



Livermore Valley Joint Unified School District Proposed Adopted Budget

2020-2021

Presented to the Board on June 23, 2020

**LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT
2020-2021**

Board of Trustees

Mr. Craig Bueno
President
Term expires 2022

Mr. Chris Wenzel
Member
Term expires 2020

Mr. Charles Rogge
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Term expires 2020

Ms. Anne White
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Ms. Emily Prusso
Member
Term expires 2022

District Administration

Dr. Kelly Bowers
Superintendent of Schools

Mr. Mike Biondi
Assistant Superintendent, Educational Services

Mr. Chris Van Schaack
Deputy Superintendent

Ms. Susan Kinder
Assistant Superintendent, Business Services

School Administration

Elementary Schools:

Altamont Creek Principal:	Ms. Tara Aderman
Arroyo Seco Principal:	Ms. Gatee Esmat
Leo Croce Principal:	TBD
Jackson Avenue Principal:	Ms. Shari Johnston
Lawrence Principal:	Ms. Kristie Starkovich

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Marylin Avenue Principal: Ms. Denise Nathanson

Rancho Las Positas Principal: Mr. Steve Martin

Emma C. Smith Principal: Mr. Joe Meunier

Sunset Principal: Mr. Tom Jones

K-8 Schools:

Joe Michell Principal: Dr. Laura Lembo

Junction Avenue Principal: Ms. Dayna Taylor

Middle Schools:

Christensen Principal: Ms. Pat Avilla

East Avenue Principal: TBD

Mendenhall Principal: Ms. Tammy Rankin

High Schools:

Granada Principal: Mr. Matthew Hart

Livermore Principal: Ms. Helen Gladden

Alternative Schools:

Del Valle/Phoenix Principal: Mr. Erik Taylor

Vineyard Principal: Ms. Carla Estrada-Hidalgo

Adult School:

Livermore Adult Principal: Ms. Carla Estrada-Hidalgo

EXECUTIVE SUMMARY

COVID-19 has turned the world economy upside down and California has not been spared. As a result, Governor Gavin Newsom's May Revision proposal bears little resemblance to his January State Budget. Rather than an increase of \$81.6 billion to Proposition 98 Revenue, it is now projected that there will be a decrease of \$77.4 billion.

At the time of this printing, the State budget has not been officially approved. The Legislature is not on board with the massive cuts to K-12 public education that the Governor is proposing. With the Governor's May Revision proposal, districts would lose approximately 7.92% of their Local Control Funding Formula (LCFF). The Legislature is proposing different budget solutions, such as deferrals, which were implemented during the Great Recession. Unlike previous years, this year's budget process carries much greater uncertainty due to the State's delay in revenue collections until July 15, 2020 and heavy reliance on new federal relief funds, with no signal of a final agreement with Governor Newsom.

Because there are so many unpredictable factors affecting revenues and expenditures, it is important to develop and utilize budget assumptions based on the best information available at the time the budget is adopted. The Adopted Budget is based on the Governor's May Revision. This budget should be considered a "placeholder budget" until the State Budget is approved. We have been informed that this year there may be an additional revision to the State Budget in August. If, and/or when that happens, our budget will have to be updated and approved again by the Governing Board. This is unprecedented.

Locally, the voters of Livermore resoundingly passed Measure J on June 7, 2016, authorizing the sale of \$245 million in bonds to finance school facilities projects, including renovation of aging District facilities, improvement of safety and security systems, modernization of outdated classrooms, and upgrades to technology. Passage of Measure J required an affirmative vote of at least 55%. In a much appreciated show of confidence in and support for our District, the citizens of Livermore approved the measure by 66.84%. Two series of bonds have been sold to date, providing \$182 million and bringing eagerly awaited upgrades to the aging District infrastructure. Major projects in the works include the physical education and athletics complexes at both Livermore and Granada High Schools, East Avenue Middle School renovation, and a new multi-purpose room and classroom building at Joe Mitchell K-8 School.

FINANCIAL OVERVIEW

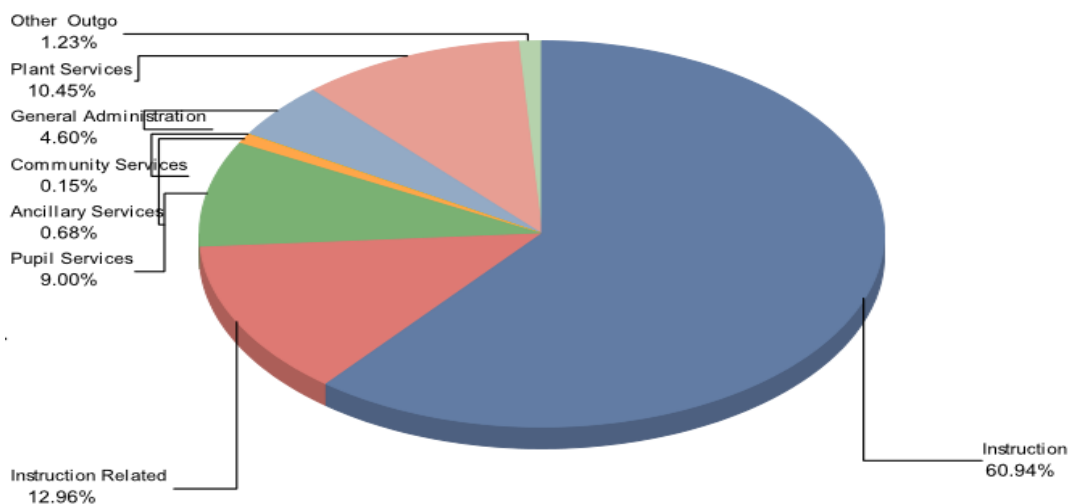
GENERAL FUND EXPENDITURES

Our General Fund spending plan is based on our Board-established core values and our commitment to continuing current programs and services to the extent that we remain fiscally solvent. Due to the State’s budget crisis created by the COVID-19 pandemic, the amount of revenue we are projected to receive from the State has been significantly reduced. To calculate State revenue, we are using our prior year Average Daily Attendance (ADA) of 13,191.

