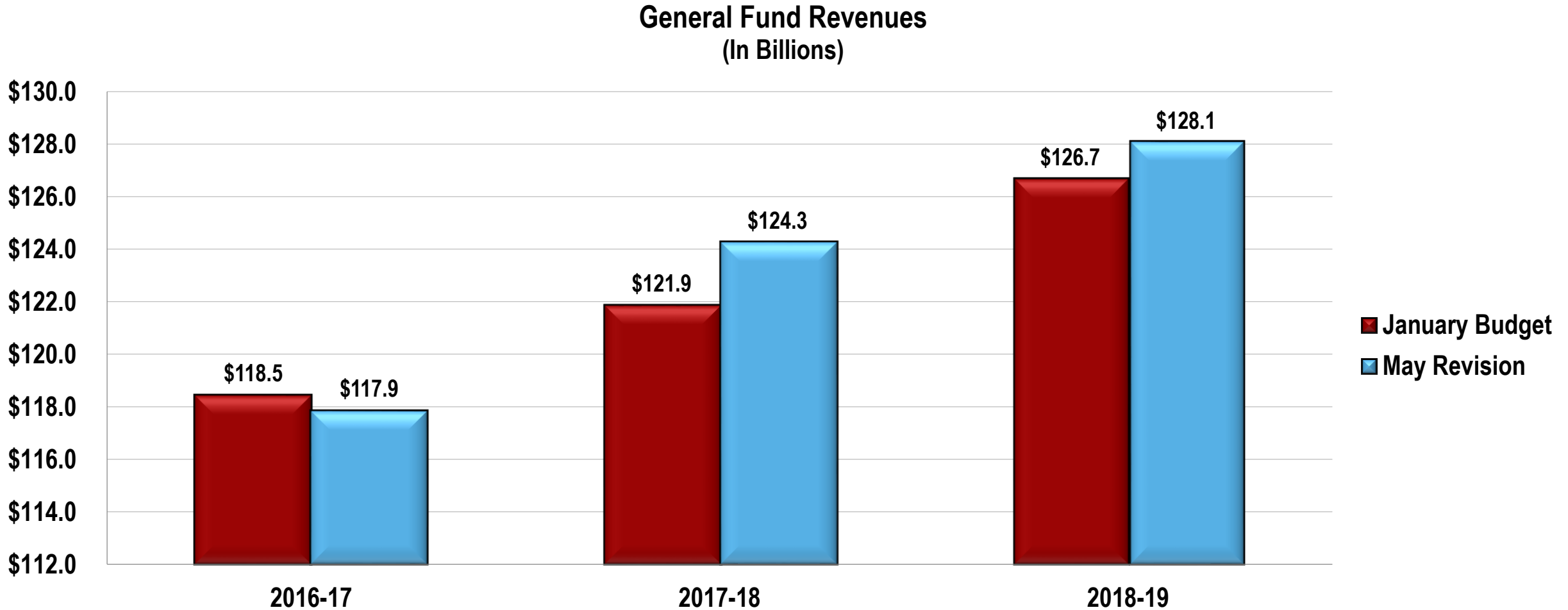


Economic Recovery





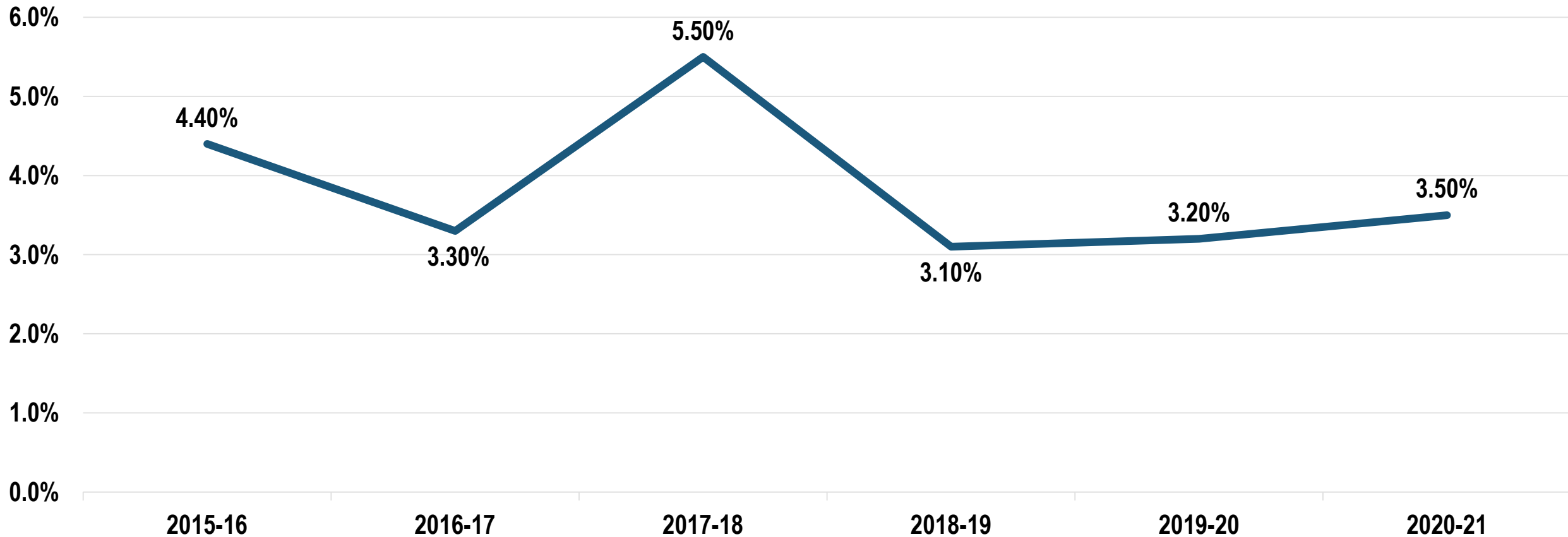
General Fund Revenues in 2017-18 – Big Three





Big Three Taxes – Percent Change

Personal Income, Sales, and Corporation Tax Revenue
(Percent Change)



