



San Mateo-Foster City School District

2013-14 Draft Budget

June 6, 2013 Regular Board Meeting
Information Item #12.1

Presentation by Laura Phan, Chief Business Official

Overview

- 2012-13 General Fund Estimated Fund Balance
- Key Principles of District Budget
- 2013-14 General Fund – Revenue & Expenditure Assumptions
- 2013-14 Combined General Fund Budget
- Comparatives
 - Revenue Limit vs. Basic Aid Status
 - Revenue Limit vs. Local Control Funding Formula
- Multiple Year Projections – Unrestricted General Fund
- Next steps

2012-13 General Fund Estimated Fund Balance

	2012-13 Est. Actuals Unrestricted	2012-13 Est. Actuals Restricted	2012-13 Est. Actuals Combined G/F
2012-13 Estimated Ending General Fund Balance	\$45,187,004	\$5,489,230	\$50,676,233
Component of Ending Fund Balance			
Reserve for Revolving Cash	(35,000)	0	(35,000)
Restricted	0	(5,489,230)	(5,489,230)
Designated for Tier III grants	(5,569,400)	0	(5,569,400)
Designated for Economic Uncertainties (10%)	(9,449,115)	0	(9,449,115)
Unassigned Ending Fund Balance	\$30,133,489	\$0	\$30,133,489
% of Unassigned Fund Balance	32.35%	0.00%	32.35%

