



2014-2015 PROPOSED BUDGET

BOARD MEETING

JUNE 25, 2014

Presentation



- Vision and Mission Statement
- First Read vs. Adoption
 - Revenue and Expenditure
- General Fund Summary
 - 2014-2015 Revenue and Expenditure
- Historical Data
 - Property Taxes
 - Change in Ending Fund Balance
- Multi-Year Projection
- Potential Changes and Looking Ahead

VISION AND MISSION STATEMENT

Vision



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

Mission Statement



Del Mar Union Schools provide a nurturing, inspiring, and rigorous educational program for each of our students. With a collaborative community and dedicated staff, we continually evolve to develop:

- Well-rounded and fulfilled individuals
- Motivated lifelong learners
- Future leaders prepared for the challenges of a changing world

Budget Development



- Budget determinations have been made in accordance with the District's Strategic Plan and Local Control Accountability Plan (LCAP)
- Maintain a stable level of funding resources necessary to fulfill our mission
- Communicate the budget to all stakeholders

FIRST READ
versus
PROPOSED BUDGET
ADOPTION

Revenue



	2014-2015 First Read	2014-2015 Proposed Budget	Difference
LCFF Sources	37,652,550	38,176,416	523,866
Federal Revenues	943,175	943,175	-
Other State Revenues	1,219,195	1,219,195	-
Other Local Revenues	3,341,371	3,341,371	-
Other Finance Sources	70,000	70,000	-
Total Revenues	43,226,291	43,750,157	523,866

Expenditures



	2014-2015 First Read	2014-2015 Proposed Budget	Difference
Certificated Salaries	23,767,271	23,833,573	66,302
Classified Salaries	6,477,472	6,487,216	9,744
Employee Benefits	7,519,948	7,392,276	(127,672)
Books & Supplies	920,681	1,063,256	142,575
Operating Expenses	4,196,888	4,266,888	70,000
Capital Outlay	371,165	421,165	50,000
Other Outgo	288,832	285,783	(3,049)
Total Expenditures	43,542,257	43,750,157	207,900

Revenue and Expenditure Variance



- **LCFF Resources:**
 - Property tax has been increased from 2% to 3.5% above the estimated 2013-2014 P-2 J29B. This is due to a recent report showing an increase to assessed valuation. Any future changes will be reflected at interim reports as new data becomes available
- **Salaries and Benefits:**
 - Addition of Special Day Class and decrease in estimated STRS contribution from 9.5% to 8.88%
- **Supplies/Operating Exp/Capital Outlay:**
 - Expenditures for Common Core aligned instructional materials and pilot programs for K-3 have been added to the budget along with training and infrastructure required to support the added technology

Funding Based Upon Avg. Daily Attendance



- During Strategic Planning review, we identified the importance of student attendance directly relating to student achievement. Attendance also has an impact on the following funding resources:
 - Unrestricted and Restricted Lottery: \$662,778
 - Prop 30 Education Protection Account: \$850,400
 - Prop 39 Clean Energy Jobs Act: \$171,165
 - Special Education: \$1,765,452
 - Common Core in 2013-2014: \$881,020