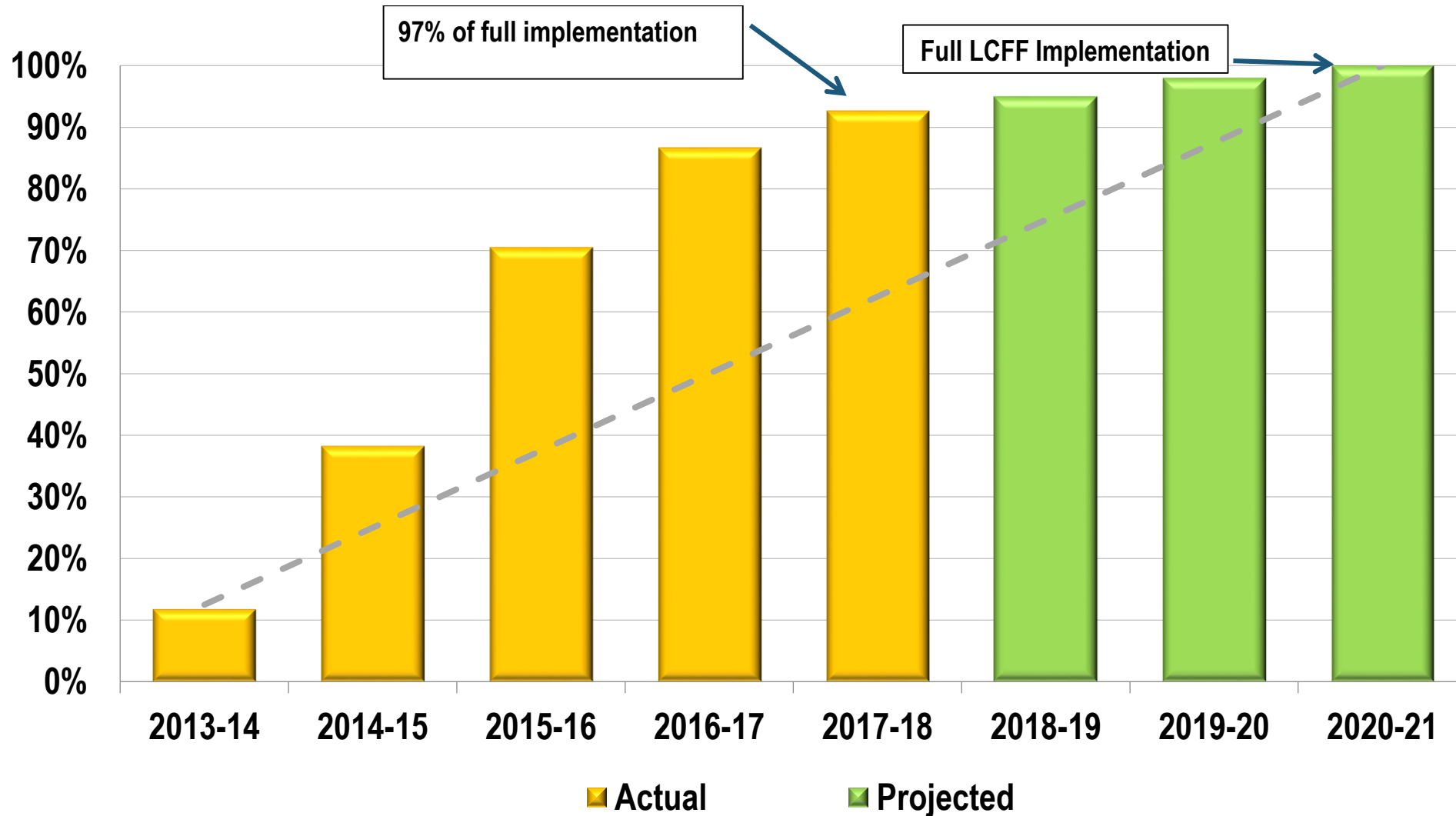


2017-18 May Revise Highlights

- **Governor's proposal includes approximately \$1.4 billion to fund a 1.56% Cost-of-Living Adjustment and additional funding for the continued implementation of the Local Control Funding Formula (LCFF)**
- **Increased funding is estimated to eliminate 43.97% of the remaining gap in LCFF funding statewide and bring total formula implementation to 97%**
- **2017-18 LCFF funding provides an average increase in per-pupil funding of \$249 per Average Daily Attendance (ADA)**
- **For IUSD, due to the structure of the LCFF calculation and IUSD's relatively low unduplicated disadvantaged population, the estimated increase is \$217 per ADA**



