



2016-2017 PROPOSED BUDGET

REGULAR BOARD MEETING

JUNE 22, 2016

Presentation



- Vision and Mission Statement
- Budget Development
- First Read vs. Proposed Budget Adoption
 - Revenue, Expenditure and Ending Fund Balance
- Local Reserves Requirement
- General Fund Summary
 - 2016-2017 Revenue and Expenditure
- Historical Data
 - Property Taxes
 - Change in Ending Fund Balance
- Multi-Year Projection
- Looking Ahead
- Other Funds
- Facilities & Technology

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 fiscally sound reserve balance for a community funded school district (Basic Aid) and a continued commitment to proactive fiscal planning
- Communicate the budget to all stakeholders

FIRST READ
versus
PROPOSED BUDGET
ADOPTION

Revenue



	2016-2017 First Read	2016-2017 Proposed Budget	Difference
LCFF Sources	43,863,605	43,863,605	-
Federal Revenues	1,054,191	1,054,191	-
Other State Revenues	4,378,309	4,378,309	-
Other Local Revenues	3,357,766	3,380,872	23,106
Other Finance Sources	70,000	70,000	-
Total Revenues	52,723,871	52,746,977	23,106

Expenditures



	2016-2017 First Read	2016-2017 Proposed Budget	Difference
Certificated Salaries	26,764,594	26,839,058	74,464
Classified Salaries	7,450,637	7,392,727	(57,910)
Employee Benefits	11,308,223	11,328,784	20,561
Books & Supplies	2,169,676	2,194,237	24,561
Operating Expenses	4,670,806	4,632,236	(38,570)
Capital Outlay	60,000	60,000	-
Other Outgo	299,935	299,935	-
Total Expenditures	52,723,871	52,746,977	23,106

Revenue and Expenditures



- Revenue:

- 6% increase in property taxes above 2015-2016 estimated actuals
- One-time mandate funding at \$237/ADA
- State STRS “on-behalf” contribution of \$2,091,009 offset in expenditures

- Expenditures:

- Salaries and Benefits:

- ✦ 273.2 FTE Certificated staff, 151.8 FTE Classified staff, and 20.7 FTE Administration

- Materials & Supplies/Op. Expense/Capital Outlay/Other Outgo:

- ✦ \$700,000 ELA Core Textbooks
- ✦ Technology and Facility Projects

Ending Fund Balance



	2016-2017 First Read	2016-2017 Proposed Budget	Difference
Net Increase (Decrease)	-	-	-
Beginning Fund Balance	10,194,685	10,154,870	(39,815)
Ending Fund Balance	10,194,685	10,154,870	(39,815)
<u>Components of Ending Fund Balance:</u>			
Revolving Cash	25,000	25,000	-
Reserve for STRS, PERS, OPEB & School Site Modernization	679,388	635,414	(43,974)
Reserve for Economic Uncertainty	1,581,716	1,582,409	693
Unassigned/Unappropriated	7,908,581	7,912,047	3,466
<i>Total Ending Fund Balance</i>	10,194,685	10,154,870	
<i>Total Required Reserve & Unassigned</i>	9,490,297	9,494,456	
<i>Reserve %</i>	18%	18%	

Local Reserves Requirement



Proposed 2016-2017 Ending Fund Balances:

Total Ending Fund Balance:	\$10,154,870
Less Revolving Cash	\$ 25,000
Less Minimum 3% Reserve for Economic Uncertainties:	<u>\$ 1,582,409</u>
Remaining Balance to Substantiate Need:	\$ 8,547,461

