



# Budget Workshop

GOLD OAK UNION SCHOOL DISTRICT

APRIL 5, 2019



# Welcome



# COE Roles and Responsibilities

- ▶ Education Code Section 1240 grants county superintendents the oversight of districts within their county
- ▶ AB1200, AB 2756 and Subsequent Related Legislation provides for review and approval of school district budgets and expenditures
- ▶ Title 5 Section 15496 addresses oversight of Local Control and Accountability Plan (LCAP)
- ▶ Ed Code 52066 addresses LCAP Development and the Superintendent's Presentation to the Board
- ▶ Ed Code 52071 addresses Differentiated Assistance (DA)

# Gold Oak is not alone

- ▶ Universal pressures for all educational agencies around the state
  - ▶ Full funding of Local Control Funding Formula (LCFF)
  - ▶ Rising pension costs
  - ▶ Rising special education costs

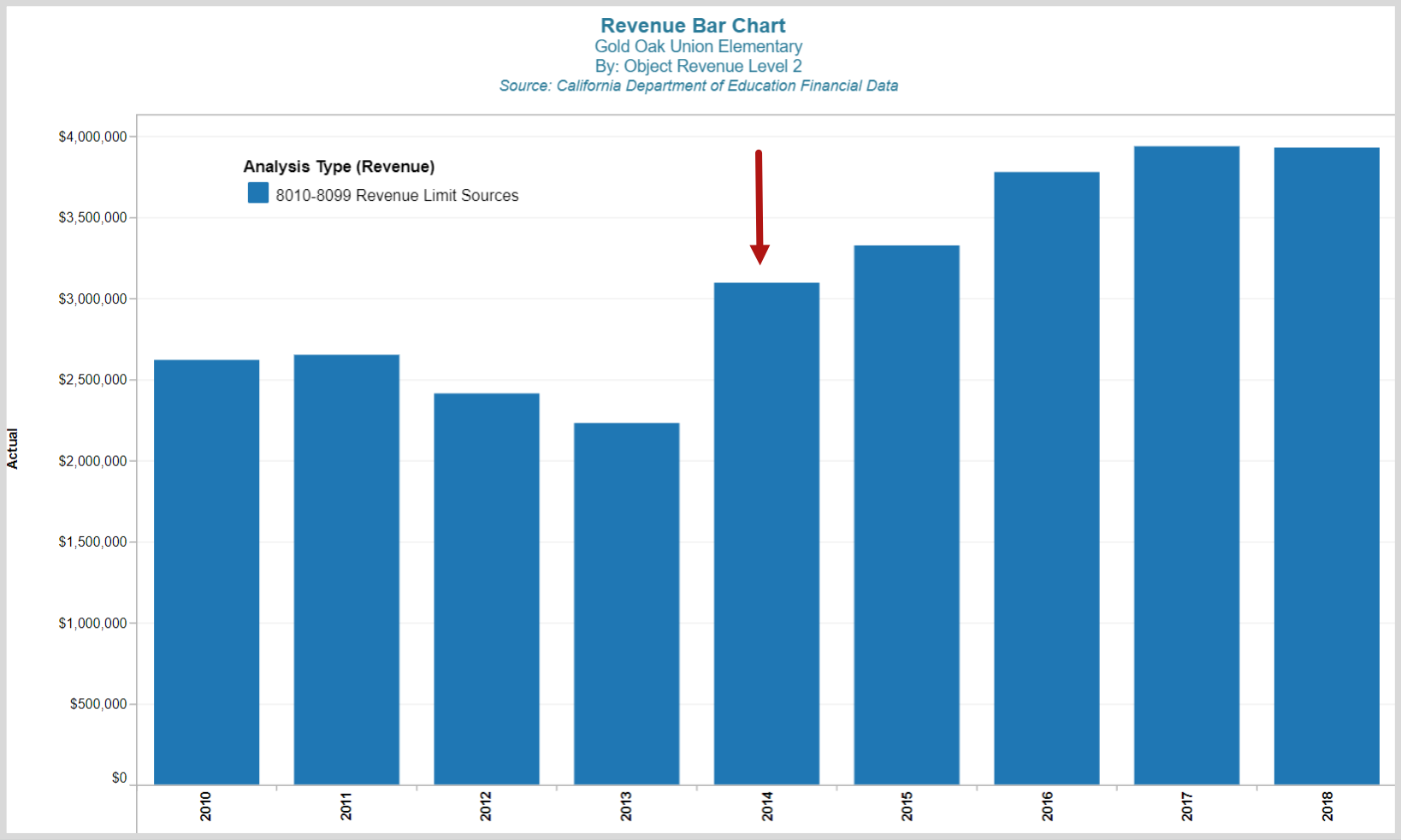


# “Full” Funding

- ▶ *“LCFF is not intended and does not operate as an adequacy formula — it is not meant to determine how much money would be adequate for meeting the state’s student outcome expectations for each district”*
  - ▶ *“increases in funding for K–12 education related to the LCFF were based on a commitment to returning school districts to pre-recession levels (2007/08), adjusted for inflation”*
- ▶ Since the beginning of LCFF in 2013-14, many districts across the state have received substantial increases year over year
  - ▶ Even in decline, districts realized increases to close the “GAP” and phase in the new model
- ▶ In 2018-19, full funding was achieved and districts will benefit from COLA only, net of growth or decline
  - ▶ No more large increases due to “GAP” funding
  - ▶ Increases in overall costs may outpace COLA funding