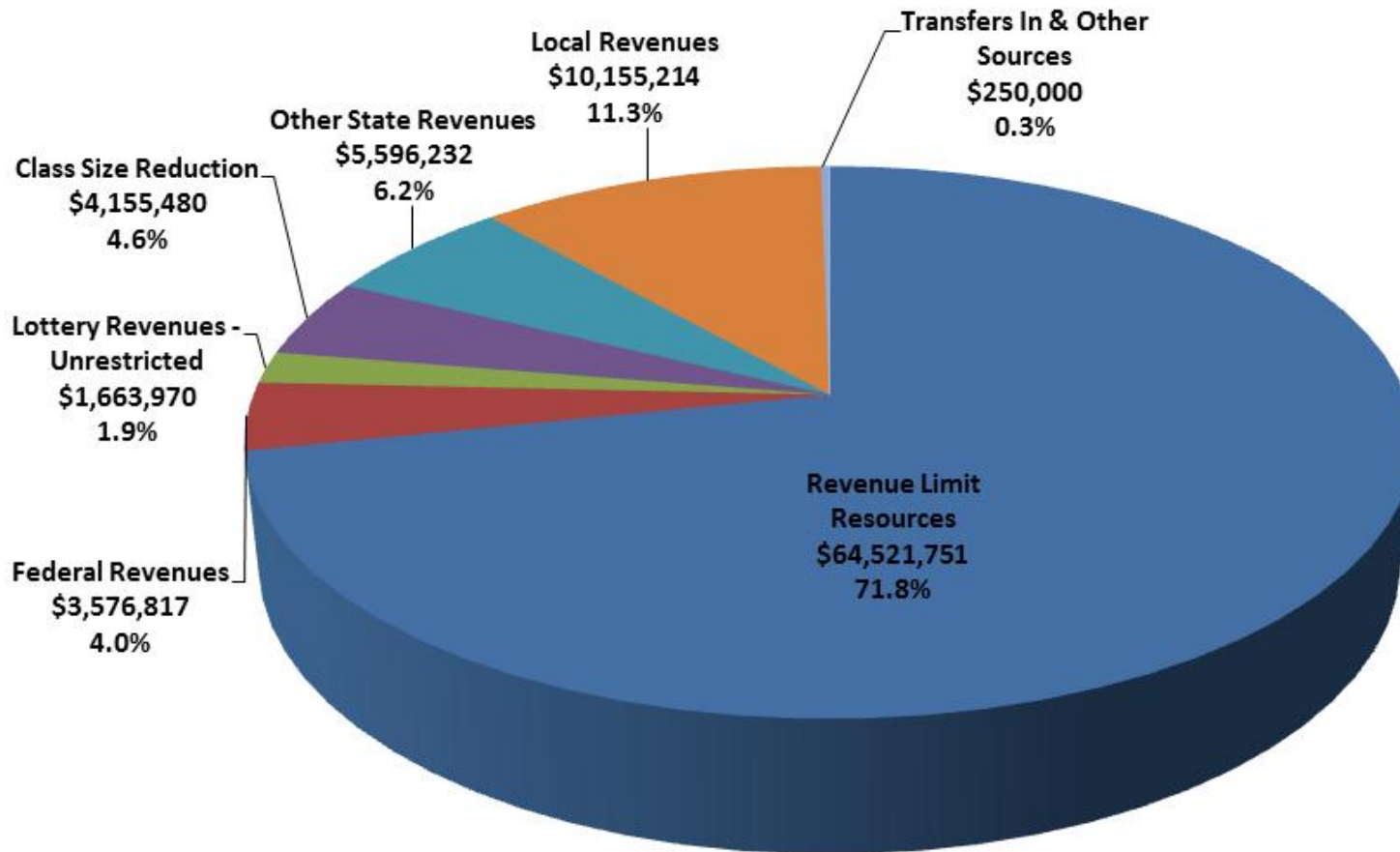
Key Principles of District Budget

- Keeping grades TK-3 class size at 24
- Preserving 180 instructional days
- Providing choice in instructional programs such as:
 - Spanish Dual Immersion
 - Mandarin Immersion
 - Montessori
 - International Baccalaureate
 - Science, Technology, Engineering and Math
 - Project Based Learning
- Providing enriched instructions through Music and Technology
- Providing enhanced teaching through staff development
- Maintaining employment stability with competitive compensation
- Maintaining safe and environmentally healthy facilities

2013-14 General Fund – Revenue Assumptions

- Property Tax assessments increase by 1.87%
- Enrollment is budgeted at 11,587
 - A projected increase of 131 from 2012-13
 - Average Daily Attendance is estimated at 11,162 (96.3% attendance rate)
- Unrestricted General Fund projected COLA is 1.565% with an 18.997% deficit factor
 - \$1.4 million is set aside contingent upon implementation of Local Control Funding Formula
- State Categorical Grants projected COLA is 0.0%
 - Tier III categorical grants budgeted per Board Resolution approved on March 21, 2013
 - Governor's proposed one-time funding for Common Core Standards implementation is not budgeted
- Special Education will be funded with growth and 1.565% COLA
- Federal Categorical Grants will be cut by 5.1% (Federal Sequestration)
 - Special Education cut will be backfilled by the State
- All other revenue assumptions are per Board approved Budget Assumptions