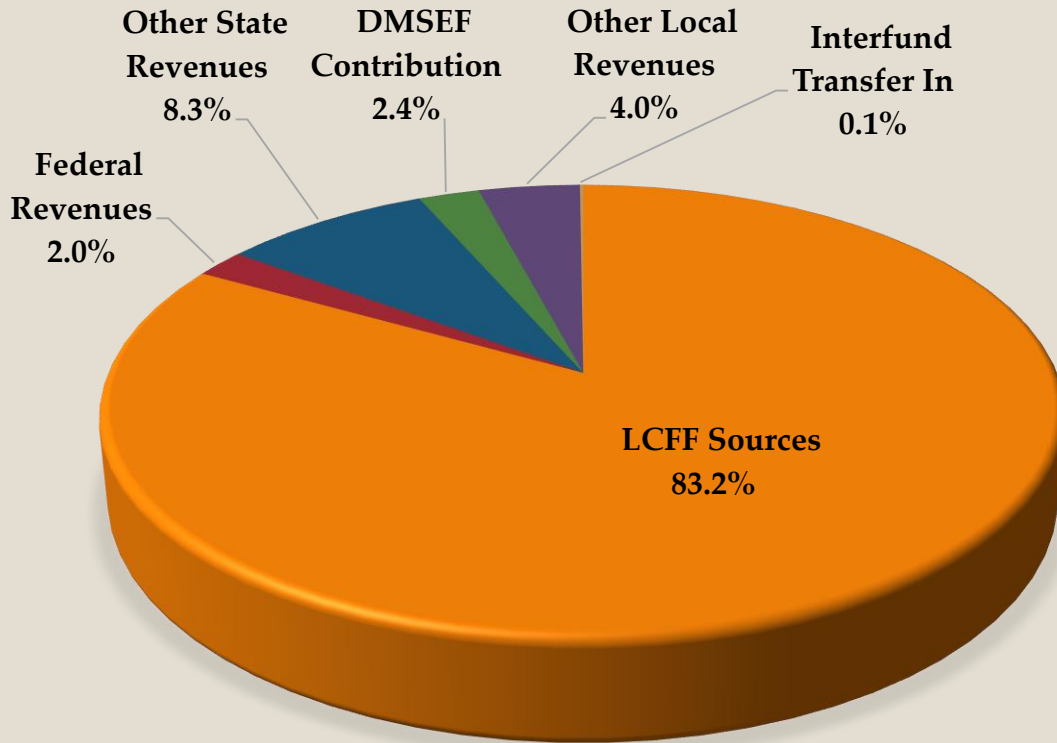
\$ 635,414	Reserve for STRS, PERS, OPEB Future Obligations & School Site Modernization
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<u>\$ 7,912,047</u>	Fund Balance Policy requiring reserves of at least 15%
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\$ 8,547,461	Total Need Supported by Excess Fund Balances
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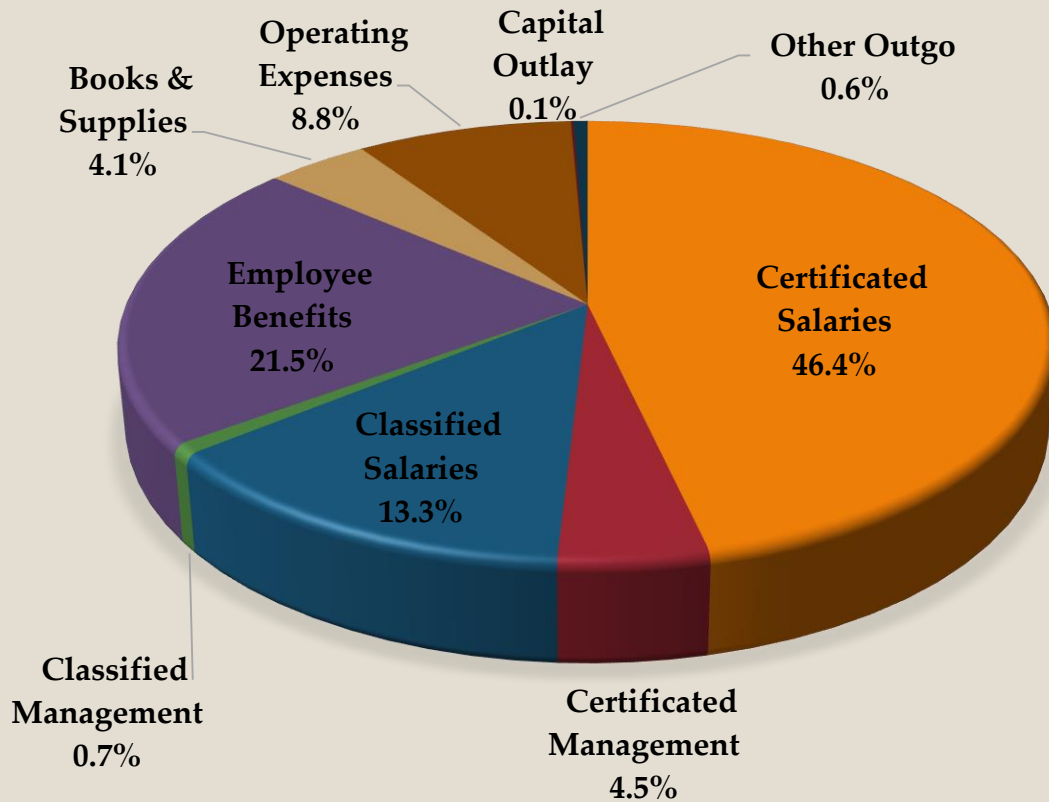
GENERAL FUND SUMMARY

2016-2017 Revenue Summary



LCFF Sources	43,863,605
Federal Revenues	1,054,191
Other State Revenues	4,378,309
Other Local Revenues	2,110,872
DMSEF Contribution	1,270,000
Other Financing Sources	70,000
Total Rev. & Other Sources	52,746,977

