

Public Hearing and Approval of Second Interim Budget

March 11, 2014

2013-2014 Second Interim Budget Report

Agenda:

- Background
- Budget update assumptions
- 2013-14 budget report for General Fund
- Multi-year projections
- Cash flow
- Other Funds

2013-2014 Second Interim Budget Report

- Second interim budget report covers budget updates from July 1 through January 31, 2014
- Approval of Second interim report is required in a public session by March 15, 2014
- Board must certify that the District's projected financial outlook for 2013-14, 2014-15 and 2015-16 is one of the following:
 - **Positive: WILL MEET** the financial obligations for the current and two subsequent years
 - **Qualified: MAY NOT MEET** the financial obligations for the current and two subsequent fiscal years
 - **Negative: WILL BE UNABLE TO MEET** the financial obligations for the remainder of the current fiscal year and two subsequent fiscal years



Staff recommends a positive certification

2013-2014 Second Interim Budget Report

Factors likely to occur but not yet known with certainty:

- Increase in STRS and PERS contribution rates
- Affordable Care Act
- Adjustment of CSEA 27 salary schedule
- Long term maintenance costs and facility repairs
- Universal Preschool Kindergarten starting in 2015-16

2013-2014 Second Interim Budget Report

Assumptions

Categories	Source	13/14	14/15	15/16
District Enrollment	CALPADS	9,484	9,484	9,484
District Funded ADA-Actual/Projected	Projection	9,119	9,119	9,119
ADA as a Percentage of Total Enrollment	Projection	96.15%	96.15%	96.15%
Unduplicated EL/FRM Count	CALPADS	3,794	3,794	3,794
COLA	SSC	1.57%	0.86%	2.20%
LCFF GAP Funding Percentage	SSC	11.78%	28.05%	7.80%
State Teacher's Retirement System	COE Advisory	8.25%	8.25%	9.75%
Public Employee Retirement System	COE Advisory	11.44%	12.94%	14.44%
Salary Increases (On going)	Board Approved	0.00%	1.75%	0.00%
CSEA 27 Job Study Adj. (Estimate - On going)	Projection	\$ 356,250	\$ 268,750	\$ -
Additional Teacher FTE Contingency	Projection	-	5	5
I-20 Foreign Students	Projection	30	20	20

2013-2014 Second Interim Budget Report

Unduplicated Count - Details

Categories	Source	Count
Free & Reduced Meals Eligible Students	District	2,985
Foster or Homeless Students	District	95
Free & Reduced Meals Certified by the Alameda County	Alameda County	1,046
Migrant Students	District	-
English Learner Eligible Students	District	1,812
Foster Youth	Dept. of Social Services	14
Total		5,952
MINUS: Students in multiple categories		(2,158)
Unduplicated Free & Reduced Meal, English Learner Count*		3,794
Total Enrollment		9,484
Free & Reduced Meals and English Learner Students as a Percentage of Total Student Enrollment		40%

* The Free and Reduced Meal Program participants have increased by 40 as a result of the District's outreach to parents

