

June 12, 2015

UPDATE

GOVERNOR PROJECTS MORE MONEY FOR PACIFICA SCHOOL DISTRICT

As we end 2014-15, Pacifica School District (PSD) must have its 2015-16 fiscal plan in place before June 30, 2015. At its May 27th Work Study and June 3rd Board meetings, the PSD Board of Trustees discussed the District's Local Control Accountability Plan (LCAP) and the preliminary 2015-2016 Budget. Approximately 75% of District funds are generated by the state Local Control Funding Formula (LCFF). Both the LCAP and 2015-16 District Budget are agendaized for adoption at the June 17th Board meeting.

All school districts are required to make fiscal decisions based on projections provided by the State multiple times per year, generally in November, January and May. Districts must adopt their budgets for 2015-16 by June 30, 2015, the same day the State is required to finalize its budget. Under this system, districts must therefore make critical decisions and careful calculations based on the best information provided by the State at different times.

The State requires school districts to maintain at least a 3% reserve for economic uncertainties, which equates to less than one month of payroll for PSD. The Trustees have historically elected to keep higher reserves - typically in the 6% range - in the face of shifting financial conditions caused by the dynamic California economy.

When a negotiated agreement was reached with teachers in April, based on the January projections, District reserves were projected to decrease to about 3%. Additionally, the Trustees decided to severely limit hiring and suspend planned expenditures for new programs.

The State's May budget projection includes an increase in revenues for schools. Based on this current projection, the budget that will be presented to the Trustees on June 17th for adoption includes a reserve of about 6% and the addition of the following expenditures that had been put on hold:

- Hiring a Fiscal Technician (recommended by consultants to maintain appropriate fiscal records).
- Hiring Library staff for each school at 2 hours per day (currently these positions are either volunteer positions or paid for by PTOs or other school funds).
- Hiring two Vice Principals of Guidance and Learning to be shared between Cabrillo, Ocean Shore, Ortega, and Vallemar (Sunset Ridge and IBL currently have full time Assistant Principals).
- Picking up the cost for all 5th grade students to attend Outdoor Ed (currently parents and/or PTOs are asked to pay for this).

We can accomplish these expenditures by leveraging the Parcel Tax, LCFF Base (General) and LCFF Supplemental (Targeted populations) funds.

In addition to the increase in ongoing funds from the State, PSD is also projected to receive about \$1.2 million in one-time funds. The State has not notified school districts when this money will be allocated, but is recommending that it be used to help with the implementation of the new State Standards and Assessments. The Trustees have decided to wait until the November projections (after 1st interim) to discuss how this one-time money will be used by PSD. By then, the time frame for its allocation should be set.

The Trustees look forward to working with the teachers, principals, and other staff to determine the best use of these funds. While California schools are still among the lowest funded in the nation, and funding continues to be lower than it was before the recession, it is good news that we are back into a cycle of increasing financial commitments to our students which enables PSD to honor our guiding principle of a balanced approach to budgeting by investing in People, Operations, and Program.