2016-2017 Expenditure Summary

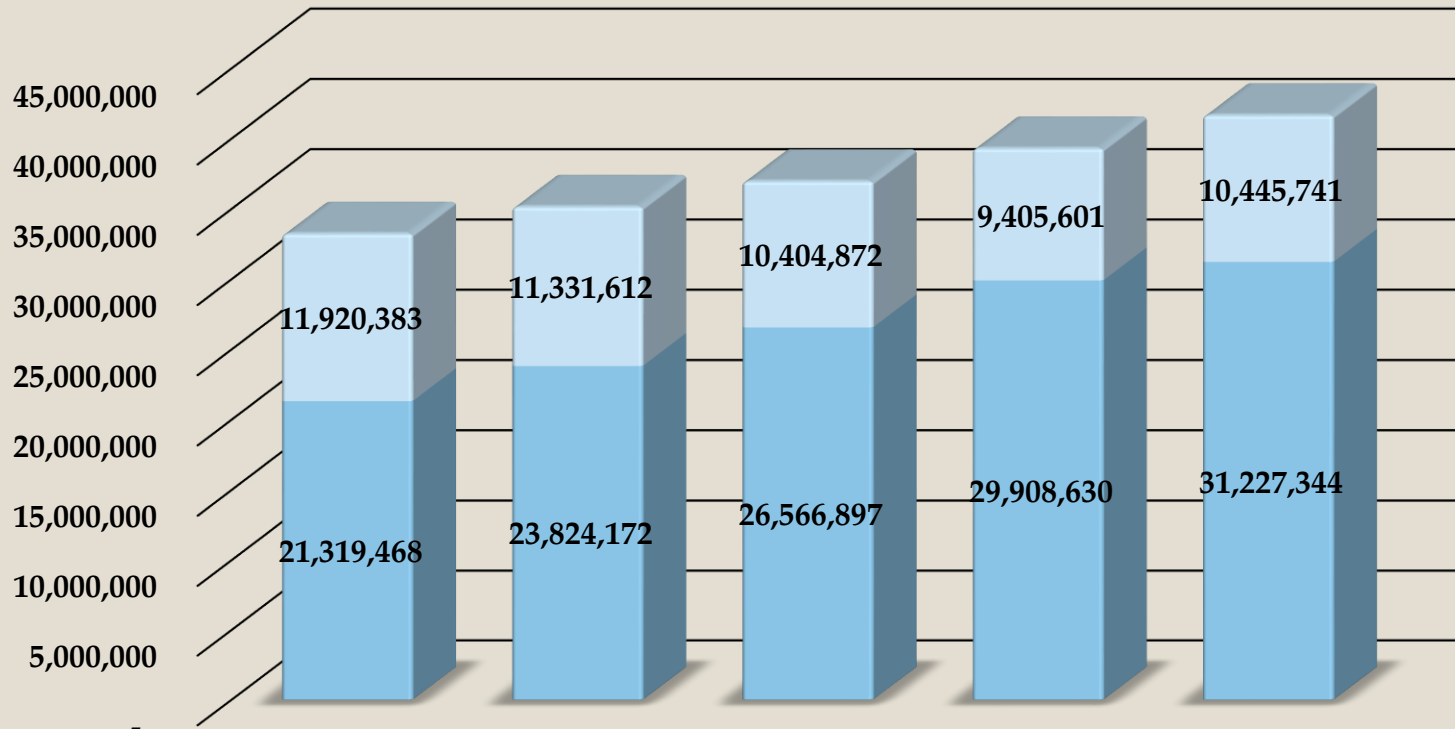


Certificated Salaries	24,478,500
Certificated Management	2,360,558
Classified Salaries	6,999,433
Classified Management	393,294
Employee Benefits	11,328,784
Books & Supplies	2,194,237
Operating Expenses	4,632,236
Capital Outlay	60,000
Other Outgo	299,935
Total Exp. & Other Outgo	52,746,977

