



2013-2014 FIRST INTERIM BUDGET

**SPECIAL BOARD MEETING
DECEMBER 11, 2013**

Presentation



- 2012-13 Unaudited Actuals, 2013-14 Adopted Budget vs. First Interim
 - Revenue and Expenditure Variances
- General Fund Summary
 - 2013-2014 Revenues and Expenditures
- Local Control Funding Formula (LCFF)
 - Terminology, Calculations, LCFF vs. Basic Aid
- Multi-year Projections
 - Scenario 1 and 2, Future District Needs

**UNAUDITED ACTUALS,
ADOPTED BUDGET
VS.
FIRST INTERIM**

Revenue



	Unaudited Actuals	Adopted Budget	Carryover	Budget Adjustments	First Interim	Difference
LCFF/Revenue Limit Sources	34,236,583	35,397,236	-	1,167,951	36,565,187	1,167,951
Federal Revenues	971,235	891,871	27,237	60,778	979,886	88,015
Other State Revenues	2,036,451	2,155,686	-	(23,388)	2,132,298	(23,388)
Other Local Revenues	3,288,964	3,246,120	-	545,130	3,791,250	545,130
Other Finance Sources	78,032	70,000	-	-	70,000	-
Total Revenues	40,611,265	41,760,913	27,237	1,750,471	43,538,621	1,777,708

Revenue Variances



- **LCFF/Revenue Limit:**
 - Increase due to change in accounting for “Hold Harmless” state revenue
- **Federal Revenues:**
 - Increase in federal IDEA funds and carryover from Title III
- **Other State Revenues:**
 - Decrease due to change in accounting for “Hold Harmless” state revenue which was offset by budgeting of Common Core and Prop 39 Funds
- **Other Local Revenues:**
 - Increase due to Anonymous Donation, increase in DMSEF ESC contribution, and site fundraising budgeted when received

Expenditures



	Unaudited Actuals	Adopted Budget	Carryover	Budget Adjustments	First Interim	Difference
Certificated Salaries	23,404,754	22,964,178	40,000	734,959	23,739,137	774,959
Classified Salaries	6,444,061	6,263,399	-	117,450	6,380,849	117,450
Employee Benefits	7,190,817	6,899,171	-	4,398	6,903,569	4,398
Books & Supplies	1,239,720	929,913	286,081	487,401	1,703,395	773,482
Operating Expenses	4,483,673	4,124,122	126,825	17,177	4,268,124	144,002
Capital Outlay	90,687	567,744	-	189,165	756,909	189,165
Other Outgo	278,386	281,743	-	142,234	423,977	142,234
Total Expenditures	43,132,098	42,030,270	452,906	1,692,784	44,175,960	2,145,690

Expenditure Variance



- Salaries and Benefits:
 - Common Core and Anonymous Donor funding
 - Addition of Instructional Aides and ESC for combination classes
- Books and Supplies:
 - Common Core supplies
 - Anonymous Donor and other current year fundraising
 - Carryover: Fundraising, SIP, EIA
- Operating Expenditures:
 - Common Core contracts
 - Current year and carryover fundraising
- Capital Outlay:
 - Prop 39 energy efficiency projects
- Other Outgo:
 - Change in accounting for Deferred Maintenance (Fund 14) commitment

