



San Mateo-Foster City School District

Final 2014-15 Budget

Board Meeting – June 19, 2014
Board Action Item #13.1

Presented by: Laura Phan, Chief Business Official

Overview



- ▶ Key Principles of District Budget
- ▶ General Fund
 - ▶ Final 2014-15 Budget
 - ▶ Multi-Year Projections (MYP)
- ▶ Other Funds
- ▶ The Road Ahead

Key Principles of District Budget



- District Strategic Plan & LCAP
- Provide equity to schools by using allocation formulas based on enrollment
- Maintain employment stability with competitive compensation
- Provide choices of instructional programs through the Magnet Schools
- Provide enriched instruction through Music and Technology
- Provide enhanced teaching through staff development
- Maintain safe and environmentally healthy facilities
- Maintain a fiscally healthy and balanced budget

Final 2014-2015 Budget



- Revenues
 - Local Control Funding Formula (LCFF)
 - Budget Assumptions – Board approved March 1, 2014
- Expenditures
 - Budget Assumptions – Board approved March 1, 2014
 - Local Control Accountability Plan – Districtwide and Site Base
- There are no changes to the General Fund Budget since the Draft 2014-15 Budget presentation on June 5, 2014.

2014-15 Budget Combined General Fund



	2013-14 Combined G/F Est. Actuals	2014-15 Unrestricted General Fund	2014-15 Restricted General Fund	2014-15 Combined G/F Budget
Beginning Fund Balance	\$ 56,008,302	\$ 49,809,744	\$ 6,943,833	\$ 56,753,577
Revenues:				
LCFF Source	73,479,361	74,950,172	7,410,696	82,360,868
Federal, State & Local Revenues	30,038,884	11,556,388	5,776,483	17,332,871
Total Revenues	\$ 103,518,245	\$ 86,506,560	\$ 13,187,179	\$ 99,693,739
Expenditures:				
Certificated Salaries	46,265,270	41,410,476	5,950,076	47,360,552
Classified Salaries	11,758,211	6,685,392	4,294,357	10,979,749
Employee Benefits	18,044,993	16,374,192	3,966,160	20,340,352
Supplies, Services & All Other Exp.	26,463,335	18,504,435	11,170,324	29,674,759
Total Expenditures	\$ 102,531,810	\$ 82,974,495	\$ 25,380,917	\$ 108,355,412
Other Sources/Uses:				
Interfund Transfers In	200,000	200,000	0	200,000
Interfund Transfers Out	441,160	823,822	0	823,822
Contributions from Unrestricted to Restricted	0	(12,193,738)	12,193,738	(0)
Total Other Sources/ Uses	\$ (241,160)	\$ (12,817,560)	\$ 12,193,738	\$ (623,822)
Net Change in Fund Balance	745,275	(9,285,495)	0	(9,285,495)
Ending Fund Balance, Estimated and Projected	\$ 56,753,577	\$ 40,524,249	\$ 6,943,833	\$ 47,468,082
Legally Restricted	6,943,833	0	6,943,833	6,943,833
Total Commitments and Assignments	2,195,382	2,195,382	0	2,195,382
Designated for Economic Uncertainties	10,186,875	10,917,924	0	10,917,924
Unassigned Ending Fund Balance, Estimated and Projected	\$ 37,427,487	\$ 27,410,943	\$ 0	\$ 27,410,943

2014-15 MYP Budget Unrestricted General Fund



	2014-15 Budget	2015-16 Projection	2016-17 Projection
Unrestricted Beginning Fund Balance, Estimated and Projected	\$ 49,809,743	\$ 40,524,248	\$ 36,385,346
Revenues:			
LCFF	74,950,172	81,543,563	86,577,833
Federal	-	-	-
State	1,738,814	1,715,816	1,715,816
Local	9,817,574	10,007,503	10,201,230
Other Financing Sources	200,000	200,000	200,000
Total Revenues & Other Financing Sources	\$ 86,706,560	\$ 93,466,882	\$ 98,694,879
Expenditures:			
Employee Salaries & Benefits	64,470,060	70,016,056	76,071,834
Supplies, Services & Operating Expenditures	9,799,594	10,913,841	11,149,233
Capital Outlay & Other Outgo	8,861,198	3,814,684	3,243,625
Indirect Cost	(156,357)	(156,357)	(156,357)
Other Financing Uses	823,822	823,822	823,822
Transfers Out - Routine Maintenance	3,325,569	3,325,569	3,325,569
- Special Ed	8,868,169	8,868,169	8,868,169
- Transportation	-	-	-
Total Expenditures & Other Financing Uses	\$ 95,992,055	\$ 97,605,784	\$ 103,325,895
Net Change in Fund Balance	\$ (9,285,495)	\$ (4,138,902)	\$ (4,631,016)
Unrestricted Ending Fund Balance, Estimated and Projected	\$ 40,524,248	\$ 36,385,346	\$ 31,754,330
Less: Committed and Assigned	2,195,382	2,195,382	2,195,382
Less: Reserved for Economic Uncertainties (10%)	10,917,924	11,055,605	11,786,035
Unassigned Ending Fund Balance, Estimated and Projected	\$ 27,410,942	\$ 23,134,359	\$ 17,772,913

