

# Adoption of Proposed Fiscal Year 2014-2015 Budget for All Funds June 19, 2014 Agenda Item #11.5

Presented By  
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Step 1

- **Governor Submits Proposed Budget In January**

Step 2

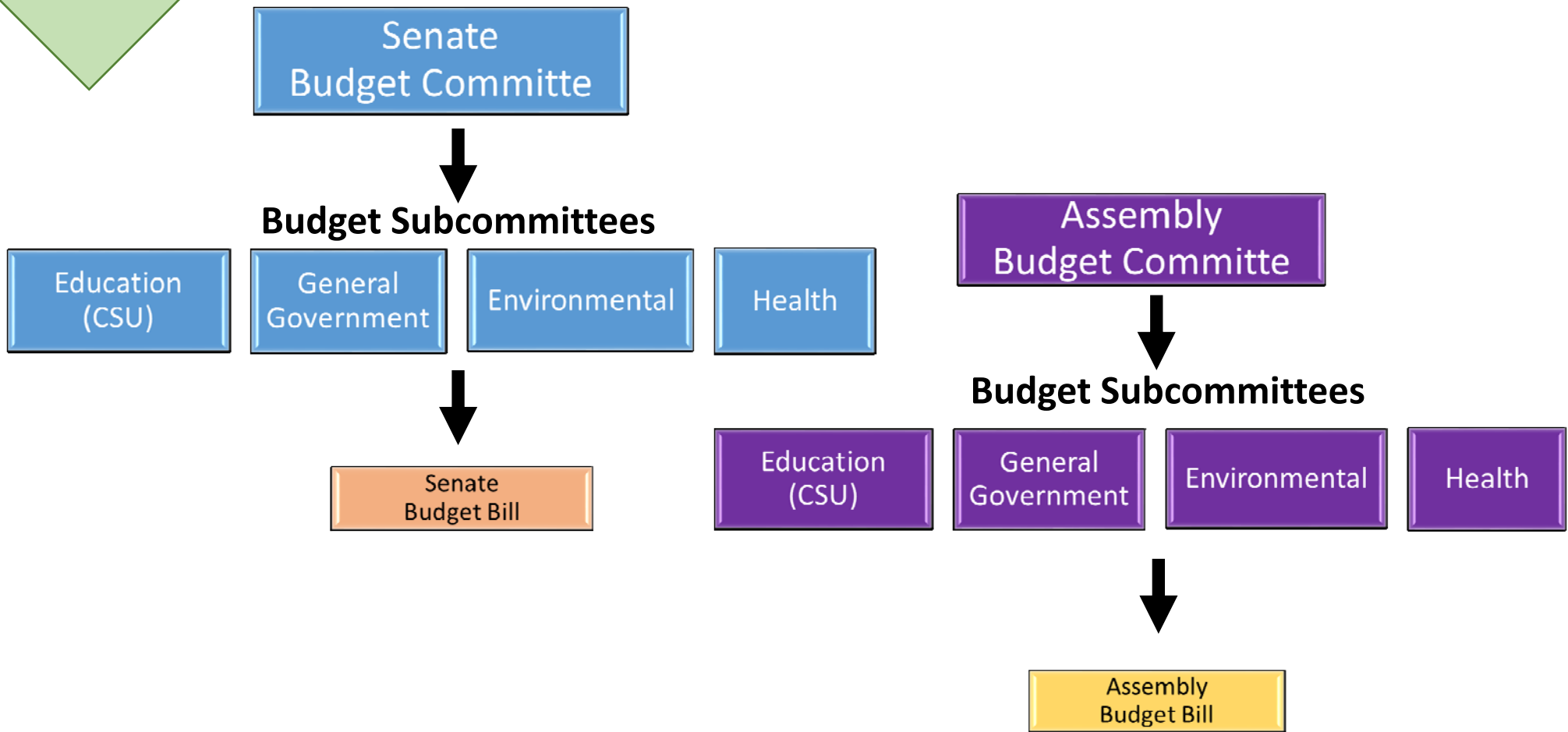
- **Budget Bill Introduced to Legislature**

Step 3

- **Legislative Analyst's Office (LAO) Prepares Analysis and Overview**

## Step 4

### • Legislature Deliberates On The Budget



Step 5

- **Governor Submits “May Revise”**

Step 6

- **Budget Conference Committee Reconciles and Adopts Budget**

Step 7

- **Legislature Votes on Budget**

# Where Are We In The Budget Process?

## Step 7.1

- Legislature working on trailer bills are in the procedural step of “engrossing and enrolling” before transmitting the Budget to the Governor.

## Step 7.2

- The 12-day clock for the Governor to sign or veto the budget bill does not start until the budget bill leaves engrossing and is presented to the Governor.

## Where Are We In The Budget Process?



- At this point, the Governor can use his line-item veto power to reduce or eliminate expenditures (or budget language) from the budget (this is also called “blue penciling”).
- The State Constitution allows the Governor to eliminate and/or reduce items in an appropriation bill containing appropriations, while approving other portions of the same bill.
- Any items vetoed by the Governor can be reconsidered separately or overridden in the same manner as other bills (with a two-thirds vote requirement).
- **The budget goes into effect upon the Governor’s approval of the budget bill.**



## Step 8

# •Governor Signs Budget

### HISTORICAL DATA DATES FOR MAY REVISION AND BUDGET BILL ENACTMENT

Year	MAY REVISION LETTER DATES		BUDGET ACT DATES	
	Revenues	Expenditures	Passed <sup>6/</sup>	Signed
2011-12	5-16-11	5-16-11	6-28-11	6-30-11
2012-13	5-14-12	5-14-12	6-15-12	6-27-12
2013-14	5-14-13	5-14-13	6-14-13	6-27-13
2014-15	5-13-14	5-13-14	6-15-14	?

Recent history would tell us that if the legislature completes it work that the Governor would sign the Budget Bill by the end of June.

# LCFF Increase In Funding

- Interpreting what we know today about the Budget Bill, the Budget Team has made the following estimate:

Budget Bill LCFF Increase	(A) 2014-15 Passed Budget*	(B) 2014-15 Budget Adoption	C = (A) - (B)
Anticipated Change in LCFF Funding	29.02%	28.05%	Change in LCFF Revenue
Additional Revenue	\$ 29,087,789	\$ 28,011,802	\$ 1,075,987

\* Pending Governor Signature, assumes 29.02% based on School Service of California information.



# Immediate Next Steps

- **Await additional financial information and recommend revisions to the Board after completion of the State Budget Process and Adopt an Amended Budget within the 45 day mandate.**

**Example: if budget is signed on June 25<sup>th</sup> ,  
amended adoption must occur within green area.**

June						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					
						<b>6</b>

July						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		
						<b>37</b>

August						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						<b>45</b>

**Extract From**  
**2014/15 Sacramento City Community Priority Coalition LCAP Budget**  
 General Fund (Fund01)

June 3, 2014

- The Coalition presented two substantial change recommendations. The first is presented below:

B. EXPENDITURES	Resource Codes	Object Codes	SCUSD July 1 Adopted 5/28/14	COMMUNITY 6/3/14
1) CERTIFICATED SALARIES				
Certificated Teachers' Salaries		1100	139,622,134.74	144,622,134.74
Certificated Pupil Support Salaries		1200	7,536,074.57	7,536,074.57
Certificated Supervisors' and Administrators' Salaries		1300	15,809,262.84	15,809,262.84
Other Certificated Salaries		1900	8,568,463.55	5,568,463.55
<b>TOTAL, CERTIFICATED SALARIES</b>			<b>171,535,935.70</b>	<b>173,535,935.70</b>

- These recommendations take \$3 million from object 1900, \$1 million from object 5100, and \$1 million from object 5800 and increase certificated salaries by \$5 million.

- **Unfortunately due to how California mandates we account for our funds, this is not as easy as it seems as explained in this excerpt from California School Accounting Manual.**
- *In California LEAs, **restricted** programs or activities relating to the operation of kindergarten through grade twelve (K–12) educational programs are considered a part of ordinary operations and are accounted for in the **general fund rather than in a special revenue fund.** [Not common in other states due to the confusion and misrepresentation of available funds that it causes. It is however politically expedient.]*
- *Within the general fund, restricted programs or activities must be identified, accounted for, and reported separately. This requirement means that general fund activities will be divided into **restricted** and **unrestricted** segments.*

- *Restricted programs or activities are those funded from revenue sources subject to constraints imposed by external resource providers or by law through constitutional provisions or enabling legislation.*
- *Unrestricted revenues are those funds whose uses are not subject to external or legal constraints and may be used for any purposes not prohibited by law.*
- *Programs funded by a combination of **restricted** and **unrestricted** sources, where the contribution of **unrestricted** resources is required as a condition of funding or is necessary to operate the program, are **accounted for and reported as restricted**.*

- As you can see below most of the funds that the Community recommended be transferred are restricted and cannot be moved without penalty.

Object Description	Object Code	Unrestricted	Restricted	Total Fund
Certificated Teachers' Salaries	1100	\$108,701,943	\$30,920,192	\$139,622,135
Certificated Pupil Support Salaries	1200	\$3,346,448	\$4,189,627	\$7,536,075
Certificated Administrators' Salaries	1300	\$12,686,556	\$3,122,707	\$15,809,263
Other Certificated Salaries	1900	\$1,180,839	\$7,387,625	\$8,568,464
<b>TOTAL CERTIFICATED SALARIES</b>		<b>\$125,915,785</b>	<b>\$45,620,150</b>	<b>\$171,535,936</b>

- The second recommendation has the same issue, however not at the same magnitude.

# Community Budget Recommendations

	Object Codes	SCUSD July 1 Adopted 5/28/14	COMMUNITY 6/3/14
<b>5) SERVICES and OTHER OPERATING EXPENDITURES</b>			
Subagreements for Services	5100	22,635,940.44	21,635,940.44
Travel and Conferences	5200	338,413.65	338,413.65
Dues and Memberships	5300	60,590.00	60,590.00
Insurance	5400-5450	1,887,460.00	1,887,460.00
Operations and Housekeeping Services	5500	9,614,391.00	9,614,391.00
Rentals, Leases, Repairs, and Noncapitalized Equipment	5600	1,875,201.63	1,875,201.63
Transfers of Direct Costs	5710	0.00	0.00
Transfers of Direct Costs - Interfund	5750	<920,275.00>	<920,275.00>
Professional/Consulting Services and Operating Expenditures	5800	16,541,098.25	15,541,098.25
Communications	5900	648,619.00	648,619.00
<b>TOTAL, SERVICES &amp; OTHER OPERATING EXPENDITURES</b>		<b>52,681,438.97</b>	<b>50,681,438.97</b>

Object Description	Object Code	Unrestricted	Restricted	Total Fund
Subagreements For Services	5100	\$110,000	\$22,525,940	\$22,635,940
Travel and Conferences	5200	\$162,197	\$170,217	\$338,414
Dues and Memberships	5300	\$58,490	\$2,100	\$60,590
Insurance	5400	\$1,887,460	\$0	\$1,887,460
Operations and Utilities	5500	\$9,614,391	\$0	\$9,614,391
Rentals, Leases, Repairs and Improvements	5600	\$1,545,222	\$329,980	\$1,875,202
Transfers of Direct Costs	5700	(\$874,128)	(\$40,147)	(\$920,275)
Professional/Consulting & Operating Expenditures	5800	\$7,957,782	\$8,583,316	\$16,541,098
Communications	5900	\$621,456	\$27,163	\$648,619
<b>TOTAL SERVICES &amp; OTHER OPERATING EXP.</b>		<b>\$21,082,869</b>	<b>\$31,598,569</b>	<b>\$52,681,439</b>

**Extract From**  
**2014/15 Sacramento City Community Priority Coalition LCAP Budget**

<b>Comment</b>	<b>Recommendation</b>
<b>Class size adjustment/reductions.</b>	<b>\$3 Million for class size reduction.</b>
<b>Culturally competent professional development.</b>	<b>\$3 Million for professional development and \$500,000 for Restorative Justice.</b>
<b>After school and /or other early intervention supports/programs.</b>	<b>\$2 million for after-school and early intervention (i.e. music and arts)</b>
<b>No additional funding for School Resource Officers and Legal.</b>	<b>No additional funding until staff provide adequate justification.</b>
<b>Target funding to close the opportunity gap.</b>	<b>\$500,000</b>