Total Salary and Benefits = 86.4%

HISTORICAL DATA SUMMARY

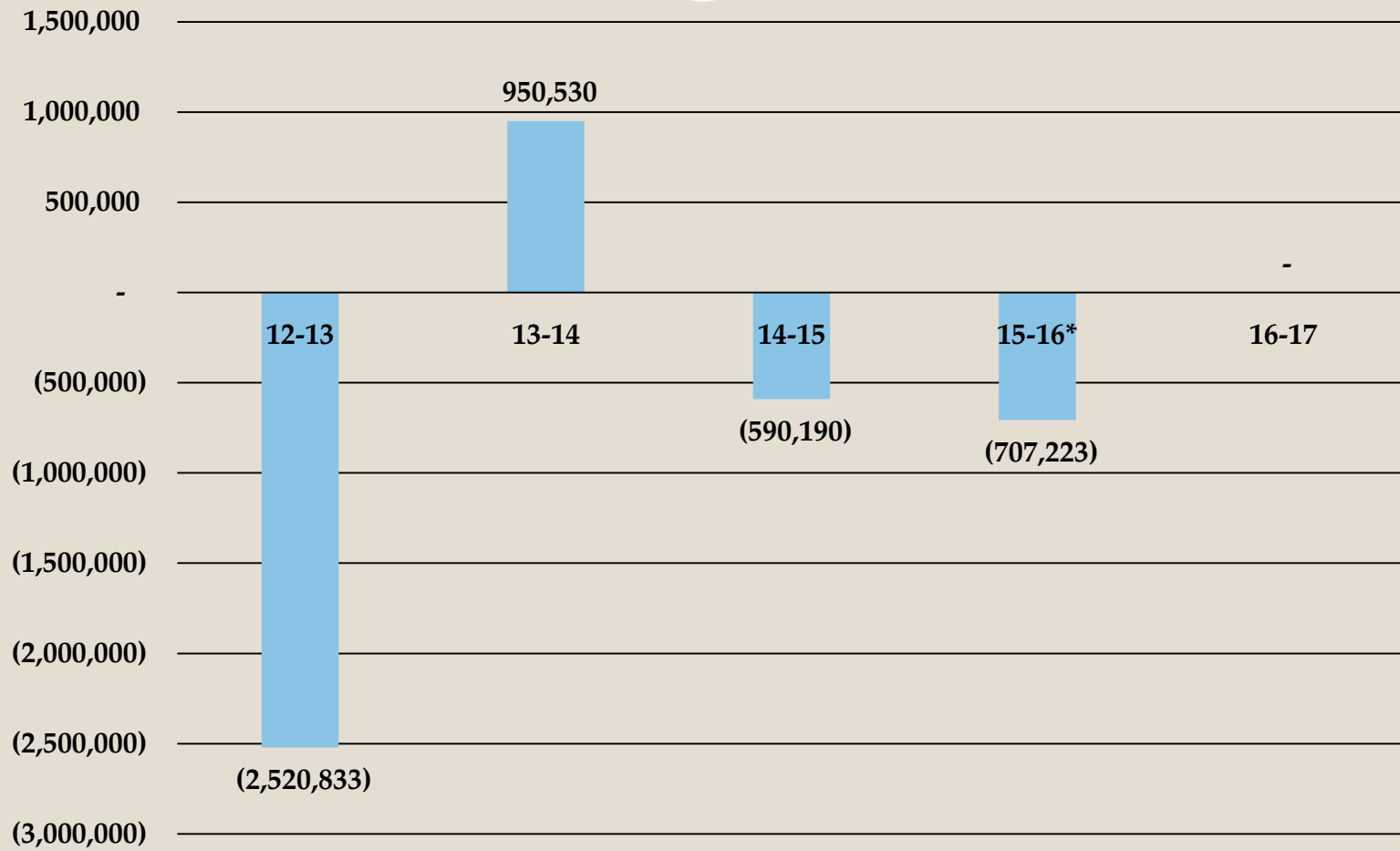
Property Tax Revenue



	Revenue Limit		LCFF		
	12-13	13-14	14-15	15-16*	16-17*
Property Tax Total	33,239,851	35,155,784	36,971,769	39,314,231	41,673,085

■ LCFF/Revenue Limit
 ■ Basic Aid
 *Estimated Property Taxes

Change in Ending Fund Balance



*Based upon 15-16 Estimated Actuals and 16-17 Proposed Budget

Multi-Year Projection

Multi-Year Projection Assumptions



- Based upon the School Services of California Dartboard
- Property Tax Projection:
 - 2017-18 5% Increase
 - 2018-19 5% Increase
- Average Daily Attendance Projections:
 - 2017-18 4,452
 - 2018-19 4,670
- Staffing: Increase of 4 teachers in 2017-18 and 2018-19
- Salary: Step and Column – 2% annually
- Benefits: Annual increases in Employer STRS and PERS contributions

Multi-Year Projection



DESCRIPTION	FY 2016-17 Current (Base Year)	FY 2017-18 First Projected Year	FY 2018-19 Second Projected Year
Revenues			
Revenue Limit Sources	43,863,605	45,994,350	48,226,733
Federal Revenues	1,054,191	1,054,191	1,054,191
Other State Revenues	4,378,309	3,380,580	3,295,462
Other Local Revenues	3,380,872	3,319,957	3,320,962
Transfers In	70,000	70,000	70,000
Total Revenues	52,746,977	53,819,078	55,967,349
Expenditures			
Certificated Salaries	26,839,058	27,492,082	28,388,324
Classified Salaries	7,392,727	7,540,582	7,691,393
Employee Benefits	11,328,784	12,074,617	12,916,401
Books & Supplies (includes Chromebooks, iPads, Audio Visual Equipment)	2,194,237	1,494,524	1,605,028
Services, Other Operating Exp (includes Facility Maintenance Projects)	4,632,236	4,621,236	4,741,279
Capital Outlay (depreciating assets over \$5,000)	60,000	60,000	60,000
Other Outgo - exclude Direct Sup.	92,091	92,091	92,091
Debt Service	207,844	207,844	207,844
Total Expenditures:	\$52,746,977	\$53,582,976	\$55,702,359