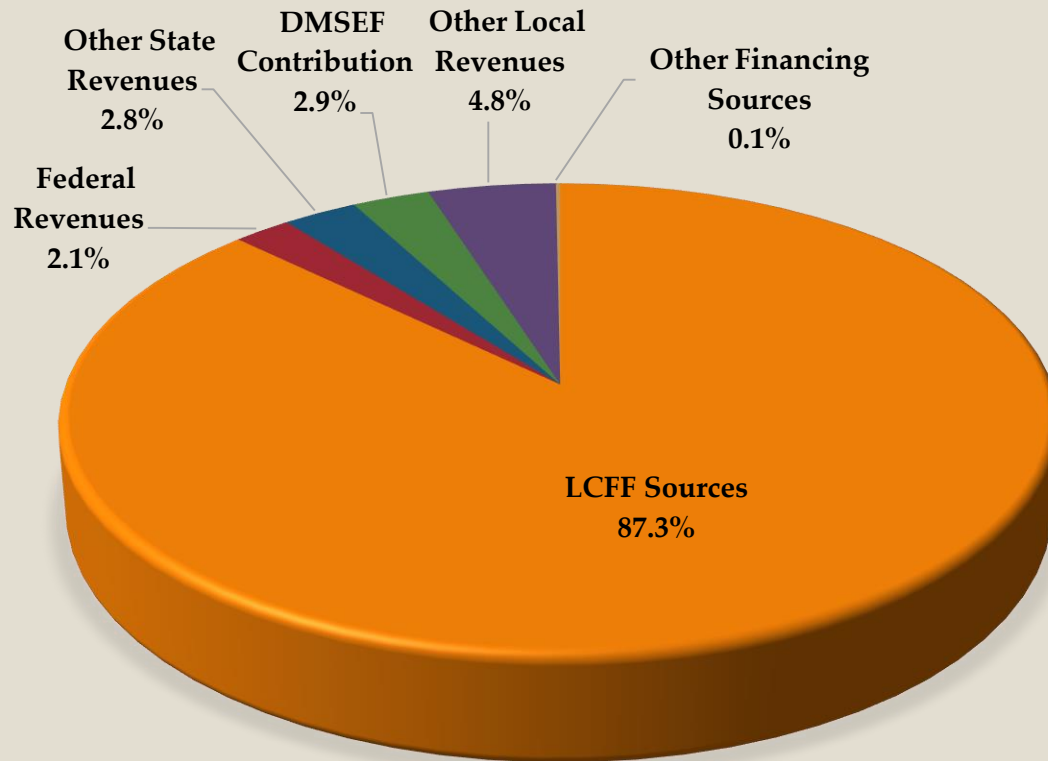
Ending Fund Balance



General Fund	Unrestricted	Restricted	Combined
E. Net Increase (Decrease)	-	-	-
F. Fund Balance			
Beginning Fund Balance	9,593,793	(1)	9,593,792
Ending Fund Balance	9,593,793	-	9,593,792
Components of the Ending Fund Balance			
a) Nonspendable:			
Revolving Cash	25,000	-	25,000
Prepaid Expenditures	200,718	-	200,718
b) Restricted	-	1	1
c) Committed	-	-	-
d) Assigned	-	-	-
School Site Modernization	1,500,000	-	1,500,000
e) Unassigned/Unappropriated:			
Reserve for Economic Uncertainty (3%)	1,312,505	-	1,312,505
Unassigned/Unappropriated	6,555,568	-	6,555,568
Total Ending Fund Balance	9,593,793	(1)	9,593,792
	Total Unassigned/Unappropriated		7,868,073
	Unassigned/Unappropriated Reserve %		18.0%
	Board Approved 15% Reserve		6,562,524