LCFF Calculator - MYP



LCFF Calculator			
San Mateo-Foster City - SMFCSD- 2014-15 Adopt Budget			

Summary of Funding			
	2014-15	2015-16	2016-17
Average Daily Attendance (ADA)	11,569.04	11,693.00	11,984.81
LCFF Entitlement per ADA (average)	\$6,626	\$7,121	\$7,366
Unduplicated Count Percentage	40.4%	40.4%	40.4%
LCFF Entitlement Target	\$ 93,692,785	\$ 96,722,850	\$ 101,197,620
State Aid	\$ 11,471,702	\$ 16,120,961	\$ 19,079,180
Fair Share Reduction (prior year reduced from state funds in current year)	(1,740,275)	(1,740,275)	(1,740,275)
State Categoricals	-	-	-
Education Protection Account (EPA)	2,313,808	2,338,600	2,396,962
Property Taxes net of in-lieu	64,609,875	66,548,172	68,544,618
LCFF FUNDING	\$ 76,655,110	\$ 83,267,458	\$ 88,280,485
EPA in excess to LCFF Funding (for Basic Aid districts)	\$ 0	\$ (0)	\$ 0
TOTAL FUNDING	\$ 76,655,111	\$ 83,267,457	\$ 88,280,486

* SMFC is State Funded in 2014-15 (fall out of Basic Aid status)

Minimum Proportionality Percentage (MPP): Summary Supplemental & Concentration Grant			
	2014-15	2015-16	2016-17
Current year estimated supplemental and concentration grant funding in the LCAP year	\$ 2,947,153	\$ 4,238,895	\$ 4,881,047
Current year Minimum Proportionality Percentage (MPP)	4.02%	5.39%	5.88%

Source: LCFF-calc-2014-05-15-v15 2a

MYP Assumptions - Unrestricted G/F Revenues



Revenue Sources	Budget Year 2014-15	Year 2 Projection 2015-16	Year 3 Projection 2016-17
LCFF Sources:			
COLA	0.85%	2.12%	2.30%
Gap Funding Rate	28.06%	30.39%	19.50%
Student Counts:			
Enrollment (including COE Special Ed programs)	11,959	12,076	12,356
Unduplicated Count Percentage of EL, Free & Reduced	40.40%	40.40%	40.40%
California Consumer Price Index (CPI)	1.40%	2.10%	2.30%

Unrestricted G/F Revenue Changes:

1. LCFF revenues increase in all years due to increased State funding and enrollment growth.
2. State revenues declined slightly in 2015-16 by \$22,998 due to reduced mandated cost reimbursement.
3. Local revenues increase in 2015-16 and 2016-17 due to Parcel Tax rate increase per CPI.

MYP Assumptions - Unrestricted G/F Expenditures



Expenditure Types	Budget Year 2014-15	Year 2 Projection 2015-16	Year 3 Projection 2016-17
Staffing Change (full-time employees):			
Enrollment growth - certificated	9.0	10.0	6.0
Elementary PE rollout - net certificated & classified	2.0	2.0	3.9
Employee Salaries:			
Certificated Step & Column	1.50%	1.50%	1.50%
Classified Step & Column	5.00%	5.00%	5.00%
Employee Benefits:			
STRS Rate	9.50%	11.10%	12.70%
PERS Rate	11.77%	12.60%	15.00%
Health & Welfare increase	7.00%	7.00%	7.00%
California Consumer Price Index (CPI)	1.40%	2.10%	2.30%

Unrestricted G/F Expenditure Changes:

1. Employee salaries and benefits increase in all years due to staffing increase and cost of step & column.
2. Employee benefits include payroll taxes and employer contributions to CalSTRS and CalPERS.
Rates are projected to increase in all MYP years.
3. Other Operating Expenditures projected to increase in all years per CPI.
4. Capital Outlay expenditures will decrease in 2015-16 to reflect the one-time nature of these expenditures in 2014-15; e.g. bus replacement.

Employer Contributions to CalSTRS and CalPERS



	2013-14 Est. Actuals	2014-15 Budget	2015-16 Projection	2016-17 Projection	2017-18 Projection	2018-19 Projection	2019-20 Projection	2020-21 Projection
CalSTRS Rate (1)	8.25%	9.50%	11.10%	12.70%	14.30%	15.90%	17.50%	19.10%
CalPERS Rate (2)	11.44%	11.77%	12.60%	15.00%	16.60%	18.20%	19.90%	20.40%
STRS Salaries, projected		\$ 40,405,114	\$ 42,670,830	\$ 45,066,179	\$ 45,742,172	\$ 46,428,304	\$ 47,124,729	\$ 47,831,600
PERS Salaries, projected		\$ 6,390,453	\$ 6,435,098	\$ 6,344,536	\$ 6,661,763	\$ 6,994,851	\$ 7,344,593	\$ 7,711,823
Cost of STRS rate increase		\$505,064	\$682,733	\$721,059	\$731,875	\$742,853	\$753,996	\$765,306
Cost of PERS rate increase		\$21,025	\$53,347	\$152,269	\$106,588	\$111,918	\$124,858	\$38,559
Total employer contributions increase		\$526,089	\$736,080	\$873,328	\$838,463	\$854,770	\$878,854	\$803,865

(1) as of May 2014

(2) as of January 2014

Other Funds



- These funds are restricted by law and function, and are not available for district operations.
 - Service Funds – Fund 12 Child Development, Fund 63 Annex, and Fund 13 Child Nutrition Services
 - Liability Funds – Fund 17 Risk Management and Fund 71 Retirees Medical Benefit Obligations
 - Building Funds – Fund 14 Deferred Maintenance, Fund 21 Bonds Program, Fund 25 Developer Fees, Fund 35 State School Facilities, and Fund 40 Capital Outlay
- There are no changes to the other funds budget since the Draft 2014-15 Budget presentation on June 5, 2014.
- All restricted funds are projected to end fiscal year 2014-15 with positive fund balances.

The Road Ahead



- Budget updates when State Budget is finalized
 - District must revise budget 45 days after State Budget adoption if the changes are significant
- Board review and approve 2013-14 Unaudited Actuals - September, 2014
- Board review and approve 2014-15 First Interim Report
 - November, 2014 (informational draft review) and
 - December, 2014 (action item)



Conclusion

Thank You
Questions?