



2014-2015 FIRST INTERIM BUDGET

**REGULAR BOARD MEETING
DECEMBER 10, 2014**

Presentation



- Adopted Budget vs. First Interim
 - Revenue and Expenditure Variances
- General Fund Summary
 - 2014-2015 Revenues and Expenditures
- Historical Data
 - Property Taxes
 - Ending Fund Balance
- Multi-year Projection
- Looking Ahead, Local and State Influences

Vision



*We are educating for the future:
forging a path for tomorrow's innovative,
global thinkers.*

**ADOPTED BUDGET
VS.
FIRST INTERIM**

Revenue



	Adopted Budget	Carryover	Budget Adjustments	First Interim
LCFF Sources	38,176,416	-	755,382	38,931,798
Federal Revenues	943,175	39,635	-	982,810
Other State Revenues	1,219,195	41,165	314,574	1,574,934
Other Local Revenues	3,341,371	-	103,441	3,444,812
Other Finance Sources	70,000	-	-	70,000
Total Revenues	43,750,157	80,800	1,173,397	45,004,354

Revenue Variances



- **LCFF/Revenue Limit:**
 - Increase due to update in anticipated Property Taxes
- **Federal Revenues:**
 - Increase due to carryover from Title III LEP and Immigrant
- **Other State Revenues:**
 - Increase due to carryover of Prop 39 funding and receipt of one-time mandate reimbursement
- **Other Local Revenues:**
 - Increase due to site fundraising budgeted when received

Expenditures



	Adopted Budget	Carryover	Budget Adjustments	First Interim
Certificated Salaries	23,833,573	302,155	24,012	24,159,740
Classified Salaries	6,487,216	-	39,564	6,526,780
Employee Benefits	7,392,276	44,111	(5,086)	7,431,301
Books & Supplies	1,063,256	340,230	95,456	1,498,942
Operating Expenses	4,266,888	80,488	11,294	4,358,670
Capital Outlay	421,165	389,290	(27,317)	783,138
Other Outgo	285,783	-	(40,000)	245,783
Total Expenditures	43,750,157	1,156,274	97,923	45,004,354

Expenditure Variance



- Salaries and Benefits:
 - Carryover: Common Core
 - Salary adjustments
- Books and Supplies:
 - Current year and carryover fundraising
 - Carryover: Common Core, technology, and school site improvement
- Operating Expenditures:
 - Carryover: Title III LEP and Immigrant
 - Current year and carryover fundraising
- Capital Outlay and Other Outgo:
 - Carryover: Prop 39 energy efficiency projects, facilities and technology
 - Reduction for inter-SELPA MOU