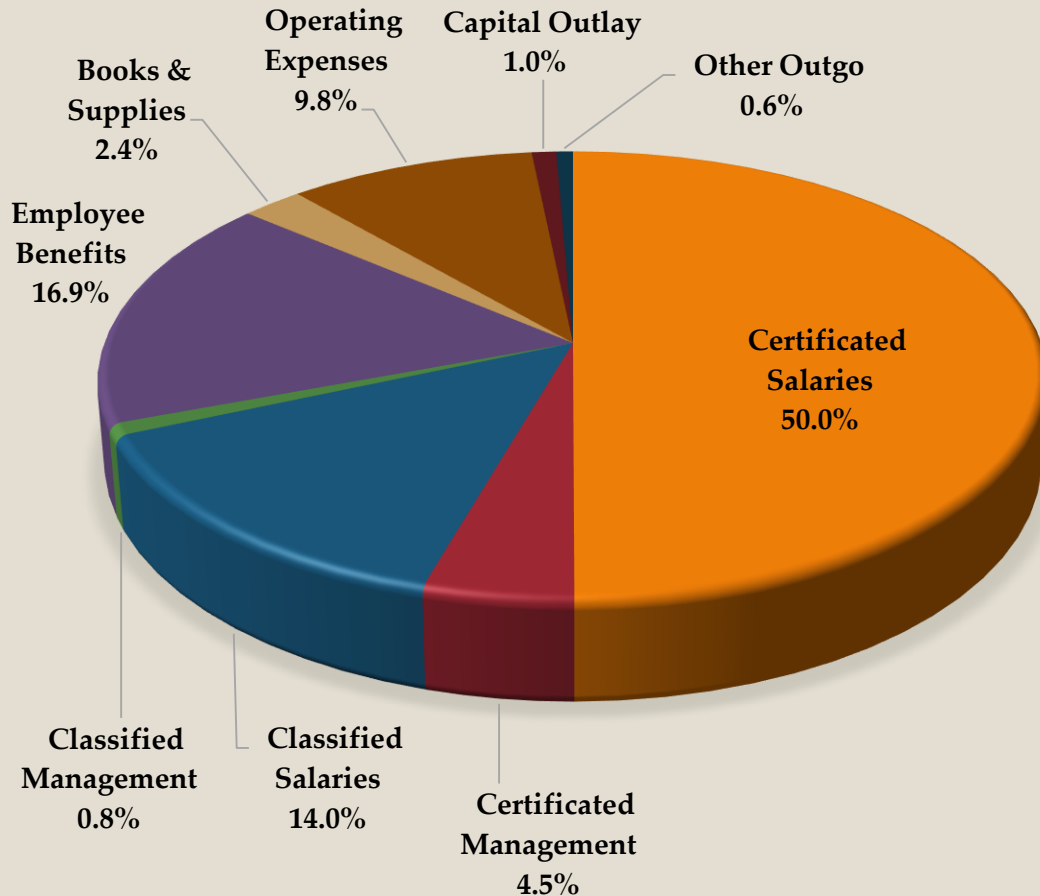
GENERAL FUND SUMMARY

2014-2015 Revenue Summary



LCFF Sources	38,176,416
Federal Revenues	943,175
Other State Revenues	1,219,195
Other Local Revenues	2,081,371
DMSEF Contribution	1,260,000
Other Financing Sources	70,000
Total Rev. & Other Sources	43,750,157

2014-2015 Expenditure Summary

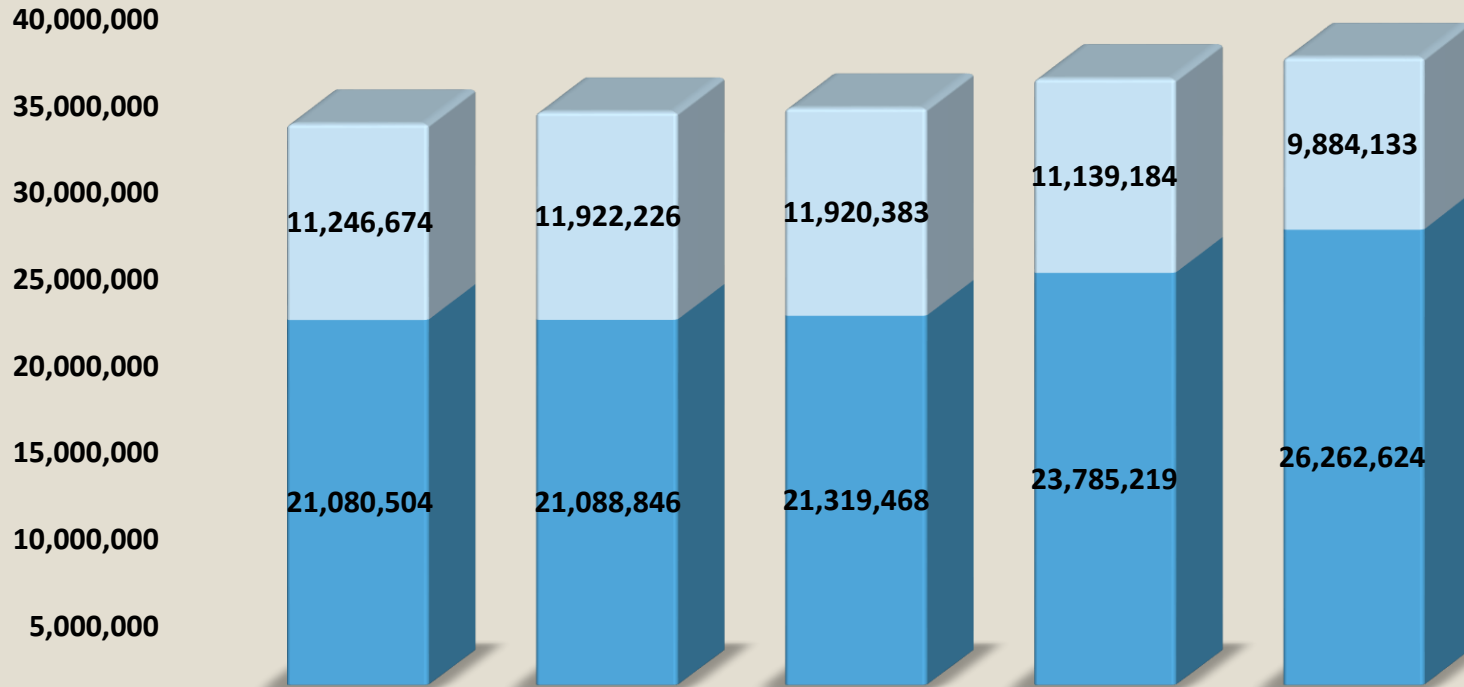


Certificated Salaries	21,857,663
Certificated Management	1,975,910
Classified Salaries	6,116,813
Classified Management	370,403
Employee Benefits	7,392,276
Books & Supplies	1,063,256
Operating Expenses	4,266,888
Capital Outlay	421,165
Other Outgo	285,783
Total Exp. & Other Outgo	43,750,157