Progress Toward LCFF Implementation



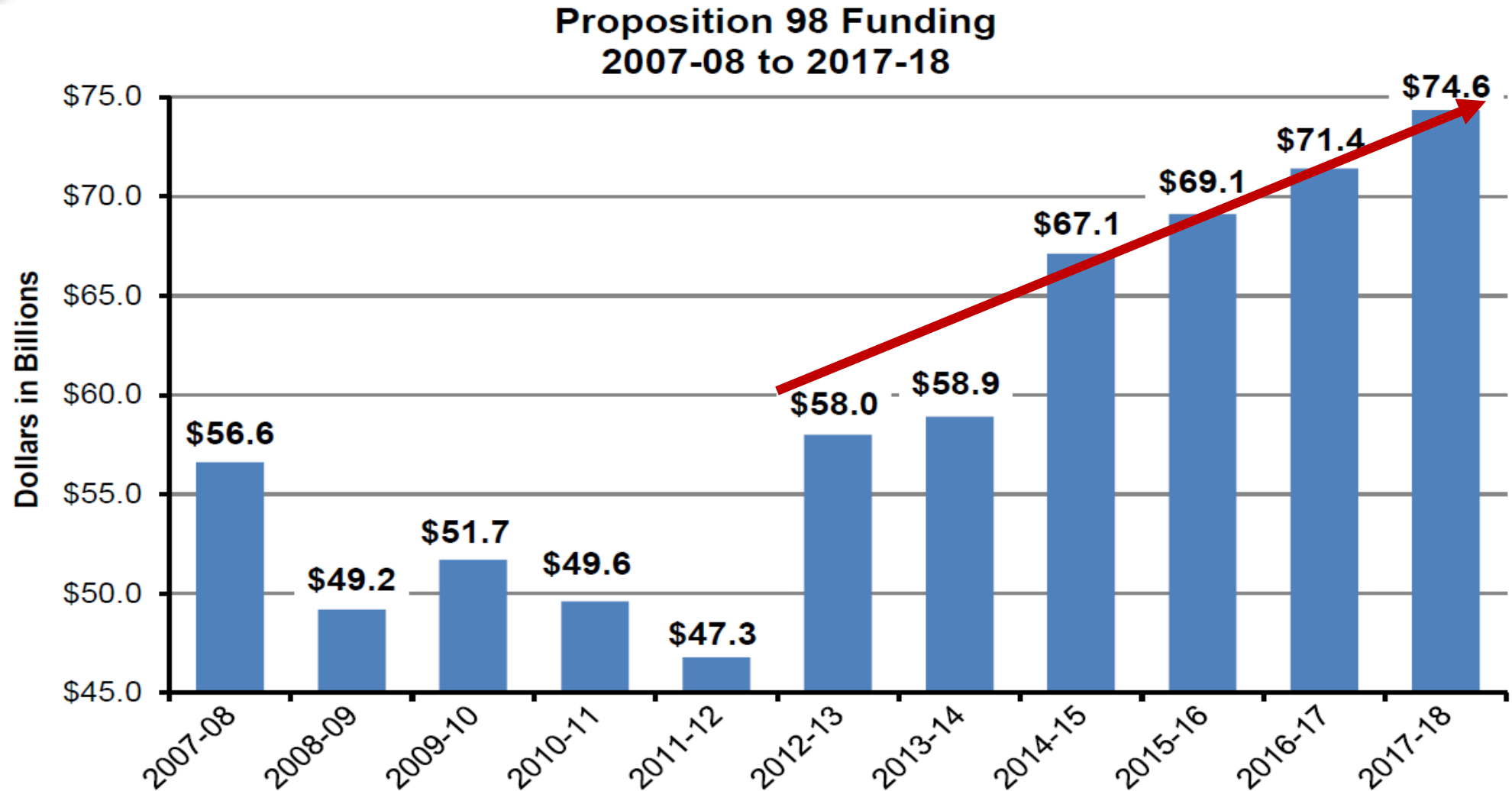


2017-18 May Revise Highlights

- **Discretionary Block Grant -**
 - Based on the more optimistic revenue projections for 2017-18, the May Revise includes an increase of \$750 million for a one-time discretionary block grant
 - The additional funding increases the per ADA allocation included in the January proposal from \$48 to \$173
 - For IUSD this represents approximately \$5.7 million or an increase of approximately \$4.2 million from the January proposal
- **The Discretionary Block Grant comes with a catch however.....**
 - Funds will be released in May 2019 and only if revenues come in as projected to support the forecast Proposition 98 Guarantee
 - Funds will not be included in District budget until contingencies have been removed