Spending in the General Fund is differentiated between unrestricted and restricted funds, depending on the source of funds. \$94,240,686, or 64% of our total spending, is identified as unrestricted. The balance, \$53,028,306, is being spent on programs with spending restrictions in place.

Our core curriculum is funded primarily by our unrestricted revenues. Many enrichment programs are funded by supplemental funding, which is also considered unrestricted, and are identified in our Local Control Accountability Plan (LCAP). This year, due to COVID-19 our LCAP deadline along with all others in our State, has been postponed to December. We also have restricted funds such as the Measure G parcel tax which funds elementary technology specialists, science specialists, and math, science and engineering classes.

We are presenting a budget based on average class sizes of 25:1 for grades K-3, 32:1 for 4-5, 30:1 for 6-8, and 31:1 for 9-12. We channel as much of our spending as possible into the classroom, for the immediate benefit of our students. Currently 83% of our spending directly benefits our students.

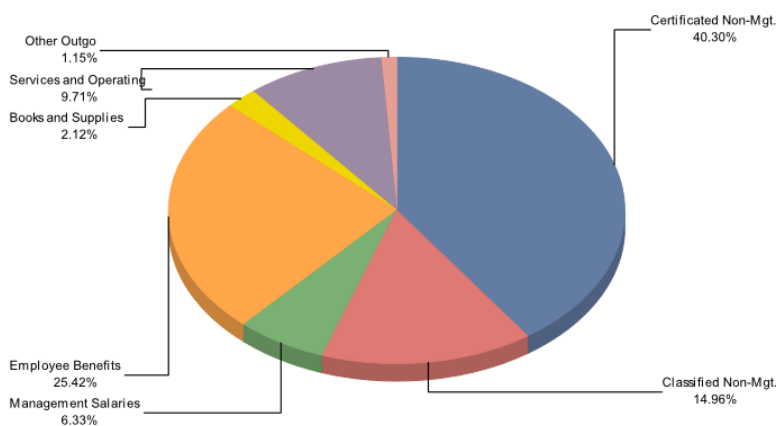


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In 2020-21, we anticipate spending a total of \$147,268,992 or the equivalent of \$11,164 per student. Approximately 87% of our budget pays employee salaries and benefits. The greatest proportion goes to pay certificated teacher salaries. The average teacher costs our District \$115,421: \$86,274 in salary and \$29,147 in statutory and medical benefits. Our General Fund spending plan for 2020-21 is shown in the following table.

Total Expenditure Summary
(as % of Total Expenditure)

Expenditure by Object:	Dollars per ADA	Total Amount
Cert. Non-Mgt. Salaries	4,499.15	59,348,239
Class. Non-Mgt. Salaries	1,670.62	22,037,176
Management Salaries	707.20	9,328,706
Employee Benefits	2,838.46	37,442,141
Books and Supplies	237.14	3,128,048
Services and Operating	1,083.90	14,297,743
Capital Outlay	0.00	0
Other Outgo	127.89	1,686,939
Total Expenditure	\$11,164.35	\$147,268,992
Transfer out and Other:	\$0.00	\$0
Total Uses	\$11,164.35	\$147,268,992



On June 11, 2019, our Board approved a competitive compensation adjustment that permanently added the one-time 2.0% increase given in 2018-19 as ongoing. Our Board also approved a 1% increase on July 1, 2019 with an additional 2.0% increase on January 1, 2020. We are currently in negotiations with all bargaining units for potential concessions to help offset some of the reductions from the current State economic and budget crisis.

An ongoing challenge is the increase in mandatory employer contributions to the California State Teachers' Retirement System (CalSTRS) and California Public Employee Retirement System (CalPERS). The Governor has proposed pushing the rate increases into future years to help with the current State budget crisis. Using the May Revision, the CalSTRS employer contribution rate will actually decrease by .95% this year and the CalPERS employer contribution rate will increase by .979%. These rates may change based on the State's Adopted Budget. Overall, as rates increase, the additional expense represents resources that will not be available for competitive compensation increases or instructional programs.

The LCAP is an important component of the Local Control Funding Formula (LCFF), which began in 2013-14. The LCAP utilizes a standardized template to describe how our District will address State and local priorities for all students and for specific student groups defined in Education Code. The LCAP includes goals and associated measures to monitor progress as well as action steps and associated budget

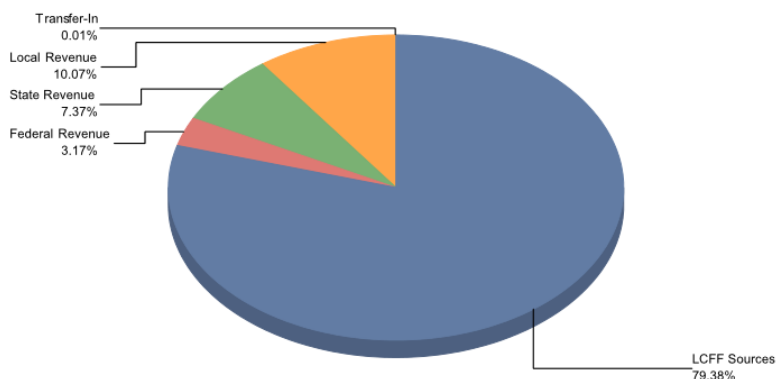
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amounts for those actions. Everything that is budgeted in the LCAP is in our District’s budget, but not everything in our District’s budget is listed in the LCAP. This year, the LCAP deadline, which is developed with input from community and stakeholder groups including parents, teachers, students, support staff, administrators and bargaining unit groups, has been postponed to December. The entire LCAP may be viewed on our District website, www.livermoreschools.org.

GENERAL FUND REVENUES

Total Revenue Summary
(as % of Total Revenue)

Revenue by Object:	Dollars per ADA	Total Amount
LCFF Sources	8,667.17	114,328,612
Federal Revenue	346.19	4,566,558
Other State Revenue	804.70	10,614,848
Other Local Revenue	1,098.99	14,496,768
Total Revenue	\$10,917.05	\$144,006,786
Transfer In & Others	\$1.01	\$13,263
Total Resources	\$10,918.05	\$144,020,049



Our single largest source of funding is State revenue, which includes the Local Control Funding Formula (LCFF). In 2013-14, the LCFF replaced the Revenue Limit and most State categorical programs. It uses base grants per pupil, with supplemental funding provided for students who are English Learners, foster youth, or eligible for the Free and Reduced Price Meals (FRPM) Program. The base grant is further adjusted by grade level to provide for smaller class sizes in the early elementary years and for career-technical education in high school.

