



Huntington Beach Union High School District

2014-15 Proposed Budget

June 10, 2014

Agenda

- o State Budget including May Revision
- o Local Control Funding Formula (LCFF)
- o Minimum Proportionality Percentage (MPP)
- o Multi-Year Assumptions & Projections
- o Next Steps/Conclusions
- o Questions

State Budget May Revision

- o With the passage of Proposition 30 and positive growth in the economy, the Governor's January budget included the highest funding increase per-student since 2000-01
- o This is a \$6.3 billion increase or 11.4% over 2013-14, on average \$751 per ADA
- o Actual increases by district will range from 0-20% (average 11%) creating huge discrepancies among districts (HBUHSD 7.2%)
- o The May Revise recognized an additional increase of \$2.4 billion in revenue; however, most of it is committed to Medi-Cal and the establishment of Rainy Day Fund

State Budget

- o Rainy Day Fund proposed at \$1.6 billion (protection against revenue volatility)
- o Special Education receives .85% COLA or \$4.44 per ADA
- o No funding for prior year mandates, block grant funded at \$56/ADA
- o No additional funding for Common Core (except High Speed Network for highest need districts)
- o No extension of MOE for Adult Ed and ROP, still expire end of 2014-15. Governor proposes a single categorical in 2015-16 for Adult Ed but provides no details
- o ***May Revise proposes to address the CalSTRS unfunded liability immediately by increasing contributions***

CalSTRS

- State contribution rate to increase from 3.041% to 6.3% over 3 years
- Employer contribution to increase from 8.25% to 19.1% over 7 years. Proposed increase for 2014-15 is 1.25%. Equivalent to \$800,000 for HBUHSD
- Employee contribution to increase from 8% to 10.25% over 3 years

Huntington Beach Union High School District LCFF

Base (9-12)	CTE (9-12)	Supplemental	Target @ Full Implementation
\$8,491	\$221	\$562	\$9,274/ADA
Funding GAP = \$30,459,967			
GAP Funding Rate 28.06% for 2014-15 = \$8,547,067			
Percentage increase from 2013-14 = 7.26% (includes MPP)			

Minimum Proportionality Percentage (MPP)

- Percentage by which services for unduplicated students must be increased or improved over services provided for all students in the LCAP years
- HBUHSD MPP = 2.87% or \$3.5 million
- Must set aside amount equal to supplemental grant as compared to EIA funds
- MPP requirement is satisfied in the HBUHSD LCAP

Multi-Year Assumptions

	2014-15	2015-16	2016-17
Enrollment	(30)	(33)	(33)
ADA Percentage	95.70%	95.70%	95.70%
LCFF COLA	.85%	2.19%	2.14%
LCFF Gap Funding Rate	28.06%	30.39%	19.50%
Unduplicated Count	32.26%	32.26%	32.26%
CalPERS Rate	11.77%	12.60%	15.00%
CalSTRS Rate	9.50%	11.10%	12.70%
Step/Column - Classified	1.56%	1.33%	1.44%
Step/Column - Certificated	2.01%	1.65%	1.97%
Health & Welfare Savings Reserve	\$730,000	\$730,000	\$730,000

Multi-Year Projections General Fund

	2013-14	2014-15	2015-16	2016-17
Beginning Fund Balance	\$27,382,367	\$26,110,658	\$27,740,522	\$33,673,582
Revenues	\$150,115,153	\$151,725,126	\$159,437,879	\$163,544,301
Expenditures	\$151,386,862	\$150,095,262	\$153,504,819	\$157,613,253
Projected Ending Fund Balance	\$26,110,658	\$27,740,522	\$33,673,582	\$40,412,487
Reserve for Economic Uncertainties (3%)	\$4,541,606	\$4,502,858	\$4,605,145	\$4,704,162
Restricted/Reserved	\$3,588,209	\$6,497,219	\$5,695,636	\$4,277,224
Unappropriated Amount	\$17,980,843	\$16,740,445	\$23,372,801	\$31,431,101

Next Steps

- o Members of State Legislature must approve budget by June 15 to continue to receive pay
- o This year issues may be with the level of the Rainy Day Fund and CalSTRS
- o Revise district budget based on final State budget
- o The California Economy
 - Unemployment rate in CA still higher than rest of nation after being 5 years into the economic recovery
 - 50% of workers in the State don't pay personal income tax
 - Can't keep taxing the wealthy to get long-term stability
 - California ranked among the worst states for business based on taxes, regulatory climate, quality of workforce & quality of living (higher taxes and housing costs)
 - California's per pupil expenditures continue to lag the national average at 49th in the nation in 2011-12.

Questions?