## Next Steps Regarding Community Budget Input

- **Setup a series of meetings:**
  - ✓ **To obtain input on implementation of new budget system.**
  - ✓ **Work to ensure that the Community Priority Coalition has appropriate access to information on District website.**
  - ✓ **Work to ensure that the Community Priority Coalition understands how/where expenditures and revenues are accounted for within the budget and what the constraints are related to each.**



# Class Size Discussion

Grade Levels	If Not Negotiated Class Size Maximum By FY 2019-20	Negotiated Maximums	Year To Date Average**
K	24	32	27.98
1-3	24	31	
4-6	Not Applicable	33	29.70
7-8	Not Applicable	31*	28.80
9-13	Not Applicable	32*	25.85

**\*Up to 35 in core classes, English, Social Studies, Mathematics, and Science, not to exceed 170 pupil contacts per day.**

**\*\*These numbers are averages. With the investment required to meet K-3 requirements significant additional revenue will be required to address other grades.**

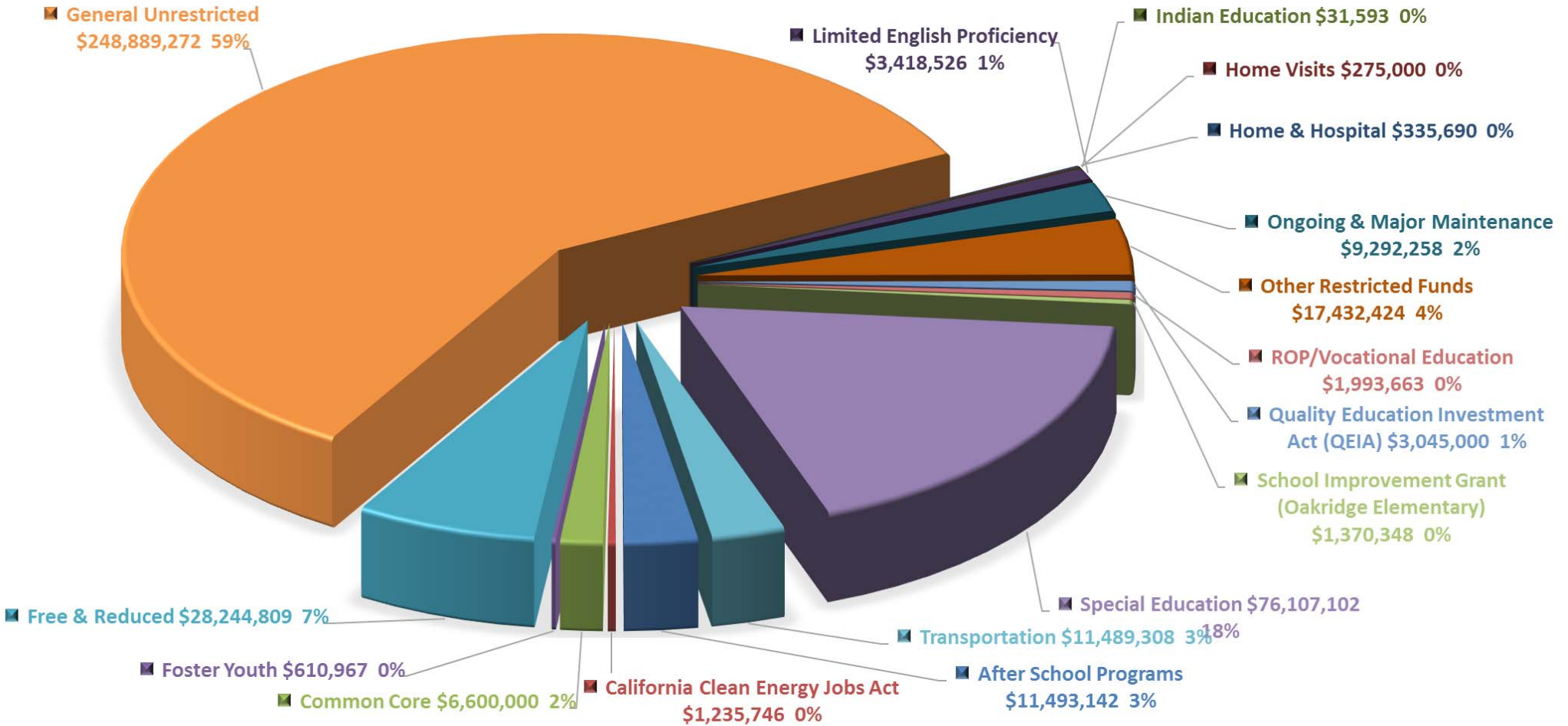
# Class Size Discussion

<b>Current YTD Average K-3 Class Size 27.98 Field Description</b>	<b>Minimum Improvement Required FY 2014-15 If No Negotiated Agreement</b>	<b>Recommended Improvement FY 2014-15 If No Negotiated Agreement To Bring K In Line With 1-3</b>	<b>Required Improvement If No Negotiated Agreement</b>	<b>Required Improvement If No Negotiated Agreement</b>	<b>Required Improvement If No Negotiated Agreement</b>	<b>Required Improvement If No Negotiated Agreement</b>	<b>Required Improvement If No Negotiated Agreement</b>
<b>Total Students Over</b>	<b>300</b>	<b>342</b>	<b>565</b>	<b>871</b>	<b>1,150</b>	<b>1,537</b>	<b>1,914</b>
<b>Class Counts</b>	<b>170</b>	<b>184</b>	<b>227</b>	<b>297</b>	<b>316</b>	<b>359</b>	<b>373</b>
<b>Calculated FTE's Required</b>	<b>10.34</b>	<b>11.79</b>	<b>20.18</b>	<b>32.26</b>	<b>44.23</b>	<b>61.48</b>	<b>79.75</b>
<b>Allowance For Student Distribution 20%</b>	<b>2.07</b>	<b>2.36</b>	<b>4.04</b>	<b>6.45</b>	<b>8.85</b>	<b>12.30</b>	<b>15.95</b>
<b>Estimated Required Additional FTE's</b>	<b>12.41</b>	<b>14.15</b>	<b>24.22</b>	<b>38.71</b>	<b>53.08</b>	<b>73.78</b>	<b>95.70</b>
<b>Estimated Cost Using \$102,300 Average Teacher Compensation</b>	<b>\$ 1,269,543</b>	<b>\$ 1,447,545</b>	<b>\$ 2,477,706</b>	<b>\$ 3,960,033</b>	<b>\$ 5,430,084</b>	<b>\$ 7,547,694</b>	<b>\$ 9,790,110</b>
<b>Annual Increase Required If No Negotiated Agreement</b>		<b>\$ 1,447,545</b>	<b>\$ 1,030,161</b>	<b>\$ 1,482,327</b>	<b>\$ 1,470,051</b>	<b>\$ 2,117,610</b>	<b>\$ 2,242,416</b>
<b>Does Not Include Facility or Transportation Expenses</b>	<b>?</b>	<b>?</b>	<b>?</b>	<b>?</b>	<b>?</b>	<b>?</b>	<b>?</b>

# Expenditures By Program

Location/Department	Unrestricted	Restricted	Total Fund
After School Programs	\$0	\$11,493,142	\$11,493,142
California Clean Energy Jobs Act	\$0	\$1,235,746	\$1,235,746
Common Core	\$0	\$6,600,000	\$6,600,000
Foster Youth	\$0	\$610,967	\$610,967
Free & Reduced	\$8,621,415	\$19,623,394	\$28,244,809
General Unrestricted	\$248,889,272	\$0	\$248,889,272
Home & Hospital	\$335,690	\$0	\$335,690
Home Visits	\$0	\$275,000	\$275,000
Indian Education	\$0	\$31,593	\$31,593
Limited English Proficiency	\$2,373,180	\$1,045,346	\$3,418,526
Ongoing & Major Maintenance	\$0	\$9,292,258	\$9,292,258
Other Restricted Funds	\$0	\$17,432,424	\$17,432,424
Quality Education Investment Act (QEIA)	\$0	\$3,045,000	\$3,045,000
ROP/Vocational Education	\$1,537,315	\$456,348	\$1,993,663
School Improvement Grant (Oakridge Elementary)	\$0	\$1,370,348	\$1,370,348
Special Education	\$0	\$76,107,102	\$76,107,102
Transportation	\$11,489,308	\$0	\$11,489,308
<b>GRAND TOTALS:</b>	<b>\$273,246,180</b>	<b>\$148,618,668</b>	<b>\$421,864,848</b>

# Expenditures By Program



# Expenditures By Object

Object Description	Object Code	Unrestricted	Restricted	Total Fund
Certificated Teachers' Salaries	1100	\$108,701,943	\$30,920,192	\$139,622,135
Certificated Pupil Support Salaries	1200	\$3,346,448	\$4,189,627	\$7,536,075
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Other Certificated Salaries	1900	\$1,180,839	\$7,387,625	\$8,568,464
<b>TOTAL CERTIFICATED SALARIES</b>		<b>\$125,915,785</b>	<b>\$45,620,150</b>	<b>\$171,535,936</b>
Classified Instructional Salaries	2100	\$1,079,866	\$8,687,700	\$9,767,566
Classified Support Salaries	2200	\$14,444,352	\$6,113,513	\$20,557,865
Classified Administrators' Salaries	2300	\$4,065,785	\$2,007,890	\$6,073,675
Clerical, Technical and Office Salaries	2400	\$13,633,061	\$1,896,139	\$15,529,200
Other Classified Salaries	2900	\$1,440,980	\$828,474	\$2,269,454
<b>TOTAL CLASSIFIED SALARIES</b>		<b>\$34,664,044</b>	<b>\$19,533,716</b>	<b>\$54,197,760</b>
STRS	3100	\$11,831,857	\$4,171,725	\$16,003,582
PERS	3200	\$3,473,809	\$2,016,945	\$5,490,754
OASDI/Medicare/Alternative	3300	\$4,196,022	\$2,106,256	\$6,302,278
Health and Welfare Benefits	3400	\$47,095,959	\$20,536,321	\$67,632,280
Unemployment Insurance	3500	\$97,161	\$47,027	\$144,188
Workers' Compensation	3600	\$3,457,437	\$1,363,624	\$4,821,061
OPEB	3700	\$15,271,913	\$6,650,492	\$21,922,405
Other Employee Benefits	3900	\$101,220	\$38,066	\$139,286
<b>TOTAL EMPLOYEE BENEFITS</b>		<b>\$85,525,378</b>	<b>\$36,930,457</b>	<b>\$122,455,834</b>

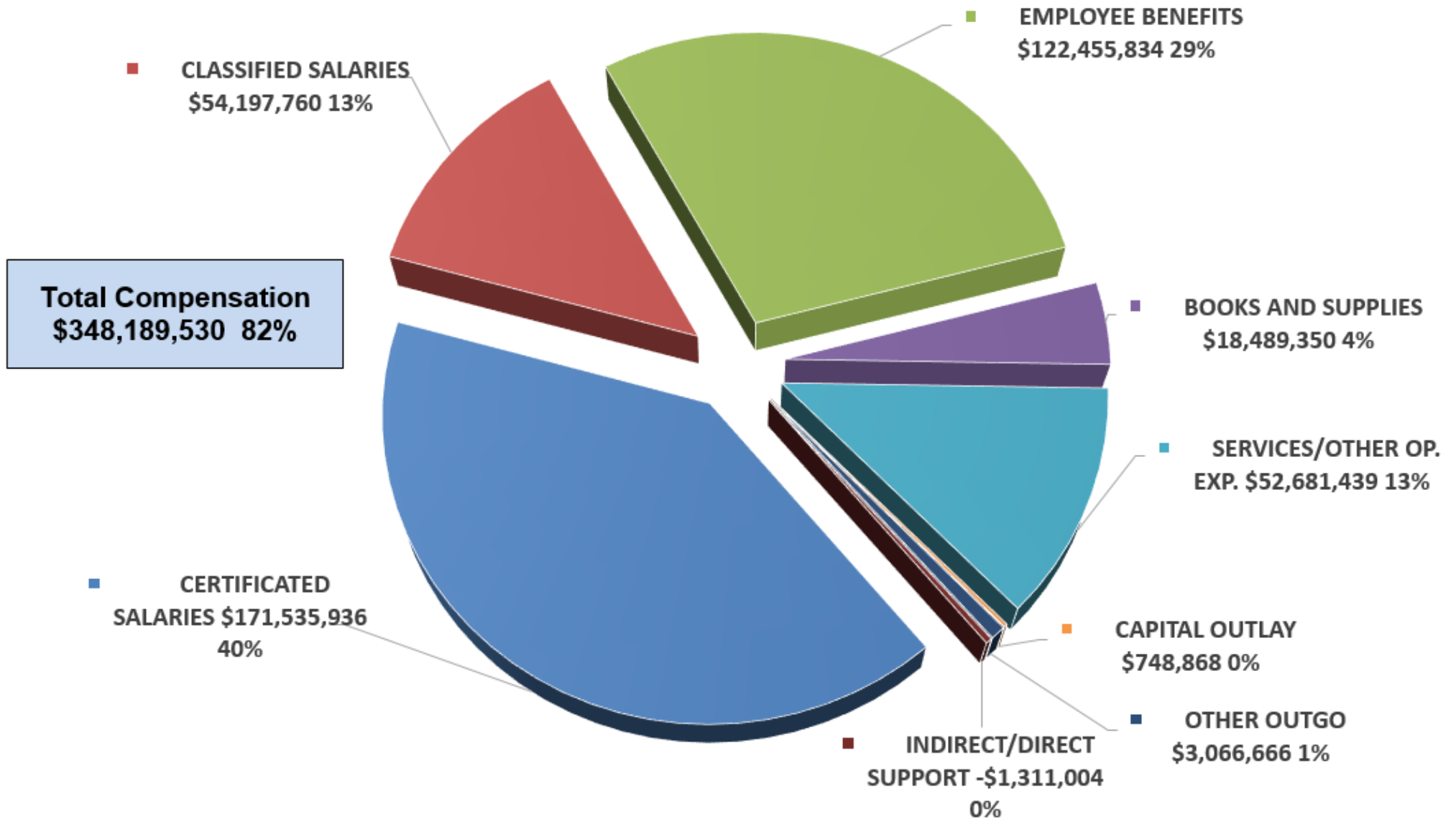
## Expenditures By Object (Continued)