The most important component in calculating revenue is Average Daily Attendance (ADA). ADA drives the revenue formulas. One ADA = 180 days of attendance for one student. Each day that a student is present earns our District approximately \$51 in State revenue. Any absence, even an excused absence, reduces our District’s revenue by the same amount per student.

Since the LCFF was introduced in 2013-14, our District has been able to expect an increase in funding annually. The increases in District funding seen year over year since the introduction of the LCFF have ended since the State fully implemented the LCFF target in 2018-19. From then forward, we have had to get by on just the Cost of Living Adjustment (COLA), which barely covers the cost of step and column and the increase in State mandated pension expenses mentioned above. Unfortunately, we are now

looking at an unanticipated 7.92% revenue cut, which in turn is requiring our District to make unprecedented immediate budget reductions.

As for other revenues, we will receive approximately \$2.8 million from the California Lottery, or 1.9% of our total funding, some of which is restricted. Federal funding accounts for approximately 3.1% of our total revenue. The Measure G parcel tax, considered local revenue, is projected to generate \$4 million, or 2.7% of our total revenue. Other local income includes local grants, facility rental income, PTA contributions, and individual donations.

Our District enjoys the benefits of robust and dynamic partnerships with local community organizations including the two world renowned National Laboratories, local arts programs, and the Livermore Valley Education Foundation (LVEF). Rotary clubs and many generous local businesses and service organizations also provide donations that expand learning opportunities for all. These donations are not projected into the budget but are entered as revenue as they are received.

GENERAL INFORMATION

DISTRICT DESCRIPTION

The Livermore Valley Joint Unified School District is a political subdivision of the State of California. Our District was formed on July 1, 1966 and is comprised of an area of approximately 240 square miles located in Alameda and Contra Costa Counties. Our award-winning District is the second largest employer in Livermore. Our District operates nine elementary, three middle, two K-8, two comprehensive high schools, and two alternative schools. Our District also maintains an Adult Education program.

Governance. An elected Board of Trustees governs our school district. There are five members of the Board, each elected at-large for a four-year term. The School Board generally meets twice monthly on the first and third Tuesdays. Dr. Kelly Bowers, Superintendent of Schools, heads District operations and has served as our Chief Executive Officer, since May 2010.

Demographics. Our District serves approximately 13,800 students in our 18 TK-12 schools. The racial/ethnic composition of our student body is 54% White; 24% Hispanic; 11% Asian; and 2.8% African American; 25% Socioeconomically Disadvantaged; and 10% English Learners. Across our District, these demographics vary from school site to school site.

Achievement. The California Dashboard reports sustained progress on English Language Arts and Mathematics over the past five years. Our District has a very high graduation rate of 95.2% and a low Chronic Absenteeism rate of 3.54%. Additional achievement data can be accessed at caschooldashboard.org

All of our schools have participated in Positive Behavior Intervention and Support (PBIS) implementation. We have implemented Choose Love Social Emotional Curriculum, and are collecting student social emotional data to measure the impact.

We are also pleased with the increase in student individual electronic learning devices in our schools. Our District is committed to providing current instructional technology and appreciates the generosity of our community, business and industry partners, and other grants and donations to students. We are committed to implementing a one-to-one program at all of our schools, and providing professional development and coaching for STEAM integration, supported by Parcel Tax funding. Our Measure J Bond funds have supported audio-visual system upgrades in all of our classrooms.

Accomplishments. The Livermore Valley Joint Unified School District continues to provide exemplary education to our population of almost 13,800 students, preparing them to contribute and thrive in our changing world.

Our District is committed to the LVJUSD Framework for Success, which represents a strategic plan to meet the academic, behavioral, and social emotional needs of our students. We have received a federal grant to implement Youth Mental Health First Aid and provide a range of supports based on the needs of our students. Our District was innovative and responsive to the rapid change in the educational ecosystem due to the COVID-19 pandemic. We provided high-quality distance learning during school dismissal.

We continue to prioritize individualized learning by implementing one-to-one technology devices and access to innovative online tools and content. Our District is committed to providing current instructional technology and appreciates the generosity of the community, business, and industry partners and other grants and donations to students.

ACCOUNTING BY FUND

The accounts of our District are organized on the basis of funds, each of which is considered to be a separate accounting entity. We have 13 funds, which are described below:

The **General Fund** is the general operating fund of our District. It is used to account for all financial resources except those required to be accounted for in another fund. Our District's General Fund is used to account for its day-to-day operations. The salaries of our teachers, classroom aides, administrators, custodians, counselors, maintenance workers, and clerical support staff are accounted for in the General Fund. Our textbooks, other books and supplies, utility costs, repair costs, consulting services, and equipment costs are also paid out of the General Fund.

Our District's General Fund is divided into two sections: unrestricted funds and restricted funds. Restricted funds are monies received by our District that are categorical in nature, i.e., they can only be used for the purposes prescribed by the funding agency. The State and federal governments provide such funding for many special programs or projects. For example, Special Education funds are restricted. They can only be spent on students with identified special needs and in the manner outlined in State and federal law. Restricted funds are sometimes provided directly to our schools but in most cases are allocated and expended centrally by our District. How we spend this money is determined by the restrictions imposed by the funding agency.

In addition to the General Fund, our District has six special revenue funds:

- The **Adult Education Fund** (Fund 11) is used to provide for life-long public educational opportunities and support services to all adults.
- The **Child Development Fund** (Fund 12) is used to account separately for federal, State, and local revenues to operate child development programs.
- The **Cafeteria Fund** (Fund 13) is used for the operation and improvement of the Campus Catering program.
- The **Deferred Maintenance Fund** (Fund 14) is used for the purpose of major repair or replacement of District property.
- The **Special Reserve Fund** (Fund 17) is used to provide for the accumulation of reserves for special purposes.
- The **Post Employment Benefits Fund** (Fund 20) is used to account for amounts earmarked for future costs of other post-retirement employment benefits (OPEB).