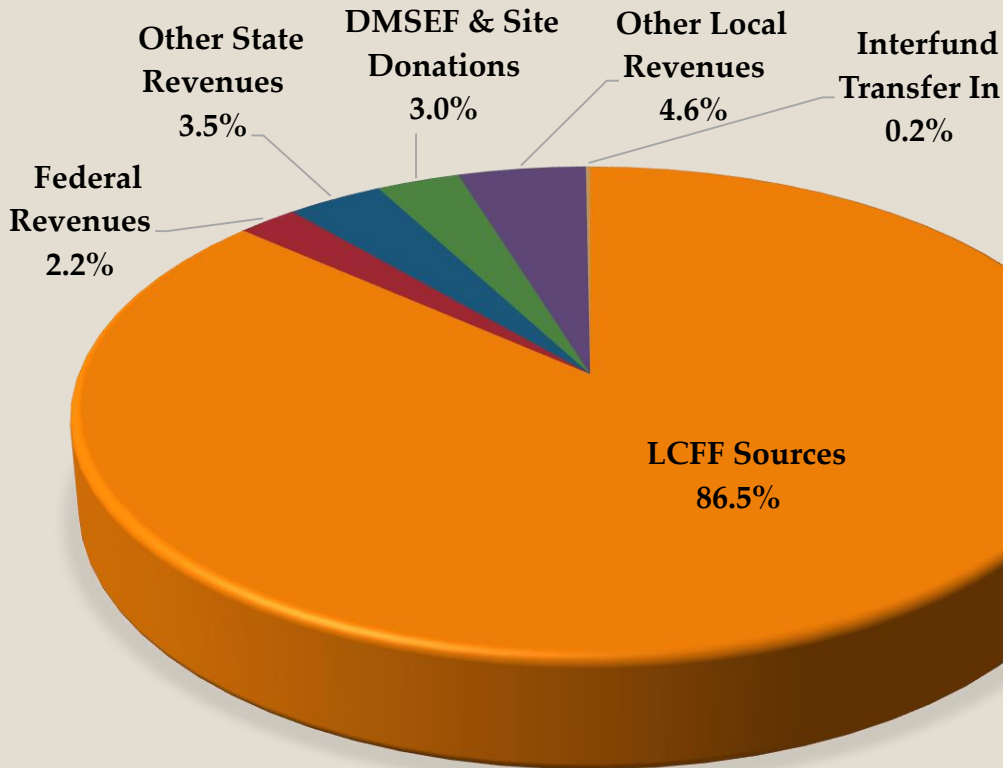
Ending Fund Balance



	Adopted Budget	Carryover	Budget Adjustments	First Interim
Net Increase (Decrease)	-	(1,075,474)	1,075,474	-
Fund Balance	11,452,283			11,452,283
<i>Components of Ending Fund Balance:</i>				
Revolving Cash	25,000			25,000
Prepaid Expenditures	200,718			200,718
Assigned: School Site Modernization	1,500,000			1,500,000
3% Reserve for Economic Uncertainties	1,312,505			1,350,131
Unassigned	8,414,060			8,376,434
Note: Board Approved 15% Reserve	6,562,524			6,750,653

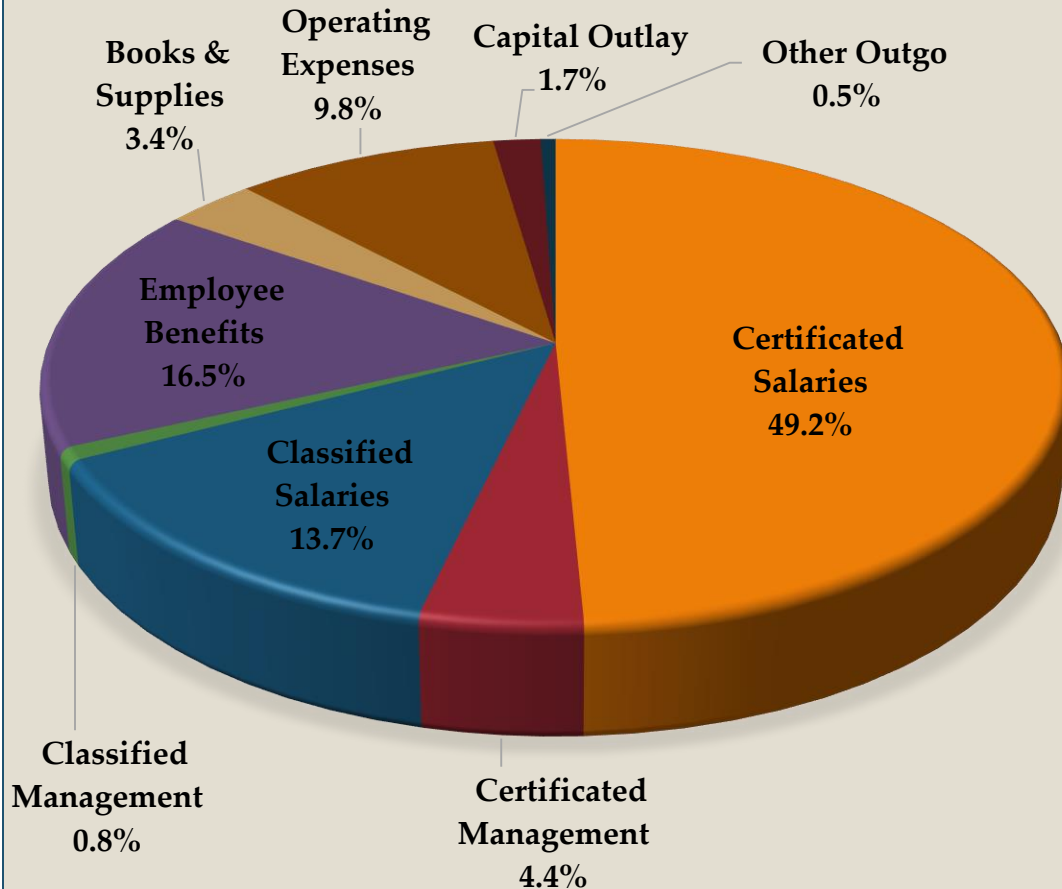
GENERAL FUND SUMMARY

2014-2015 Revenue Summary



LCFF Sources	38,931,798
Federal Revenues	982,810
Other State Revenues	1,574,934
Other Local Revenues	2,085,712
DMSEF & Site Donations	1,359,100
Other Financing Sources	70,000
Total Revenue & Other Financing Sources	45,004,354