K-12 & Community College Funding





IUSD Estimated LCFF Funding

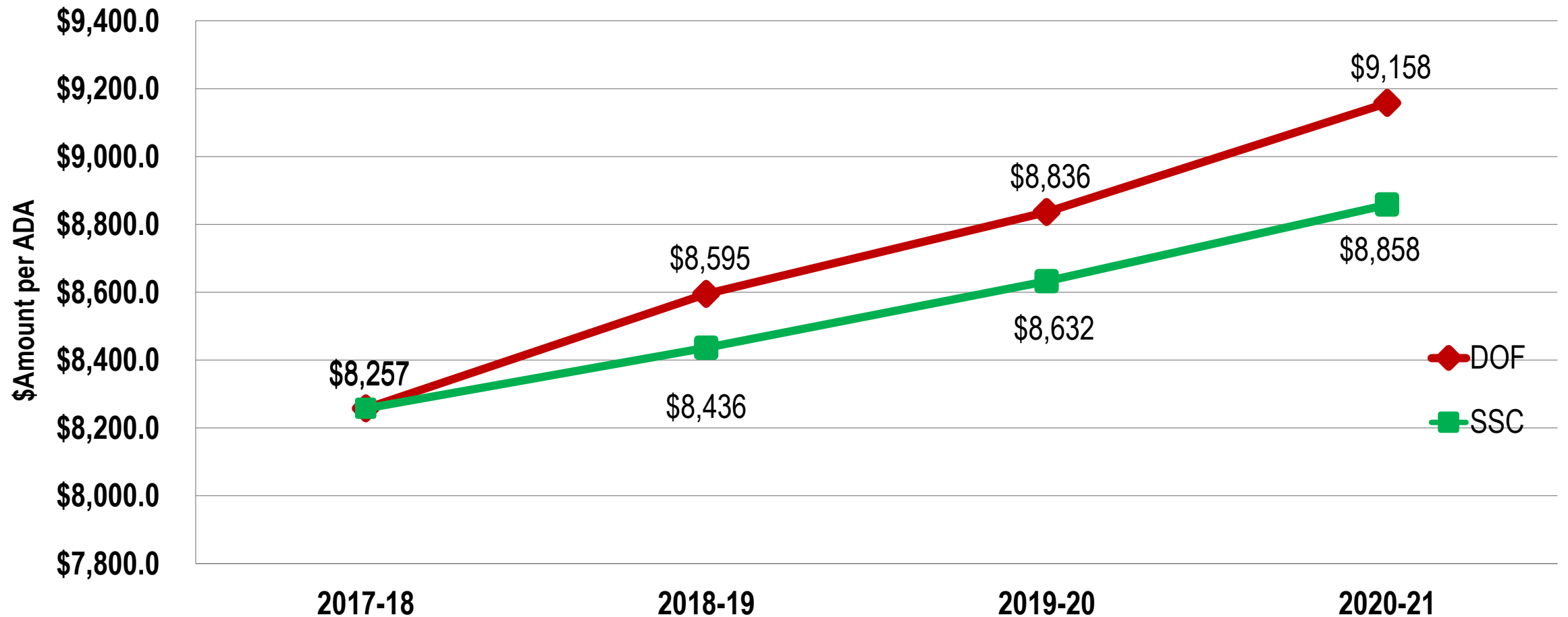
IUSD LCFF	2016-17 Estimated	2017-18 Projection	2018-19 Projection	2019-20 Projection
LCFF Target (Actual Target to be Reached in 2020-21)	\$273,267,973	\$285,475,214	\$300,218,377	\$318,250,829
LCFF Floor (2012-13 Actual Funding Adjusted for ADA Growth & any LCFF Funding Received)	\$246,209,803	\$268,162,003	\$283,458,075	\$300,257,165
LCFF Gap = (Difference Between Target & Floor)	\$27,058,170	\$17,313,211	\$16,760,302	\$17,993,664
Gap Funding Rate*= (% of Gap to be Funded)	55.03%	43.97%	39.03%	41.51%
Gap Funding Amount = (Anticipated Additional Funds)	\$14,890,111	\$7,612,619	\$6,541,546	\$7,469,170
Total LCFF Funding =	\$261,099,914	\$275,774,622	\$289,999,621	\$307,726,335