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Our District has three capital projects funds:

- The **Building Fund** (Fund 21) is used for the purpose of acquiring or constructing major capital facilities. Measure J funds are deposited in this fund.
- The **Capital Facilities Fund** (Fund 25) is used to accumulate funds received from developer fees as a condition of approving a development.
- The **County School Facilities Fund** (Fund 35) is used to receive apportionments from the State Allocation Board for new school facility construction or modernization projects.

Our District has one debt service fund:

- The **Bond Interest and Redemption Fund** (Fund 51) is used for the repayment of general obligations bonds issued for our District.

Our District has one proprietary fund:

- The **Self-Insurance Fund** (Fund 67) is used for the self-insurance activities of our District, including payment of claims, cost of property liability insurance, and student insurance costs.

Our District has one fiduciary fund:

- The **Foundation Trust Fund** (Fund 73) is used to account for scholarships.

KEY VARIABLES AND DETERMINANTS

We will discuss in detail the key variables and determinants underlying our General Fund budget projections.

LOCAL CONTROL FUNDING FORMULA

The Local Control Funding Formula (LCFF) replaced the Revenue Limit and most categorical program funding and was a means of overhauling the prior inequitable school finance system. It uses base grants per pupil, with supplemental funding provided for students who are English Learners, foster youth, or eligible for the Free and Reduced-Price Meals (FRPM) Program. The base grant is further adjusted by grade level to provide for smaller class sizes in the early elementary years and for career-technical education in high school. The new formula was phased in over several years and was fully implemented in 2018-19.

The LCFF significantly increased our District's funding per ADA. Our District was classified as a "low wealth" district under the Revenue Limit, which meant that we received substantially less money than the statewide average Revenue Limit. In fact, in 2011-12 our District received \$281 less revenue per student than Tracy Joint Unified, \$469 less per student than Pleasanton Unified, and \$716 less per student than Dublin Unified. Now our District funding per student is projected to more closely match that of neighboring districts. However, there is still a discrepancy because our Tri Valley counterparts, Dublin and Pleasanton, receive Economic Recovery Target (ERT) funds each year.

The current May Revision projects adding a 2.31% COLA and then cutting the total by 10%. This translates to a 7.92% deficit or \$9.8 million less than we received in 2019-20.

EDUCATION PROTECTION ACCOUNT

Proposition 30, *The Schools and Local Public Safety Protection Act of 2012*, approved by the voters on November 6, 2012, temporarily increased the State's sales tax rate for all taxpayers and the personal income tax rates for upper-income taxpayers. The revenue generated by the measure's temporary tax increases are deposited into a State account called the Education Protection Account (EPA). This funding is included in the total Local Control Funding Formula amount. These are not additional funds for school districts, but they did help the State avoid making \$6 billion in additional budget cuts to school districts. The taxes began to phase out in 2016-17 and completely expired in 2019-20. Proposition 55, the ballot measure to continue the increased income taxes – not the increased sales taxes – contained in Proposition 30, was approved by voters in November 2016. Proposition 55 took effect on January 1, 2019 and remains in effect through December 31, 2030. It continues the use of the EPA as the fund into which the increased revenues are deposited for the purpose of distributing to California school agencies.

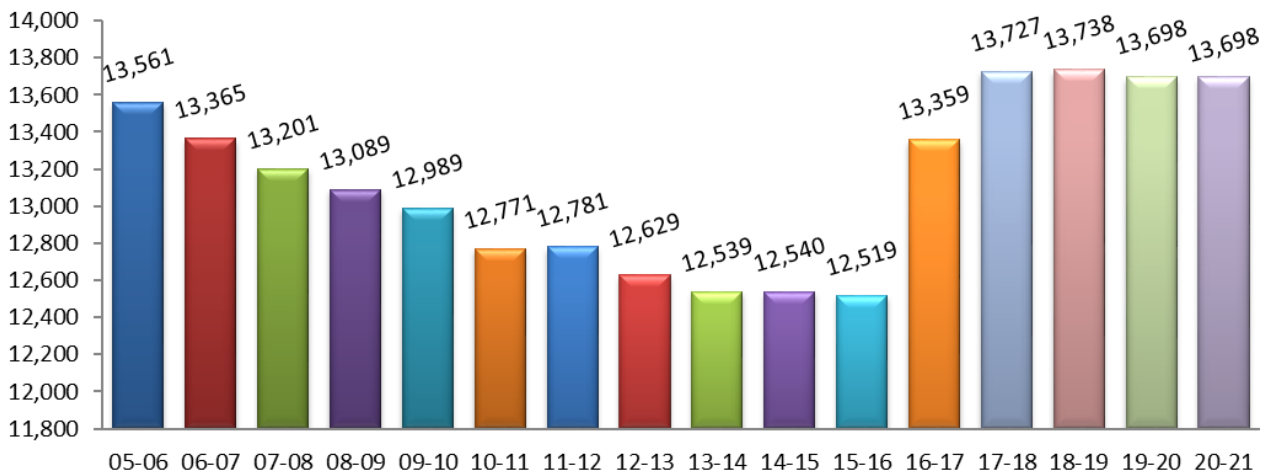
ENROLLMENT

Enrollment forecasts are essential to developing our budget because, although our income is based on our ADA and not the number of students enrolled, our staffing levels, supplies and equipment must be based on our enrollment. There are three assumptions underlying the forecasts: grade progressions, kindergarten forecasts, and interdistrict transfers.

After a period of stable enrollment from 2013-2015, District enrollment began to increase in 2016-17, and we are currently projecting enrollment in 2020-21 to be approximately 13,698. This translates to a projected Average Daily Attendance (ADA) of 13,137, but our State revenue will be based on our prior year ADA of 13,191. District enrollment increased sharply in 2016-17 due to a series of ongoing transfers from the former charter schools. This unexpected influx necessitated the opening of an additional satellite school midyear in November 2016. The school is located at the once vacated school site on Portola Avenue and was renamed Lawrence Elementary.

Interdistrict Transfers: California law permits interdistrict transfers, assuming that both the sending district and the receiving district approve the transfer. As part of the law, the Allen Bill gives transfer priority rights to parents who work in our District but who live outside of it.

