



San Mateo-Foster City School District

2013-14 First Interim Report - Draft

Presentation to Board of Trustees
Item #13.3 Information

November 7, 2013



The First LCFF Budget

1. Financial Reporting Requirements
2. SMFC 2013-14 Funding Status
3. Unrestricted General Fund – Budgets Compare
4. Multi-Year Projections – Unrestricted General Fund
5. Next Steps



Same Financial Reporting Requirements

Education Code requires districts to submit interim budget reports to the County Office of Education and State Department of Education:

- Budget Adoption – Board action by June 30th
- 1st Interim Report (actuals as of October 31st) – Board action by December 15th
- 2nd Interim Report (actuals as of January 31st) – Board action by March 15th
- 3rd Interim Report (actuals as of March 31st) – Required if 2nd Interim is Qualified

Certifications (EC 42131 (a)(1)):

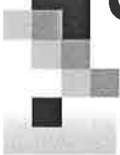
- **Positive Certification: WILL MEET the financial obligations for the current and two subsequent fiscal years**
- Qualified Certification: MAY NOT MEET the financial obligations for the current and two subsequent fiscal years
- Negative Certification: WILL BE UNABLE TO MEET the financial obligations for the current and two subsequent fiscal years

SMFC 2013-14 Funding Status

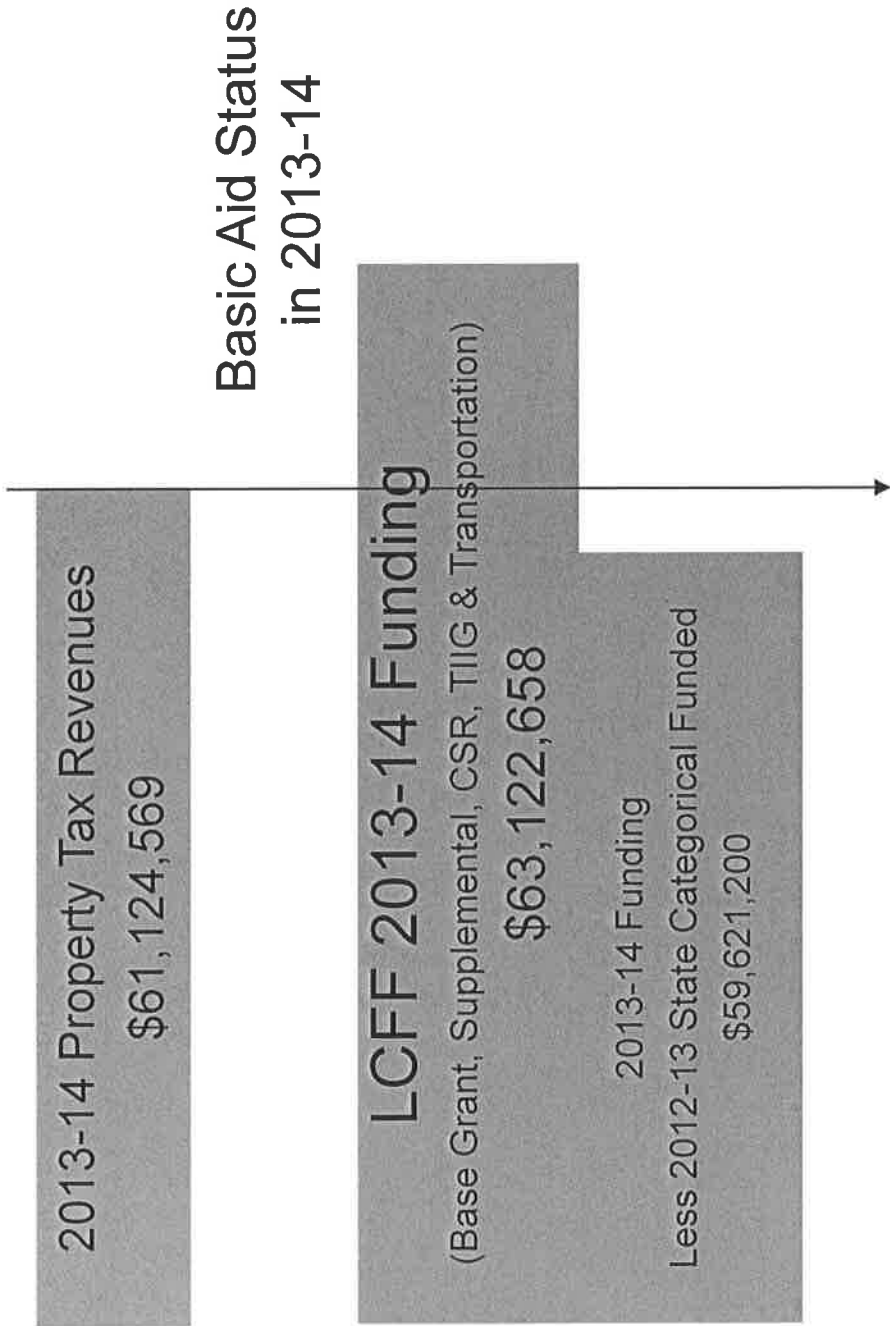
2013-14 Property Tax Revenues
\$61,124,569

LCFF 2013-14 Funding
(Base Grant, Supplemental, CSR, TIIG & Transportation)
\$63,122,658