2013-2014 Second Interim Budget Report

Budget - General Fund

	Unrestricted	Restricted		Total
		Restricted without Parcel Tax	Parcel Tax	General Fund
REVENUES				
LCFF Revenue	\$ 59,348,838	\$ 1,862,604	\$ -	\$ 61,211,442
Federal	\$ 71,998	\$ 4,762,698	\$ -	\$ 4,834,696
Other State	\$ 1,655,704	\$ 4,258,040	\$ -	\$ 5,913,744
Other Local	\$ 1,332,670	\$ 5,406,920	\$ -	\$ 6,739,590
Parcel Tax	\$ -	\$ -	\$ 11,957,963	\$ 11,957,963
Revenues	\$ 62,409,210	\$ 16,290,262	\$ 11,957,963	\$ 90,657,435
EXPENDITURES				
Salaries & Benefits	\$ 45,050,971	\$ 17,800,280	\$ 10,560,488	\$ 73,411,739
Books/Supplies & Outlay	\$ 2,468,798	\$ 6,918,136	\$ 414,759	\$ 9,801,693
Services & Op. Expenses	\$ 7,550,028	\$ 6,347,066	\$ 455,447	\$ 14,352,541
Other Outgo & Transfers	\$ (1,703,265)	\$ 1,144,381	\$ 823,263	\$ 264,379
Expenditures	\$ 53,366,532	\$ 32,209,863	\$ 12,253,957	\$ 97,830,352
Other Sources (Uses)	\$ (13,547,869)	\$ 12,547,505	\$ 164,544	\$ (835,820)
Net Inc. (Dec) in Fund Bal	\$ (4,505,191)	\$ (3,372,096)	\$ (131,450)	\$ (8,008,737)
Beginning Balance	\$ 10,838,576	\$ 3,372,096	\$ 131,450	\$ 14,342,122
Ending Balance	\$ 6,333,385	\$ 0	\$ (0)	\$ 6,333,385

2013-2014 Second Interim Budget Report

Multi-Year Projections (Summary) – Unrestricted General Fund

	2012-13	2013-14	2014-15	2015-16
	Actual	Budgeted	Projected	Projected
Beginning Balance (Unspent Funds from Prior Year)	\$ 12,083,536	\$ 10,838,576	\$ 6,333,385	\$ 4,187,027
PLUS: Revenues	\$ 57,693,580	\$ 62,409,210	\$ 67,277,628	\$ 68,398,901
MINUS: Expenditures	\$ 47,541,571	\$ 53,366,532	\$ 54,138,930	\$ 55,396,236
MINUS: CONTRIBUTIONS (Primarily to Special Education)	\$ 11,396,969	\$ 13,547,869	\$ 15,285,056	\$ 15,644,723
Ending Balance	\$ 10,838,576	\$ 6,333,385	\$ 4,187,027	\$ 1,544,969
MINUS: Set Asides	\$ 1,949,200	\$ 635,277	\$ 805,694	\$ 1,459,027
Unassigned/Unappropriated Ending Fund Balance	\$ 8,889,376	\$ 5,698,108	\$ 3,381,333	\$ 85,942
Deficit Spending	\$ (1,244,960)	\$ (4,505,191)	\$ (2,146,358)	\$ (2,642,058)

2013-2014 Second Interim Budget Report

Multi-Year Projections (*Details*) – Unrestricted General Fund

	2013-14	2014-15	2015-16
REVENUES			
LCFF	\$ 59,348,838	\$ 64,287,404	\$ 65,408,677
Federal	\$ 71,998	\$ 47,113	\$ 47,113
Other State	\$ 1,655,704	\$ 1,612,071	\$ 1,612,071
Other Local	\$ 1,332,670	\$ 1,331,040	\$ 1,331,040
Revenues	\$ 62,409,210	\$ 67,277,628	\$ 68,398,901
EXPENDITURES			
Salaries & Benefits	\$ 45,050,971	\$ 47,054,327	\$ 48,126,252
Books/Supplies & Outlay	\$ 2,468,798	\$ 1,454,025	\$ 1,479,964
Services & Operating Expenses	\$ 7,550,028	\$ 7,247,378	\$ 7,406,821
Other Outgo & Transfers	\$ (1,703,265)	\$ (1,616,800)	\$ (1,616,800)
Expenditures	\$ 53,366,532	\$ 54,138,930	\$ 55,396,237
Other Sources (Uses)	\$ (13,547,869)	\$ (15,285,056)	\$ (15,644,723)
Net Inc/Dec in Fund Balance	\$ (4,505,191)	\$ (2,146,358)	\$ (2,642,059)
Beginning Balance	\$ 10,838,576	\$ 6,333,385	\$ 4,187,028
Ending Balance	\$ 6,333,385	\$ 4,187,027	\$ 1,544,969
Restrictions/Commitments/Assignments			
Revolving Cash	\$ 50,000	\$ 50,000	\$ 50,000
Affordable Care Act	\$ -	\$ 126,667	\$ 380,000
CSEA 27 Job Study	\$ 356,250	\$ -	\$ -
MAA Reimbursement	\$ 229,027	\$ 229,027	\$ 229,027
Textbook Adoptions	\$ -	\$ 400,000	\$ 800,000
Total Assignments	\$ 635,277	\$ 805,694	\$ 1,459,027
Unassigned/Unappropriated EFB	\$ 5,698,108	\$ 3,381,333	\$ 85,942