LVJUSD Enrollment History



COMMUNITY SUPPORT

LOCAL BOND - MEASURE J

On June 7, 2016, the voters of Livermore approved Measure J, authorizing the sale of \$245 million in bonds to finance school facilities projects including renovation of aging District facilities, improvement of safety and security systems, modernization of outdated classrooms, and upgrades to technology. The estimated tax rate that would be levied to fund the bonds is \$48 per \$100,000 of assessed valuation. Passage of Measure J required an affirmative vote of at least 55%. In a much appreciated show of confidence in and support for our District, the voters of Livermore approved the measure by 66.84%, over 2/3 approval.

The first series of bonds were sold September 28, 2016, providing \$82 million to begin the eagerly awaited upgrades to our aging District infrastructure. The second series was sold in August 2019, providing an additional \$100 million to continue our progress. The Measure J Bond Implementation Plan - Phase I Projects completed included: District-wide data infrastructure upgrade, playground equipment replacement at elementary and K-8 schools, and our District-wide Video Projection and Voice Enhancement System Project. Major projects in the works include the physical education and athletics complexes at both Livermore and Granada High Schools, East Avenue Middle School renovation, and a new multi-purpose room and classroom building at Joe Michell K-8 School. Additional information can be accessed on our District website, www.livermoreschools.org.

A requirement of the Bond measure is an independent oversight committee of citizens representing various segments of the community. The Measure J Citizens' Bond Oversight Committee (CBOC) was established by action of our Board of Education in October 2016. The Committee consists of at least seven members of the public and cannot include any District employee, vendor, or contractor. Members of the Citizens' Bond Oversight Committee include members of the Livermore community representing businesses, senior citizens, parents, taxpayer associations, and the community at large. Community interest was high and the Committee currently boasts 11 members. The Committee meets at regular intervals with our Assistant Superintendent of Business Services and our Bond Program Director. The meetings are open to the public and are conducted in accordance with the Brown Act. The role of the Committee is to review the independent financial and performance audits, inspect District facilities to ensure the funds are being spent properly, and review efforts by our District to implement cost-saving measures. The CBOC reports annually to our Board and the public.

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PARCEL TAX – MEASURE G

In November 2004, the voters of Livermore approved Measure D, a special 5-year parcel tax assessment of \$120 per parcel, for Livermore schools. In November 2008, the voters of Livermore approved an extension to the Parcel Tax for five additional years and included an increase of \$18, bringing the total tax to \$138 per parcel. Most recently, in June 2014, the voters of Livermore approved Measure G, an additional seven-year extension to the Parcel Tax at the current rate of \$138 per parcel.

Measure G took effect on July 1, 2015 with slightly adjusted objectives as approved by voters. It helps our District fund advanced courses in science, technology, engineering and math (STEM); attract and retain highly qualified teachers; fund elementary school science and technology specialists; keep our schools safe and well-maintained; and provide for up-to-date instructional materials and comprehensive curricular programs.

ELECTION DATE	PER PARCEL AMOUNT	TYPE OF ELECTION	VOTE REQUIRED	% OF YES VOTES	PASSED/FAILED
November 2004	\$120	New Tax	66.70%	71.6%	Passed
November 2008	\$138	Renewal	66.70%	76.5%	Passed
June 2014	\$138	Renewal	66.70%	72.4%	Passed

There are 30,776 taxable parcels in our District, and 1,794 of those have been granted exemptions. These exemptions go to senior citizens who apply for them and to properties that are non-taxable, such as churches and public buildings. Based on \$138 per parcel, the 28,982 taxable parcels raise approximately \$4 million. This is 2.7% of our total revenue. In 2019-2020, the Parcel Tax paid for 15.85 full time equivalent (FTE) elementary school science specialists; 4.0 FTE technology specialists for the elementary and K-8 schools; 3.75 FTE staff to enhance courses in the area of math, science, and engineering at the middle schools; 6.25 FTE staff to enhance the various engineering units at the three high schools; \$252,247 towards technology; \$200,000 to augment maintenance efforts throughout our District; and provided \$167,207 towards instructional materials for science and technology at the middle and high schools. The tax is a guaranteed funding source to help our District maintain these very important programs.

Each year, an independent Citizens' Parcel Tax Oversight Committee issues a report to the community. As an accountability measure included in the ballot language, this report assures our community that its parcel tax dollars were spent according to the ballot language approved. The reports can be found on our District website, www.livermoreschools.org.

LIVERMORE VALLEY EDUCATION FOUNDATION (LVEF)

Our community provides support for enrichment programs through a local foundation. The Livermore Valley Education Foundation (LVEF) was established in 1991 during a severe budget crisis in California. Concerned members of our community organized to form a supportive foundation with the intent to ease the impact of cuts made by our District to athletic programs in the high schools and music programs at all levels.

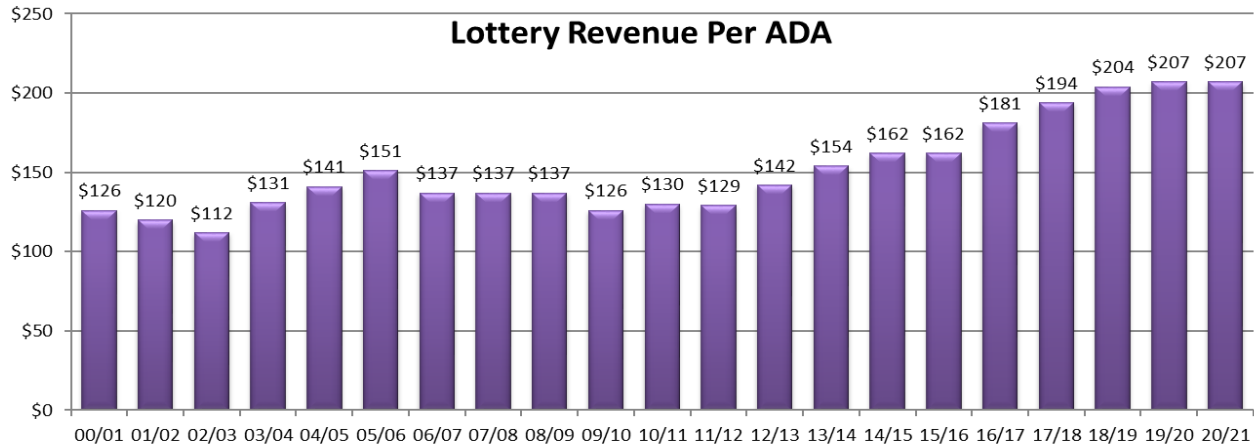
The LVEF is a non-profit tax-exempt 501(c)3 organization independent of our District. It is operated by a local, all-volunteer board of directors dedicated to addressing contemporary funding challenges in Livermore public education. The LVEF Board is comprised of experienced educators and administrators, a former School Board trustee, parent group members, business leaders, and compassionate community volunteers who all care deeply about finding solutions to the challenges facing our District.