{ LCFF Increase - \$15M }

* Gap Funding Rates based on SSC projections

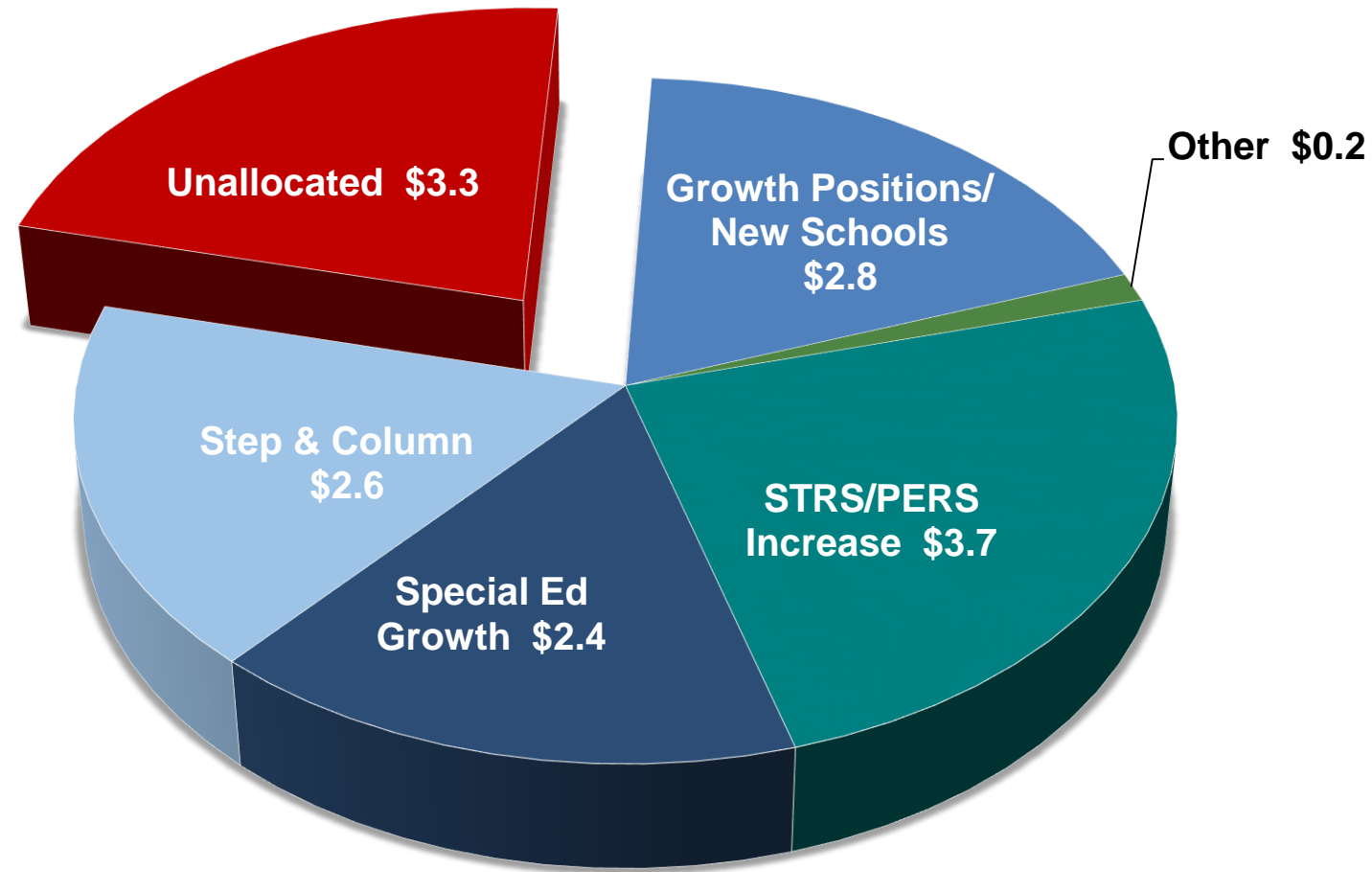


Department of Finance (DOF) vs. School Services of California (SSC) Projected LCFF “Gap” Funding Rates