2013-2014 Second Interim Budget Report

Multi-Year Projections 13-14 to 15-16 – Restricted General Fund

	2013-14	2014-15	2015-16
<u>REVENUES</u>			
LCFF transfers from Unrestricted	\$ 1,862,604	\$ 1,862,604	\$ 1,862,604
Federal	\$ 4,762,698	\$ 4,402,437	\$ 4,402,437
Other State	\$ 4,258,040	\$ 1,887,333	\$ 1,887,333
Other Local	\$ 5,406,920	\$ 4,776,721	\$ 4,776,721
Parcel Tax	\$ 11,957,963	\$ 11,940,000	\$ 11,940,000
Revenues	\$ 28,248,225	\$ 24,869,095	\$ 24,869,095
<u>EXPENDITURES</u>			
Salaries & Benefits	\$ 28,360,768	\$ 29,830,248	\$ 30,137,704
Books/Supplies & Outlay	\$ 7,332,895	\$ 2,148,491	\$ 2,078,433
Services & Operating Expenses	\$ 6,802,513	\$ 5,557,598	\$ 5,679,865
Other Outgo & Transfers	\$ 1,967,644	\$ 1,749,108	\$ 1,749,108
Expenditures	\$ 44,463,820	\$ 39,285,445	\$ 39,645,110
Other Sources (Uses)	\$ 12,712,049	\$ 14,416,350	\$ 14,776,015
Net Inc/Dec in Fund Balance	\$ (3,503,546)	\$ -	\$ -
Beginning Balance	\$ 3,503,546	\$ 0	\$ 0
Legally Restricted Fund Balance*	\$ 0	\$ 0	\$ 0
Unassigned/Unappropriated	\$ -	\$ -	\$ -

2013-2014 Second Interim Budget Report

Multi-Year Projections 13-14 to 15-16 – Combined General Fund

	2013-14	2014-15	2015-16
REVENUES			
LCFF	\$ 61,211,442	\$ 66,150,008	\$ 67,271,281
Federal	\$ 4,834,696	\$ 4,449,550	\$ 4,449,550
Other State	\$ 5,913,744	\$ 3,499,404	\$ 3,499,404
Other Local	\$ 6,739,590	\$ 6,107,761	\$ 6,107,761
Parcel Tax	\$ 11,957,963	\$ 11,940,000	\$ 11,940,000
Revenues	\$ 90,657,435	\$ 92,146,723	\$ 93,267,996
EXPENDITURES			
Salaries & Benefits	\$ 73,411,739	\$ 76,884,574	\$ 78,263,956
Books/Supplies & Outlay	\$ 9,801,693	\$ 3,602,516	\$ 3,558,397
Services & Operating Expenses	\$ 14,352,541	\$ 12,804,977	\$ 13,086,686
Other Outgo & Transfers	\$ 264,379	\$ 132,308	\$ 132,308
Expenditures	\$ 97,830,352	\$ 93,424,375	\$ 95,041,347
Other Sources (Uses)	\$ (835,820)	\$ (868,707)	\$ (868,707)
Net Inc/Dec in Fund Balance	\$ (8,008,737)	\$ (2,146,359)	\$ (2,642,058)
Beginning Balance	\$ 14,342,122	\$ 6,333,385	\$ 4,187,027
Ending Balance	\$ 6,333,385	\$ 4,187,026	\$ 1,544,969
Restrictions/Commitments/Assignemtns			
Revolving Cash	\$ 50,000	\$ 50,000	\$ 50,000
Affordable Care Act	\$ -	\$ 126,667	\$ 380,000
CSEA 27 Job Study	\$ 356,250	\$ -	\$ -
MAA Reimbursement	\$ 229,027	\$ 229,027	\$ 229,027
Textbook Adoptions	\$ -	\$ 400,000	\$ 800,000
	\$ 635,277	\$ 805,694	\$ 1,459,027
Unassigned/Unappropriated	\$ 5,698,108	\$ 3,381,332	\$ 85,942