Multi-Year Projection Continued



DESCRIPTION	FY 2016-17 Current (Base Year)	FY 2017-18 First Projected Year	FY 2018-19 Second Projected Year
Net Increase (Decrease) In Fund Balance	-	\$236,102	\$264,989
Beginning Balance as of July 1	\$10,154,870	\$10,154,870	\$10,390,972
Ending Balance	\$10,154,870	\$10,390,972	\$10,655,961
Revolving Cash	25,000	25,000	25,000
Restricted	(132,979)	-	-
Assigned - Other Assignments	635,414	721,038	604,535
Reserve for Economic Uncertainties	1,582,409	1,607,489	1,671,071
Unassigned/unappropriated Amount	8,045,026	8,037,445	8,355,355
Total Reserve	\$10,154,870	\$10,390,972	\$10,655,961

Other Funds

Fund 13 Cafeteria Fund



Total Revenues	\$ 945,100
Total Expenditures	<u>\$ 945,100</u>
Net Increase/Decrease in Fund Balance	\$ -
Beginning Fund Balance	\$ 38,953
Ending Fund Balance	\$ 38,953

Fund 14 Deferred Maintenance



Total Revenues	\$ 400
Total Expenditures	<u>\$ 93,000</u>
Net Decrease in Fund Balance	(\$ 92,600)
Beginning Fund Balance	\$ 210,321
Ending Fund Balance	\$ 117,721

Fund 25 Capital Facilities Fund



Total Revenues	\$ 41,200
Total Expenditures	<u>\$ 11,000</u>
Net Increase in Fund Balance	\$ 30,200
Beginning Fund Balance	\$ 103,461
Ending Fund Balance	\$ 133,661

Fund 40 Special Reserve for Capital Outlay



Total Revenues	\$ 3,200
Total Expenditures	<u>\$ 130,000</u>
Net Decrease in Fund Balance	(\$ 126,800)
Beginning Fund Balance	\$ 973,699
Ending Fund Balance	\$ 846,899

Fund 49 CFD 95-1 & CFD 99-1 Combined



Total Revenues	\$ 2,728,000
Total Expenditures	<u>\$ 1,919,360</u>
Net Increase in Fund Balance	\$ 929,290
Beginning Fund Balance	\$ 7,986,496
Ending Fund Balance	\$ 8,795,136

Fund 63 Enterprise Fund



Total Revenues	\$ 3,945,960
Total Expenditures	<u>\$ 4,045,026</u>
Net Decrease in Fund Balance	(\$ 99,066)
Beginning Fund Balance	\$ 1,476,662
Ending Fund Balance	\$ 1,377,596

Fund 73 Trust Fund



Total Revenues	\$ 100
Total Expenditures	<u>\$ 100</u>
Net Increase/Decrease in Fund Balance	-
Beginning Fund Balance	\$ 32,492
Ending Fund Balance	\$ 32,492

LOOKING AHEAD

Looking Ahead



- Per the Del Mar Union School District Community Input Survey conducted in April 2016
 - Positive feelings about the District and the performance and condition of local schools
 - Bare majority believes the District or the neighborhood elementary school has a significant need for funding
 - Districtwide bond measure is viable for further planning but requires community outreach about school funding needs
 - Basic repairs and technology upgrades are the highest priority

Facilities

2016-2017 Proposed Top Priority Action #3

Optimize the use of resources to support the goals of the facility master plan, which are consistent with effective approaches to teaching and learning, and are designed to be flexible and sustainable

Technology

2016-2017 Proposed Top Priority Action #5

Establish a sustainable technology funding plan to support teaching and learning, promote efficiency and maintain a robust infrastructure.

General Fund Facilities Expenditures Budgeted for 2016-2017



- Districtwide (all schools)
\$520,000
 - Landscaping
 - Exterior LED Lighting
 - Electrical
 - Plumbing, Sewer, Drains and Backflow
 - HVAC
 - Carpet Cleaning
 - Doors and Locks
 - Fencing
 - Playgrounds
 - Fire Services
 - Painting
 - Emergency Repairs

- Ashley Falls School
\$18,000
 - Book Bag Hooks
- Carmel Del Mar School
\$18,000
 - Window Coverings
 - Roof Repairs
- Del Mar Heights School
\$37,000
 - HVAC-Replace Fan Motors
 - Portables-Roof Repair
- Del Mar Hills School
\$4,000
 - Lunch Canopy Replacement

Other Funds Facilities Expenditures Budgeted for 2016-2017



- Fund 14 Deferred Maintenance \$93,000
 - Ocean Air School
 - ✦ Exterior Painting
 - ✦ Fencing
 - ✦ Slurry Seal
 - ✦ Wireless Clocks
 - Sage Canyon School
 - ✦ Exterior Railing and Fence Painting