2013-14 Combined General Fund Revenues

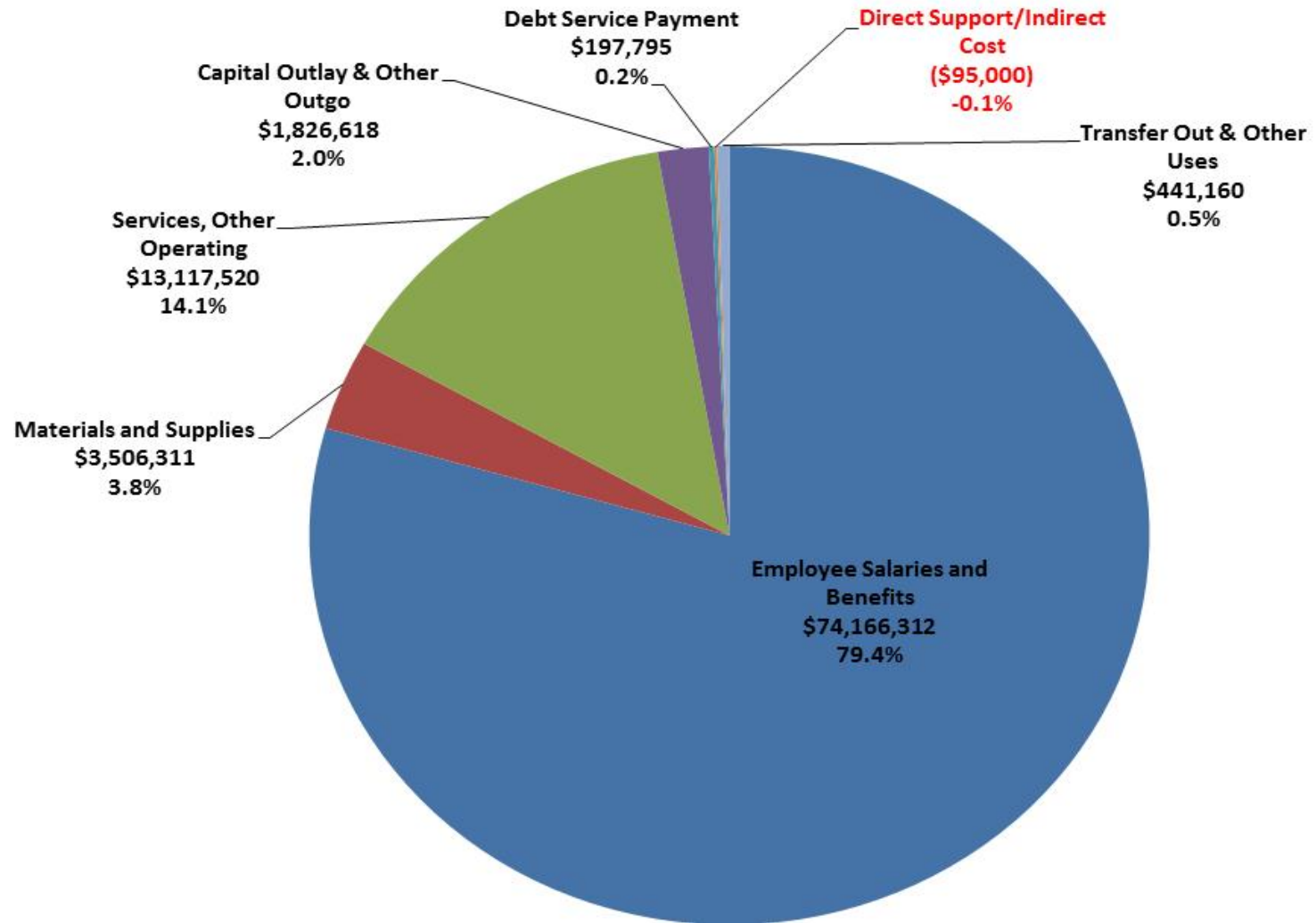


Note: Revenue Limit Resources include Property Taxes and State Aid.

2013-14 General Fund – Expenditure Assumptions

- Step and column increases from 2012-13 to 2013-14 based on current positions
- Salary increases of 2% for certificated, confidential and management employees per Board approval
 - Salary increases for classified employees are included pending Board approval of CSEA Tentative Agreement
- Staffing is at 24:1 for grades TK-3 and 30:1 for grades 4-8
- All other expenditure assumptions are per Board approved Budget Assumptions.

2013-14 Combined General Fund Expenditures



2013-14 Combined General Fund Budget

	Unrestricted General Fund	Total Restricted General Fund	Total General Fund
Beginning Fund Balance	\$ 45,187,004	\$ 5,489,230	\$ 50,676,233
<u>Revenues:</u>			
Revenue Limit	57,878,637	6,643,114	64,521,751
Federal, State & Local Revenues	18,415,401	6,732,312	25,147,713
Total Revenues	\$ 76,294,038	\$ 13,375,426	\$ 89,669,464
<u>Expenditures:</u>			
<i>Certificated Salaries</i>	39,768,536	6,407,336	46,175,872
<i>Classified Salaries</i>	6,399,726	4,507,338	10,907,064
<i>Employee Benefits</i>	13,417,374	3,666,002	17,083,376
Supplies, Services & All Other Exp	8,025,717	10,527,527	18,553,244
Total Expenditures	\$ 67,611,353	\$ 25,108,203	\$ 92,719,556
<u>Other Sources/Uses:</u>			
Interfund Transfers In	250,000	-	250,000
Interfund Transfers Out	(441,160)	-	(441,160)
Contributions from Unrestricted to Restrict	(11,707,522)	11,707,522	-
Total Other Sources/Uses	\$ (11,898,682)	\$ 11,707,522	\$ (191,160)
Net Change in Fund Balance	\$ (3,215,997)	\$ (25,255)	\$ (3,241,252)
Ending Fund Balance	\$ 41,971,007	\$ 5,463,975	\$ 47,434,981
Legally Restricted		5,463,975	5,463,975
Total Commitments and Assignments	5,619,700	-	5,619,700
Designated for Economic Uncertainties	9,316,072	-	9,316,072
Unassigned Ending Fund Balance	\$ 27,035,235	\$ -	\$ 27,035,235