Utilization of Ongoing Funding



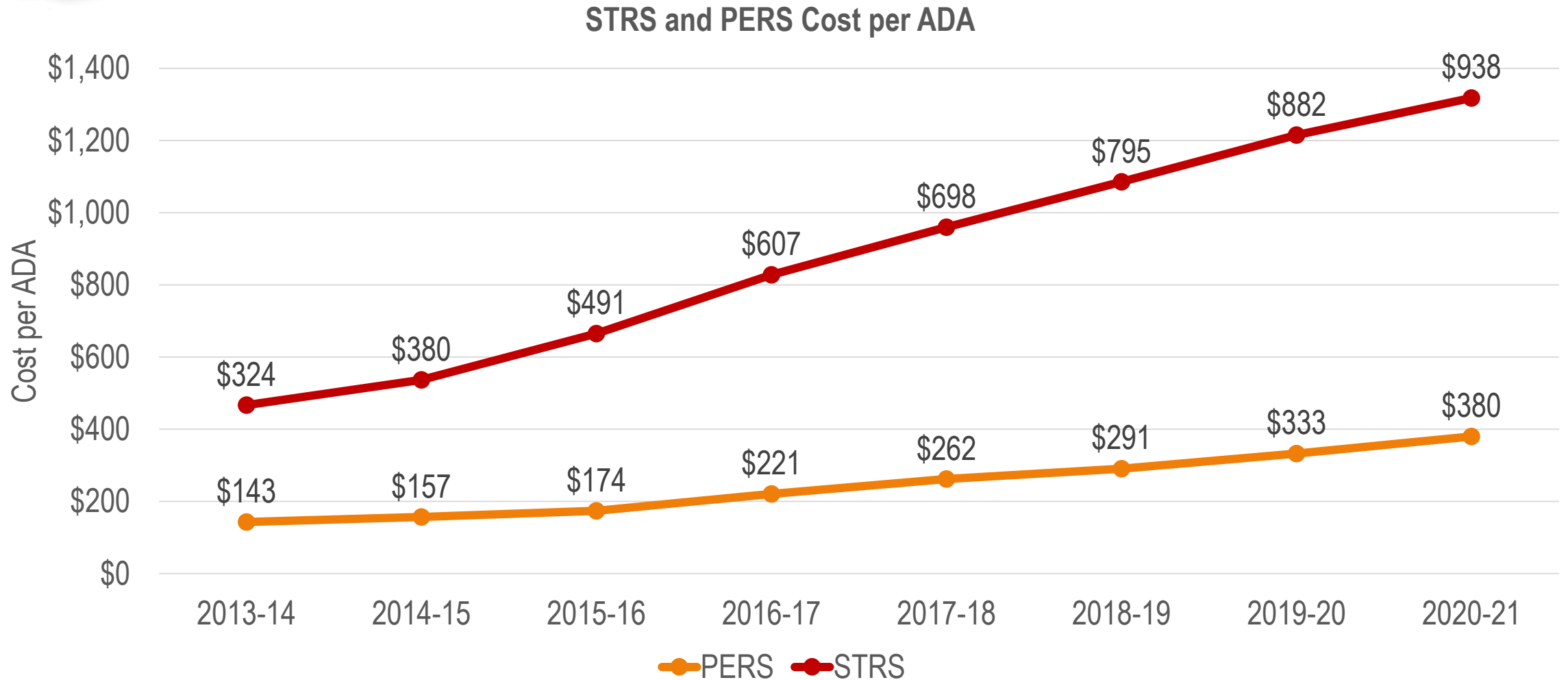


Promise to Restore Purchasing Power

- **With the implementation of the LCFF in 2013-14, the stated goal was to fully fund the formula by 2020-21 and restore funding to pre-recession 2007-08 purchasing power levels**
- **However, significant costs have been added which will make it very difficult to fully restore purchasing power to pre-recession levels**
 - **In 2014-15 CalSTRS employee and employer rate increases were approved, increasing the employer rate incrementally from 8.25% to 19.10% by 2020-21**
 - **CalPERS employer rates have increased from 11.44% in 2013-14 to an estimated 23.8% in 2020-21**
 - **For IUSD this represents an increase in costs of approximately \$851/ADA or \$28.5 million**
 - **Increased costs for Special Education and other nondiscretionary spending**