Karen Krausen, Jason Willis, “Why California School Districts are Underwater Despite Increases in Funding, *Silent Recession*, April 2018

# Gold Oak Revenue Limit/Local Control Funding Formula





# Pension Costs

- ▶ On the heels of increasing school funding with the LCFF, beginning in 2014-15, both CalPERS and CalSTRS moved to drastically increase employer contribution rates
- ▶ Overall increases/decreases will vary based on staffing and experience levels



Fiscal Year	Employer	Pre-PEPRA* Employees	Post-PEPRA* Employees	State
2013-14	8.25%	8.00%	8.00%	5.541%
2014-15	8.88%	8.15%	8.15%	5.954%
2015-16	10.73%	9.20%	8.56%	7.391%
2016-17	12.58%	10.25%	9.205%	8.828%
2017-18	14.43%	10.25%	9.205%	9.328%
<b>2018-19</b>	<b>16.28%</b>	<b>10.25%</b>	<b>10.205%</b>	<b>9.828%</b>
2019-20	18.13%	10.25%	10.205%	10.328%
2020-21	19.10%	10.25%	10.205%	10.828%
2021-22	Est. 19.5%	10.25%	10.205%	11.328%

\*PEPRA – Public Employee' Pension Reform Act

Actuals

Projected

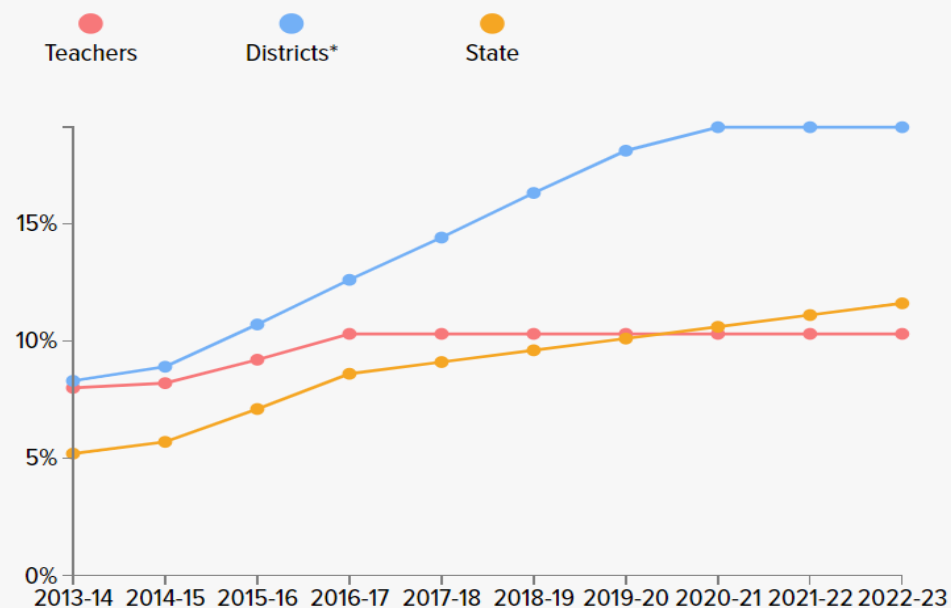


Fiscal Year	Employer	Pre-PEPRA* Employees	Post-PEPRA* Employees
2013-14	11.442%	7.0%	6.0%
2014-15	11.771%	7.0%	6.0%
2015-16	11.847%	7.0%	6.0%
2016-17	13.888%	7.0%	6.0%
2017-18	15.531%	7.0%	6.5%
<b>2018-19</b>	<b>18.062%</b>	<b>7.0%</b>	<b>7.0%</b>
2019-20	20.8%	7.0%	7.0%
2020-21	23.5%	7.0%	7.0%
2021-22	24.6%	7.0%	7.0%
2022-23	25.3%	7.0%	7.0%
2023-24	25.8%	7.0%	7.0%
2024-25	26.0%	7.0%	7.0%

# Pension Costs

## California teacher pension payments 2013-2023

Percentage of teachers' salaries paid by teachers, districts, state



Note: Teachers' contributions shown are for those hired prior to Jan. 1, 2013. Districts' contributions for the years 2019-20 through 2022-23 would be 1% lower if the Legislature passes Gov. Newsom's 2019-20 state budget. Payments are paid to CalSTRS, the state pension plan for teachers and administrators.