2013-2014 Second Interim Budget Report

Cash Flow - General Fund

Month	Jul	Aug	Sep	Oct	Nov	Dec
	Actual	Actual	Actual	Actual	Actual	Actual
Beginning Cash Balance	\$5,478,443	\$9,793,067	\$7,795,083	\$7,416,892	\$5,789,136	\$4,317,876
Receipts	\$8,899,920	\$6,475,860	\$7,574,144	\$5,943,362	\$4,991,231	\$20,378,086
Disbursements	\$4,585,296	\$8,473,844	\$7,952,335	\$7,571,118	\$6,462,491	\$7,688,246
Ending Cash Balance	\$9,793,067	\$7,795,083	\$7,416,892	\$5,789,136	\$4,317,876	\$17,007,716
Month	Jan	Feb	Mar	Apr	May	Jun
	Actual	Projected	Projected	Projected	Projected	Projected
Beginning Cash Balance	\$17,007,716	\$15,344,276	\$9,950,467	\$6,151,246	\$12,767,865	\$6,668,997
Receipts	\$6,288,724	\$2,391,357	\$4,085,407	\$14,805,294	\$2,404,501	\$2,764,565
Disbursements	\$7,952,164	\$7,785,166	\$7,884,628	\$8,188,675	\$8,503,369	\$14,082,009
Ending Cash Balance	\$15,344,276	\$9,950,467	\$6,151,246	\$12,767,865	\$6,668,997	(\$4,648,447)

Cash Balances in Other Funds may be used to backfill cash shortage in General Fund on temporary basis. Inter fund loans crossing fiscal years must be paid back within 90 days.

2013-2014 Second Interim Budget Report

Other Funds

	Adult Education Fund 11	Child Development Fund 12	Child Nutrition Fund 13
REVENUES			
Federal	\$ 263,040	\$ 429,319	\$ 1,819,173
State		\$ 865,896	\$ 155,966
Local	\$ 135,937	\$ 252,198	\$ 533,805
Revenues	\$ 398,977	\$ 1,547,413	\$ 2,508,944
EXPENDITURES			
Salaries & Benefits	\$ 795,497	\$ 1,341,400	\$ 1,228,010
Supplies	\$ 15,790	\$ 78,240	\$ 1,109,010
Services & Operating Expenses	\$ 56,725	\$ 5,300	\$ 39,785
Capital Outlay		\$ 48,000	\$ 10,000
Other Outgo & Transfers		\$ 74,491	\$ 126,389
Expenditures	\$ 868,012	\$ 1,547,431	\$ 2,513,194
Other Sources (Uses)	\$ 470,436	\$ -	
Net Inc/Dec in Fund Balance	\$ 1,401	\$ (18)	\$ (4,250)
Beginning Balance	\$ 18,356	\$ 66,869	\$ 547,136
Ending Balance	\$ 19,757	\$ 66,851	\$ 542,887
Restrictions/Commitments/Assignments			
Legally Restricted Ending Fund Balance	\$ 19,757	\$ 66,851	\$ 542,887
Unassigned/Unappropriated	\$ -	\$ -	\$ -

Parcel Tax Transfer

2013-2014 Second Interim Budget Report

Other Funds (continued...)