- Fund 40 Special Reserve for Capital Outlay \$130,000
 - Districtwide Training Center
 - Carmel Del Mar School Furniture-Modern Learning Studio

- Community Facilities District 95-1 \$93,000
 - Ocean Air School Flooring (hallways) and Book Bag Hooks
 - Torrey Hills School Storage Unit

- Community Facilities District 99-1 \$7,000
 - Sycamore Ridge Classroom Expansion-Modern Learning Studio

General Fund Technology Expenditures Budgeted for 2016-2017



Districtwide \$478,000

- Audio Visual Equipment (large screen monitors)
- Device Refresh (Chromebooks)
- Primary Device Implementation (iPads)
- Technology Infrastructure (increase in wireless access points and bandwidth)

Facility Master Plan Appendix



Appendix to the Facility Master Plan Del Mar Union School District Facilities Master Plan (2014) Projects Completed From FMP as of March 31, 2016

School	Budget Estimate** (FMP)	Work Completed	Total (Unfunded FMP)	Projects Completed
Ashley Falls	\$16,378,950.00	\$343,148.00	\$16,035,802.00	Flooring, Paving, Ball Walls, Tech Enhancements, LED Lighting
Carmel Del Mar	\$24,061,800.00	\$2,261,528.00	\$21,800,272.00	Modernization, Sewers, Ball Walls, Roofing, HVAC, Paving, Covered Lunch Areas, Modern Studios, Tech Fiber, Temp Controls, LED Lighting
Del Mar Heights	\$25,114,950.00	\$54,000.00	\$25,060,950.00	Paving, LED Lighting
Del Mar Hills	\$23,359,350.00	\$1,260.00	\$23,358,090.00	Ball Walls, LED Lighting
Ocean Air	\$7,276,500.00	\$168,000.00	\$7,108,500.00	Backpack Solution, Fencing, Exterior Lighting, LED Lighting
Sage Canyon	\$16,415,700.00	\$58,394.00	\$16,357,306.00	Backpack Solution, Ball Walls, Paving, LED Lighting
Sycamore Ridge	\$5,978,700.00	\$333,007.00	\$5,645,693.00	Ball Walls, Tech Switches, Painting, Modern Studios, LED Lighting
Torrey Hills *	\$13,026,300.00	\$1,621,130.00	\$11,405,170.00	ECDC, AC MUR, Painting, Paving, Play Structures with Shade, Ball Walls, LED Lighting
**TOTAL	\$131,612,250.00	\$4,840,467.00	\$126,771,783.00	

**Original FMP construction costs; \$132,834,000.00 minus \$7,489,000.00 Child Development Center which does not need to be constructed **
Unfunded FMP \$126,771,783.00**

*Includes ECDC Renovations at Torrey Hills

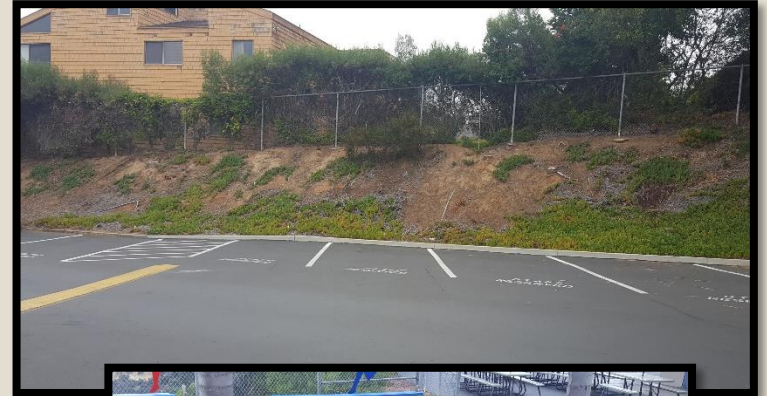
**Includes an estimated 5% escalator for construction and soft cost as of March 31, 2016

Facility Cost Projections



**EXAMPLES OF FACILITY PROJECTS
IDENTIFIED AS PRIORITIES WITHIN THE
NEXT FIVE YEARS**

Del Mar Heights (Built in 1959)



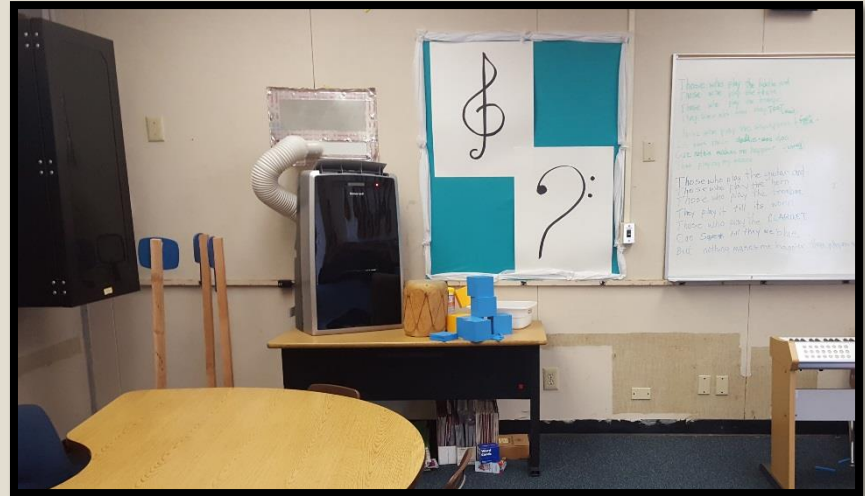
Deferred Maintenance \$900,000
Carpeting, Painting, Slurry, Roofing, Landscaping