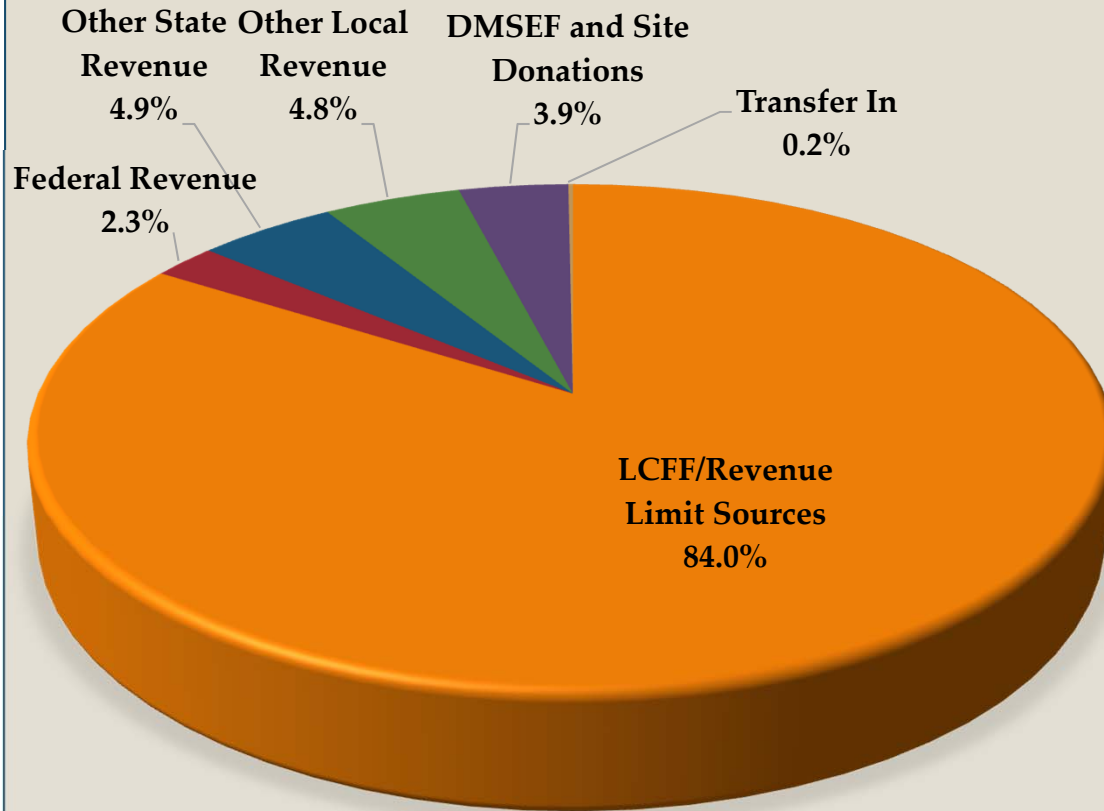
Ending Fund Balance



	Unaudited Actuals	Adopted Budget	Carryover	Budget Adjustments	First Interim	Difference
E. Net Increase (Decrease)	(2,520,833)	(269,357)	(425,669)	57,687	(637,339)	(367,982)
F. Fund Balance						
Beginning Fund Balance (adjusted to actual)	13,022,586	10,501,753			10,501,753	-
Ending Fund Balance	10,501,753	10,232,396			9,864,414	(367,982)
						-
Components of the Ending Fund Balance						-
a) Nonspendable:						-
Revolving Cash	25,000	25,000			25,000	-
Prepaid Expenditures	200,718	200,718			200,718	-
b) Restricted	143,193	3,876			-	(3,876)
c) Committed	-	-			-	-
d) Assigned	2,340,784	-			-	-
e) Unassigned/Unappropriated:						-
Reserve for Economic Uncertainty (3% minimum required)	1,293,963	1,260,908			1,325,279	64,371
Unassigned/Unappropriated	6,498,095	8,741,894			8,313,417	(428,477)
Note: Board Approved 15% Reserve	6,469,815	6,304,541			6,626,394	