2014-2015 Expenditure Summary

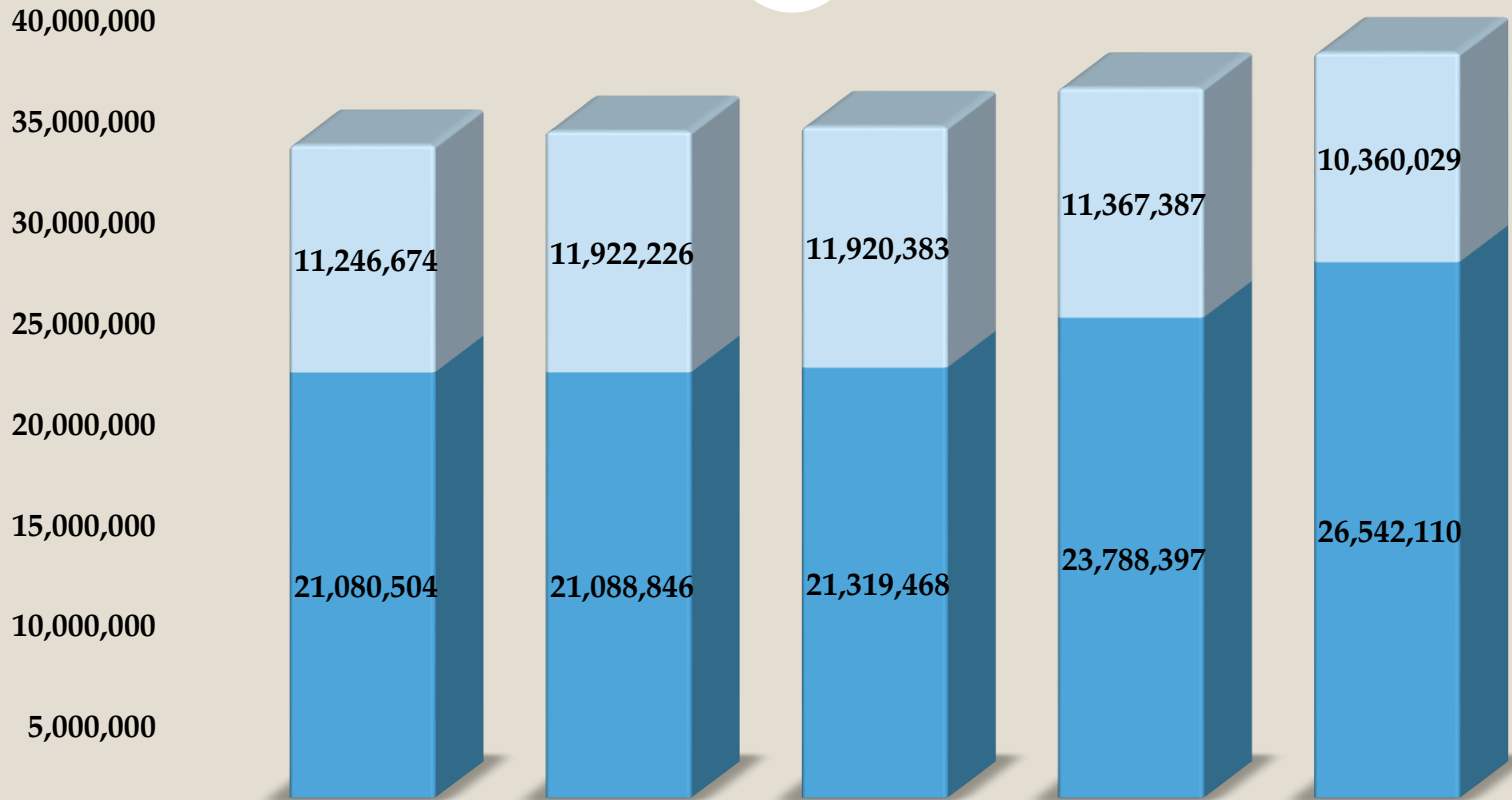


Certificated Salaries	22,161,918
Certificated Management	1,997,822
Classified Salaries	6,145,492
Classified Management	381,288
Employee Benefits	7,431,301
Books & Supplies	1,498,942
Operating Expenses	4,358,670
Capital Outlay	783,138
Other Outgo	245,783
Total Expenditures & Other Outgo	45,004,354