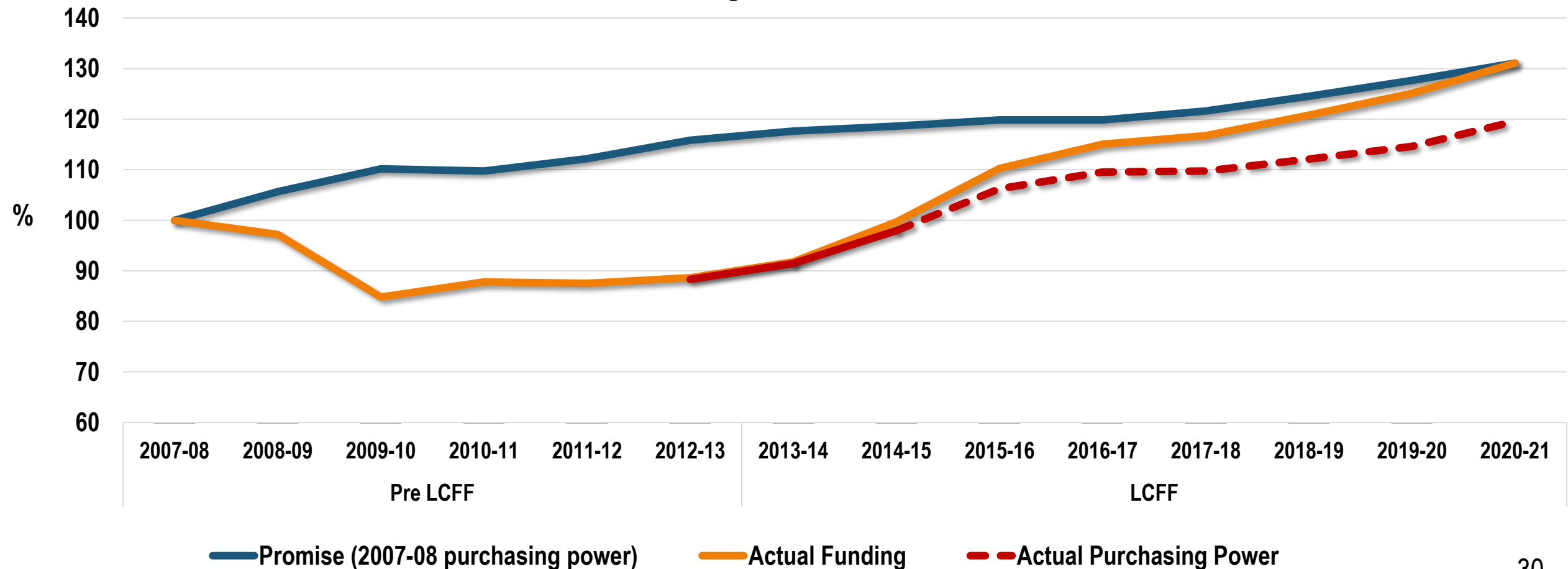
STRS & PERS Projected Increases





Does the LCFF Restore Purchasing Power Lost?

Purchasing Power Under the LCFF





2016-17 thru 2019-20 Budget Forecast Unrestricted General Fund

Description	2016-17 Estimated	2017-18 Projected	2018-19 Projected	2019-20 Projected
Total Revenues	\$285,637,836	\$290,829,088	\$305,332,867	\$323,348,498
Total Expenditures	(\$246,196,515)	(\$247,065,909)	(\$252,663,221)	(\$265,306,638)
EXCESS (DEFICIENCY)	\$39,441,321	\$43,763,179	\$52,669,646	\$58,041,860
Other Sources/Uses	(\$48,545,459)	(\$54,152,486)	(\$52,420,539)	(\$54,183,342)
Net Increase/(Decrease)	(\$9,104,138)	(\$10,389,307)	\$249,107	\$3,858,518
Beginning Balance	\$49,258,496	\$40,154,358	\$29,765,051	\$30,014,158
Projected Ending Balance	\$40,154,358	\$29,765,051	\$30,014,158	\$33,872,676



2016-17 thru 2019-20 Budget Forecast

Unrestricted General Fund

Description	2016-17 Estimated	2017-18 Projected	2018-19 Projected	2019-20 Projected
Estimated Ending Fund Balance	\$40,154,358	\$29,765,051	\$30,014,158	\$33,872,676
<u>Components of Ending Fund Balance:</u>				
Revolving Cash/Stores	\$550,000	\$550,000	\$550,000	\$550,000
State Recommended Minimum DEU	\$7,136,000	\$7,010,000	\$7,054,933	\$7,324,776