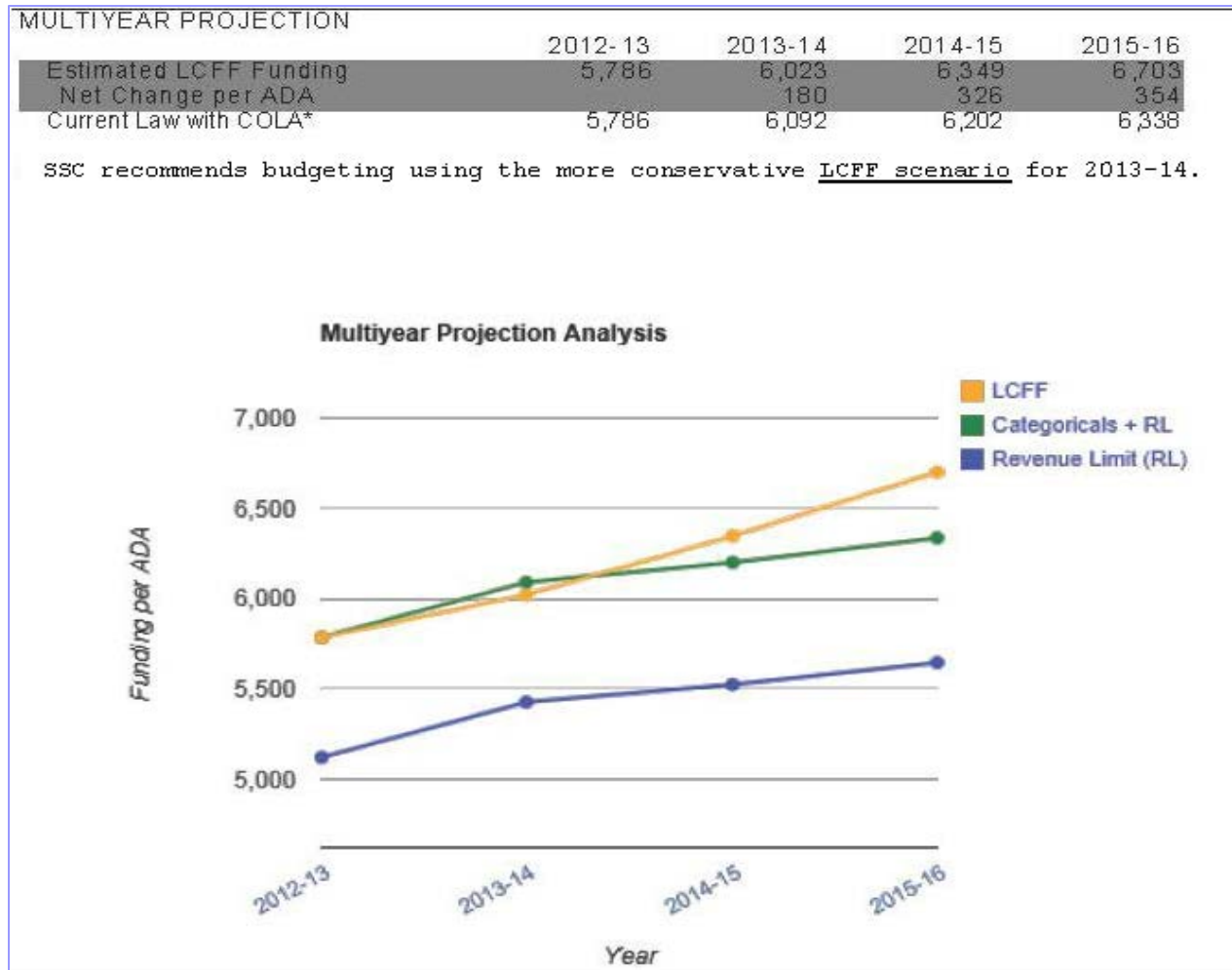
Comparative - Revenue Limit vs. Basic Aid Status

- SMFC School District reverts to Revenue Limit status in 2013-14
- District is Basic Aid in 2012-13, and also in 2009-10 and 2011-12