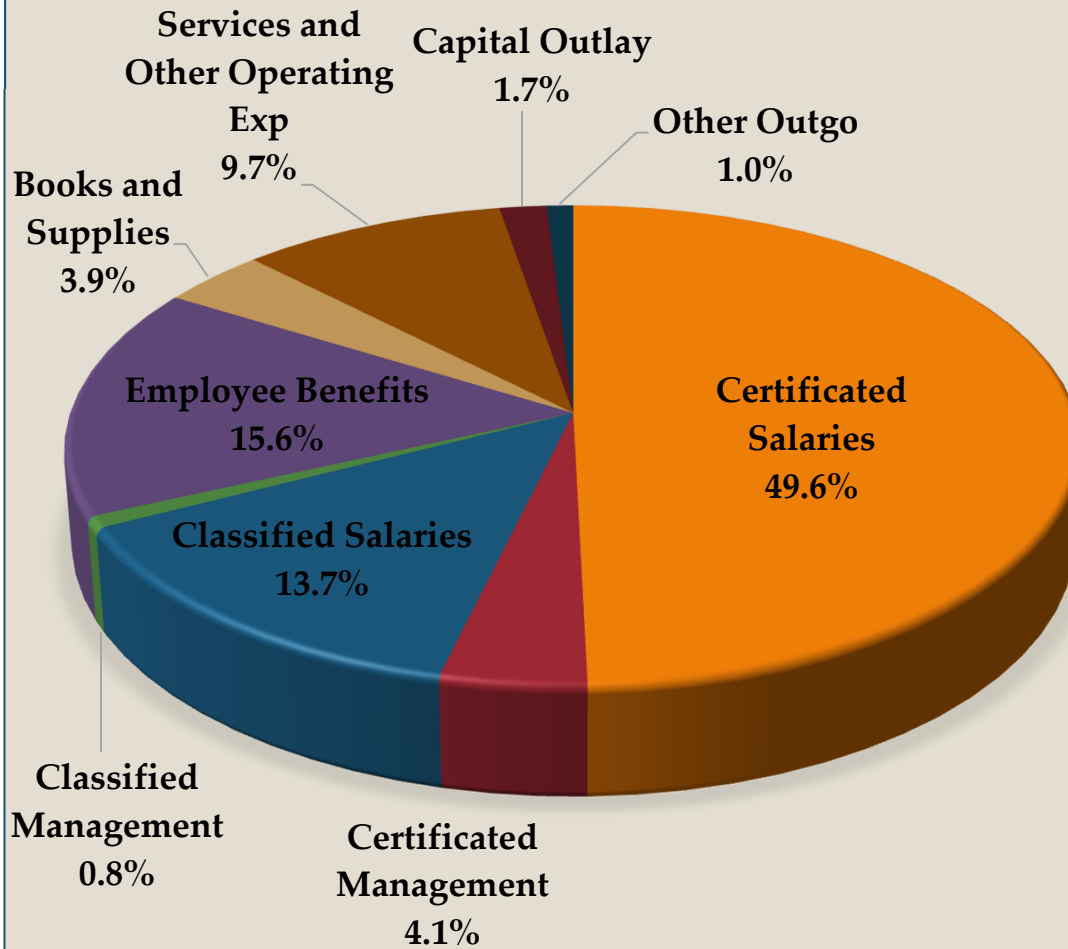
GENERAL FUND SUMMARY

2013-2014 Revenue Summary



Revenue Limit Sources	36,565,187
Federal Revenues	979,886
Other State Revenues	2,132,298
Other Local Revenues	2,108,669
DMSEF & Site Donations	1,682,581
Other Financing Sources	70,000
Total Rev. & Other Sources	43,538,621

2013-2014 Expenditure Summary



Certificated Salaries	21,913,437
Certificated Management	1,825,700
Classified Salaries	6,033,493
Classified Management	347,356
Employee Benefits	6,903,569
Books & Supplies	1,703,395
Operating Expenses	4,268,124
Capital Outlay	756,909
Other Outgo	423,977
Total Exp. & Other Outgo	44,175,960

Total Salary and Benefits = 83.8%

LOCAL CONTROL FUNDING FORMULA (LCFF)

Local Control Funding Formula (LCFF)



- LCFF is intended to provide a funding mechanism that is simple and transparent
- Allows local educational agencies (LEA) maximum flexibility in allocating resources to meet local needs
- 2013-14 is a transition year
- The State has committed that no LEA shall receive less than 2012-13 funding
- Details of the new accountability structure are yet to be determined and the format of the Local Control and Accountability Plan (LCAP) is forthcoming