	Deferred Maintenance Fund 14	Special Reserve Non-Capital Outlay Fund 17	Capital Facilities Fund 25	Special Reserve Capital Outlay Fund 40
REVENUES				
Federal				
State				
Local	\$ 918	\$ 3,366	\$ 341,489	\$ 528,611
Parcel Tax				
Revenues	\$ 918	\$ 3,366	\$ 341,489	\$ 528,611
EXPENDITURES				
Salaries & Benefits				\$ 68,355
Supplies	\$ 4,450			
Services & Operating Exp. (600K for DO Rent)	\$ 115,792		\$ 37,283	\$ 904,390
Capital Outlay	\$ 1,808,845		\$ 666,467	\$ 1,125,410
Other Outgo & Transfers			\$ 148,498	
Expenditures	\$ 1,929,087	\$ -	\$ 852,248	\$ 2,098,155
Other Sources (Uses)	\$ 365,384	\$ -		
Net Inc/Dec in Fund Balance	\$ (1,562,785)	\$ 3,366	\$ (510,759)	\$ (1,569,544)
Beginning Balance	\$ 1,562,785	\$ 8,688,859	\$ 2,220,266	\$ 3,318,285
Ending Balance	\$ -	\$ 8,692,225	\$ 1,709,507	\$ 1,748,741
Restrictions/Commitments/Assignments				
Facilities Related Projects	\$ -		\$ 874,507	\$ 548,741
COP Loan Repayment			\$ 835,000	
Measure H Parcel Tax Contingent Liability		\$ 5,732,240		
District Office Rental Reserve				\$ 1,200,000
Reserved for Economic Uncertainties		\$ 2,959,985		
Unassigned/Unappropriated	\$ -	\$ -	\$ (0)	\$ -

2013-2014 First Interim Budget Report

Employee Benefit Rates

Benefit	Percentage	Employee Group
State Teachers Retirement System	8.25%	Certificated
Public Employee Retirement System	11.44%	Classified
Social Security (FICA)	6.20%	Classified
Medicare	1.45%	Certificated & Classified
Health & Welfare	Varies	Certificated & Classified
State Unemployment Insurance	0.11%	Certificated & Classified
Worker's Comp	2.38%	Certificated & Classified
Other Post Employment Benefits	1.48%	Certificated & Classified

2013-2014 Second Interim Budget Report

Glossary of Terms

ACA	Affordable Care Act aka Obama Care
ACOE / COE	Alameda County Office of Education / County Office of Education
CBEDS	California Basic Educational Data Systems
Certificated	Teachers, Substitute Teachers, Counselors, Principals, Vice Principals, Nurses, Psychologists, Directors in Education Services, Superintendent
Classified	Office Managers, Accountants, Custodians, Food Service Assistants, Directors in Business Services
COLA	Cost of Living Allowance
Contributions	General fund contribution to a program which is unable to meet its expenditures using Federal or State funding
CPI	Consumer Price Index
DOF	Depart of Finance
EFB	Ending Fund Balance
EL	English Learners
FCMAT	Fiscal Crisis and Management Assistance Team
FRM	Free or Reduced Priced Meal
FTE	Full Time Equivalent
LCAP	Local Control Accountability Plan
LCFF	Local Control Funding Formula
MYP	Multi Year Projections
Other Outgo & Uses	Transfer of Indirect cost from restricted to unrestricted funds, Debt Payment Contribution to restricted programs, primarily Special Education, Student Transportation
RL	Revenue Limit (old State funding formula for Education)
Services	Utility Bills, Legal Fees, Insurance, Software Subscriptions, Internet Access, Special Education Non Public Schools
SSC	School Services of California
Supplies	Classroom Supplies, Textbooks, Janitorial Supplies, Office Supplies, Technology Equipment

2013-2014 Second Interim Budget Report

Upcoming Fiscal Presentation

- March - May 2014-15: Budget presentations
- May 27, 2014: Governor's Revised Budget Proposal for 2014-15
- May 27, 2014: Budget - By Site, By Program
- June 10, 2014: Public Hearing on 2014-15 Budget
- June 24, 2014: Budget Adoption for 2014-15