

**NORTH MONTEREY COUNTY UNIFIED SCHOOL DISTRICT  
2015-16 BUDGET ASSUMPTIONS**

**How Are Revenue and Expenditure Projections Made?**

Because there are many unpredictable factors affecting revenues and expenditures, it is important to develop and utilize budget assumptions based on the best information available at the time the budget is adopted. In 2013-14, the Governor introduced the concept of a new funding formula, the Local Control Funding Formula (LCFF) which must be tied to the Local Control Accountability Plan (LCAP). The Adopted Budget should be considered a "snapshot in time" of the financial plan of the District on the date it is adopted. As the school year progresses, variables will change and the budget will have to be updated and approved again by the Board of Trustees. As a starting point, the following assumptions will be used for the development of the 2015-16 Preliminary Budget.

**Fund 01 - General Fund**  
**REVENUE**

ADA (Average Daily Attendance)

4,256.51

Based on cohort survival methodology and projected attendance factor of 94.32%.

Enrollment is used to calculate the Unduplicated Pupil Count as follows:

Grade Span	Estimated 2015-16 District Enrollment	Unduplicated FRPM/EL/Foster Youth Total	Unduplicated %
TK - 3	1,484	1,234	
4 - 6	1,102	916	
7 - 8	656	545	
9 - 12	1,273	1,058	
<b>Total:</b>	<b>4,515</b>	<b>3,753</b>	<b>83.120%</b>

LCFF Revenue is based on projected 2015-16 ADA and Unduplicated Pupil Counts using the cohort survival methodology. Other assumptions used to calculate the LCFF revenue (using the FMCAT LCFF Calculator v16.1e) are based on the May revise and are as follows:

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
Annual COLA	1.02%	1.60%	2.48%
LCFF Gap Closed Percentage	53.08%	37.40%	36.70%

LCFF Revenue consists of several components:

	<b>Projected 2015-16</b>	<b>Projected 2016-17</b>	<b>Projected 2017-18</b>
Base Grant	\$ 30,960,720	\$ 31,892,946	\$ 33,006,411
Grade Span Adjustments (GSA) TK - 3	\$ 726,475	\$ 994,024	\$ 1,046,239
Career Tech Education (CTE) 9-12	\$ 190,155	\$ 215,487	\$ 242,065
TIIG & Transportation Add Ons	\$ 1,484,475	\$ 1,484,475	\$ 1,484,475
Supplemental and Concentration Grant*	\$ 7,255,969	\$ 8,496,187	\$ 9,399,297
<b>Total</b>	<b>\$ 40,617,794</b>	<b>\$ 43,083,119</b>	<b>\$ 45,178,487</b>

\*All expenses from the Supplemental and Concentration Grant must align to the State Priorities and must be tied to the LCAP Goals of:

- All students will demonstrate achievement in the common Core State Standards in math to be college and career ready.
- All students will demonstrate achievement in the common Core State Standards in language arts and literacy across the curriculum to be college and career ready.
- All students will be prepared with 21st Century Learning Skills by engaging in Project Based Learning that incorporates the 4C's (communicate, collaborate, be creative, and think critically) and integrate the use of technology.
- Develop the leadership capacity of teachers and students.
- Parents, teachers, and staff will have the knowledge and skills to be responsive to address student learning needs, provide appropriate educational experiences and school-related activities in meaningful ways.
- Schools will ensure that students have safe, sufficient, and equitable facilities and other basic services that promote healthy living practices.

**Reductions to LCFF Revenue:** Based on Fiscal Services information, the contribution for Deferred Maintenance is now recorded as a reduction to LCFF funding and is no longer recorded as a Transfer Out.