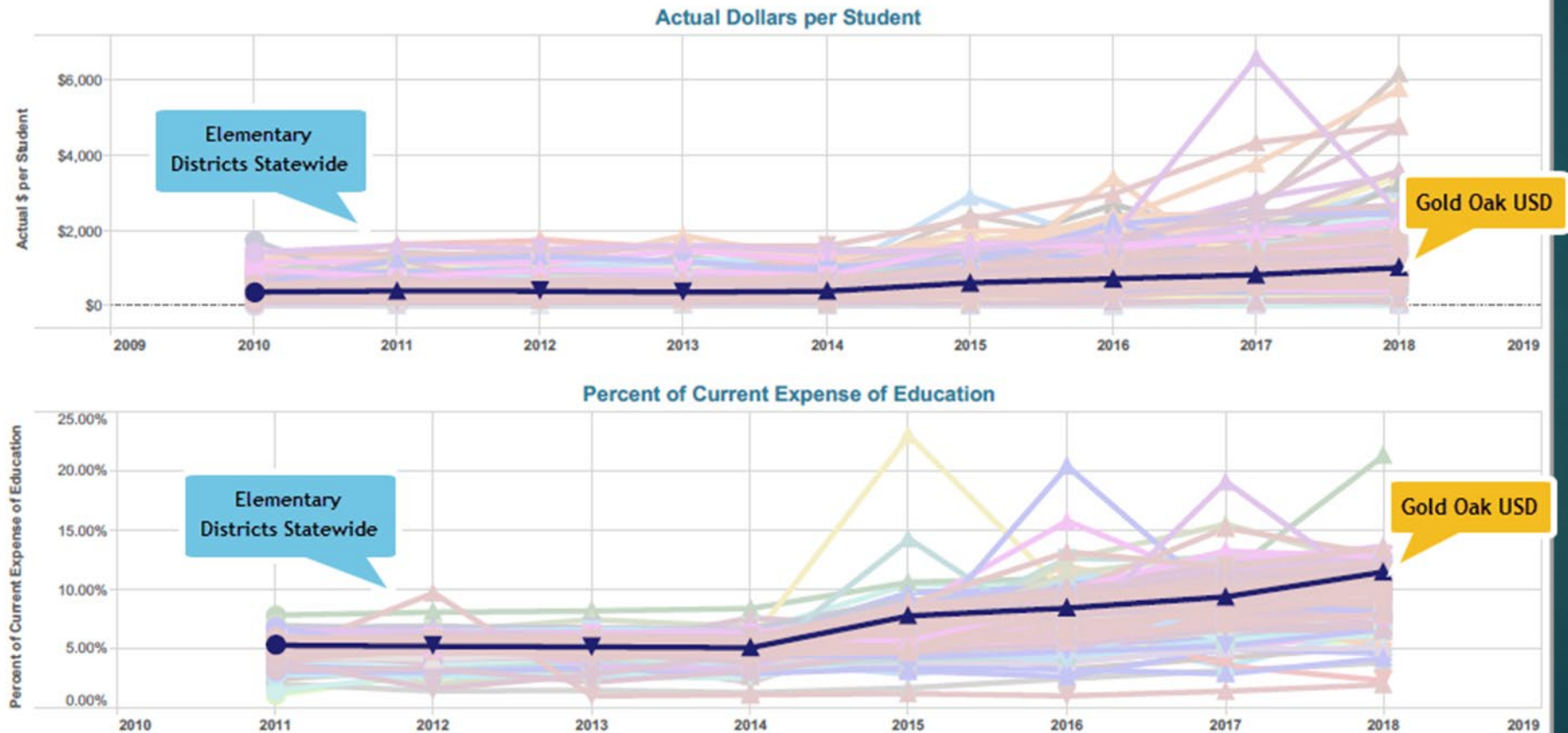
Source: Legislative Analyst's Office

Chart by Yuxuan Xie and Justin Allen



# Pension Costs

Pension Cost Spending Over Time  
Gold Oak to Elementary Districts Statewide  
Source: California Department of Education Financial and Enrollment Data  
Note: "Current Expense of Education" is defined by CA DOE