CLASS SIZE REDUCTION

In 1996-97, the State began offering incentive funding to districts to reduce class size in grades 1, 2 and 3. In 1997-98, the State expanded this program to include kindergarten and increased the per pupil incentive amount. We have participated in this program in all four grades in every school in our District. State funding typically has covered 80% of the cost of the additional teachers needed as a result of lower class sizes. Total State funding for this program reached \$3.4 million in 2009-10. Funding has now been rolled into the LCFF base.

LOTTERY

In November 1984, voters approved the California State Lottery. Proceeds from lottery ticket sales augment school districts' budgets. Lottery funds are distributed throughout the State on a per pupil basis. Actual apportionments of lottery funds typically occur from four to six months after ticket sales, due to the complexities of accounting and distribution of prize winnings. Lottery funding for 2020-21 is budgeted at \$2.1 million for unrestricted revenue. An additional \$741,204 is expected but this amount is restricted in purpose. Legislation passed in 2000, mandates that any lottery funds collected in excess of the amount collected in 1997-98 must be used to purchase instructional materials.



CLASSROOM TEACHERS

We have an experienced and highly qualified corps of teachers. The average age of our teaching staff is 46.4 years; 37.6% of our teachers have a Master's Degree; and 57.8% of our teachers have taught for six or more years.

Certificated Positions

A total of 710 FTE teachers are budgeted for 2020-21. These positions include counselors, nurses, psychologists, and other certificated staff. Classroom teachers represent 80% of the total cost for certificated employees.

The average salary for classroom teachers in our District is \$86,274. Our District pays statutory and medical benefits for teachers at an average of \$29,147 per teacher. The average cost of a teacher is \$115,421, the combined total of salary and benefits. Salary increases for longevity and professional growth are included in the budget.

SPECIAL EDUCATION

We are committed to educating students with special educational needs, as required by State and federal law. These students are served in a variety of ways—from co-teaching and full inclusion to limited pullout programs and separate special classrooms. Additionally, non-public agencies and non-public schools serve students who have unique educational needs. The placement and appropriate services provided these students are determined by the student's Individual Education Plan (IEP). We anticipate spending approximately \$34 million in 2020-21 to provide Special Education services, or 23% of our expenditures.

Inadequacy of Funding Typically, State and federal funding is inadequate to fully cover the costs of Special Education. The difference between expenditures for Special Education and the revenues received is called encroachment, a budgetary term used to denote that the costs of the program encroach on general purpose revenues. The federal government provides funding only at a 17% level of what its laws mandate. The State of California also underfunds Special Education. For years, there has been a double-digit funding deficit from the State. Additionally, new State and federal laws have required districts to provide an increased level of Special Education services for students. This increased demand and mandate for service, coupled with State and federal under-funding, has placed additional underfunded financial obligations on school districts.

Funding Model The current State funding model was enacted in 1998–99. Under this model, districts receive funds on a per pupil basis—using the total enrollment of our District. Funds flow from the State to our Special Education Local Plan Area (SELPA), a consortium of six local education agencies in this area of our County, and from the SELPA to districts.

History of Encroachment Encroachment refers to the situation where a district must contribute local funds to fill in the gap between the revenue received for Special Education and the actual expenditures for providing Special Education services. The accompanying table shows a recent history of Special Education revenues and expenditures for our District. Our District's general fund contribution to Special Education programs in 2020-21 is projected to be \$21 million or 62% of the total funds needed to serve Special Education. Our District contribution level appeared to increase significantly in 2013-14 with the

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implementation of LCFF. Prior to 2013-14, the portion of the Revenue Limit generated by Special Education ADA was transferred to Special Education, increasing the stated Special Education revenue. When the Revenue Limit was replaced by LCFF, the transfer was no longer required since all LCFF base funds are available to be used at our District's discretion. This resulted in a reduction of the stated Special Education revenue which had to be balanced by an increase in the stated District contribution. The impact to the General Fund did not change.

Special Education Revenue Sources							
	14/15 Actuals	15/16 Actuals	16/17 Actuals	17/18 Actuals	18/19 Actuals	19/20 Budget	20/21 Budget
State Revenue	5,917,613	5,767,652	6,220,763	6,941,256	7,445,321	8,089,725	9,615,352
Federal Revenue	2,650,774	2,784,012	2,744,147	3,077,045	3,126,063	3,252,462	3,195,511
Local Revenue	134,439	201,118	50,566	242,457	170,094	307,875	196,000
Total Revenue	8,702,826	8,752,782	9,015,476	10,260,758	10,741,478	11,650,062	13,006,863
District Contribution	14,467,288	16,074,408	17,562,050	18,245,954	21,710,502	21,589,154	21,046,554
District Share of Rev	62%	65%	66%	64%	67%	65%	62%
Total Expenditures	23,170,114	24,827,191	26,577,526	28,506,712	32,451,980	33,239,216	34,053,417

Regardless of the change in how revenue is stated under LCFF, it remains true that Special Education expenses continue to increase, resulting in an increasing amount of mandated services that are unfunded. We will continue to thoughtfully allocate our resources in order to provide the necessary services to our students cost-effectively. We will also continue our advocacy efforts at the State and federal level to uphold the Individuals with Disabilities Education Act (IDEA) promise to provide adequate funding for services and programs for students with special needs.