Del Mar Heights (Built in 1959)



HVAC Replacement \$800,000
Utilities (electrical, sewer, water) \$1,350,000
Restroom Modernization \$300,000

Del Mar Heights (Built in 1959)



Replace Portable Classrooms (13 @ \$450,000/ea.) \$5,850,000

Del Mar Heights (Built in 1959)



Replace Play Structures & Covered Lunch Areas \$900,000

New Play Surfaces \$175,000

Replace Fencing \$250,000

Del Mar Hills (Built in 1975)



Deferred Maintenance \$800,000
Carpeting, Painting, Slurry, Roofing, Landscaping

Del Mar Hills (Built in 1975)



HVAC Replacement \$800,000
Utilities (electrical, sewer, water) \$1,050,000
Restroom Modernization \$300,000

Del Mar Hills (Built in 1975)



Replace Portable Classrooms (6 @ \$450,000/ea.) \$2,700,000

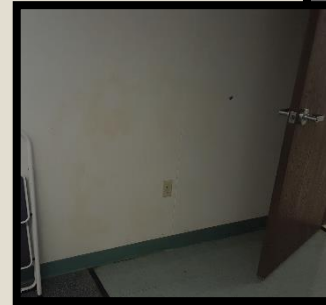
Replace Play Structures & Covered Lunch Areas \$1,050,000

Replace Fencing \$250,000

New Play Surfaces \$230,000

Add Covered Lunch Areas \$220,000

Carmel Del Mar (Built in 1991)



Phase II Modernization (flooring, painting, blinds) \$200,000

Utilities (electrical, sewer, water) \$275,000

Restroom Modernization \$300,000

Carmel Del Mar (Built in 1991)



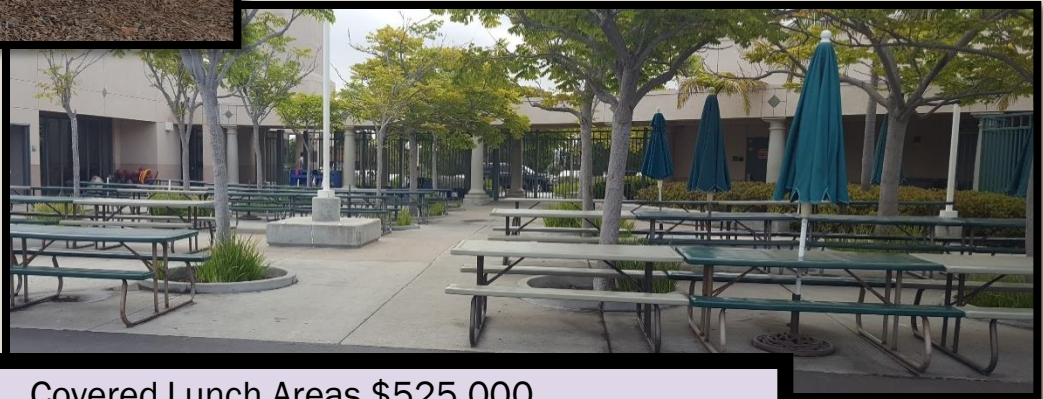
Replace Portable Classrooms (9 @ \$450,000/ea.) \$4,050,000
Replace Play Structures & Covered Lunch Areas \$525,000
New Play Surfaces \$115,000

Ashley Falls (Built in 1998)



Deferred Maintenance \$615,000
Carpeting, Painting, Slurry, Roofing, Landscaping
HVAC Replacement \$900,000

Ashley Falls (Built in 1998)



Covered Lunch Areas \$525,000
Replace Play Structures & Covered Lunch Areas \$700,000
New Play Surfaces \$60,000

Ashley Falls (Built in 1998)



Replace ECDC Portables (5 @ \$450,000/ea.) \$2,250,000

Sage Canyon (Built in 2001)



Deferred Maintenance \$515,000
Carpeting, Painting, Slurry, Roofing, Landscaping

Sage Canyon (Built in 2001)



Replace Portable Classrooms including Child Care (10 @ \$450,000/ea.) \$4,500,000

Sage Canyon (Built in 2001)



Replace Play Structures & Covered Lunch Areas \$785,000
New Play Surfaces \$115,000
Covered Lunch Areas \$385,000