Total Salary and Benefits = 86.2%

HISTORICAL DATA SUMMARY

Property Tax Revenue

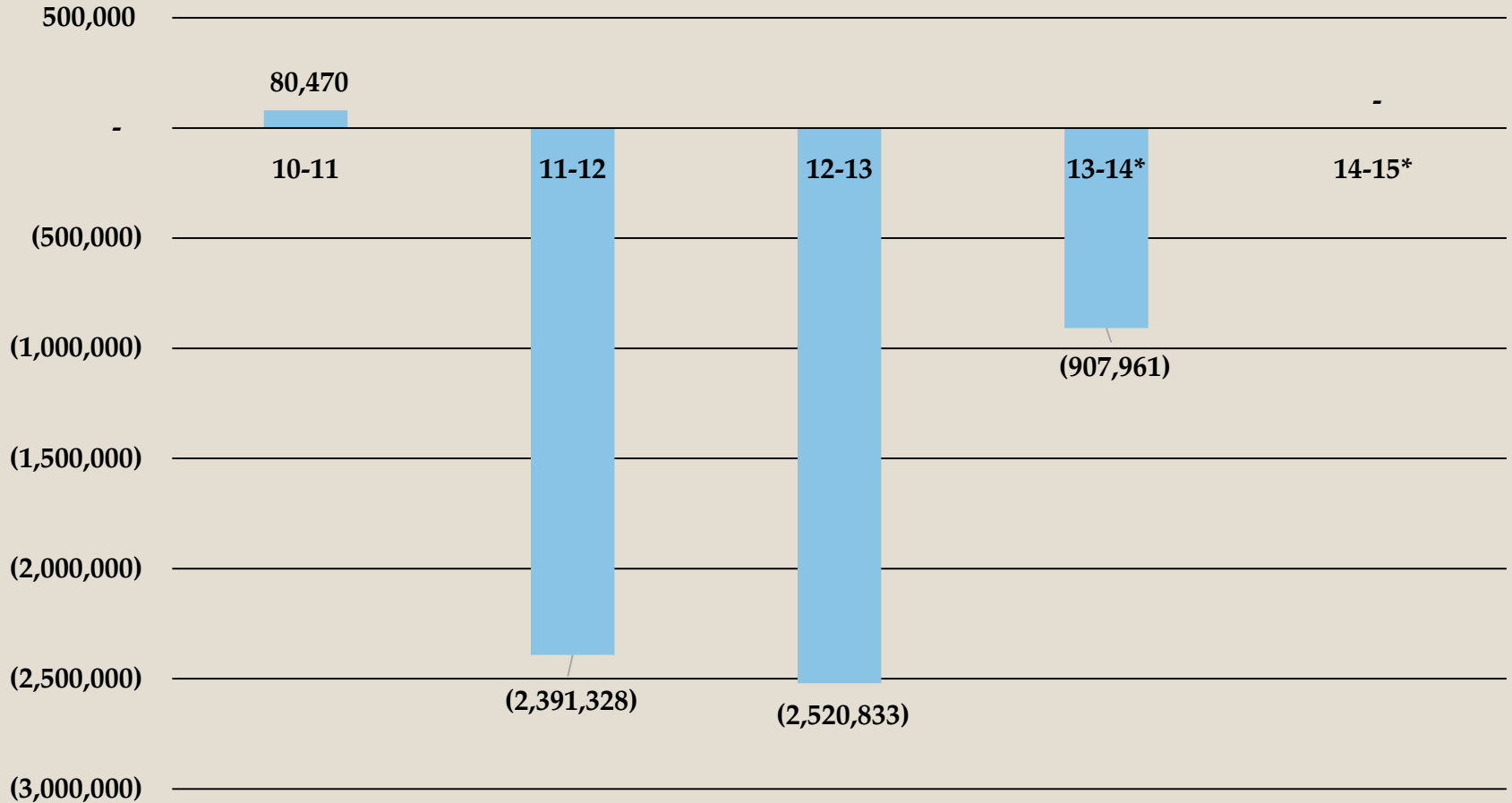


	Revenue Limit			LCFF Sources	
	10-11	11-12	12-13	13-14*	14-15*
Property Tax Total	32,327,178	33,011,072	33,239,851	34,924,403	36,146,757