LCFF New Terminology



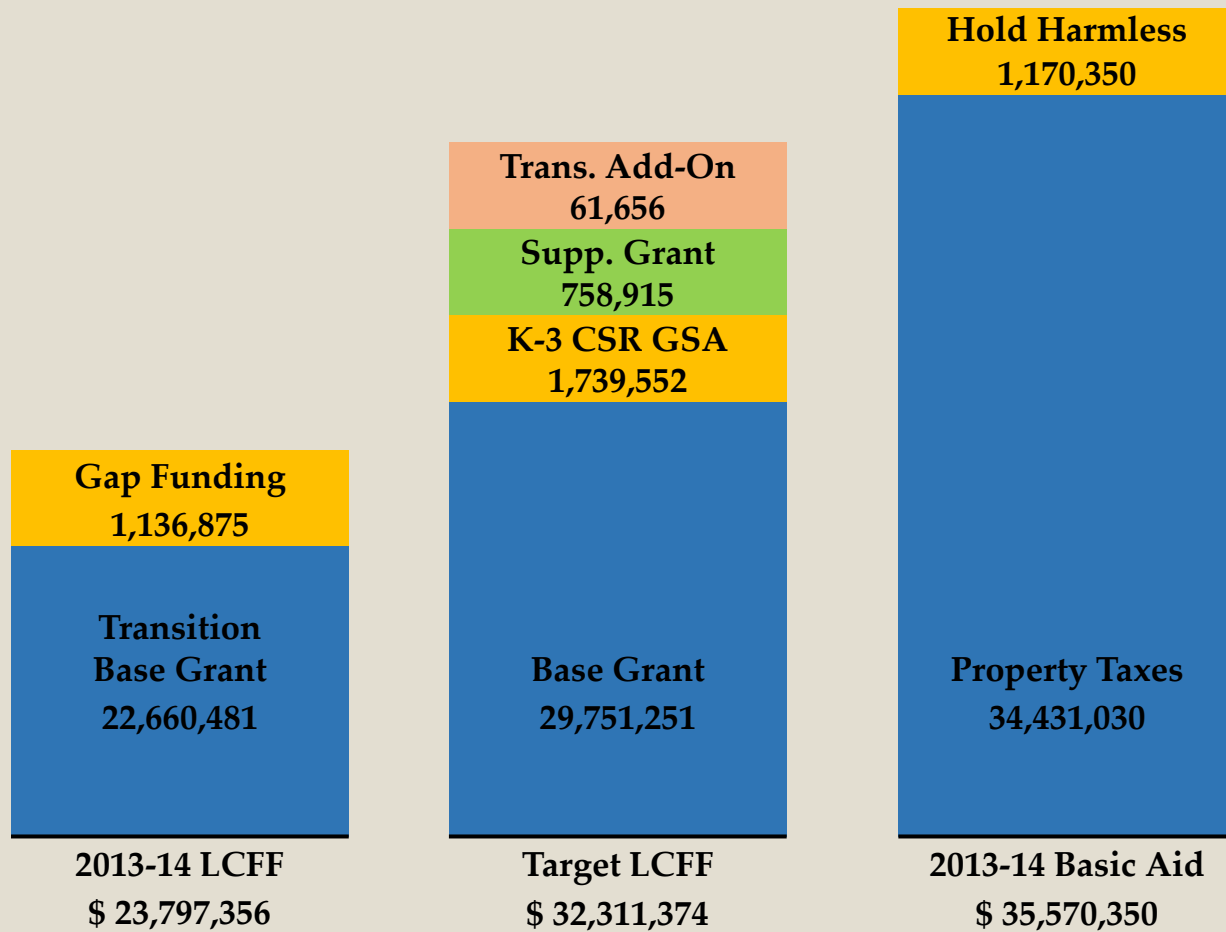
- Minimum State Aid – 2012-13 hold harmless
- Floor – Transition base funding
- Transition Entitlement (Gap Funding) – amount LEA will receive during transition (projected 8 years transition towards Target)
- Base Grants – By grade level K-3, 4-6, 7-8, 9-12
- Grade Span Adjustments (GSA) – K-3 funding for class size
- Base Grade Span – Base Grants + GSA
- Supplemental Grants – 20% of Base Grade Span for unduplicated students (Free & Reduced, ELL & Foster Youth)
- Concentration Grants – 50% of Base Grade Span for unduplicated students above 55%