Torrey Hills (Built in 2002)



Deferred Maintenance \$680,000
Carpeting, Painting, Slurry, Roofing, Landscaping
Covered Lunch Areas \$175,000

Torrey Hills (Built in 2002)



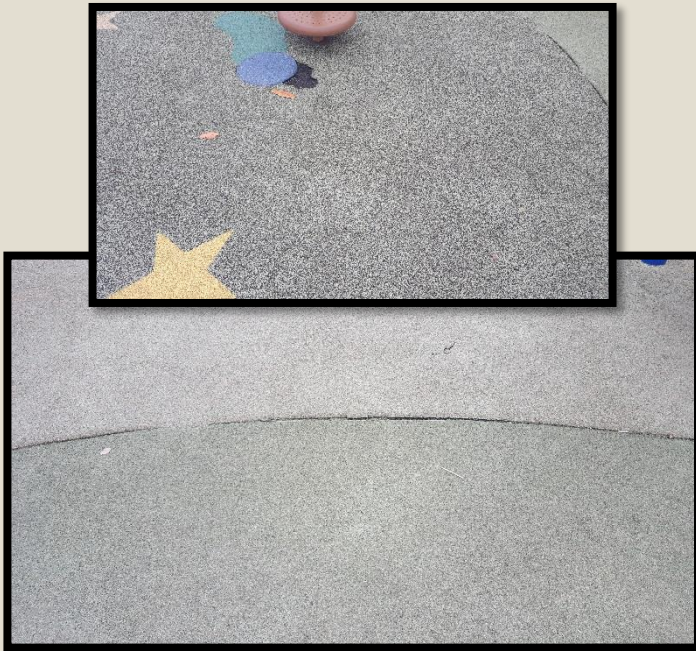
Repair Play Fields \$520,000
Replace Portable Classrooms (8 @ \$450,000/ea.) \$3,600,000

Sycamore Ridge (Built in 2005)



Deferred Maintenance \$260,000
Carpeting, Painting, Slurry, Roofing, Landscaping

Ocean Air (Built in 2007)



Deferred Maintenance \$423,000
Carpeting, Painting, Slurry, Roofing, Landscaping
New Play Surfaces \$173,000

Ocean Air (Built in 2007)



Covered Lunch Areas \$327,000

Technology Cost Projections



**CLASSROOM TECHNOLOGY
AND NETWORK INFRASTRUCTURE NEEDS**

Chromebook Refresh



School Year	Number of Sections	Number of Chromebooks	Cost (at \$250/device)
2016 - 2017	26	754	\$188,500
2017 - 2018	25	725	\$181,250
2018 - 2019	25	720	\$180,000
2019 - 2020	26	624	\$156,000

- 4th-6th grade carts are stocked with 29 Chromebooks
- 3rd grade carts are stocked with 24 Chromebooks
- 2018-2019 includes one section of 3rd grade
- 2019-2020 is all 3rd grade

Not Included:

Replacement carts or additional sections due to growth

Primary Device Implementation



2-Year Implementation Cost

Costs are based on the following needs:

School Year	Cost
2016 - 2017	\$80,000
2017 - 2018	\$80,000

- Kindergarten
 - 8 iPad Minis per class
- 1st and 2nd Grades
 - 8 full size iPads per class

Audio Visual & iPad Projection Replacement



School Year	Grade Level	Number of Classes	Cost
2016 - 2017	5 th	23	\$115,000
2017 - 2018	4 th	21	\$105,000
2018 - 2019	3 rd	26	\$130,000

- Costs are based on an estimate of \$5,000 and include the purchase of:
 - Large Screen Monitor
 - Wall mount
 - iPad
 - Apple TV
 - Chromecast
 - iPad Stand
 - Wiring

Infrastructure Updates



School Year	Update Area	Cost
2016 - 2017	Wireless Access Points	\$16,500
2016 - 2017	Bandwidth Increase	\$33,000
2017 – 2018	Switch/Router Refresh: Del Mar Hills School Carmel Del Mar School	\$175,000
2018 – 2019	New Teacher laptop lease	Ongoing Cost

- Wireless Access Points will expand coverage to all 2nd grade classes and improve coverage in K-1 classes.
- Bandwidth spikes were noted this year, necessitating an increase from 100Mbps to 250Mbps to each school.
- Switches and routers are refreshed on a 7-8 year cycle.
- A new teacher laptop lease will be due before the '18-'19 school year.

Key Points



- Current budget for Facility Projects and Technology
 - 2016-2017 General Fund \$1,075,000
 - ✦ 2.1% of Total General Fund Budget
 - 2016-2017 Other Funds \$ 323,000
- Although significant funds are budgeted for facilities and technology, it is apparent there are not sufficient resources to meet future facility and technology needs
- Future community involvement will be important in realizing priorities that were identified by community stakeholders via the Facilities Master Plan process that took place in 2013-2014

Next Steps