LCFF Status = LCFF Entitlement > Property Taxes



SMFC 2013-14 Funding Status



SMFC 2013-14 Funding Status

2013-14 Property Tax Revenues \$61,124,569	State Aid \$3,501,458	EPA \$2,232,350
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Basic Aid Status
in 2013-14

LCFF 2013-14 Funding (Base Grant, Supplemental, CSR, TIIG & Transportation) \$63,122,658	
2013-14 Funding \$59,621,200	2012-13 State Categorical Funded \$3,501,458
Less 2012-13 State Categorical Funded \$59,621,200	

Budgets Compare

Unrestricted General Fund	2012-13	2013-14		2013-14	2013-14
	Actuals	Adopted Budget	First Interim	Budget Change	Budget Change
Beginning Fund Balance	\$ 42,707,199	\$ 47,232,542	\$ 47,232,542	\$ -	\$ -
Total Revenues	\$ 77,347,141	\$ 76,294,038	\$ 76,829,964	\$ 535,926	\$ 535,926
Total Expenditures	(61,157,658)	(67,611,353)	(69,227,965)	(1,616,612)	(1,616,612)
Total Other Financing Sources/Uses	(1,452,930)	(191,160)	(241,160)	(50,000)	(50,000)
Contributions to Restricted Programs	(10,211,210)	(11,707,522)	(11,651,852)	55,670	55,670
Ending Fund Balance	\$ 47,232,542	\$ 44,016,545	\$ 42,941,529	\$ (1,075,016)	\$ (1,075,016)
Components of Ending Fund Balance:					
Reserve for Revolving Fund	\$ 35,000	\$ 35,000	\$ 35,000		
Designated for sites use (programs carryover)	4,921,290	5,584,700	5,584,700		
Reserve for Economic Uncertainties (10%)	9,316,072	9,316,072	9,859,969		
Unallocated Fund Balance	\$ 32,960,180	\$ 29,080,773	\$ 27,461,860		



Unrestricted G/F – Revenue Changes

- LCFF/Revenue Limit Sources increase by \$6,762,923
 - per latest estimate property tax revenues from County Controller
 - LCFF funding changes: State Categorical grants including Tier III grants become one big pot of LCFF funding
- All Other State Revenues net decrease by \$6,524,508
 - Tier III grants (\$3.2 million)
 - Class Size Reduction all roll into LCFF Funding (\$4.1 million)
 - Reduce Mandated Block Grant- \$28 per pupil (\$212,648)
 - New- add Education Protection Account \$200/ADA \$2.2 million
 - Eliminate reserve for LCFF funding loss \$1.4 million
- Other Local Revenues net increase by \$297,511
 - Increase Lehman Brothers' Investment Recovery (Final) \$277,416
 - Facility Leases \$20,095
- Contributions to Restricted General Fund decrease by \$55,670
 - Special Education expenditures decrease \$28,051
 - Transportation entitlement decreases \$27,619



Unrestricted G/F – Expenditure Changes

- Salaries and Employee Benefits increase by \$701,047
 - Salaries adjusted per actual steps and columns
 - Site positions adjustment
- Sites budget increases due to prior year carryovers by \$617,722
 - General fund site based allocations
 - Tier III site based allocations
- New site allocations of \$998,890
 - Replaces Economic Impact Aid allocation to schools
 - Based on count of English Learners

Multi-Year Projections – Unrestricted G/F

	2013-14 First Interim	2014-15	2015-16
Beginning Fund Balance	\$ 47,232,542	\$ 42,941,529	\$ 38,112,678
Total Revenues	65,378,112	67,458,266	70,129,120
Total Expenditures	(69,669,125)	(72,287,117)	(75,069,754)
Ending Fund Balance	\$ 42,941,529	\$ 38,112,678	\$ 33,172,044
Components of Ending Fund Balance:			
Reserve for Revolving Fund	\$ 35,000	\$ 35,000	\$ 35,000
Designated for Tier III sites use	5,584,700	5,584,700	5,584,700
Reserve for Economic Uncertainties (10%)	9,859,969	10,156,506	10,483,095
Unallocated Fund Balance	\$ 28,005,757	\$ 22,336,472	\$ 17,069,249



MYP Budget Assumptions

- Major Budget Assumptions
 - LCFF funding estimated to increase by property assessed value 3.47% annually, no GAP Funding, no additional funding for ADA growth
 - Increase certificated employees by 9 FTE and 10 FTE in 2014-15 and 2015-16 respectively due to enrollment growth
 - K-3 Class Size at 24:1
 - Zero Salary adjustment for all groups (Step & Column included)
 - Project increase Health & Welfare by 7% annually
 - Project increase 5% for utilities and other operating costs
- Federal Sequestration remains the same
- Other budget assumptions are based on School Services of California Dart Board and San Mateo County Office of Education guidance



Next Steps

- November 21, 2013
 - Present 2013-14 Final First Interim Report to Board of Trustees for approval
- December 12, 2013
 - Present 2012-13 Audit Report to Board of Trustees



Terminology

- CSR – Class Size Reduction
- EPA – Education Protection Account (Prop 30)
- G/F – General Fund
- LCFF – Local Control Funding Formula
- MYP – Multi Year Projections
- RL – Revenue Limit
- TIIG – Targeted Instructional Improvement Block Grant