Teacher Compensation, the District’s Budget and the Local Control Funding Formula

Q: How does the compensation of Evergreen teachers compare to that of other teachers in the valley?

A: Evergreen has excellent teachers who work hard and deserve the best the District has to give. The Board is very happy to provide a great compensation package with salary and benefits among the best in the valley and they hope they can continue to do so. The compensation of a typical Evergreen teacher with 10 years of service exceeds the average of all Santa Clara valley elementary districts by $14,814 and exceeds the average statewide by $19,312. [http://www.eesd.org/uploaded/documents/negotiations/Total_Compensation.pdf](http://www.eesd.org/uploaded/documents/negotiations/Total_Compensation.pdf)

Q: I've heard the District has a lot in reserve. Does the District really have a problem?

A: Yes. The District started this year with $16 million in available reserves or savings. This year it will spend over $5 million of it. The following year it will spend close to $6 million and the following year it will spend $8 million. That's $19 million. The District is required by law to submit a balanced budget to the County for the current year and two years out. The District can't do it with its current level of deficit spending.

Q: What about the Local Control Funding Formula (LCFF)? Won't it bring the District more money?

A: The District is hopeful that the Local Control Funding Formula will be approved by the legislature in June. If it is, it will bring in an additional $1.5 million in revenue. When it is ultimately funded in 2020, it is projected to bring the District over $8,000 per ADA (The Governor is calling for a seven year implementation of LCFF). It is important to know that the LCFF revenue includes state categorical funds (EIA, SIP, textbook, class size, etc.)...in other words it's money that is already committed to existing people and programs.

Q: Won't the District fare better under LCFF?

A: The District’s CFO has calculated the District’s revenue under LCFF. The District will still be deficit spending and will not be able to meet its financial obligations in 2015 - 2016. [http://www.eesd.org/uploaded/documents/community_budget/Budget_Work_Session_-_3-14-13.pdf](http://www.eesd.org/uploaded/documents/community_budget/Budget_Work_Session_-_3-14-13.pdf)
Q: I've heard the Governor is proposing to pay back deferrals? Won't this help?

A: The Governor is planning to pay back deferrals - that will help the District with its cash flow but will not help with the budget. Those funds have already been built into the budget – they are not new money. Think of it this way, the State promised the money and the District has planned for it in its budget. The State then said, “yes, we’ll give it to you; just not all at once. You’ll get some now and some in the future.” The “future” is the deferral. By paying back the deferrals, the state is simply giving districts what it promised and what districts planned for.

Q: Have the District’s reserves gone up?

A: Yes. The District’s reserves have gone up. This has happened in most school districts in California over the past several years because of one-time federal monies (ARRA, Jobs-Fund), categorical flexibility, and the fact that many districts, like Evergreen, have cut programs (GATE, Middle School Counseling, library hours, Grounds/Custodial positions, management positions, class size, transportation). Most districts are coming off of historic high reserve levels but are eating through those reserves quickly because of deficit spending.

Q: How can we know the District’s numbers are accurate?

A: In an effort to ensure that the District is making appropriate assumptions and not being overly conservative, it asked School Services of California (SSC) to come in and review the budget and historical records. School Services is a well-respected advocacy and advisory firm that works closely with Sacramento and school districts throughout California. The District wanted an outside, independent agency to vet its numbers and make sure it is making accurate projections.

The District opened all its books and asked SSC to look at everything, including the assumptions it’s using for both revenue and expenditures. SSC looked at past history (unaudited actuals) and they looked at projections for the next several years. They are in agreement that the District is deficit spending and has a structural imbalance that must be addressed. In other words, the District’s budget problem is very real.