	Actual 2013-14	Estimated Actual 2014-15	Budgeted 2015-16
Deferred Maintenance Contribution:	\$ 329,000	\$ 450,000	\$ 500,000

**Other State Revenue** has been budgeted for the following items:

Resource	Description	Actual 2013-14	Est Act 2014-15	Budget 2015-16
0000	Mandated Cost Reimbursements (Block Grant)	\$ 147,227	\$ 177,296	\$ 150,000
0000	CAHSEE/Star/PE Fitness	\$ 14,645	\$ 11,000	\$ 11,000
0000	CELDT	\$ 9,150	\$ 9,000	\$ 9,000
0000	1x Discretionary of \$601/ADA (May Revise)*	\$ -	\$ -	\$ 2,549,983
6010	After School Learning	\$ 584,219	\$ 553,347	\$ 518,288
6225	1x Emergency Repair Reimbursement	\$ -	\$ 616,755	\$ -
6230	Prop 39 Clean Energy	\$ 211,247	\$ 186,331	\$ 186,331
6690	Tupe Grades 6-12	\$ 796	\$ 3,704	\$ 1,500
7405	1x Common Core	\$ 860,924	\$ -	\$ -
		\$ 1,828,208	\$ 1,557,433	\$ 3,426,102

\*Pending approval of the State adopted budget.

**Other Unrestricted Local Revenue** assumptions include interest and rental income, and enterprise reimbursements.

	Budget 2015-16
Interest Income	\$ 27,000
RDA 2% Pass Through	\$ 168,000
Rental Income T Mobile, American Tower, Sr Council	\$ 31,342
Outside Agency Transportation Billings	\$ 50,000
Enterprise Salary Reimbursements	\$ 52,135
	\$ 328,477

**Lottery** income is based on a special ADA calculation, and is estimated as follows:

	Lottery ADA	2015-16 Rate	Est Revenue 2015-16
Base (Unrestricted Rsc 1100) Rate per Lottery ADA:	4,335.88	\$ 128.00	\$ 554,993
Prop 20 (Restricted Rsc 6300) Rate per Lottery ADA:	4,335.88	\$ 34.00	\$ 147,420
		\$ 162.00	\$ 702,413

**Federal Revenue** has been budgeted at a level equal to FY 2014-15, only SIG has expenses budgeted from carryover as the program has ended.

As actual entitlements are received, the budget will be adjusted accordingly.

Resource	Description	Actual 2013-14	Est Act 2014-15	Budget 2015-16
3010	NCLB: Title I Part A	\$ 824,677	\$ 1,009,028	\$ 1,009,028
3060-3061	Title I Migrant	\$ 691,454	\$ 688,073	\$ 723,196
3180	Title I SIG	\$ 1,359,066	\$ 1,629,357	\$ 318,278
3550	Voc/Appl. Secondary (Carl D. Perkins)	\$ 32,417	\$ 42,768	\$ 42,827
4035	NCLB: Title II Teacher Quality	\$ 207,495	\$ 209,149	\$ 209,149
4203	Title III	\$ 163,963	\$ 184,693	\$ 184,693
5640	Medical Billing Option	\$ 43,556	\$ 9,841	\$ -
		\$ 3,322,628	\$ 3,772,909	\$ 2,487,171

**Special Education** State and Local revenue based on guidance received from MCOE Selpa

Resource	Description	Actual 2013-14	Est Act 2014-15	Budget 2015-16
3310	(Fed) IDEA PL 94-142	\$ 534,764	\$ 639,519	\$ 639,519
6500	(State) Special Education	\$ 1,635,909	\$ 1,715,331	\$ 1,715,011
6512	(State) Mental Health	\$ 161,953	\$ -	\$ -
		\$ 2,332,626	\$ 2,354,850	\$ 2,354,530

## EXPENSE

**Certificated staffing** levels for 2015-16 based on contractual ratios as follows:

Grade	Contract Ratio
TK/K	24.0 : 1.0
1 - 3	26.0 : 1.0
4 - 6	31.0 : 1.0
7 - 8	31.0 : 1.0
9 - 12	31.0 : 1.0

The District has a negotiated alternative annual average class size agreement with the union for Grades 1-3; therefore annual progress toward those ratios will progress at a rate in accordance with the agreed upon settlement, which does not necessarily match the State's gap funding levels.