Total Salary and Benefits = 84.6%

HISTORICAL DATA SUMMARY

Property Tax Revenue

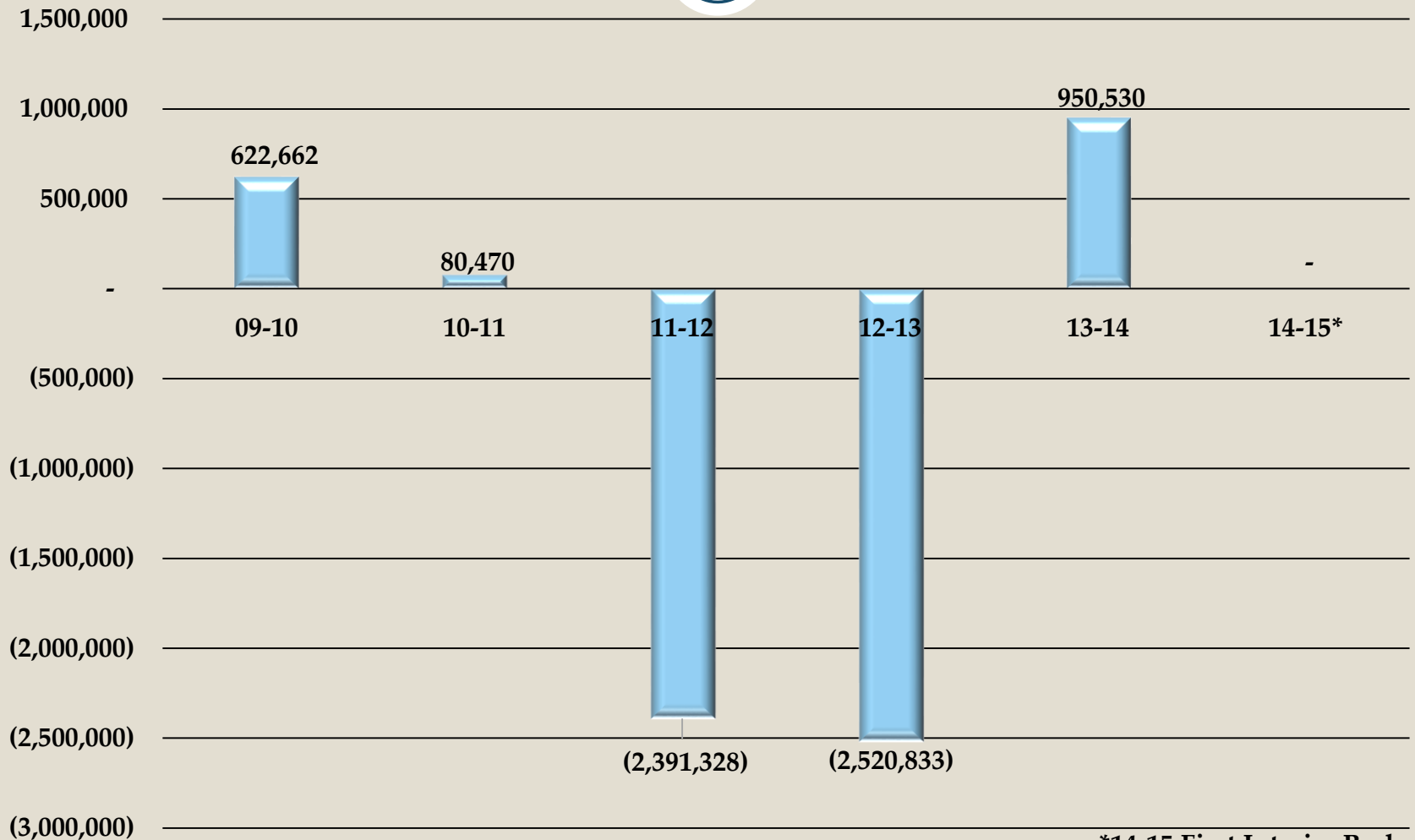


	Revenue Limit			LCFF	
	10-11	11-12	12-13	13-14	14-15*
Property Tax Total	32,327,178	33,011,072	33,239,851	35,155,784	36,902,139