Object Description	Object Code	Unrestricted	Restricted	Total Fund
Approved Textbooks & Core Curricula Materials	4100	\$392,552	\$2,520,433	\$2,912,985
Books & Other Reference Materials	4200	\$129,033	\$96,297	\$225,330
Materials and Supplies	4300	\$5,080,449	\$8,628,218	\$13,708,668
Non-capitalized Equipment	4400	\$744,509	\$897,858	\$1,642,367
<b>TOTAL BOOKS AND SUPPLIES</b>		<b>\$6,346,543</b>	<b>\$12,142,807</b>	<b>\$18,489,350</b>
Subagreements For Services	5100	\$110,000	\$22,525,940	\$22,635,940
Travel and Conferences	5200	\$162,197	\$176,217	\$338,414
Dues and Memberships	5300	\$58,490	\$2,100	\$60,590
Insurance	5400	\$1,887,460	\$0	\$1,887,460
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Communications	5900	\$621,456	\$27,163	\$648,619
<b>TOTAL SERVICES &amp; OTHER OPERATING EXP.</b>		<b>\$21,082,869</b>	<b>\$31,598,569</b>	<b>\$52,681,439</b>
Buildings and Improvements of Buildings	6200	\$5,150	\$517,674	\$522,824
Equipment (Capitalized)	6400	\$33,455	\$145,000	\$178,455
Equipment Replacement	6500	\$47,589	\$0	\$47,589
<b>TOTAL CAPITAL OUTLAY</b>		<b>\$86,194</b>	<b>\$662,674</b>	<b>\$748,868</b>
Transfers of Indirect Costs	7300	(\$3,436,016)	\$2,125,012	(\$1,311,004)
Debt Service	7400	\$3,061,383	\$5,283	\$3,066,666
<b>TOTAL OTHER OUTGO</b>		<b>(\$374,633)</b>	<b>\$2,130,295</b>	<b>\$1,755,662</b>
<b>GRAND TOTALS:</b>		<b>\$273,246,180</b>	<b>\$148,618,668</b>	<b>\$421,864,848</b>



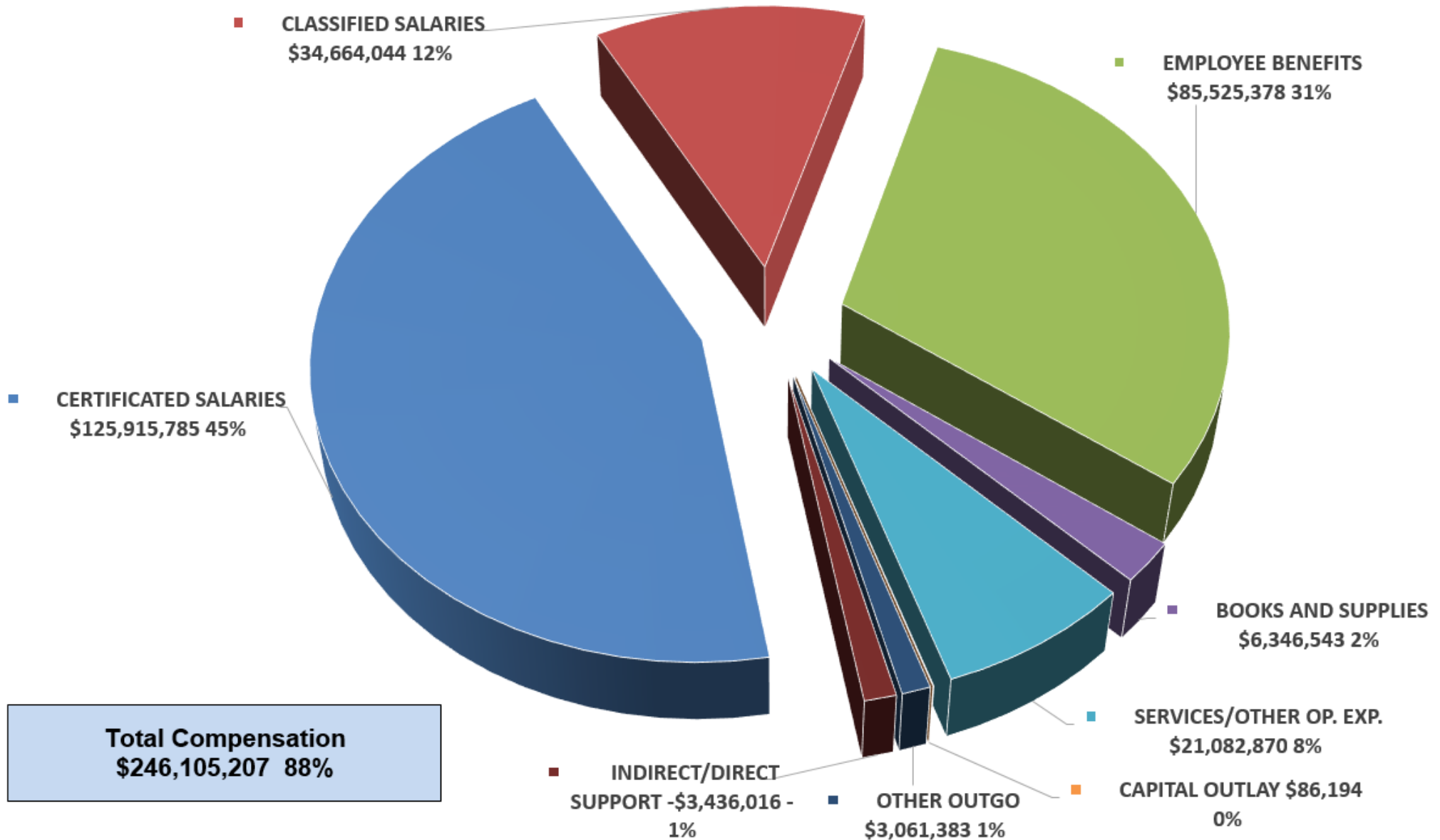
# How Are The Funds Spent By Object?

## Total General Fund



# How Are The Funds Spent By Object?

## Unrestricted General Fund





# Expenditures By Location

Location/Department	Unrestricted	Restricted	Total Fund
School Sites	\$213,378,746	\$50,756,906	\$264,135,651
Academic Achievement	\$0	\$506,290	\$506,290
Account Control Awaiting Funds Internal Reserve Funds	\$5,297,898	\$7,528,000	\$12,825,898
Accounting Services	\$897,201	\$0	\$897,201
Area Assistant Superintendents	\$677,123	\$54,649	\$731,772
Assess Research & Evaluation Services	\$756,660	\$67,672	\$824,332
Attrition & Step/Column	\$3,400,000	\$0	\$3,400,000
Board of Education	\$355,886	\$0	\$355,886
Budget Services	\$939,109	\$7,509	\$946,618
Building & Grounds/Operations	\$2,257,366	\$0	\$2,257,366
Business Services	\$2,539,403	\$0	\$2,539,403
Career & Technical Preparation	\$1,736,483	\$532,348	\$2,268,831
Certificates of Participation	\$3,061,383	\$0	\$3,061,383
Chief Academic Officer	\$540,962	\$956,348	\$1,497,309
Chief Accountability Office	\$929,788	\$224,974	\$1,154,762
Chief of Schools	\$798,657	\$15,650	\$814,306
Chief of Staff/Office of Innovations	\$215,949	\$163,057	\$379,006
Communications	\$674,809	\$0	\$674,809
Curriculum & Prof Development	\$486,354	\$9,705,925	\$10,192,279

## Expenditures By Location (Continued)

Location/Department	Unrestricted	Restricted	Total Fund
Distribution Services	\$442,431	\$0	\$442,431
Education Center	\$665,764	\$0	\$665,764
Employee Compensation	\$784,085	\$0	\$784,085
Employee Relations	\$39,897	\$0	\$39,897
Enrollment Center	\$812,333	\$0	\$812,333
Facilities Maintenance	\$51,006	\$9,650,190	\$9,701,196
Facilities Support Services	\$657,671	\$617,873	\$1,275,544
Family & Community Engagement	\$16,938	\$331,405	\$348,343
Foster Youth Services	\$0	\$610,967	\$610,967
Gifted & Talented Education	\$446,126	\$0	\$446,126
Health Services	\$1,067,307	\$564,084	\$1,631,391
Human Resource Services	\$2,664,226	\$78,500	\$2,742,726
Indian Education	\$0	\$31,593	\$31,593
Indirect Costs	(\$3,436,016)	\$859,312	(\$2,576,704)
Information Services	\$2,458,641	\$184,869	\$2,643,510
Instructional Materials	\$349,738	\$59,295	\$409,033
Integrated Services	\$63,909	\$1,451,375	\$1,515,284
Internal Audit	\$148,490	\$0	\$148,490
Legal Counsel	\$1,687,495	\$0	\$1,687,495
Linked Learning	\$385,561	\$162,766	\$548,327
Long Term Leaves	\$5,925,000	\$0	\$5,925,000