LCFF Target Entitlement Calculations



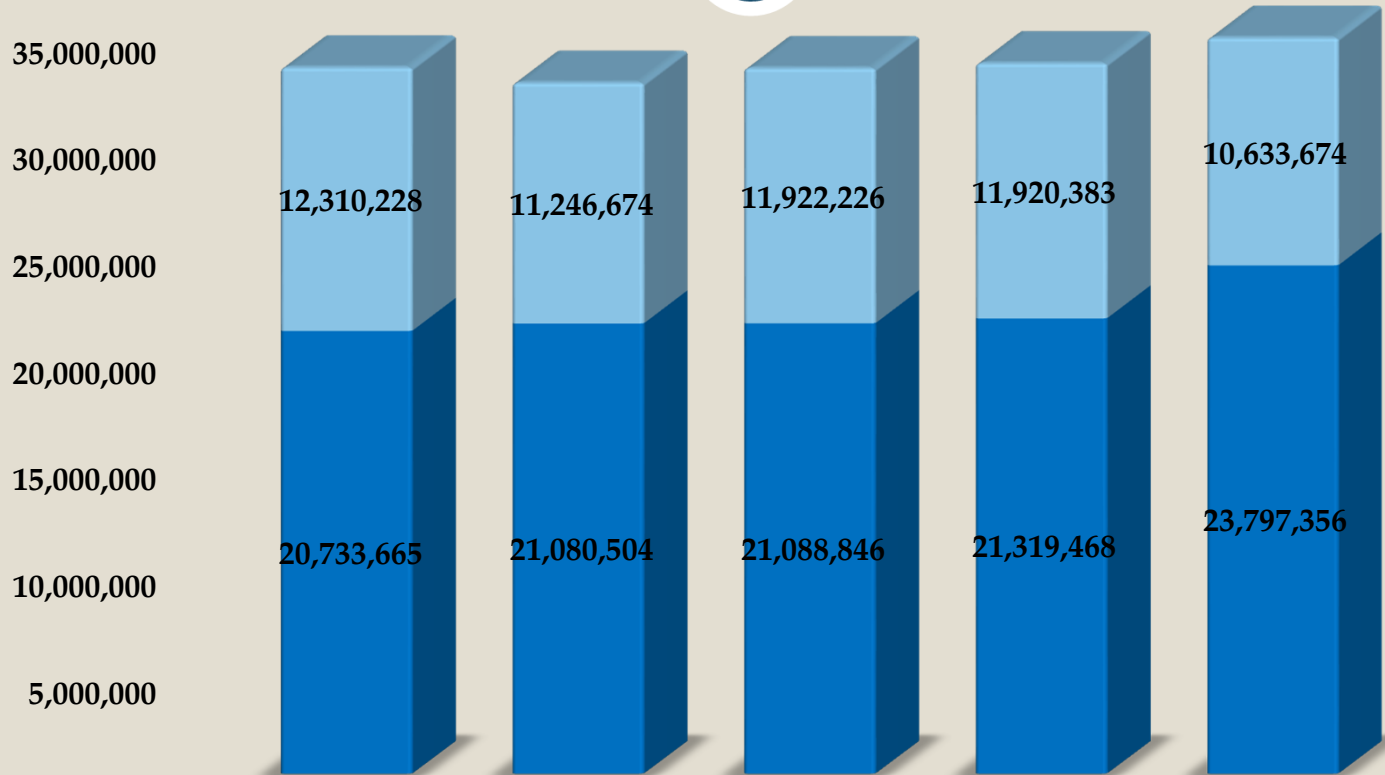
- Entitlement Target = Base Grant + GSA + Supplemental Grant + Concentration Grant + Add-ons
- Base Grant per ADA:
 - Grade Span: K-3 = \$6,952 4-6 = \$7,056
- GSA – 10.4% of base grant for K-3 CSR at 24:1
- Supplemental Grants – Additional 20% of Base Grade Span for unduplicated students (Free & Reduced, ELL & Foster Youth)
- Add-ons – Home-to-School Transportation