■ LCFF/Revenue Limit ■ Basic Aid

*14-15 LCFF Transition with Estimated Property Taxes

Change in Ending Fund Balance



*14-15 First Interim Budget

MULTI-YEAR PROJECTION

Multi-Year Projection



- Based upon the School Services of California Dartboard
- Property Tax Projection:
 - 2015-16 2% Increase
 - 2016-17 2% Increase
- Average Daily Attendance Projections:
 - 2015-16 4,275
 - 2016-17 4,298
- Salary: Step and Column – 2% annually
- Benefits: Annual increases in Employer STRS and PERS contributions
- Capital Outlay: SDCOE Enterprise Resource Planning system acquisition continuing in 2015-16.

Multi-Year Projection



Description	FY 2014-15 Current (Base Year)	FY 2015-16 First Projected Year	FY 2016-17 Second Projected Year
Revenues			
LCFF Sources	38,931,798	39,674,699	40,432,314
Federal Revenues	982,810	943,175	943,175
Other State Revenues	1,574,934	1,249,517	1,249,707
Other Local Revenues	3,444,812	3,353,979	3,355,073
Transfers In	70,000	70,000	70,000
Total Revenues	45,004,354	45,291,370	46,050,269
Expenditures			
Certificated Salaries	24,159,740	24,340,780	24,827,595
Classified Salaries	6,526,780	6,657,316	6,790,462
Employee Benefits	7,431,301	7,956,582	8,447,480
Books & Supplies	1,498,942	1,147,255	1,047,289
Services, Other Operating Exp	4,358,670	4,348,397	4,457,264
Capital Outlay	783,138	1,807,165	221,165
Other Outgo - exclude Direct Sup.	49,257	49,257	49,257
Debt Service	210,347	117,535	117,535
Direct Support/Indirect Costs	(13,821)	(13,821)	(13,821)
Total Expenditures:	\$45,004,354	\$46,410,465	\$45,944,227

Multi-Year Projection



Description	FY 2014-15 Current (Base Year)	FY 2015-16 First Projected Year	FY 2016-17 Second Projected Year
Beginning Balance as of July 1	11,452,283	11,452,283	10,333,187
Net Increase (Decrease) In Fund Balance	-	(1,119,096)	106,042
Ending Balance	11,452,283	10,333,187	10,439,230
Revolving Cash	25,000	25,000	25,000
Other Reserves	200,718	-	-
Restricted	-	-	-
Assigned	1,500,000	1,954,304	2,144,269
Reserve for Economic Uncertainties	1,350,131	1,392,314	1,378,327
Unassigned/Unappropriated Amount	8,376,434	6,961,569	6,891,634
Total Unassigned/Unappropriated	9,726,565	8,353,883	8,269,961
Total Reserve Percentage	21.6%	18.0%	18.0%
Note: Board Approved 15% Reserve	6,750,653	6,961,569	6,891,634

**LOOKING AHEAD
LOCAL AND STATE
INFLUENCES**

Looking Ahead



- Carmel Del Mar Modernization
- Increased Enrollment/District Capacity
- STRS and PERS (Retirement) Increases
- Increase in Utility Rates
- Districtwide Deferred Maintenance Projects
 - HVAC, roof repairs, shade structures, etc.
- Facilities Master Plan – Unfunded Priorities

Pension System Overview



	Cal STRS	Cal PERS
Authority:	Education Code	Government Code
Board:	Teachers' Retirement Board	Board of Administration
Employees:	Certificated Positions	Classified Positions
Pension Fund Status (as of 6/2013)	66.9% Funded \$77.4 Billion Unfunded Liability	80.5% Funded \$12.05 Billion Unfunded Liability
Employer Rates:		
Current	8.88%	11.771%
2015-16	10.73%	12.60%
2016-17	12.58%	15.00%
2017-18	14.43%	16.60%
2018-19	16.28%	18.20%
2019-20	18.13%	19.90%
2020-21	19.10%	20.40%

Looking Ahead



- Expiration of Temporary Revenue:
 - Education Protection Account (EPA/Prop 30)
 - ✦ Expires 2018-2019, loss of \$200/ADA or approximately \$850,000
 - State Aid (Hold Harmless) upon full implementation of LCFF
 - ✦ Estimated implementation 2020-2021, loss of \$1,170,350