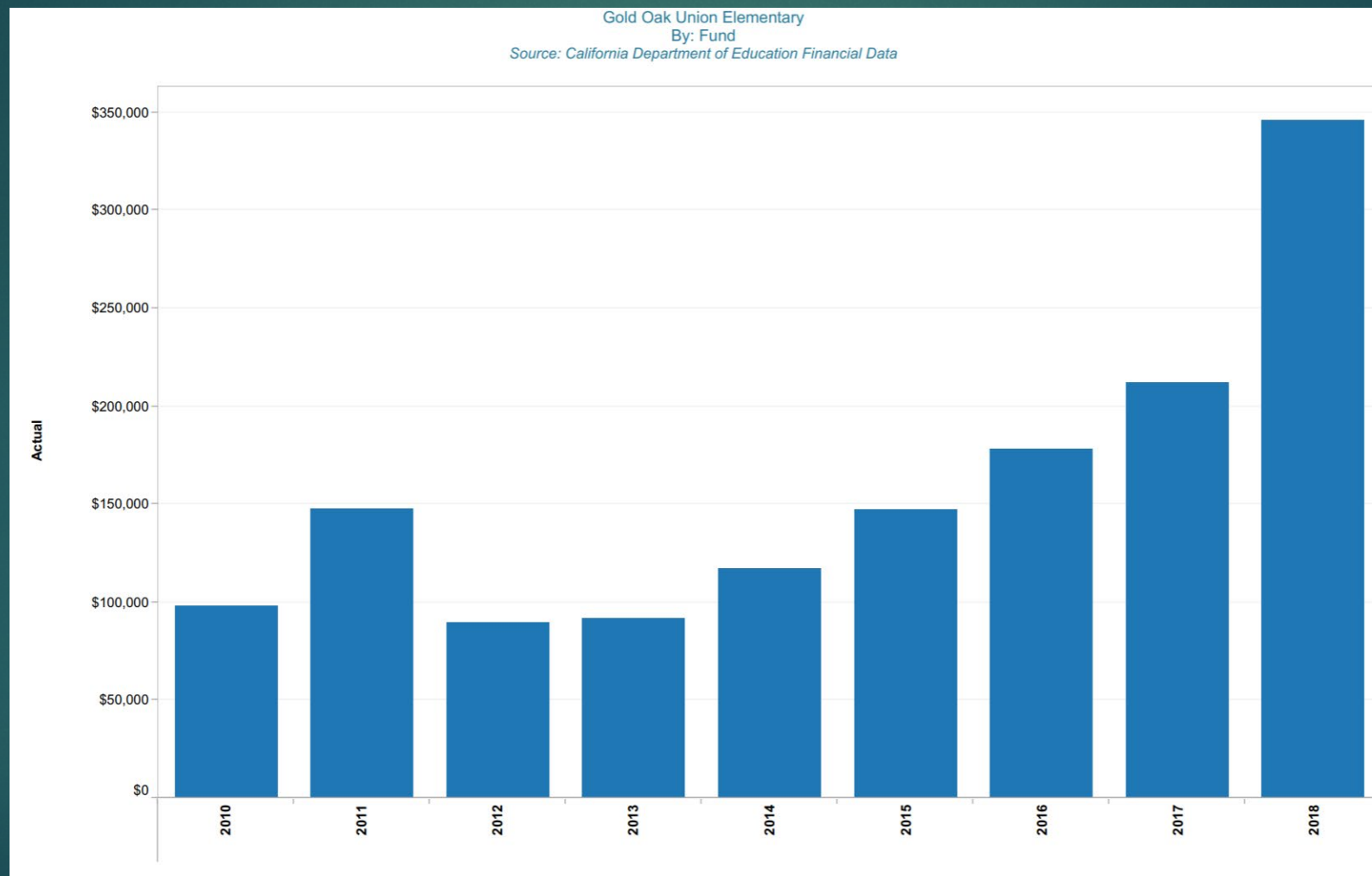


# Special Education costs

- ▶ As student needs and the costs of meeting those needs continue to rise, providing appropriate support to meet the needs of students with disabilities is an ongoing concern for districts
- ▶ The LAO estimates that the cost of educating students with disabilities is, on average, twice as much as the cost of educating general education students
- ▶ Declining enrollment reduces a district's special education funding
- ▶ Costs for the students are increasing
- ▶ No additional funding from the federal government



# Contributions to special education





These challenges “are a clear sign that **many California school districts** face a tough road ahead with wide-ranging implications for students, community, staff, and district leadership”

Karen Krausen, Jason Willis, “Why California School Districts are Underwater Despite Increases in Funding, *Silent Recession*, April 2018



# Activity



Next steps