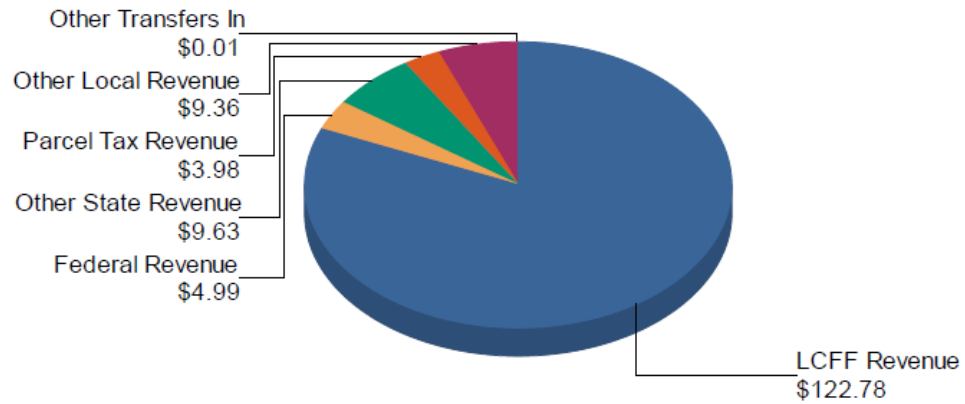
GENERAL FUND BUDGET ASSUMPTIONS

REVENUES

- We are using the Fiscal Crisis and Management Team (FCMAT) Local Control Funding Formula calculator. This includes a 2.31% Cost of Living Adjustment (COLA) and then a 10% cut. We also included \$2 million in potential additional revenue based on information from the Assembly Committee.
- Enrollment is projected to be 13,698 students.
- Local Control Funding Formula (LCFF) will be based on 13,191 Average Daily Attendance (ADA) which was our ADA from 2019-20.
- Our unduplicated count of Low-Socio Economic students, English Language Learners, and Foster Youth is estimated to be 27.25% of enrollment for supplemental funding purposes.
- Special Education funding will include equalization at \$645 per ADA.
- Lottery income is estimated at \$207 per annual ADA: \$54 Restricted and \$153 Unrestricted.
- State and Federal grants have been budgeted at that same level as 2019-20. As actual entitlements become known, our District's budgets will be adjusted.
- Income from local sources is budgeted at the same level as 2019-20 and donation accounts will be booked on a cash basis.
- It is estimated that \$3.98 million will be collected in Parcel Tax revenue from Measure G.
- The Career Technical Education (CTE) Incentive grant is estimated at \$432,624.
- All prior year carry over and one-time funding has been removed.

Livermore Valley Joint Unified School District 2020-2021

General Fund (Restricted and Unrestricted) Budget Model - OB20-01 Revenues (\$ In Millions)



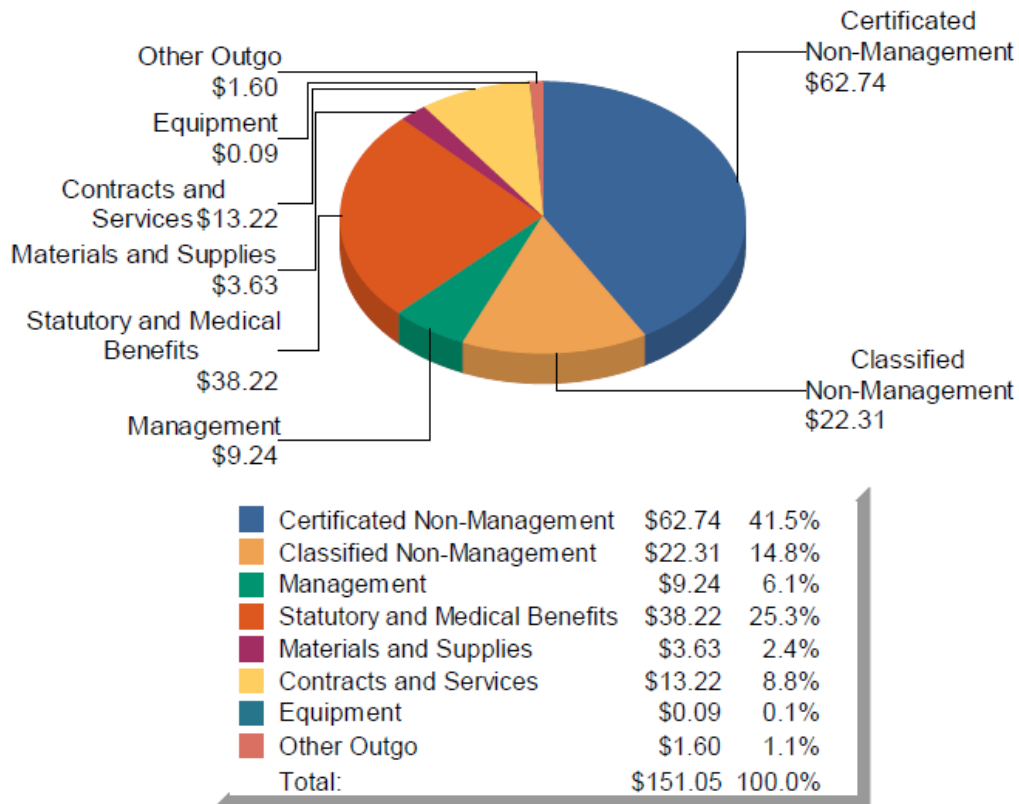
LCFF Revenue	\$122.78	81.4%
Federal Revenue	\$4.99	3.3%
Other State Revenue	\$9.63	6.4%
Parcel Tax Revenue	\$3.98	2.6%
Other Local Revenue	\$9.36	6.2%
Other Transfers In	\$0.01	0.0%
Total:	\$150.76	100.0%