**Certificated teacher positions** (FTE's) including Special Education at the sites are budgeted as follows:

Site	Name	Unrestricted FTE*	Restricted FTE	Total
001	Castroville Elementary	25.18	2.97	28.15
002	Echo Valley Elementary	23.43	2.72	26.15
003	Elkhorn Elementary	23.41	6.59	30.00
006	Prunedale Elementary	25.83	1.92	27.75
007	No Monterey County High	47.43	5.42	52.85
008	Central Bay Contin High	4.01	0.99	5.00
010	Independent Study	3.00	0.00	3.00
030	No Monterey County Middle	25.55	4.70	30.25
		177.84	25.31	203.15

Unrestricted budget includes EPA, Grade Span Adjustment, ROP/CTE, and Supplemental/Concentration Grant dollars.

**Certificated counseling, psychologist, speech language and nurse positions** (FTE's) at the sites are budgeted as follows:

Site	Name	Unrestricted FTE	Restricted FTE	Total
000	District Wide	9.52	4.88	14.40
007	No Monterey County High	4.00		4.00
008	Central Bay Contin High	1.00		1.00
		14.52	4.88	19.40

Per Escape Bud08a FTE date = 09/01/15

The following assumptions for certificated/classified positions were added/increased:

	Unrestricted FTE	Restricted FTE	Total
CSR / Growth	6.00		6.00
Special Ed ED Program		2.20	2.20
Elem. PE	4.00		4.00
Certificated	10.00	2.20	12.20
Fam Svcs/Homeless Coordinato	1.00		1.00
Dir Prog Metrics, Eval, Assessn	1.00		1.00
Director/Mgmt	2.00	0.00	2.00
Data Tech Support	4.00		4.00
Elem. PE Aides	4.00		4.00
Custodial Restore	0.50		0.50
HS Career Center Tech Restore	0.50		0.50
HS Career Center Specialist	1.00		1.00
HR / Sub Caller	1.00		1.00
Program Budget Analyst	1.00		1.00
Spec Ed Accountant I	1.00		1.00
Spec Ed Translator		0.70	0.70
Classified	13.00	0.70	13.70
TOTAL ALL Fund 01	24.00	2.90	26.90

A one percent salary increase for all funds, including statutory but excluding health and welfare costs, for 2015-16 is estimated to be:

	Amount
All Certificated Positions	\$ 232,623
All Classified Positions	\$ 113,654
	<u>\$ 346,277</u>

Includes all District groups; Union and Non-represented.

Step, column, longevity and the related statutory benefits for all funds is estimated to be:

	Percentage	Amount
All Certificated Positions	1.88%	\$ 288,970
All Classified Positions	2.07%	\$ 139,721
		<u>\$ 428,691</u>

Includes all District groups; Union and Non-represented.

Per Escape report Pos16

Statutory benefit rates are as follows:

Description	2013-14	2014-15	2015-16	Incr/(Decr)
STRS	8.25%	9.50%	10.73%	1.23%
PERS	11.44%	11.77%	11.85%	0.08%
Workers Compensation	4.10%	2.80%	2.94%	0.14%
Unemployment Insurance	0.05%	0.05%	0.05%	0.00%
Social Security FICA	6.20%	6.20%	6.20%	0.00%
Medicare	1.45%	1.45%	1.45%	0.00%

Health Benefits are capped and are tiered and have been budgeted as follows:.

	Actual 2013-14	Est Acts 2014-15	Budget 2015-16
All Certificated Positions	\$ 2,220,488	\$ 2,373,123	\$ 3,013,794
All Classified Positions	\$ 869,594	\$ 942,288	\$ 1,077,696
	<u>\$ 3,090,082</u>	<u>\$ 3,315,411</u>	<u>\$ 4,091,490</u>

Includes all District groups; Union and Non-represented.