■ LCFF Sources ■ Basic Aid

*Estimated Property Taxes

Change in Ending Fund Balance



*Based upon 13-14 Estimated Actuals and 14-15 Proposed Budget

Multi-Year Projection

Multi-Year Projection Assumptions



- 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	38,176,416	38,904,351	39,646,701
Federal Revenues	943,175	943,175	943,175
Other State Revenues	1,219,195	1,219,826	1,224,057
Other Local Revenues	3,341,371	3,342,201	3,343,128
Transfers In	70,000	70,000	70,000
Total Revenues	43,750,157	44,479,553	45,227,061
Expenditures			
Certificated Salaries	23,833,573	24,310,245	24,796,449
Classified Salaries	6,487,216	6,616,960	6,749,299
Employee Benefits	7,392,276	8,032,861	8,589,447
Books & Supplies	1,063,256	1,063,359	1,064,049
Services, Other Operating Exp	4,266,888	4,251,888	4,251,888
Capital Outlay	421,165	307,165	221,165
Other Outgo - exclude Direct Sup.	89,257	89,257	89,257
Debt Service	210,347	117,536	117,536
Direct Support/Indirect Costs	(13,821)	(13,821)	(13,821)
Total Expenditures:	\$43,750,157	\$44,775,450	\$45,865,269

Multi-Year Projection Continued



DESCRIPTION	FY 2014-15 Current (Base Year)	FY 2015-16 First Projected Year	FY 2016-17 Second Projected Year
Net Increase (Decrease) In Fund Balance	\$0	(\$295,897)	(\$638,208)
Beginning Balance as of July 1	\$9,593,792	\$9,593,792	\$9,297,895
Ending Balance	\$9,593,792	\$9,297,895	\$8,659,687
Revolving Cash	25,000	25,000	25,000
Other Reserves	200,718	0	0
Restricted	1	0	0
Assigned - Other Assignments	1,500,000	1,500,000	1,500,000
Reserve for Economic Uncertainties	1,312,505	1,343,263	1,375,958
Unassigned/Unappropriated Amount	6,555,568	6,429,632	5,758,729
Total Unassigned/Unappropriated	\$7,868,073	\$7,772,895	\$7,134,687
Total Reserve Percentage	18.0%	17.4%	15.6%
Board Approved 15% Reserve	\$6,562,524	\$6,716,317	\$6,879,790

**POTENTIAL CHANGES
AND
LOOKING AHEAD**

Potential Changes to 2013-14 and 2014-15



- Adjusting 2013-14 revenue and expenditures to actual
- Potential Adjustments:
 - Title III Immigrant and LEP: \$37,500
 - Proposition 39 CA Clean Energy Jobs Act: \$171,165
 - Common Core: \$420,000
 - Mental Health: \$235,000
 - **Total Restricted Carryover: \$863,665**

 - Site Funds: \$130,000
 - Capital Projects: \$124,000
 - Technology Infrastructure: \$62,000
 - **Total Assigned: \$316,000**

2013-14 Estimated Ending Fund Balance



General Fund	Unrestricted	Restricted	Combined
Total Revenues	33,127,141	11,004,006	44,131,147
Total Expenditures	33,891,909	11,147,199	45,039,108
Excess (Deficiency)	(764,768)	(143,193)	(907,961)
Adj. for Estimated Carryover*	316,000	863,665	1,179,665
Adj. Net Increase (Decrease)	(448,768)	720,472	271,704

*Final Carryover will be determined at Unaudited Actuals and will be reflected at 2014-15 1st Interim Budget

Note: At Unaudited Actuals, revenue and expenditures will be adjusted to actual, which may also change the ending fund balance.

Looking Ahead



- Carmel Del Mar Modernization
- Review demographic study to actual enrollment
- Analysis of Early Childhood Development Center
- Technology Infrastructure Needs
- Security Analysis
- Energy Efficiency Project Identification
- Districtwide Deferred Maintenance Projects
 - HVAC, roof repairs, sewer repairs, painting, etc.

Local Reserves



- In 2015-16 districts must substantiate assigned and unassigned ending balances that are in excess of the 3% minimum reserve required by law. A public hearing is required to explain the “excess” and the County Office of Education would act as oversight.
- If the State Budget Reserve (Rainy Day Fund) is passed in November, districts would not be able to have reserves more than twice the minimum required. 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 Rainy Day Fund. The statutory maximum is 6%, twice the minimum reserve of 3%.

Questions?