

# Orange Unified School District

*2013-2014 Estimated Actuals*  
*2014-2015 All Funds Budget*



June 5, 2014

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# The May Revision in Broad Strokes

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- Continue implementation of LCFF at the \$4.5 billion level proposed in January
- The state recognizes an additional increase of \$2.4 billion in revenues, most of which are committed to:
  - Growth in the cost of Medi-Cal
  - Establishment of a Rainy Day Fund
- The Governor proposes to fully fund CalSTRS by 2045-46
  - State Contribution – Increase from 3.041% to 6.3% over three years
  - Employee Contribution – Increase from 8% to 10.25% over three years
  - Employer Contribution - Increase from 8.25% to 19.1% over seven years

# What's Not in the Budget?

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## ● What the Budget does not address:

- No new funding to school districts to address the increased employer costs proposed to deal with the unfunded liability in the CalSTRS fund
- No payments on the prior-year state mandate credit card
- No additional funding for the Common Core State Standards (CCSS)
- No extension of maintenance of effort (MOE) period for adult education or regional occupational centers/programs (ROC/P)

# May Revision Funding Proposal for CalSTRS-Impact on Contribution Rates

- 3-Year Ramp Up for State and Teachers
- 7-Year Ramp Up for Schools

	State	Teachers (2% at 60)	District CalSTRS	Total – All Contributors
Fiscal Year	Contribution Rate	Contribution Rate	Contribution Rate	Contribution Rate
2013-2014	3.04%	8.00%	8.25%	19.29%
2014-2015	3.45%	8.15%	9.50%	21.10%
2015-2016	4.89%	9.20%	11.10%	25.19%
2016-2017	6.33%	10.25%	12.70%	29.28%
2017-2018	6.33%	10.25%	14.30%	30.88%
2018-2019	6.33%	10.25%	15.90%	32.48%
2019-2020	6.33%	10.25%	17.50%	34.08%
2020-2021	6.33%	10.25%	19.10%	35.68%
2021-22 through 2045-46	6.33%	10.25%	19.10%	35.68%

# Comparison: Projected Employer Contribution Rates for CalPERS and CalSTRS

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	District CalSTRS	District CalPERS
Fiscal Year	Contribution Rate	Contribution Rate
2013-2014	8.25%	11.442%
2014-2015	9.50%	11.771%
2015-2016	11.10%	12.60%
2016-2017	12.70%	15.00%
2017-2018	14.30%	16.60%
2018-2019	15.90%	18.20%
2019-2020	17.50%	19.90%
2020-2021	19.10%	20.10%

# Multi-Year Projections

	2014-15	2015-16	2016-17
<u>TOTAL REVENUES</u>	\$233,191,559	\$230,547,647	\$229,744,863
Expenditures	\$243,973,164	\$245,679,595	\$256,765,428
STRS Additional Contribution Due Rate Increase	\$ 1,431,985	\$ 1,849,633	\$1,961,603
PERS Additional Contribution Due Rate Increase	\$121,436	\$320,649	\$946,164
Total Expenditures as Adjusted	\$245,526,585	\$247,849,877	\$259,673,195
Increase (Decrease) Fund Balance	(\$12,335,026)	(\$17,302,230)	(\$29,928,332)
<u>BEGINNING BALANCE</u>	\$79,007,987	\$66,672,961	\$49,370,731
Projected Ending Balance (June 30)	\$66,672,961	\$49,370,731	\$19,442,399
Adjustments to Ending Fund Balance			
Stores, Revolving Cash and Carryover	(\$935,807)	(\$1,565,487)	(\$754,660)
3% State Required Contingency	(\$7,365,798)	(\$7,435,496)	(\$7,790,196)
Unappropriated Fund Balance Above 3%	\$58,371,356	\$40,369,748	\$10,897,543

- **Deadlines: Education Code (42127, 42130)**
  - September 15, 2014: Adopt 2013-14 Unaudited Actuals and 2014-15 Revised Budget
  - December 15, 2014: Adopt 2014-15 First Interim Budget
  
- **State Action:**
  - June 30, 2014: Adopt 2014-15 Budget