## Expenditures By Location (Continued)

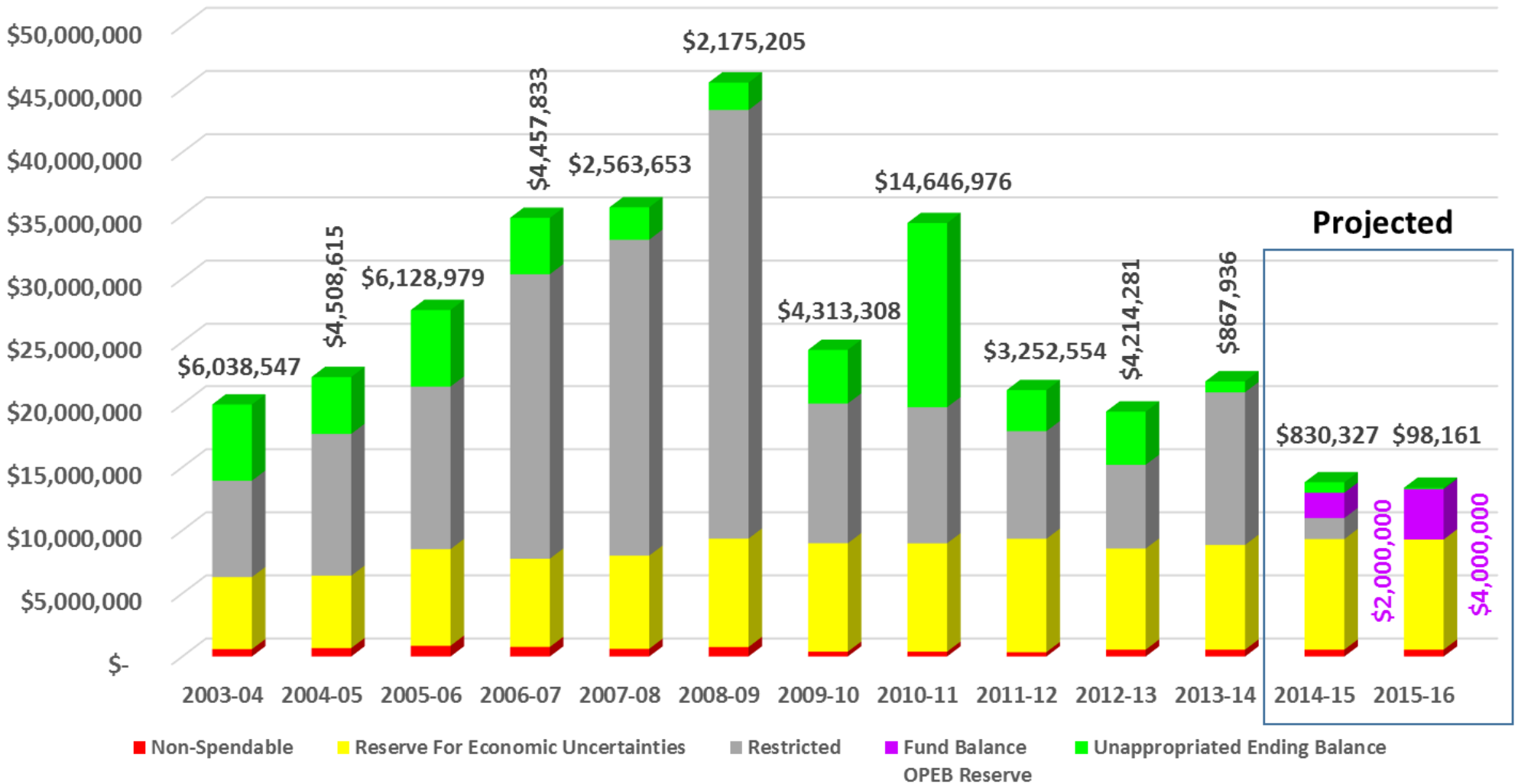
Location/Department	Unrestricted	Restricted	Total Fund
Matriculation & Orientation Center	\$696,709	\$48,600	\$745,309
Multilingual/Multicultural	\$222,958	\$1,121,852	\$1,344,810
Music Section	\$376,443	\$139,831	\$516,273
Nutrition Services	\$60,850	\$0	\$60,850
Purchasing Services	\$969,784	\$0	\$969,784
Reassigned	\$2,181,057	\$52,500	\$2,233,557
Reproduction	\$385,150	\$0	\$385,150
Risk Management	\$2,507,427	\$0	\$2,507,427
Safe Schools Office	\$1,214,751	\$45,000	\$1,259,751
School Family & Community Partners	\$416,600	\$541,737	\$958,338
Security Services	\$303,223	\$0	\$303,223
Special Education	\$330,253	\$40,969,295	\$41,299,548
Staff Development	\$57,159	\$19,053	\$76,212
State and Federal Programs	\$0	\$3,973,769	\$3,973,769
State Lottery	(\$404,485)	\$404,485	\$0
Student Services	\$691,355	\$178,126	\$869,481
Superintendent's Office	\$764,524	\$0	\$764,524
Title II Staff Development	(\$3,350,937)	\$3,350,937	\$0
Transportation	\$11,530,551	\$0	\$11,530,551
Youth Development	\$118,430	\$12,651,925	\$12,770,355
<b>GRAND TOTALS:</b>	<b>\$273,246,180</b>	<b>\$148,618,668</b>	<b>\$421,864,848</b>

## Expenditures By Location (Continued)

<b>Account Control Awaiting Funds Internal Reserve Funds</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total Location</b>
Salaries Possible Additional Subs Needs/Temp	\$1,214,950	\$0	\$1,214,950
Salaries Additional Personnel Compensation Adjustments	\$2,413,995	\$0	\$2,413,995
Replacement Approved Textbooks & Core Curricular Materials	\$234,039	\$0	\$234,039
Materials and Supplies - District Wide Needs	\$400,000	\$0	\$400,000
Emergency Non-capitalized Equipment - District Wide Needs	\$200,000	\$0	\$200,000
Operations and Utilities Increase (Water Meters Mid Year Rate Increases)	\$534,914	\$0	\$534,914
Unanticipated Software Upgrades - Licenses	\$300,000	\$0	\$300,000
California Clean Energy Fund - Carryover	\$0	\$617,873	\$617,873
Federal Funds Expected to be received thru Year	\$0	\$4,000,000	\$4,000,000
State Funds Expected to be received thru Year	\$0	\$382,127	\$382,127
Local Funds Expected to be received thru Year	\$0	\$2,528,000	\$2,528,000
	<b>\$5,297,898</b>	<b>\$7,528,000</b>	<b>\$12,825,898</b>

# History of Fund Balance Components

## Components of Ending Fund Balance





**Legislation contained within the Adopted Budget Bill would limit our Unrestricted Ending Fund Balance to 4%.**

- **How does this impact us?**
  - **It doesn't at first. If we interpret the legislation correctly we have an unrestricted ending fund balance of 2.22%**
  - **We could grow our ending fund balance by over \$7 million before approaching the new limit.**
- **This legislation is still a poor idea because it will cause:**
  - **Unnecessary Year End Spending**
  - **Loss of Local Control**
  - **Inability to Sustain Reasonable Cash Flow- We May Have to Keep Borrowing! That Costs Money!**
  - **Financial markets to take a dim view of this legislation.**
  - **No reserve for revenue or expenditure volatility.**

➤ **I Guess We Were Pioneers** 



**Legislation requires districts to “substantiate” the need for “unassigned or assigned ending fund balance” above the districts’ state required minimum reserve beginning with the FY 2015-16 fiscal year.**

- **Yet another requirement has been added to the budget process.**
  - **At the public hearing for the budget adoption or revision the District will be required to substantiate the reasons for this “excess” and the County Office of Education will be required to determine whether the District complied with this requirement.**
- **As if these rules are not confusing enough there are certain triggers related to deposits into Proposition 98 portions of the Rainy Day Fund if it is approved in November.**
- **We will move forward under the assumption that our District may not have more than 2% above the State mandated 2% reserve.**



# Retirement Impact

## CalSTRS Possible Case Scenario Of Increased Employer Contributions

Year			Employee Contribution	Current Employer Rate FY 2013-2014	Increase Over Current	Increase Over Previous Year	Percentage Increase Over Previous Year	Total Employer Contribution	Salary*	Estimated Total Cost	Increased Cost Over Previous Year	Increased Cumulative Cost
FY 2013 - 2014	8.00%	8.25%	0.00%	0.00%	0.00%	8.25%	\$ 167,490,622.00	\$ 13,817,976.32				
FY 2014 - 2015	8.15%	8.25%	0.63%	0.63%	7.64%	8.88%	\$ 170,002,981.33	\$ 15,096,264.74	\$ 1,278,288.43	\$ 1,278,288.43		
FY 2015 - 2016	9.20%	8.25%	2.48%	1.85%	20.83%	10.73%	\$ 172,553,026.05	\$ 18,514,939.70	\$ 3,418,674.95	\$ 4,696,963.38		
FY 2016 - 2017	10.25%	8.25%	4.33%	1.85%	17.24%	12.58%	\$ 175,141,321.44	\$ 22,032,778.24	\$ 3,517,838.54	\$ 8,214,801.92		
FY 2017 - 2018	10.21%	8.25%	6.18%	1.85%	14.71%	14.43%	\$ 177,768,441.26	\$ 25,651,986.07	\$ 3,619,207.84	\$ 11,834,009.76		
FY 2018 - 2019	10.25%	8.25%	8.03%	1.85%	12.82%	16.28%	\$ 180,434,967.88	\$ 29,374,812.77	\$ 3,722,826.70	\$ 15,556,836.46		
FY 2019 - 2020	10.25%	8.25%	9.88%	1.85%	11.36%	18.13%	\$ 183,141,492.40	\$ 33,203,552.57	\$ 3,828,739.80	\$ 19,385,576.26		
FY 2020 - 2021	10.25%	8.25%	10.85%	0.97%	5.35%	19.10%	\$ 185,888,614.79	\$ 35,504,725.42	\$ 2,301,172.85	\$ 21,686,749.11		

## CalPERS Possible Case Scenario Of Increased Employer Contributions

Year			Employee Contribution	Current Employer Rate FY 2013-2014	Increase Over Current	Increase Over Previous Year	Percentage Increase Over Previous Year	Total Employer Contribution	Salary**	Estimated Total Cost	Increased Cost Over Previous Year	Increased Cumulative Cost
FY 2013 - 2014	7.00%	11.442%	0.000%	0.000%	0.000%	11.442%	\$ 49,861,101.00	\$ 5,705,107.18				
FY 2014 - 2015	7.00%	11.442%	0.258%	0.258%	2.255%	11.700%	\$ 50,235,059.26	\$ 5,877,501.93	\$ 172,394.76	\$ 172,394.76		
FY 2015 - 2016	7.00%	11.442%	1.158%	0.900%	7.692%	12.600%	\$ 50,611,822.20	\$ 6,377,089.60	\$ 499,587.66	\$ 671,982.42		
FY 2016 - 2017	7.00%	11.442%	3.558%	2.400%	19.048%	15.000%	\$ 50,991,410.87	\$ 7,648,711.63	\$ 1,271,622.03	\$ 1,943,604.45		
FY 2017 - 2018	7.00%	11.442%	5.158%	1.600%	10.667%	16.600%	\$ 51,373,846.45	\$ 8,528,058.51	\$ 879,346.88	\$ 2,822,951.33		
FY 2018 - 2019	7.00%	11.442%	6.758%	1.600%	9.639%	18.200%	\$ 51,759,150.30	\$ 9,420,165.35	\$ 892,106.84	\$ 3,715,058.18		
FY 2019 - 2020	7.00%	11.442%	8.458%	1.700%	9.341%	19.900%	\$ 52,147,343.93	\$ 10,377,321.44	\$ 957,156.09	\$ 4,672,214.26		
FY 2020 - 2021	7.00%	11.442%	8.958%	0.500%	2.513%	20.400%	\$ 52,538,449.01	\$ 10,717,843.60	\$ 340,522.16	\$ 5,012,736.42		

