



Board of Education to vote June 30 on the 2016/2017 budget

Chino Valley Unified School District's combined budget for the 2016-2017 school year is expected to be \$273.8 million. The combined budget reflects both restricted and unrestricted funding.

The Board is expected to approve the document at its next regularly scheduled meeting, 7:00 p.m. Thursday, June 30, at the District Office, 5130 Riverside Drive, Chino. The meeting is open to the public.

A copy of the budget is available for review in the District Office lobby.

A public hearing on the budget was held at the June 16 Board of Education meeting, but there were no speakers.

The 2016/2017 combined budget includes a beginning balance of approximately \$67 million; \$270.7 in revenues from state, federal and local resources; and \$273.8 million in expenditures.

Among the expenditures is \$215.2 million for employee salaries and benefits; \$22.4 million for books and supplies; and \$27.1 million for services and other operating expenses.

The District expects to have a \$63.9 million ending balance. Of that, \$25.3 million (9.2% of the total budget) is reserved for economic uncertainties, \$100,000 for revolving cash, and \$49,889 as the District's distribution to a joint powers authority that provides benefits to school employees.

The budget also includes a breakdown for the 2016/2017 school year that shows unrestricted funding, which is funding that is not limited to a specific use. The 2016/2017 unrestricted budget includes a \$60.2 million beginning balance; \$244 million in revenues from state, federal and local resources; and \$240.4 million in expenditures.

Of the unrestricted budget, \$175.8 million is set aside for employee salaries and benefits, \$12.1 million for books and supplies; and \$14.8 million for services and other operating expenses.

Among the revenue assumptions for planning the 2016/2017 budget are a reduction in funding because of declining enrollment in the District, no cost of living adjustment from the State, and

restricted carryover revenue from the previous school year. The District does expect to receive one-time funding from the State of approximately \$6.5 million based on the District's Average Daily Attendance (ADA) enrollment of 27,264 students. Also, the State is expected to fund Chino Valley Unified 54.84% to close the gap remaining to full implementation of the Local Control Funding Formula.

In July 2013, Governor Jerry Brown enacted a budget that included a brand new education funding system, known as the Local Control Funding Formula (LCFF). It distributes combined resources to school districts through a base grant per unit of average daily attendance, with supplemental funding allocated to districts based on their proportion of English learners, foster youth, and students who are eligible for free and reduced-price school meals. The estimated timeframe to fully transition to the new funding formula is 2020/2021.

The Governor's May revision of the State budget continues to implement the LCFF with an infusion of \$2.979 billion to close 54.84% of the gap remaining to full implementation of the LCFF. When combined with the previous years of LCFF funding, the gap is expected to close by almost 96% in just four years.

Among the expenditure assumptions for the District's 2016/2017 budget are regular step and column salary increases for employees, increases to the District's contributions to employee pension programs, staffing costs, costs to implement goals in the Local Control Accountability Plan (LCAP), and potential utility rate increases.

Looking ahead to the following four school years, the District projects it will have budget deficits ranging from \$5.8 million in the 2017/2018 school year to as high as \$21.7 million in the 2019/2020 school year because of spending trends.

The Governor's May revision also focused on the fact that revenue collections in April were well below the level projected in January. The May revision was also silent on the effect of the increase in employer costs for teacher and school support staff retirement systems.

In May, the Governor warned that the surging tide of revenue is beginning to turn and stressed the importance of living frugally and avoiding the boom-bust budgeting of the past. With the slowdown of the economy, school districts have been advised to stay focused on stabilizing expenditures, maintaining adequate reserves, and planning to sustain current programs.