Retiree Health Benefits, are estimated to cost a total of:

Description	Actual 2013-14	Est Acts 2014-15	Budget 2015-16
Certificated Retirees	\$ 67,879	\$ 77,878	\$ 74,037
Classified Retirees	\$ 4,052	\$ 3,207	\$ 4,497
	<u>\$ 71,930</u>	<u>\$ 81,085</u>	<u>\$ 78,534</u>

Early Retiree Incentive Program (ERIP) is estimated to cost a total of:

Description	Actual 2013-14	Est Act 2014-15	Budget 2015-16
Certificated	\$ 69,000	\$ 42,182	\$ 41,145
Classified	\$ 58,442	\$ -	\$ -
	<u>\$ 127,442</u>	<u>\$ 42,182</u>	<u>\$ 41,145</u>

Liability Insurance expense is budgeted based on an 80% Confidence Level; rates are provided by the District's insurance provider, Keenan & Associates. Increased claims across the pool have driven rates up, especially for multiple large dollar settlements exceeding \$1,000,000.

	Actual 2012-13	Actual 2013-14	Actual 2014-15	Budget 2015-16
\$	210,603	\$ 227,204	\$ 261,285	\$ 291,429

Routine Restricted Maintenance contribution will be \$1,501,003. The State decreased the contribution requirement from 3% to 1%; however, that flexibility ends in the 2014-15 year and the full 3% is now budgeted.

Estimated General Fund 01 Expenditures	2015-16 Contribution	Contribution %
\$ 50,033,593	\$ 1,501,003	3.00%

Currently, 40.32% of the Routine Restricted Maintenance budget is earmarked for salaries and benefits; 51.69% for materials and repairs; 7.99% for capital equipment.

**Special Education** outside vendor contract expense was based on information provided by the Special Education department as follows:

Vendor	2014-15 Adopt Budget	2015-16 Budget
Bay School	\$ 25,000	\$ 106,162
Summitview	\$ -	\$ 43,175
Alpha Vista	\$ -	\$ 116,960
Aptitude	\$ -	\$ 53,150
Central Coast Kids	\$ 134,031	\$ 46,577
Monterey County Office of Education	\$ 1,632,339	\$ 1,472,676
Monterey Peninsula Unified School District	\$ 340,800	\$ 277,004
Parent mileage & services reimbursements	\$ 8,300	\$ 33,874
Rebecca's	\$ 114,820	\$ -
Speech Pathology Services	\$ 130,000	\$ -
Staffing Options	\$ 25,000	\$ 123,000
Tucci	\$ 69,507	\$ -
	<u>\$ 2,479,797</u>	<u>\$ 2,272,578</u>

**Transfers out** to other funds are as follows:

**Adult Education --** The district budgets all Adult Ed activities from Fund 11. As all Adult Education services are now transitioning to the Hartnell Community College consortium, the District is planning to offer Fall programs at the teacher hourly rate and use existing carryover funds in Fund 11.

Planned Expenses for Fall Programs: \$ 118,909

**Contributions from LCFF to Unrestricted Resources** are calculated to be as follows:

	Actuals 2013-14	Est Act 2014-15	Budget 2015-16
ROP/CTE	\$ 579,522	\$ 579,522	\$ 520,643
Grade Span Adjustment	N/A	\$ 754,304	\$ 816,513
Supplemental & Concentration Grant	N/A	\$ 3,733,987	\$ 7,255,969
	<u>\$ 579,522</u>	<u>\$ 5,067,813</u>	<u>\$ 8,593,125</u>

**Contributions from Base Grant to Restrictd Resources** are calculated to be as follows:

Routine Restricted Maintenance	\$ 968,039	\$ 1,379,405	\$ 1,501,003
Special Education	\$ 3,553,879	\$ 4,310,211	\$ 4,810,820
Transportation*	\$ 1,738,757	\$ -	\$ -
	<u>\$ 7,419,719</u>	<u>\$ 15,825,242</u>	<u>\$ 6,311,823</u>

\*Transportation moved in to the unrestricted general fund in 2014-15.

Utilities expense is based on this year's estimated actual average expense.

\$ 760,100