LCFF vs. Basic Aid



HISTORICAL DATA SUMMARY

Property Tax Revenue

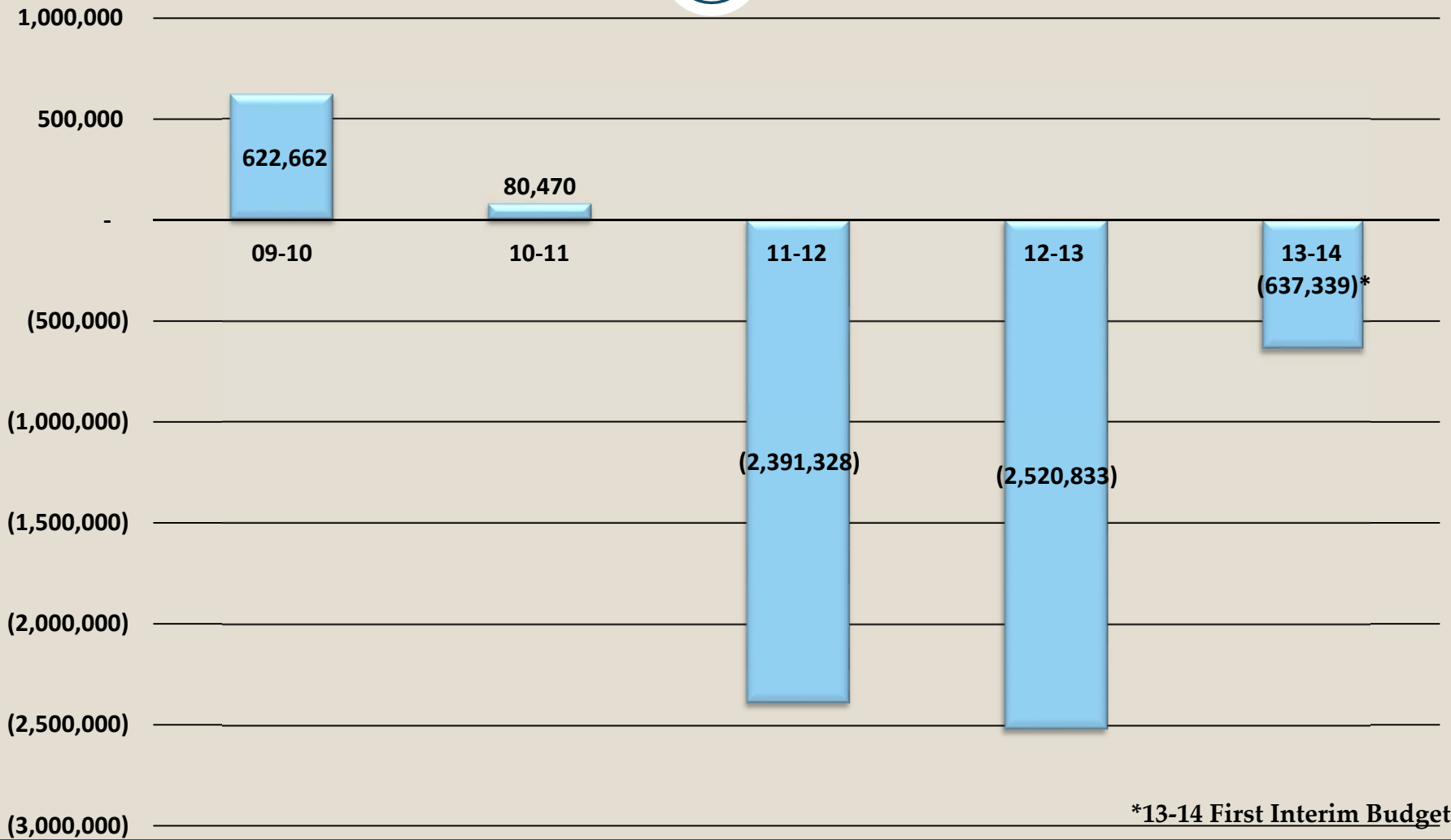


	09-10	10-11	11-12	12-13*	13-14*
Property Tax Total	33,043,893	32,327,178	33,011,072	33,239,851	34,431,030

■ LCFF/Revenue Limit
 ■ Basic Aid

*13-14 LCFF Transition with Estimated Property Taxes

Change in Ending Fund Balance



MULTI-YEAR PROJECTIONS

Multi-Year Projection Scenario 1



- Based upon the School Services of California Dashboard
- Property Tax Projection:
 - 2014-15 2% Increase
 - 2015-16 2% Increase
- Average Daily Attendance Projections:
 - 2014-15 4,255
 - 2015-16 4,314
- Salary: Step and Column – 2% annually
- Services: Estimated increase of 15% for districtwide electricity bills due to rate increases
- Capital Outlay: SDCOE Enterprise Resource Planning system acquisition beginning in 2014-15.
- Assumes 2013-14 budget reduction amount of approximately \$2.0 million continue into 2014-15 and 2015-16

Multi-Year Projection Scenario 1



Description	FY 2013-14 Current (Base Year)	FY 2014-15 First Projected Year	FY 2015-16 Second Projected Year
Revenues			
Revenue Limit Sources	36,565,187	37,273,861	37,987,893
Federal Revenues	979,886	952,648	952,648
Other State Revenues	2,132,298	1,216,928	1,220,498
Other Local Revenues	3,791,250	3,390,368	3,390,888
Transfers In	70,000	70,000	70,000
Total Revenues	43,538,621	42,903,805	43,621,927
Expenditures			
Certificated Salaries	23,739,137	23,371,920	23,839,358
Classified Salaries	6,380,849	6,508,466	6,638,635
Employee Benefits	6,903,569	6,898,403	7,034,225
Books & Supplies	1,703,395	965,465	966,047
Services, Other Operating Exp	4,268,124	4,350,752	4,372,941
Capital Outlay	756,909	532,909	293,909
Other Outgo - exclude Direct Sup.	135,408	135,408	135,408
Debt Service	164,215	164,215	164,215
Direct Support/Indirect Costs	(10,772)	(10,772)	(10,772)
Transfers Out	135,126	135,126	135,126
Total Expenditures:	\$44,175,960	\$43,051,892	\$43,569,092