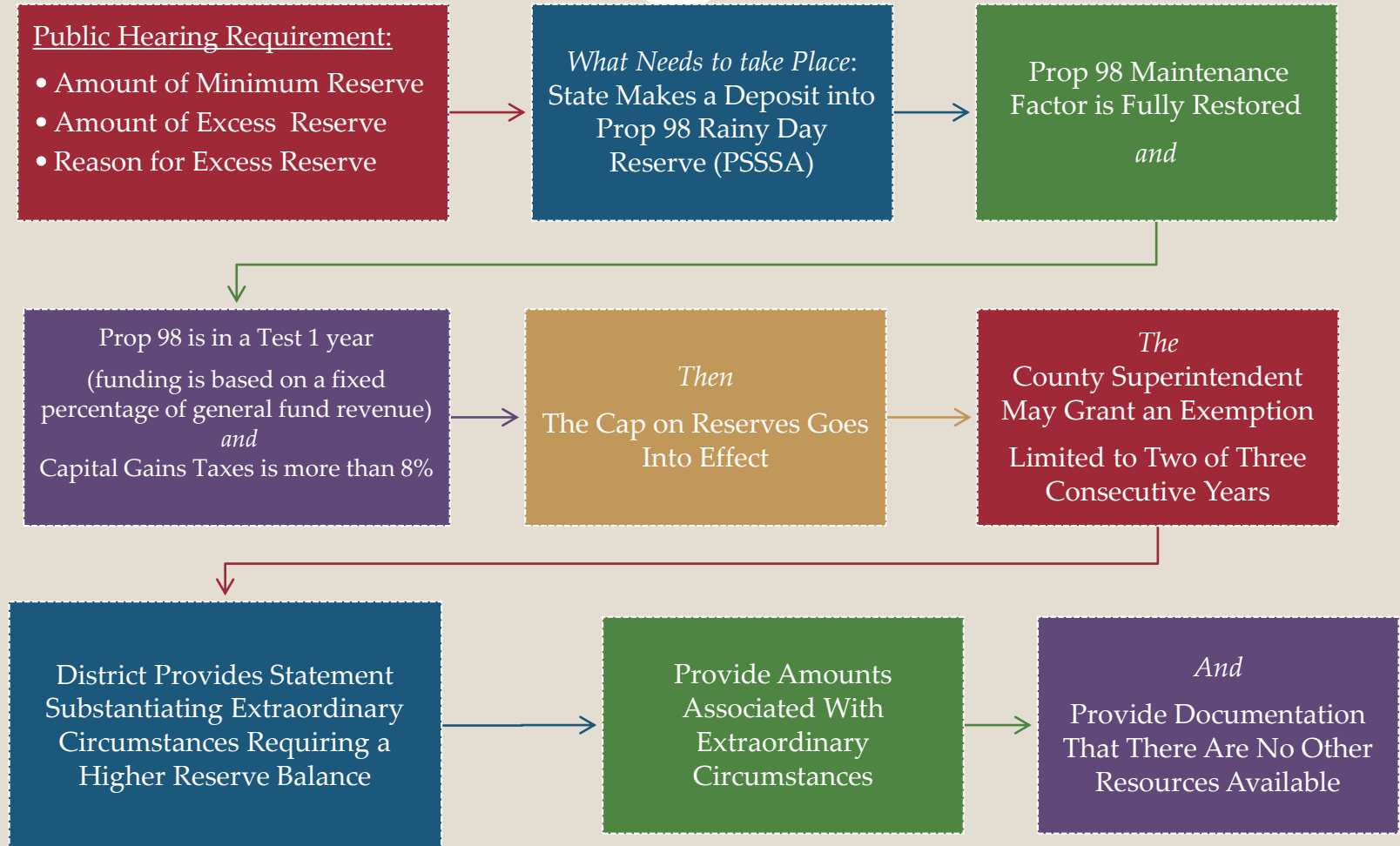
- Reserve Limitations

Effect of Reserve Limitations



- Two major elements of 2014-15 Budget Act, SB 858
 - Requires additional disclosure and a public hearing related to reserve levels beginning with 2015-16 budget adoption.
 - School districts will be required to explain reserve levels to the County Office of Education.
- The language places a maximum on school district reserves following a year where the State makes a contribution to the Prop 98 portion of the Public School System Stabilization Account (Rainy Day Fund). The statutory maximum is 6%, twice the minimum reserve of 3%.
 - There is discussion the reserve limitations may never take effect because of the conditions necessary to occur prior to implementation of the cap on reserves

Reserve Requirements



Questions?