\* Assuming 1.5% Step and Column Increase for certificated employees

\* Assuming .75% Step and Column Increase for classified employees

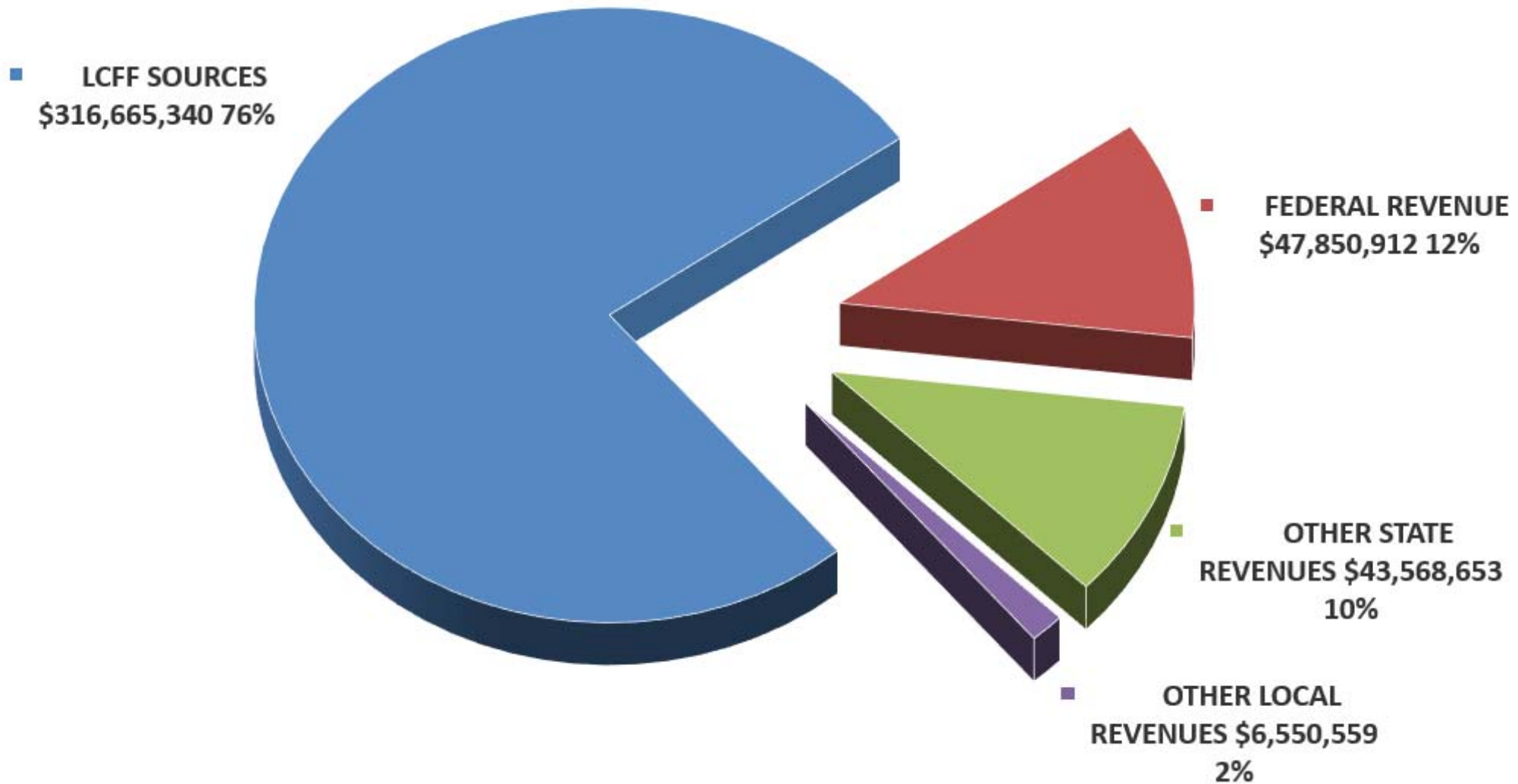


- If we assume that the Governor does not make substantial changes, this is what we know from the previous page and the Budget Bill.
  - This budget covers our estimated cost of the CalSTRS & CalPERS impacts as presented in the Governor's May Revise therefore approximately **\$1,054,000 becomes available for the FY 2014-15 budget.**
    - Remember the increase in CalSTRS & CalPERS for FY 2014-15 is approximately \$1,450,683 but in FY 2015-16 it more than doubles to **approximately \$3,918,263. Critical that we do multi-year planning.**

- **The Budget Bill also includes “One-Time” funds for Common Core or other “One-Time” expenditures generated through funding of the Mandated Cost Reimbursement Provisions.**
  - **The Budget Team estimates our share of these funds to be \$2,574,000.**
  - **Using a collaborative process with our Labor Partners we recommend that these funds be dedicated to implementing the Common Core.**
- **We are awaiting additional information on possible funds for Career Pathways and how the Early Childhood funding will work.**

- **Summary of Increased Revenue or Reduced Expenditures:**
  - **Ongoing Revenue**
    - LCFF Revenue Enhancements \$1,076,000
  - **One-Time Revenue**
    - Mandated Cost Reimbursement \$2,574,000  
For Common Core One-Time Expenditures
  - **One-Time Expense Reduction**
    - CalSTRS Savings \$1,054,000
- **NEXT STEPS – Finalize numbers, take input from tonight’s recommendations, and propose amendments to the budget within the 45 day limit.**

# Where Does The Money Come From? Total General Fund



# FY 2014-15 Total New Revenue

Description	2014-15 Budget Included To Date	Account Code: Resource / Object
<b>Additional Revenue -LCFF Sources</b>	<b>\$ 31,997,702.00</b>	
<b>Loss Due to Declining Enrollment</b>	<b>\$ (3,985,800.00)</b>	
	<b>\$ 28,011,902.00</b>	<b>R0000/8011</b>

- The following slides reconcile expenditures contained within the budget with the New Revenue provided above.
- Important to remember that under the Local Control Funding Formula (LCFF) we are required to spend at least \$3,353,299 more in FY 2014-15 than was spent in FY 2013-14 on Free & Reduced Eligible Students, Foster Youth, or English Language Learners.

# Expenditures of New Revenue

Included In Budget	FIXED COSTS & COLLECTIVE BARGAINING AGREEMENT (CBA) EXPENDITURES	LCAP Priority	Amount	% of Total New Revenue	Account Code: Resource/Object	LCAP Goal
Yes	Increase in Utilities, Electric, Water	Schools will provide students with a clean, healthy, physically and emotionally safe learning environment	\$ 963,000.00	3.44%	R0000/5500	Goal 2
Yes	Fund School Resource Officers In Accordance With Current Contract	Schools will provide students with a clean, healthy, physically and emotionally safe learning environment	\$ 300,000.00	1.07%	R0000/5800	Goal 2
Yes	Additional Contribution to Special Ed Program	Increase the percent of students who are on-track to graduate college and career ready	\$ 3,716,575.00	13.27%	R6500/8980	Goal 1
Yes	Fund Legal Budget in Accordance With Current Level Of Expenditures	None	\$ 281,000.00	1.00%	R0000/5800	Not Applicable
Yes	Certificate of Participation Due To Shortage of Developer Fees	None	\$ 907,000.00	3.24%	R0000/7438	Not Applicable
Yes	Increase in Step and Column	CBA	\$ 3,400,000.00	12.14%	R0000/1000/2000	Not Applicable
Yes	Increase in Health Benefits - 10%	CBA	\$ 4,978,000.00	17.77%	R0000/3400	Not Applicable
Yes	Reduction in Teachers due to declining enrollment (12FTE)	NA	\$ (900,000.00)	-3.21%	R0000/1100	Not Applicable
Yes	Librarians - Bring Back in FY 2013-14	Increase the percent of students who are on-track to graduate college and career ready; CBA	\$ 1,000,000.00	3.57%	R0000/1200	Goal 1
Yes	21 FTE Reserve for Fall Enrollment Changes	Increase the percent of students who are on-track to graduate college and career ready; CBA	\$ 2,181,000.00	7.79%	R0000/1100	Goal 1
		Sub-Total of Fixed Cost & Collective Bargaining Agreement Items	\$ 16,826,575.00	60.07%		

# Expenditures of New Revenue

Included In Budget	Items Strongly Recommended By Staff COLLECTIVE BARGAINING AGREEMENT (CBA) EXPENDITURES	LCAP Priority	Amount	% of Total New Revenue	Account Code: Resource/Object	LCAP Goal
Yes	Restore Partial Custodians and Operations Plan Managers	Schools will provide students with a clean, healthy, physically and emotionally safe learning environment	\$ 2,000,000.00	7.14%	R0000/2000	Goal 2
Yes	Counselors (Date for layoff notice March 15th. Item added to move to on going funding from one-time Title I Carryover)	Increase the percent of students who are on-track to graduate college and career ready	\$ 3,000,000.00	10.71%	R0000/1200	Goal 1
Yes	End of Furloughs Days	CBA	\$ 2,355,000.00	8.41%	R0000/1000/2000	Goal 1
Yes	Custodial Operational Supplies Restored FY 2013-14	Schools will provide students with a clean, healthy, physically and emotionally safe learning environment	\$ 650,000.00	2.32%	R0000/4300	Goal 2
Yes	New IB Programs, Caleb Greenwood and Kit Carson	Increase the percent of students who are on-track to graduate college and career ready	\$ 350,000.00	1.25%	R0000/1100	Goal 1
Yes	Increase In Ending Fund Balance County Request Strongly Recommended	None	\$ 1,000,000.00	3.57%	R0000/9780	Not Applicable
Yes	Other Post Employment Benefits County Request Strongly Recommended	None	\$ 1,000,000.00	3.57%	R0000/9780	Not Applicable
Yes	Unassigned/Unappropriated Amount	None	\$ 830,327.00	2.96%	R0000/9790	Not Applicable
		<b>Sub-Total of Collective Bargaining Agreement Items and Staff Recommendations</b>	<b>\$ 11,185,327.00</b>	<b>39.93%</b>		
		<b>Total Expenses Committed</b>	<b>\$ 28,011,902.00</b>	<b>100.00%</b>		

# This Budget Includes Additional Staffing For Custodians & SPOMs

Current Year 2013-14							Proposed 2014-2015						Difference
School / Site	SPOM III	SPOM II	SPOM I	Custodian	Pool Custodian	Total FTE	SPOM III	SPOM II	SPOM I	Custodian	Pool Custodian	Total FTE	
Bowling Green (SPED)		0.250		0.000		0.250		0.250		0.000		0.250	0.000
Capital City Ind. Study				0.500		0.500			0.500	0.000		0.500	0.000
Purchasing/Warehouse				0.750		0.750				1.000		1.000	0.250
A.M. Winn W			1.000	0.000		1.000			1.000	0.500		1.500	0.500
Abraham Lincoln			1.000	0.500		1.500			1.000	0.500		1.500	0.000
American Legion			1.000	0.000		1.000			1.000	0.500		1.500	0.500
Arthur A. Benjamin Health			1.000	0.000		1.000			1.000	Moved By Site		1.000	0.000
Bret Harte			1.000	0.000		1.000			1.000	0.500		1.500	0.500
Camellia			1.000	0.500		1.500			1.000	0.500		1.500	0.000
Caroline Wenzel			1.000	0.000		1.000			1.000	0.500		1.500	0.500
Cesar E. Chavez W			1.000	0.000		1.000			1.000	0.500		1.500	0.500
Edward Kemble W			1.000	0.500		1.500			1.000	0.500		1.500	0.000
Father Keith B. Kenny W			1.000	0.500		1.500			1.000	0.500		1.500	0.000
H.W. Harkness W			1.000	0.000		1.000			1.000	0.500		1.500	0.500
Hollywood Park			0.000	1.000		1.000			1.000	0.500		1.500	0.500
Isador Cohen			1.000	0.000		1.000			1.000	0.500		1.500	0.500
James Marshall			1.000	0.000		1.000			1.000	0.500		1.500	0.500
John Bidwell			1.000	0.000		1.000			1.000	0.500		1.500	0.500
John Cabrillo W			1.000	0.000		1.000			1.000	0.500		1.500	0.500
John D. Sloat W			1.000	0.000		1.000			1.000	0.500		1.500	0.500
John Morse no spom			1.000	0.000		1.000			1.000	0.500		1.500	0.500
Leataata Floyd W			1.000	0.000		1.000			1.000	0.500		1.500	0.500
Mark Twain			1.000	0.000		1.000			1.000	0.500		1.500	0.500
O.W. Erlewine			1.000	0.000		1.000			1.000	0.500		1.500	0.500
Oak Ridge W			1.000	0.500		1.500			1.000	0.500		1.500	0.000
Pony Express			1.000	0.000		1.000			1.000	0.500		1.500	0.500
School of Engineering &			1.000	0.000		1.000			1.000	0.500		1.500	0.500



# This Budget Includes Additional Staffing For Custodians & SPOMs

Current Year 2013-14							Proposed 2014-2015						Difference
School / Site	SPOM III	SPOM II	SPOM I	Custodian	Pool Custodian	Total FTE	SPOM III	SPOM II	SPOM I	Custodian	Pool Custodian	Total FTE	
Susan B. Anthony W			1.000	0.000		1.000			1.000	0.500		1.500	0.500
Tahoe			1.000	0.000		1.000			1.000	0.500		1.500	0.500
William Land			1.000	0.000		1.000			1.000	0.500		1.500	0.500
Woodbine W			1.000	0.000		1.000			1.000	0.500		1.500	0.500
Alice Birney W			1.000	0.500		1.500			1.000	0.500		1.500	0.000
Caleb Greenwood			0.000	1.500		1.500			1.000	0.500		1.500	0.000
Crocker / Riverside			0.000	1.500		1.500			1.000	0.500		1.500	0.000
David Lubin			0.000	1.500		1.500			1.000	0.500		1.500	0.000
Earl Warren			0.000	1.500		1.500			1.000	0.500		1.500	0.000
Elder Creek			1.000	0.500		1.500			1.000	0.500		1.500	0.000
Ethel I. Baker W			1.000	0.500		1.500			1.000	0.500		1.500	0.000
Ethel Phillips W			1.000	0.500		1.500			1.000	0.500		1.500	0.000
Genevieve F. Didion			0.000	1.500		1.500			1.000	0.500		1.500	0.000
Golden Empire			1.000	0.500		1.500			1.000	0.500		1.500	0.000
Hubert H. Bancroft			0.000	1.500		1.500			1.000	0.500		1.500	0.000
John H. Still W		1.000		1.000		2.000		1.000		2.000		3.000	1.000
Kit Carson W		1.000		0.500		1.500		1.000		0.500		1.500	0.000
Martin Luther King, Jr.			0.000	1.500		1.500			1.000	0.500		1.500	0.000
Matsuyama			0.000	1.500		1.500			1.000	0.500		1.500	0.000
Nicholas			1.000	0.500		1.500			1.000	0.500		1.500	0.000
Pacific W			1.000	0.500		1.500			1.000	0.500		1.500	0.000
Parkway			0.000	1.500		1.500			1.000	0.500		1.500	0.000
Peter Burnett W			1.000	0.500		1.500			1.000	0.500		1.500	0.000
Phoebe A. Hearst			1.000	0.500		1.500			1.000	0.500		1.500	0.000
Sequoia			0.000	1.500		1.500			1.000	0.500		1.500	0.000
Sutterville			1.000	0.500		1.500			1.000	0.500		1.500	0.000
Theodore Judah			1.000	0.500		1.500			1.000	0.500		1.500	0.000