Multi-Year Projection Scenario 1 Cont.



Description	FY 2013-14 Current (Base Year)	FY 2014-15 First Projected Year	FY 2015-16 Second Projected Year
Beginning Balance as of July 1	10,501,753	9,864,414	9,716,327
Net Increase (Decrease) In Fund Balance	(637,339)	(148,087)	52,835
Ending Balance	9,864,414	9,716,327	9,769,162
Revolving Cash	25,000	25,000	25,000
Other Reserves	200,718	200,718	200,718
Restricted	(1)	(1)	(0)
Reserve for Economic Uncertainties	1,325,279	1,291,557	1,307,073
Unassigned/unappropriated Amount	8,313,418	8,199,053	8,236,371
Components of the Ending Fund Balance	9,864,414	9,716,327	9,769,162
Total Reserve Percentage	22.3%	22.6%	22.4%
Note: Board Approved 15% Reserve	6,626,394	6,457,784	6,535,364

Multi-Year Projection Scenario 2



- Based upon the School Services of California Dashboard
- Property Tax Projection:
 - 2014-15 2% Increase
 - 2015-16 2% Increase
- Average Daily Attendance Projections:
 - 2014-15 4,255
 - 2015-16 4,314
- Salary: Step and Column – 2% annually
- Services: Estimated increase of 15% for districtwide electricity bills due to rate increases
- Capital Outlay: SDCOE Enterprise Resource Planning system acquisition beginning in 2014-15.
- Assumes 2013-14 budget reduction amount of approximately \$1.0 million continue into 2014-15 and 2015-16

Multi-Year Projection Scenario 2



Description	FY 2013-14 Current (Base Year)	FY 2014-15 First Projected Year	FY 2015-16 Second Projected Year
Revenues			
Revenue Limit Sources	36,565,187	37,273,861	37,987,893
Federal Revenues	979,886	952,648	952,648
Other State Revenues	2,132,298	1,216,928	1,220,498
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Classified Salaries	6,380,849	6,508,466	6,638,635
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Capital Outlay	756,909	532,909	293,909
Other Outgo - exclude Direct Sup.	135,408	135,408	135,408
Debt Service	164,215	164,215	164,215
Direct Support/Indirect Costs	(10,772)	(10,772)	(10,772)
Transfers Out	135,126	135,126	135,126
MOU Expiration	-	1,000,000	1,000,000
Total Expenditures:	44,175,960	44,051,892	44,569,092

Multi-Year Projection Scenario 2 Cont.



Description	FY 2013-14 Current (Base Year)	FY 2014-15 First Projected Year	FY 2015-16 Second Projected Year
Beginning Balance as of July 1	10,501,753	9,864,414	8,716,327
Net Increase (Decrease) In Fund Balance	(637,339)	(1,148,087)	(947,165)
Ending Balance	9,864,414	8,716,327	7,769,162
Revolving Cash	25,000	25,000	25,000
Other Reserves	200,718	200,718	200,718
Restricted	(1)	(1)	(0)
Reserve for Economic Uncertainties	1,325,279	1,321,557	1,337,073
Unassigned/unappropriated Amount	8,313,418	7,169,053	6,206,371
Components of the Ending Fund Balance	9,864,414	8,716,327	7,769,162
Total Reserve Percentage	22.3%	19.8%	17.4%
Note: Board Approved 15% Reserve	6,626,394	6,607,784	6,685,364

Future District Needs



- Carmel Del Mar Modernization
- Increased Enrollment/District Capacity
- Preschool and Child Development Center
- Technology Infrastructure
- Security Upgrades
- Districtwide Deferred Maintenance Projects
 - HVAC, roof repairs, sewer repairs, playground/lunch shade structures, etc.