Contingency Reserve	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Deferred 15-16 LCAP	\$3,760,704			
Deferred 16-17 LCAP	\$5,943,601			
Deferred 17-18 LCAP	\$8,557,877	\$3,360,560		
Site/Dept. Carryover	\$7,569,128	\$7,569,128	\$7,569,128	\$7,569,128
Other Assigned	\$1,637,048	\$6,275,363	\$9,840,097	\$13,428,772



2017-18 Budget & Multiyear Projections

Unrestricted General Fund

Illustration With Unallocated Allocations

Description	2016-17 Estimated	2017-18 Projected	2018-19 Projected	2019-20 Projected
Total Revenues	\$285,637,836	\$290,829,088	\$305,332,867	\$323,348,498
Total Expenditures	(\$246,196,515)	(\$247,065,909)	(\$252,663,221)	(\$265,306,638)
Currently Unallocated Ongoing	-----	(\$3,300,000)	(\$3,300,000)	(\$3,300,000)
Currently Unallocated One-Time	-----	(\$7,569,128)		
Revised Total Expenditures	(\$246,196,515)	(\$257,935,037)	(\$255,963,221)	(\$268,606,638)
EXCESS (DEFFICIENCY)	\$39,441,321	\$32,894,051	\$49,369,646	\$54,741,860
Total Other Sources/Uses	(\$48,545,459)	(\$54,152,486)	(\$52,420,539)	(\$54,183,342)
NET INCREASE (DECREASE)	(\$9,104,138)	(\$21,258,435)	(\$3,050,893)	\$558,518
Beginning Balance	\$49,258,496	\$40,154,358	\$18,895,923	\$15,845,030
Ending Balance	\$40,154,358	\$18,895,923	\$15,845,030	\$16,403,548



Questions