# This Budget Includes Additional Staffing For Custodians & SPOMs

Current Year 2013-14							Proposed 2014-2015						Difference
School / Site	SPOM III	SPOM II	SPOM I	Custodian	Pool Custodian	Total FTE	SPOM III	SPOM II	SPOM I	Custodian	Pool Custodian	Total FTE	
Albert Einstein		1.000		1.000		2.000		1.000		2.000		3.000	1.000
California		1.000		1.000		2.000		1.000		1.500		2.500	0.500
Fern Bacon W		1.000		1.000		2.000		1.000		2.000		3.000	1.000
Leonardo da Vinci		1.000		1.000		2.000		1.000		2.000		3.000	1.000
Sam Brannan		1.000		1.000		2.000		1.000		1.500		2.500	0.500
Will C. Wood W		1.000		1.000		2.000		1.000		2.000		3.000	1.000
Rosa Parks W		1.000		1.500		2.500		1.000		2.000		3.000	0.500
Sutter		1.000		1.500		2.500		1.000		2.000		3.000	0.500
West Campus		1.000		1.500		2.500		1.000		2.000		3.000	0.500
Serna Center	1.000			3.000		4.000	1.000			4.000		5.000	1.000
C.K. McClatchy	1.000			2.000	1.000	4.000	1.000			4.000	1.000	6.000	2.000
Hiram Johnson W	1.000			3.000		4.000	1.000			5.000		6.000	2.000
John F. Kennedy	1.000			2.000	1.000	4.000	1.000			4.000	1.000	6.000	2.000
Luther Burbank W	1.000			2.000	1.000	4.000	1.000			4.000	1.000	6.000	2.000
Rosemont	1.000			3.000		4.000	1.000			5.000		6.000	2.000
<b>TOTALS</b>	<b>6.000</b>	<b>11.250</b>	<b>38.000</b>	<b>52.250</b>	<b>3.000</b>	<b>110.500</b>	<b>6.000</b>	<b>11.250</b>	<b>49.500</b>	<b>70.500</b>	<b>3.000</b>	<b>140.250</b>	<b>29.750</b>
		<b>Total SPOMs</b>	<b>55.250</b>	<b>Total Custodians</b>	<b>55.250</b>			<b>Total SPOMs</b>	<b>66.750</b>	<b>Total Custodians</b>	<b>73.500</b>		

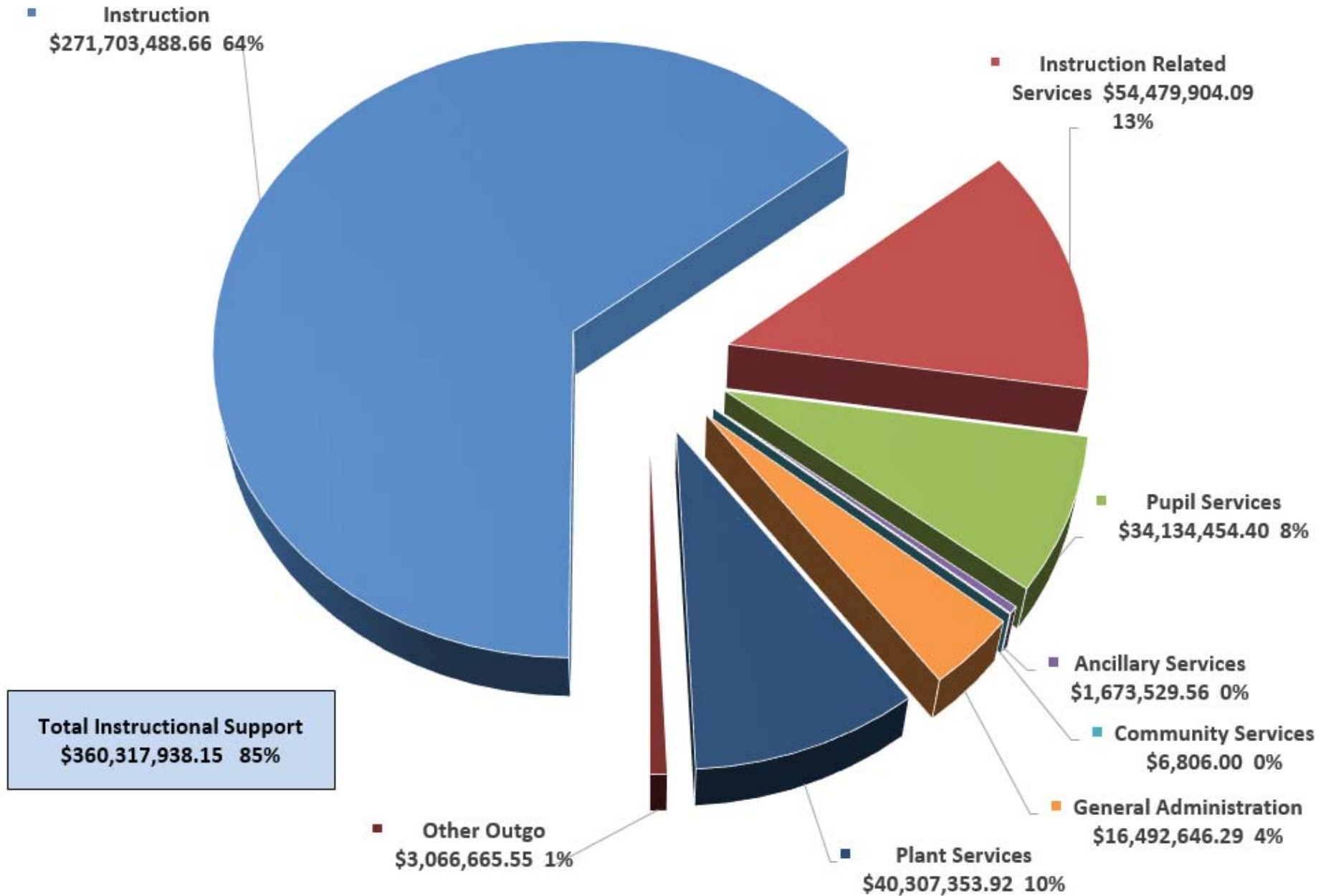
# Expenditures of New Revenue

<b>Possible On Going Revenue Use No Priority Implied</b>	
Description	LCAP Goal
Reduce Class Size	<b>Goal 1</b>
Hire More Custodians	<b>Goal 2</b>
Hire Additional Assistant Principals	<b>Goal 1</b>
Increase Professional Development	<b>Goal 1</b>
Common Core	<b>Goal 1</b>
Lay ground work for Restorative Practices with SEL	<b>Goal 1 &amp; Goal 2</b>
Professional Capital / Talent Enhancement / Skills Training	<b>Goal 1 &amp; Goal 2</b>
Enhance & Expand Site Parent Resource Centers	<b>Goal 3</b>
Support Active School Site Councils / Build Capacity	<b>Goal 3</b>
Add Additional Support Staff [Nurses, Counselors, Social Workers, Aides, etc]	<b>Goal 1 &amp; Goal 2</b>
Add Additional Instructional / Support Programs	<b>Goal 1</b>
Increase Annual Contribution For Other Post Employment Benefits	<b>Not Applicable</b>
Purchase Computers For Instruction	<b>Goal 1</b>
Provide additional support for extra-curricular activities	<b>Goal 1</b>
Increase instructional & operational service, supply, & equipment budgets needed to meet State required 3% in FY 2015-16 currently 2.8%.	<b>Goal 1 &amp; Goal 2</b>

<b>Possible Use of One-Time Revenue</b>	
Description	LCAP Goal
Build Fund Balance	<b>Not Applicable</b>
Increase Reserve for Other Post Employment Benefits	<b>Not Applicable</b>
One-Time Increase in Professional Development	<b>Goal 1</b>
Buy Down Vacation Liability	<b>Not Applicable</b>
Replace outdated maintenance & transportation equipment	<b>Goal 1 &amp; Goal 2</b>
Purchase Computers For Instruction	<b>Goal 1</b>

# How Are The Funds Spent By Function?

## Total General Fund



# Three Year Budget Projection Revenue

Multi-Year Forecast - Reconciled To 3rd Interim - April 30th For FY 2013-14- May Revise for For FY 2014-15 and FY 2015-16, Avg. LCFF Inc. 20.88%

Enrollment <b>Funded*</b> Average Daily Attendance	FY 2013-14	FY 2014-15	28.05% LCFF Growth		FY 2015-16	20.88% LCFF Growth	
	41,405	40,605			39,600		
	40,567	40,021			39,341		
Revenue Description	Amount	Amount	% of Revenue	% Change	Amount	% of Revenue	% Change
LCFF Sources [8010-8099]	\$ 291,404,968.76	\$ 320,651,140.00	73.3%	10.0%	\$ 335,168,961.00	76.5%	4.5%
Loss Due To Declining Enrollment LCFF Sources	\$ (4,807,170.00)	\$ (3,985,800.00)	-0.9%	-17.1%	\$ (4,964,000.00)	-1.1%	24.5%
Federal Revenue [8100-8299]	\$ 51,380,845.71	\$ 47,850,912.49	10.9%	-6.9%	\$ 46,480,564.49	10.6%	-2.9%
Other State Revenue [8300-8599]	\$ 56,621,220.13	\$ 43,568,652.98	10.0%	-23.1%	\$ 40,163,652.98	9.2%	-7.8%
Other Local Revenue [8600-8799]	\$ 11,037,443.40	\$ 6,550,559.00	1.5%	-40.7%	\$ 6,550,559.00	1.5%	0.0%
Transfers In [8900-8929]	\$ 981,344.07	\$ 1,189,639.00	0.3%	21.2%	\$ 1,189,639.00	0.3%	0.0%
All Revenue Objects and Transfers In	\$ 406,618,652.07	\$ 415,825,103.47	95.0%	2.3%	\$ 424,589,376.47	96.9%	2.1%
Beginning Fund Balance	\$ 19,409,344.80	\$ 21,807,967.56	5.0%	12.4%	\$ 13,808,591.56	3.1%	-36.7%
<b>Total Anticipated Revenue &amp; Beginning Fund Balance</b>	<b>\$ 426,027,996.87</b>	<b>\$ 437,633,071.03</b>	<b>100.0%</b>	<b>2.7%</b>	<b>\$ 438,397,968.03</b>	<b>100.0%</b>	<b>0.2%</b>

# Three Year Budget Projection Expenditures

Multi-Year Forecast - Reconciled To 3rd Interim - April 30th For FY 2013-14- May Revise for For FY 2014-15 and FY 2015-16, Avg. LCFF Inc. 20.88%