EXPENDITURES

- The expense of step, column, and longevity increases and the related statutory benefits for employees are included in the budget.
- Base staffing levels for certificated and classified positions are maintained at the same level as the prior year.
- The employer contribution to the California State Teachers' Retirement System (CalSTRS) has decreased from 17.1% to 16.15%. The employer contribution to the California Public Employees' Retirement System (CalPERS) has increased from 19.721% to 20.7%.
- Measure G will continue to help fund:
 - Advanced courses in science, technology, engineering, and math (STEM);
 - Attracting and retaining highly qualified teachers;
 - Elementary school science and technology specialists;
 - Keeping our schools safe and well-maintained; and
 - Up-to-date technology, instructional materials and comprehensive curricular programs.
- Adult Education receives a block grant from the State and continues to participate in the Chabot-Las Positas/Mid-Alameda County Consortium for additional funding.
- A transfer of \$1,313,104 to the Regional Occupation Program (ROP) is included in the budget based on the agreed upon Joint Powers Authority (JPA) agreement. Tri-Valley ROP was approved for the CTE grant which is estimated to offset the amount transferred by approximately \$432,624.
- Projected utility savings from solar installations are included in the budget.
- On June 11, 2019, our Board approved a competitive compensation adjustment that permanently added the one-time 2.0% increase approved in 2018-19 as ongoing. Our Board also approved a 1% increase on July 1, 2019 with an additional 2.0% increase on January 1, 2020. Potential compensation concessions for the 2020-21 year are in the process of being negotiated.
- \$5.5 million in possible compensation concession have been included.
- \$3.2 million in other budget reductions have been included.

Livermore Valley Joint Unified School District 2020-2021

Fiscal Year 2019/20 General Fund Budget Model - OB20-01 Expenditures (\$ In Millions)



GLOSSARY

ADA

Average daily attendance. One ADA = 180 days of attendance for one student. Each day that a student is present earns our District approximately \$51 in state revenue. Any absence, even an excused absence, reduces our District's revenue by the same amount per student.

APPORTIONMENT

The Principal Apportionment is a series of apportionment calculations that adjust the flow of State funds throughout the fiscal year as information becomes known.

- The Advance Principal Apportionment, certified by July 20th, is based primarily on prior fiscal year funding and establishes each Local Education Agency's (LEA) monthly State aid payment amount for July through January.
- The First Principal Apportionment (P-1), certified by February 20th, is based on the first period data that LEAs report to California Department of Education (CDE) in November through January and establishes each LEA's monthly State aid payment for February through May.
- The Second Principal Apportionment (P-2), certified by June 25th, is based on the second period data that LEAs report to CDE in April and May and is the final State aid payment for the fiscal year ending in June.
- The Annual Apportionment, certified by February 20th in the following year, is based on annual data that LEAs report to CDE. After the Annual Apportionment certification, the Annual is recertified three times, known as Annual R1, R2, and R3, with LEAs reporting corrected data at specific times. Any data corrections are reflected with the subsequent years' certifications.

LEAs receive Principal Apportionment funds through a combination of local property taxes and State funds, with State funding composed of funds from the State School Fund and Education Protection Account (EPA.)

CERTIFICATED PERSONNEL

School employees who hold positions for which a credential is required by the State – teachers, counselors, and most administrators.

CLASSIFIED PERSONNEL

School employees who hold positions that do not require a credential, such as aides, custodians, clerical support, or cafeteria workers, and some managers.

CALIFORNIA STATE STANDARDS

The current subject-matter standards in English language arts and mathematics adopted by California in 2010.

COST-OF LIVING ADJUSTMENT (COLA)

An increase in funding for government programs.

EDUCATION PROTECTION ACCOUNT (EPA)

The Education Protection Account (EPA) provides local educational agencies (LEAs) with general purpose State aid funding pursuant to Proposition 30, the Schools and Local Public Safety Protection Act of 2012, approved by the voters in November 2012 and expired in December 2018. Proposition 55, the ballot measure to continue the increased income taxes – not the increased sales taxes – contained in Proposition 30, was approved by voters in November 2016. Proposition 55 took effect on January 1, 2019 and remains in effect through December 31, 2030. It continues the use of the EPA as the fund into which the increased revenues are deposited for the purpose of distributing to California school agencies. The EPA funding is a component of an LEA's total Local Control Funding Formula amount.

FULL-TIME EQUIVALENT (FTE)

A count of full-time and part-time employees where part-time employees are reported as an appropriate fraction of a full-time position. The fraction is equal to the ratio of time expended in a part-time position to that of a full-time position.

INDIVIDUALIZED EDUCATION PROGRAM (IEP)

A written agreement between the school district and the parents of a student with special needs, specifying an educational program tailored to the needs of the child, and including specific special education and related services to be provided to the child.

LOCAL CONTROL ACCOUNTABILITY PLAN (LCAP)

The LCAP is a requirement of the changes to State funding made by the Local Control Funding Formula (LCFF). The LCAP is LCFF's vehicle for transparency and engagement. It is the way that school districts are expected to share performance data, needs, actions and anticipated outcomes that guide the use of available LCFF funding.

LOCAL CONTROL FUNDING FORMULA (LCFF)

A funding formula that replaces revenue limits and most categorical programs with a base grant per pupil, and supplemental funding for students who are English Learners, eligible for the Free and Reduced-Price Meals (FRPM) Program, or in foster care. The base grant is further adjusted by grade level to provide for smaller class sizes in the early elementary years and for career-technical education in high school. The formula was phased in over several years and was fully implemented in 2018-19.

LOCAL EDUCATIONAL AGENCY (LEA)

A commonly used synonym for a school district, an entity which operates local public primary and secondary schools in the United States.

PARCEL TAX

A special tax that is a flat amount per parcel and not based on the value of the property. Parcel taxes must be approved by a two-thirds vote of the electorate.

RESERVES

Funds set aside in a budget as a safety net to provide for estimated future expenditures and obligations; or for designated purposes. Our District is required to maintain a 3% reserve.

ACKNOWLEDGEMENTS

California Department of Education

www.cde.ca.gov

Citizens' Measure G Parcel Tax Oversight Committee
2019-20 Annual Report

www.livermoreschools.org

Fiscal Crisis and Management Assistance Team

www.fcmat.org

Livermore Valley Education Foundation

<https://livermorevalleyeducationfound.wordpress.com>

Measure J Citizens' Bond Oversight Committee
2018-19 Annual Report

www.livermoreschools.org

Nigro & Nigro

LVJUSD Audit Report 2019

www.livermoreschools.org

School Services of California

www.sscal.com