Comparative - Revenue Limit vs. LCFF

- In 2013-14, SMFC would gain \$1.4 million less under LCFF than with RL calculation



Source: School Services of California

6. **Multi-Year Projections (MYP) – Unrestricted General Fund Assumptions 2014-15 & 2015-16**

- Revenue projections based on current law
 - Cost of Living Adjustment (COLA) of 1.8% for 2014-15 and 2.2% for 2015-16
 - Deficit Factor of 18.997%
 - COLA applied to state categorical programs and state Special Education funding
 - No increases for federal categorical programs
- Enrollment is budgeted at 11,763 in 2014-15 and 11,961 in 2015-16
- Overall employee step/column cost increase is budgeted at 2.0%
 - Certificated Salary Schedule step increases of 4%
 - Classified Salary Schedule step increases of 5%
- Other expenditures increase per Consumer Price Index (CPI)
 - 2014-15 CPI of 2.3% and 2015-16 CPI of 2.5%
- Other MYP assumptions are per School Services of California Dartboard

Multi-Year Projections – Unrestricted General Fund

	2012-13 Est. Actuals	2013-14 Draft Budget	2014-15 Projected	2015-16 Projected
BEGINNING FUND BALANCE	\$42,707,199	\$45,187,004	\$41,971,007	\$37,900,672
Revenue Limit	60,923,120	57,878,637	59,840,441	62,211,231
Fair Share Reduction	(4,450,860)	0	0	0
Other State, Federal and Local Revenues	19,933,263	18,415,401	18,746,878	18,975,590
Total Unrestricted General Fund Revenues	\$76,405,523	\$76,294,038	\$78,587,319	\$81,186,821
Contribution to Restricted Programs:				
Restricted Categoricals (required match)	(30,352)	0	0	0
Routine Restricted Maintenance	(2,411,959)	(2,411,959)	(2,455,374)	(2,485,330)
Transportation (program encroachment)	(1,856,376)	(2,109,380)	(2,147,349)	(2,173,546)
Special Ed (program encroachment)	(6,731,530)	(7,186,183)	(7,315,534)	(7,404,784)
Total Contributions	(\$11,030,217)	(\$11,707,522)	(\$11,918,257)	(\$12,063,660)
Indirect Costs	204,623	175,858	179,023	182,962
TOTAL UNRESTRICTED GENERAL FUND RESOURCES	\$65,579,929	\$64,762,374	\$66,848,085	\$69,306,123
Salaries and Benefits	(53,719,441)	(59,585,636)	(62,227,114)	(64,881,792)
Supplies, Operating & Other Expenditures	(9,024,045)	(8,003,780)	(8,298,790)	(8,608,551)
Other Debt Service Payments	(197,795)	(197,795)	(201,355)	(205,785)
TOTAL EXPENDITURES	(\$62,941,281)	(\$67,787,211)	(\$70,727,259)	(\$73,696,128)
Interfund Transfers-In and Other Financing Sources	250,000	250,000	250,000	250,000
Interfund Transfers-Out and Other Financing Uses	(408,844)	(441,160)	(441,160)	(441,160)
TOTAL OTHER FINANCING SOURCES/USES	(\$158,844)	(\$191,160)	(\$191,160)	(\$191,160)
Net Change to Fund Balance	2,479,805	(3,215,997)	(4,070,334)	(4,581,165)
UNRESTRICTED G/F ENDING FUND BALANCE	\$45,187,004	\$41,971,007	\$37,900,672	\$33,319,507
Accounting Restriction	35,000	35,000	35,000	35,000
Assigned and Other Commitments	5,569,400	5,584,700	5,000,000	5,000,000
Committed for Economic Uncertainties (10%)	9,449,115	9,316,072	9,666,135	10,018,833
Unassigned Fund Balance	\$30,133,489	\$27,035,235	\$23,199,537	\$18,265,674
% of Unassigned Fund Balance	32.35%	29.02%	24.00%	18.23%

Next Steps

- Board Approved 2013-14 Adopted Budget - June 20, 2013
- Updated District Budget when State Budget is finalized
 - District must revise budget 45 days after State Budget adoption if the changes are significant
- Board review and approve 2012-13 Unaudited Actuals - September, 2013
- Board review and approve 2013-14 First Interim Report
 - November, 2013 (informational draft review) and
 - December, 2013 (action item)