Enrollment <b>Funded*</b> Average Daily Attendance	FY 2013-14	FY 2014-15	28.05% LCFF Growth		FY 2015-16	20.88% LCFF Growth	
	41,405	40,605			39,600		
	40,567	40,021			39,341		
Expenditure Description	Amount	Amount	% of Budget	% Change	Amount	% of Budget	% Change
Certificated Salaries	\$ 165,849,446.90	\$ 171,535,935.70	40.3%	3.4%	\$ 167,193,512.67	39.0%	-2.5%
Classified Salaries	\$ 51,184,112.67	\$ 54,197,760.00	12.7%	5.9%	\$ 54,132,829.44	12.6%	-0.1%
Employee Benefits	\$ 93,740,719.42	\$ 99,002,769.99	23.2%	5.6%	\$ 107,024,154.21	24.9%	8.1%
OPEB - Current Year Payments	\$ 21,427,289.18	\$ 23,453,064.32	5.5%	9.5%	\$ 24,977,513.50	5.8%	6.5%
Books & Supplies	\$ 21,169,610.94	\$ 18,489,350.10	4.3%	-12.7%	\$ 17,147,317.51	4.0%	-7.3%
Services & Other Operating Expenses	\$ 51,888,505.70	\$ 52,681,438.97	12.4%	1.5%	\$ 52,011,838.80	12.1%	-1.3%
Capital Outlay	\$ 434,539.64	\$ 748,867.84	0.2%	72.3%	\$ 748,867.84	0.2%	0.0%
Other Outgo/Indirect Costs/Other Adjustments	\$ 450,561.86	\$ 1,790,535.55	0.4%	297.4%	\$ 1,790,535.55	0.4%	0.0%
One-Time Title I Carryover	\$ (1,924,757.00)	\$ 1,924,757.00					
Dedicated Amount Towards OPEB	\$ -	\$ 1,000,000.00	0.2%		\$ 2,000,000.00	0.5%	100.0%
Dedicated Amount Towards Operating Reserve	\$ -	\$ 1,000,000.00	0.2%		\$ 2,000,000.00	0.5%	100.0%
<b>Total Adopted Budget Expenditures</b>	<b>\$ 404,220,029.31</b>	<b>\$ 425,824,479.47</b>	<b>100.0%</b>	<b>5.3%</b>	<b>\$ 429,026,569.52</b>	<b>100.0%</b>	<b>0.8%</b>



# Three Year Budget Projection

## Ending Balances - OPEB

Multi-Year Forecast - Reconciled To 3rd Interim - April 30th For FY 2013-14- May Revise for For FY 2014-15 and FY 2015-16, Avg. LCFF Inc. 20.88%

	FY 2013-14	FY 2014-15	28.05% LCFF Growth		FY 2015-16	20.88% LCFF Growth	
<b>Enrollment</b>	41,405	40,605			39,600		
<b>Funded* Average Daily Attendance</b>	40,567	40,021			39,341		
<b>Anticipated Ending Fund Balance</b>	\$ 21,807,967.56	\$ 11,808,591.56	2.8%	-45.9%	\$ 9,371,398.51	2.2%	-20.6%
<b>Required Reserves</b>	<b>Amount</b>	<b>Amount</b>	<b>% of Budget</b>	<b>% Change</b>	<b>Amount</b>		<b>% Change</b>
Reserve For Economic Uncertainties	\$ 8,296,082.00	\$ 8,763,133.00	2.1%	5.6%	\$ 8,728,237.07	2.0%	-0.4%
Revolving Cash	\$ 225,000.00	\$ 225,000.00	0.1%	0.0%	\$ 225,000.00	0.1%	0.0%
Stores Inventory	\$ 320,000.00	\$ 320,000.00	0.1%	0.0%	\$ 320,000.00	0.1%	0.0%
One-Time Common Core Carry Over	\$ 6,600,000.00						
One-Time Title I Carryover	\$ 1,924,757.00						
Special Ed: Mental Health Services	\$ 1,000,000.00						
California Clean Energy Act	\$ 617,873.00						
Restricted Ending Fund Balance Reserve	\$ 1,956,319.44	\$ 1,670,131.44	0.4%		\$ -	0.0%	-100.0%
<b>Total Required Reserves</b>	<b>\$ 20,940,031.44</b>	<b>\$ 10,978,264.44</b>	<b>2.6%</b>	<b>-47.6%</b>	<b>\$ 9,273,237.07</b>	<b>2.2%</b>	<b>-15.5%</b>
<b>Anticipated Unreserved Ending Fund Balance</b>	<b>\$ 867,936.12</b>	<b>\$ 830,327.12</b>	<b>0.2%</b>	<b>-4.3%</b>	<b>\$ 98,161.44</b>	<b>0.0%</b>	<b>-88.2%</b>
<b>Cumulative Increase In Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ 2,000,000.00</b>	<b>0.5%</b>		<b>\$ 4,000,000.00</b>	<b>0.9%</b>	
<b>Total Ending Fund Balance / As A % Of Expenditures</b>	<b>\$ 21,807,967.56</b>	<b>\$ 13,808,591.56</b>	<b>3.2%</b>		<b>\$ 13,371,398.51</b>	<b>3.1%</b>	<b>3.1%</b>
<b>Estimated Total On Deposit For OPEB / As A % Of Obligation</b>	<b>\$ 19,734,277.26</b>	<b>\$ 20,734,277.26</b>		<b>3.2%</b>	<b>\$ 21,734,277.26</b>		<b>3.3%</b>

**Estimated Contingent Liability Based On Accrual Study \$ 653,000,000.00**

Salaries include step and column increase for FY 2014-15 and FY 2015-16

Health Benefits are projected to increases by 2% for FY 2014-15 and FY 2015-16 Plus \$1 Million Into OPEB Reserve.

Utilities increase by 10% for FY 2014-15.

**\*In accordance with existing statute declining enrollment districts may use previous year ADA if it is higher.**



# Summary of All Funds

	GENERAL FUND			TOTAL
	UNRESTRICTED	RESTRICTED Partially Funded	RESTRICTED Fully Funded	
<b>REVENUES</b>				
LCFF SOURCES	\$316,665,340			\$316,665,340
FEDERAL REVENUE		\$8,092,235	\$39,758,677	\$47,850,912
OTHER STATE REVENUES	\$7,449,813	\$20,264,792	\$15,854,048	\$43,568,653
OTHER LOCAL REVENUES	\$2,625,315	\$0	\$3,925,244	\$6,550,559
<b>TOTAL REVENUES</b>	<b>\$326,740,468</b>	<b>\$28,357,027</b>	<b>\$59,537,969</b>	<b>\$414,635,464</b>
<b>EXPENDITURES</b>				
CERTIFICATED SALARIES	\$125,915,785	\$23,852,285	\$21,767,865	\$171,535,936
CLASSIFIED SALARIES	\$34,664,044	\$13,210,795	\$6,322,921	\$54,197,760
EMPLOYEE BENEFITS	\$85,525,378	\$26,104,115	\$10,826,342	\$122,455,834
BOOKS AND SUPPLIES	\$6,346,543	\$1,133,727	\$11,009,080	\$18,489,350
SERVICES/OTHER OP. EXP.	\$21,082,870	\$15,916,377	\$15,682,193	\$52,681,439
CAPITAL OUTLAY	\$86,194	\$30,000	\$632,674	\$748,868
OTHER OUTGO	\$3,061,383		\$5,283	\$3,066,666
INDIRECT/DIRECT SUPPORT	-\$3,436,016	\$318,507	\$1,806,505	-\$1,311,004
<b>TOTAL EXPENDITURES</b>	<b>\$273,246,181</b>	<b>\$80,565,805</b>	<b>\$68,052,862</b>	<b>\$421,864,848</b>
<b>OTHER FINANCING SOURCES/USES</b>				
INTERFUND TRANSFERS IN	\$1,189,639			\$1,189,639
INTERFUND TRANSFERS OUT	-\$34,874			-\$34,874
OTHER SOURCES				
OTHER USES	-\$52,313,778	\$52,208,778	\$105,000	\$0
<b>TOTAL OTHER SOURCES/USES</b>	<b>-\$51,159,013</b>	<b>\$52,208,778</b>	<b>\$105,000</b>	<b>\$1,154,765</b>
<b>NET CHANGE IN FUND BALANCE</b>	\$2,335,274		-\$8,409,893	-\$6,074,619
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$9,803,186</b>		<b>\$10,080,024</b>	<b>\$19,883,211</b>
<b>ENDING BALANCE</b>	<b>\$12,138,460</b>		<b>\$1,670,131</b>	<b>\$13,808,592</b>
RESERVED FUND BALANCE	\$545,000		\$1,670,131	\$2,215,131
ECONOMIC UNCERTAINTIES	\$8,763,133			\$8,763,133
FUND BALANCE & OPEB RESERVE OTHER	\$2,000,000			\$2,000,000
<b>UNAPPROPRIATED FUND BALANCE</b>	<b>\$830,327</b>	<b>\$0</b>	<b>\$0</b>	<b>\$830,327</b>

# Summary of All Funds

	Charter School Fund	Adult Education Fund	Cafeteria Fund	Child Development Fund	Deferred Maintenance Fund
<b>REVENUES</b>					
LCFF SOURCES	\$13,275,325				
FEDERAL REVENUE	\$191,624	\$2,420,636	\$18,979,000	\$10,605,905	
OTHER STATE REVENUES	\$250,913	\$200,000	\$1,156,000	\$5,468,240	
OTHER LOCAL REVENUES		\$4,722,000	\$1,020,100	\$2,150,000	
<b>TOTAL REVENUES</b>	<b>\$13,717,862</b>	<b>\$7,342,636</b>	<b>\$21,155,100</b>	<b>\$18,224,145</b>	<b>\$0</b>
<b>EXPENDITURES</b>					
CERTIFICATED SALARIES	\$5,990,385	\$1,936,274		\$5,604,056	
CLASSIFIED SALARIES	\$752,264	\$1,376,664	\$5,826,334	\$4,133,863	
EMPLOYEE BENEFITS	\$3,739,885	\$1,963,834	\$3,612,152	\$6,846,920	
BOOKS AND SUPPLIES	\$333,149	\$312,278	\$11,324,142	\$537,762	
SERVICES/OTHER OP. EXP.	\$1,301,678	\$1,745,220	\$252,686	\$312,781	
CAPITAL OUTLAY			\$200,000	\$1,000	\$179,320
OTHER OUTGO					
INDIRECT/DIRECT SUPPORT		\$43,241	\$480,000	\$787,763	
<b>TOTAL EXPENDITURES</b>	<b>\$12,117,361</b>	<b>\$7,377,510</b>	<b>\$21,695,314</b>	<b>\$18,224,145</b>	<b>\$179,320</b>
<b>OTHER FINANCING SOURCES/USES</b>					
INTERFUND TRANSFERS IN		\$34,874			
INTERFUND TRANSFERS OUT	-\$1,189,639				
OTHER SOURCES					
OTHER USES					
<b>TOTAL OTHER SOURCES/USES</b>	<b>-\$1,189,639</b>	<b>\$34,874</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$410,862</b>		<b>-\$540,214</b>		<b>-\$179,320</b>
<b>BEGINNING BALANCE, JULY 1</b>	<b>\$548,206</b>	<b>\$196,538</b>	<b>\$7,856,017</b>	<b>\$452,543</b>	<b>\$179,320</b>
<b>ENDING BALANCE</b>	<b>\$959,068</b>	<b>\$196,538</b>	<b>\$7,315,803</b>	<b>\$452,543</b>	
RESERVED FUND BALANCE	\$129,623	\$5,456	\$7,091,326		
ECONOMIC UNCERTAINTIES					
FUND BALANCE & OPEB RESERVE					
OTHER	\$829,445	\$191,082	\$224,477	\$452,543	
<b>UNAPPROPRIATED FUND BALANCE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

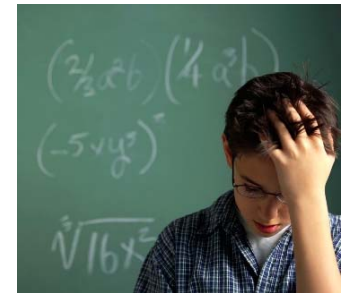


- **We are asking the Board to vote to adopt the budget as presented tonight.**
  - **We will return with recommendations on how to amend the budget within the 45 day limit.**
- **Improve budget process for the FY 2015-16 fiscal year to address the LCAP process more appropriately.**
- **Implement new budget software.**
- **Provide financial updates to the Board and then the Public by posting updates to the District website.**
- **Develop Fund Balance Policy.**
- **Produce First Interim Financial Report as of October 31, 2014.**



**Thank You!**

**Questions?**



**Reconciliation of LCAP  
Expenditures Follows**



# LCAP Reconciliation

Minimum Proportionality Percentage (MPP): Summary Supplemental & Concentration Grant					
		2013-14	2014-15	2015-16**	2016-17**
1.	LCFF Target Supplemental & Concentration Grant Funding <i>from Calculator tab</i>		78,330,113	78,558,693	79,036,499
2.	Prior Year (estimated) Expenditures for Unduplicated Pupils above what was spent on services for all pupils		12,012,888	12,500,000	13,000,000
	Prior Year EIA expenditures	11,166,706			
	2014-15 py exp (2013-14 exp) must >= 2012-13 EIA exp	TRUE			
3.	Difference [1] less [2]		66,317,225	66,058,693	66,036,499
4.	Estimated Additional Supplemental & Concentration Grant Funding <i>[3] * GAP funding rate</i>		18,601,982	13,793,055	9,931,889
	<i>GAP funding rate</i>		28.05%	20.88%	15.04%

# LCAP Reconciliation

5.	Estimated Supplemental and Concentration Grant Funding [2] plus [4] (unless [3]<0 then [1]) <b>LCAP Section 3, Part C</b>		30,614,870	26,293,055	22,931,889
6.	Base Funding LCFF Phase-In Entitlement less [5], excludes Targeted Instructional Improvement & Transportation		279,506,935	297,368,371	308,675,560
	LCFF Phase-In Entitlement		316,665,340	330,204,961	338,150,984
7/8.	Minimum Proportionality Percentage* [5] / [6] <b>LCAP Section 3, Part D</b>		10.95%	8.84%	7.43%
*percentage by which services for unduplicated students must be increased or improved over services provided for all students in the LCAP year. If Step 3a <=0, then calculate the minimum proportionality percentage at Estimated Supplemental & Concentration Grant Funding, step 5. **Regulations only require an LEA to demonstrate how it is meeting the proportionality percentage in the LCAP year, not across all three years.					
SUMMARY SUPPLEMENTAL & CONCENTRATION GRANT & MPP					
			2014-15	2015-16	2016-17
	Current year estimated supplemental and concentration grant funding in the LCAP year		\$ 30,614,870	\$ 26,293,055	\$ 22,931,889
	Current year Minimum Proportionality Percentage (MPP)		10.95%	8.84%	7.43%

We must **increase** our spending on Free & Reduced, Foster Youth, English Language Learners by at least this much each year.

