

SSC School District and Charter School Financial Projection Dartboard 2015-16 May Revision

This version of SSC’s Financial Projection Dartboard is based on the 2015-16 May Revision. We have updated the cost-of-living adjustment (COLA), Consumer Price Index (CPI), and ten-year T-bill planning factors per the latest economic forecasts. We have also updated the Local Control Funding Formula (LCFF) factors. We rely on various state agencies and outside sources in developing these factors, but we assume responsibility for them with the understanding that they are general guidelines.

LCFF ENTITLEMENT FACTORS				
Entitlement Factors per ADA	K-3	4-6	7-8	9-12
2014-15 Initial Grants	\$7,011	\$7,116	\$7,328	\$8,491
COLA at 1.02%	\$72	\$73	\$75	\$87
2015-16 Base Grants	\$7,083	\$7,189	\$7,403	\$8,578

Entitlement Factors per ADA	K-3	4-6	7-8	9-12
2015-16 Base Grants	\$7,083	\$7,189	\$7,403	\$8,578
Adjustment Factors	10.40% CSR	-	-	2.6% CTE
CSR and CTE amounts	\$737	-	-	\$223
2015-16 Adjusted Base Grants	\$7,820	\$7,189	\$7,403	\$8,801

Supplemental Grants (% Adj. Base)	20%	20%	20%	20%
Concentration Grants	50%	50%	50%	50%
Concentration Grant Threshold	55%	55%	55%	55%

LCFF DARTBOARD FACTORS						
Factor	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
LCFF Planning Factors	SSC Simulator ¹	SSC Simulator ¹	SSC Simulator ²	SSC Simulator ²	SSC Simulator ²	-
SSC LCFF Recommended Gap Funding Percentage	29.97%	53.08%	12.62%	18.24%	20.58%	-
Department of Finance	29.97%	53.08%	37.40%	36.74%	20.97%	-

PLANNING FACTORS							
Factor	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	
Statutory COLA	0.85%	1.02%	1.60%	2.48%	2.87%	2.50%	
COLA on state and local share only of Special Education, Child Nutrition, American Indian Education Centers/American Indian Early Childhood Education	0.85%	1.02%	1.60%	2.48%	2.87%	2.50%	
California CPI	1.40%	2.20%	2.40%	2.60%	2.70%	2.50%	
California Lottery ³	Base	\$128	\$128	\$128	\$128	\$128	\$128
	Proposition 20	\$34	\$34	\$34	\$34	\$34	\$34
Interest Rate for Ten-Year Treasuries	2.20%	2.40%	2.80%	3.00%	3.10%	2.90%	
CalPERS Employer Rate	11.771%	11.847%	13.05%	16.60% ⁴	18.20%	19.90%	
CalSTRS Employer Rate	8.88%	10.73%	12.58%	14.43%	16.28%	18.13%	

RESERVES		
State Reserve Requirement	District ADA Range	Reserve Plan⁵
The greater of 5% or \$64,000	0 to 300	SSC recommends one year’s increment of planned revenue growth
The greater of 4% or \$64,000	301 to 1,000	
3%	1,001 to 30,000	
2%	30,001 to 400,000	
1%	400,001 and higher	

¹ Go to the SSC LCFF Simulator™ at www.sscal.com. Your LCFF amounts for multiyear planning purposes will be provided based on your district-specific data.

² For the forecast years, the total dollar amount needed to fund the statutory COLA is applied to the SSC LCFF Simulator™.

³ The forecast for Lottery funding per ADA includes both base (unrestricted) funding and the amount restricted by Proposition 20 (2000) for instructional materials. Lottery funding is initially based on prior-year annual ADA—and is ultimately based on current-year annual ADA—multiplied by the historical statewide average excused absence factor of 1.04446. Starting in 2015-16, Adult Education ADA and ROC/P ADA will no longer be included in Lottery funding per Government Code Section 8880.5(a)(2).

⁴ CalPERS provided these estimates in 2014 and has not yet issued revised estimates.

⁵ District reserve requirements as stated in the State Board of Education (SBE) adopted criteria and standards based solely on district size are not as relevant when financial volatility and exposure is disparate under the LCFF. We recommend that every district first observe the current SBE-required reserve for the traditional economic uncertainties. We also recommend the establishment of a separate reserve based on the annual LCFF revenue increase projected for the district in Year 2 and Year 3 of the multiyear projection. We recommend that the district develop a plan to, over time, set aside one year’s growth in LCFF funding as a reserve due to the potential volatility inherent in state revenues. Within that set aside, we also recommend assigning the supplemental and concentration dollars.