\$3,353,299      \$2,324,809      \$1,703,638



# LCAP Reconciliation

Description of Actions and Services	LCAP Allocation	Funding Source	Object Codes
<b>GOAL 1: Increase the percent of students who are on-track to graduate college and career ready.</b>			
Classroom teachers; classified staff; basic facilities costs; instructional supplies	\$ 216,000,000	LCFF Base	1000-4000
End of Furlough Days	\$ 1,598,407	LCFF Supplemental or Concentration	1000-3000
Professional learning for Common Core State Standards (CCSS) for teachers, principals and instructional aides	\$ 3,000,000	State CCSS funding, (Title I; Title II; grant funds)	1000-5000
Training Specialists	\$ 2,000,000	Title I; Title III grant funds	1000, 3000
CCSS instructional materials are provided to students district-wide	\$ 1,500,000	State CCSS funding	4000
Early Kinder /Transitional Kindergarten taught by a credentialed teacher with a developmentally appropriate curriculum	\$ 700,000	LCFF Base	1000-4000

# LCAP Reconciliation

Description of Actions and Services	LCAP Allocation	Funding Source	Object Codes
<p>Linked Learning Pathways and Career Technical Education prepare students for postsecondary education and careers. Work Based Learning and Career Technical Education are provided at all high schools. Linked Learning State Initiative staff and Materials</p>	\$ 6,300,000	Perkins Grant, LCFF base	1000,3000,4000
<p>Counselors</p>	\$ 3,000,000	LCFF Supplemental or Concentration	1000-3000
<p>For Students with disabilities: Professional Development</p>	\$ 100,000	LCFF Base; IDEA	1000-5000
<p>Special Education program: Transfer from LCFF base</p>	\$ 42,500,000	LCFF Base; IDEA	1000-5000
<p>After School programs are available at 61 sites, Before School programs at 11 sites</p>	\$ 7,000,000	After School Education & Safety (ASES) and 21 <sup>st</sup> Century ASSETS grants	1000-5000
<p>Instructional aides for special education classes to serve students with disabilities</p>	\$ 6,000,000	LCFF Base; IDEA	2000,3000

# LCAP Reconciliation

Description of Actions and Services	LCAP Allocation	Funding Source	Object Codes
GATE Resource Teacher	\$ 94,000	LCFF Base	1000,3000
IB Site Instructional Coordinator, Resource Teachers	\$ 250,000	LCFF Base	1000,3000
Student progress is monitored through the District benchmark assessments and the Data Director Data	\$ 120,000	LCFF Base	5000
Foster Youth Services - Youth Services Program Associate, decrease the adverse effects of school mobility	\$ 88,000	LCFF Base, Title I Part D	1000,3000
Provide additional academic assessment data for ELs and reclassified students who have not made adequate progress	\$ 90,000	Title III	2000,3000
<b>School Wide:</b>			
Professional Development (per diem) Extra Duty for teachers	\$ 113,784	LCFF Supplemental or Concentration	1000,3000
Professional Development (per diem) Contracts	\$ 70,632	LCFF Supplemental or Concentration	5000
Teacher Subs for Professional Development	\$ 82,867	LCFF Supplemental or Concentration	1000,3000

# LCAP Reconciliation

Description of Actions and Services	LCAP Allocation	Funding Source	Object Codes
Conferences	\$ 11,500	LCFF Supplemental or Concentration	5000
Training Specialists	\$ 354,231	LCFF Supplemental or Concentration	1000,3000
Supplemental Instructional Materials, Textbooks, Books, Production Services	\$ 998,823	LCFF Supplemental or Concentration	4000,5000
Contracts for Services: Reading Partners (2 schools)	\$ 24,000	LCFF Supplemental or Concentration	5000
Supplemental Materials for Early Literacy, Production Services	\$ 56,900	LCFF Supplemental or Concentration	5000
Teacher Subs for Professional Development A-G	\$ 40,000	LCFF Supplemental or Concentration	1000,3000
Site Instructional Coordinators	\$ 1,270,748	LCFF Supplemental or Concentration	1000,3000

# LCAP Reconciliation

Description of Actions and Services	LCAP Allocation	Funding Source	Object Codes
Intern Specialists	\$ 27,953	LCFF Supplemental or Concentration	1000,3000
Additional site counselors	\$ 314,781	LCFF Supplemental or Concentration	1000,3000
Resource Teachers	\$ 2,243,605	LCFF Supplemental or Concentration	1000,3000
School Psychologists	\$ 21,535	LCFF Supplemental or Concentration	1000,3000
Expanded Learning Service Providers Contracts	\$ 39,900	LCFF Supplemental or Concentration	1000,3000
Teacher Extra Pay (Per Diem) for Intervention	\$ 508,077	LCFF Supplemental or Concentration	1000,3000
Expanded Learning Supplemental Textbooks, Books, Materials, Production Services	\$ 487,611	LCFF Supplemental or Concentration	1000,3000

# LCAP Reconciliation

Description of Actions and Services	LCAP Allocation	Funding Source	Object Codes
Instructional Assistants	\$ 715,839	LCFF Supplemental or Concentration	2000,3000
Bilingual Instructional Assistants	\$ 636,162	LCFF Supplemental or Concentration	2000,3000
Specialized Program Professional Development	\$ 17,500	LCFF Supplemental or Concentration	1000,3000,5000
Instructional Materials for Specialized Programs	\$ 7,000	LCFF Supplemental or Concentration	4000
Teacher Subs for Academic Conferences	\$ 13,328	LCFF Supplemental or Concentration	1000,3000
Contracts for Diagnostic/Intervention Programs	\$ 24,999	LCFF Supplemental or Concentration	5000
Materials for Assessment/Data Analysis	\$ 2,794	LCFF Supplemental or Concentration	4000
<b>Total Goal 1</b>	<b>\$ 298,424,976</b>		

# LCAP Reconciliation

Description of Actions and Services	LCAP Allocation	Funding Source	Object Codes
<b>GOAL 2: Schools will provide students with a clean, healthy, physically and emotionally safe learning environment</b>			
Restore custodians/ plant managers	\$ 2,000,000	LCFF Supplemental or Concentration	2000,3000
Additional custodial operational supplies	\$ 650,000	LCFF Base	4000
Safe Schools Manager	\$ 100,000	LCFF Base	2000,3000
School Resource Officers	\$ 300,000	LCFF Supplemental or Concentration	5000
Attendance, Drop-Out Prevention Coordinator & Specialist, Attendance Incentives	\$ 75,000	LCFF Base	1000-4000
Nurses; Health Aides ; Social Workers	\$ 520,000	LCFF Base	1000,3000
District Connect Center staff provides insurance enrollments and support services for students with academic, behavior, attendance and/or social/emotional concerns	\$ 200,000	LCFF Base, Grant Funding	1000-3000



# LCAP Reconciliation

Description of Actions and Services	LCAP Allocation	Funding Source	Object Codes
Bullying Prevention Specialist; PBIS Coaching, Data Management	\$ 200,000	LCFF Base, Grant Funding	1000-3000,5000
Social/Emotional Learning – Professional Development, Coordinator	\$ 163,000	Grant Funds	1000-3000
District Librarians	\$ 1,000,000	LCFF Supplemental or Concentration	1000-3000
<b>School Wide:</b>			
Books, Instructional Materials School staff will receive training in culturally competent classrooms.	\$ 17,501	LCFF Supplemental or Concentration	4000
Mental and physical health supports are provided by nurses and social workers.	\$ 195,111	LCFF Supplemental or Concentration	1000,3000
Learning Support Specialists and case managers plan, organize and coordinate learning support services for low income, ELs , re-designated ELs , foster youth and students with disabilities, with academic, behavior, attendance and/or social/emotional needs.	\$ 307,062	LCFF Supplemental or Concentration	1000-3000

# LCAP Reconciliation

Description of Actions and Services	LCAP Allocation	Funding Source	Object Codes
Librarians, Library Media Technicians, Library Clerks	\$ 130,044	LCFF Supplemental or Concentration	1000-3000
Supplemental Materials, Library Books; Production Services	\$ 122,866	LCFF Supplemental or Concentration	4000
Computer hardware	\$ 262,120	LCFF Supplemental or Concentration	4000
Professional Development on Computer Instruction	\$ 118,000	LCFF Supplemental or Concentration	5000
<b>Total Goal 2</b>	<b>\$ 6,360,704</b>		

# LCAP Reconciliation

Description of Actions and Services	LCAP Allocation	Funding Source	Object Codes
<b>GOAL 3: Parents, family and community stakeholders will become more fully engaged as partners in the education of students in SCUSD.</b>			
District Parent Resource Center staff support parent engagement & establishment of Site Parent Resource Centers	\$ 150,000	LCFF Base, Title I	2000,3000
Academic Parent-Teacher teams and the Parent Home Visit Program focus on improved student learning inside and outside school.	\$ 235,000	Title I	1000,3000
Matriculation and Orientation (MOC) translators	\$ 678,769	LCFF Supplemental or Concentration	2000,3000
<b>School Wide:</b>			
Parent Advisors - Services to support parents in attending parent education, informational meetings, school events and in volunteering at the school.	\$ 133,409	LCFF Supplemental or Concentration	2000,3000
Parent Training and Child Care	\$ 29,838	LCFF Supplemental or Concentration	2000,3000,5000

# LCAP Reconciliation

Description of Actions and Services	LCAP Allocation	Funding Source	Object Codes
School Community Liaisons	\$ 232,994	LCFF Supplemental or Concentration	2000,3000
Parent Meeting Supplies	\$ 10,133	LCFF Supplemental or Concentration	4000
Site Communication Expenses	\$ 11,990	LCFF Supplemental or Concentration	4000
Translation Services	\$ 46,778	LCFF Supplemental or Concentration	2000,3000
<b>Total Goal 3</b>	<b>\$ 1,063,769</b>	LCFF Supplemental or Concentration	
<b>General Fund LCAP Sub-Total</b>	<b>\$ 305,849,449</b>		
<b>Difference</b> Funded From Base Allocation and Other Sources	\$ 116,015,399		
<b>Grand Total General Fund</b>	<b>\$ 421,864,848</b>		

# LCAP Reconciliation

Description of Actions and Services	LCAP Allocation	Funding Source	Object Codes
NON-General Fund Description of Actions and Services Included In LCAP			
<p>Early literacy programs are provided in each elementary school in the district in kindergarten through 3rd grade. Early literacy begins in preschool programs at schools that have Head Start and State Preschool funding.</p>	\$ 10,000,000	Child Development Fund, Head Start and State Preschool	1000-5000
Computers, Carts, Internet Upgrade, Network Upgrade	\$ 500,000	Measure I, Measure Q Bonds	4000, 5000
<b>Grand Total of LCAP All Funds</b>	<b>\$ 316,349,449</b>		