

**NORTH MONTEREY COUNTY UNIFIED SCHOOL DISTRICT  
2014-15 ADOPTED BUDGET ASSUMPTIONS**

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

Because there are so 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 brand 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 2014-15 Adopted Budget.

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

**ADA** (Average Daily Attendance)

Adjusted Traditional Program P2 2013-14 ADA :

4,151.31

Based on P2 ADA as of April 25, 2014. Since revenue limit is based on the higher of current or the prior year ADA , the District is using the 2013-14 P2 guarantee.

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

| School                | Total Enrollment | Unduplicated<br>FRPM/EL/Foster<br>Youth Total | Unduplicated % |
|-----------------------|------------------|---|----------------|
| Castroville           | 637              | 572   |                |
| Central Bay High      | 74               | 66  |                |
| Echo Valley           | 557              | 482   |                |
| Elkhorn               | 649              | 584   |                |
| NMC High              | 1,122            | 846   |                |
| NMC Independent Study | 115              | 36  |                |
| NMC Middle            | 596              | 494   |                |
| Prunedale             | 653              | 540   |                |
|                       | 4,403            | 3,620   | 82.217%        |

As of CALPADS Fall submission

**LCFF revenue** is based on P2 2013-14 ADA by grade span as this amount is guaranteed to the District. If the actual ADA trends higher due to increased enrollment, then the District will make the appropriate adjustment at 2014-15 1st Interim reporting. Assumptions used to calculate the LCFF revenue is as follows:

|                            | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> |
|----------------------------|----------------|----------------|----------------|----------------|
| Annual COLA                | 1.57%          | 0.86%          | 2.12%          | 2.30%          |
| LCFF Gap Closed Percentage | 11.78%         | 28.05%         | 33.95%         | 21.67%         |

As of FCMAT LCFF Calculator v15.2a Released 05/15/14

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

|   | Lottery ADA | 2014-15 Rate | Est 2014-15 |
|---|-------------|--------------|-------------|
| Base (Unrestricted Rsc 1100) Rate per Lottery ADA:  | 4335.88     | \$ 126.00    | \$ 546,321  |
| Prop 20 (Restricted Rsc 6300) Rate per Lottery ADA: | 4335.88     | \$ 30.00     | \$ 130,076  |
|   |             | \$ 156.00    | \$ 676,397  |

**Federal Revenue** has been budgeted at a level equal to FY 2013-14, excluding carryover as the sequestration rate has remained the same. As actual entitlements are received, the budget will be adjusted accordingly.

| Resource  | Description                           | Est Act 2013-14 | Budget 2014-15 |
|-----------|---------------------------------------|-----------------|----------------|
| 3010      | NCLB: Title 1 Part A                  | \$ 824,677      | \$ 824,677     |
| 3060-3061 | Title 1 Migrant                       | \$ 645,597      | \$ 610,526     |
| 3180      | Title 1 SIG                           | \$ 1,359,066    | \$ 1,250,431   |
| 3550      | Voc/Appl. Secondary (Carl D. Perkins) | \$ 32,417       | \$ 32,000      |
| 4035      | NCLB: Title II Teacher Quality        | \$ 207,495      | \$ 207,495     |
| 4203      | Title III                             | \$ 163,963      | \$ 163,963     |
| 5640      | Medical Billing Option                | \$ 27,022       | \$ -           |
|           |                                       | \$ 3,260,237    | \$ 3,089,092   |

**State Revenue** has been budgeted using the published COLA amounts and/or actual grant amount eligible. As actual entitlements are received, the budget will be adjusted accordingly.

| Resource | Description                              | Est Act 2013-14 | Budget 2014-15 |
|----------|--|-----------------|----------------|
| 6010     | After School Education and Safety (ASES) | \$ 584,219      | \$ 552,625     |
| 6230     | Clean Energy Jobs Act (Prop 39)          | \$ 211,247      | \$ 211,247     |
| 6690     | Tupe Grades 6-12                         | \$ 4,500        | \$ 3,660       |
|          |  | \$ 7,320,440    | \$ 3,089,092   |

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

| Resource | Description               | Est Act 2013-14 | Budget 2014-15 |
|----------|---------------------------|-----------------|----------------|
| 3310     | (Fed) IDEA PL 94-142      | \$ 533,052      | \$ 609,216     |
| 6500     | (State) Special Education | \$ 1,635,909    | \$ 1,065,304   |
| 6512     | (State) Mental Health     | \$ 334,125      | \$ -           |
|          |                           | \$ 2,503,086    | \$ 1,674,520   |

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

|  | Budget 2014-15 |
|--|----------------|
| Interest Income                        | \$ 18,000      |
| RDA 2% Pass Through                    | \$ 140,000     |
| Rental Income T Mobile, American Tower | \$ 35,984      |
| Reimbursement for union, NTP salary    | \$ 246,581     |
|  | \$ 440,565     |

## EXPENSE

**Certificated staffing** levels based on contractual ratios as follows:

| Grade  | Contract Ratio |
|--------|----------------|
| TK/K   | 24.0 : 1.0     |
| 1 - 3  | 27.0 : 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    | 25.80            | 8.05           | 33.85  |
| 002  | Echo Valley Elementary    | 22.92            | 3.08           | 26.00  |
| 003  | Elkhorn Elementary        | 24.15            | 6.23           | 30.38  |
| 006  | Prunedale Elementary      | 27.81            | 3.02           | 30.83  |
| 007  | No Monterey County High   | 47.98            | 6.60           | 54.58  |
| 008  | Central Bay Contin High   | 4.00             | 1.00           | 5.00   |
| 030  | No Monterey County Middle | 25.80            | 4.20           | 30.00  |
|      |                           | 178.46           | 32.18          | 210.64 |

**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           | 6.4              | 6.10           | 12.50 |
| 007  | No Monterey County High | 4.00             |                | 4.00  |
| 008  | Central Bay Contin High | 1.00             |                | 1.00  |
|      |                         | 11.40            | 6.10           | 17.50 |

**A one percent** salary increase for all funds, including statutes but excluding health and welfare costs, for 2014-15 is estimated to be:

|                            | Amount     |
|----------------------------|------------|
| All Certificated Positions | \$ 211,204 |
| All Classified Positions   | \$ 94,474  |
|                            | \$ 305,678 |

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

|                            | Percentage | Amount     |
|----------------------------|------------|------------|
| All Certificated Positions | 2.00%      | \$ 314,000 |
| All Classified Positions   | 3.40%      | \$ 160,000 |

**Statutory benefit** rates are as follows:

| Description            | 2013-14 | 2014-15 | Incr/(Decr) |
|------------------------|---------|---------|-------------|
| STRS                   | 8.25%   | 9.50%   | 1.25%       |
| PERS                   | 11.44%  | 11.77%  | 0.33%       |
| Workers Compensation   | 4.10%   | 2.80%   | -1.30%      |
| Unemployment Insurance | 0.05%   | 0.05%   | 0.00%       |
| Social Security FICA   | 6.20%   | 6.20%   | 0.00%       |
| Medicare               | 1.45%   | 1.45%   | 0.00%       |

**Health Benefits** are capped and are tiered as follows:

|  | EE Only   | EE + One    | EE + Two    |
|--|-----------|-------------|-------------|
| Classified CSEA                            | \$ 423.38 | \$ 600.00   | \$ 775.00   |
| Certificated AFT, Management, Confidential | \$ 558.15 | \$ 1,077.46 | \$ 1,206.46 |

CSEA utilizes CVT for medical benefits; the rest of the District uses CalPERS, and all employees have Delta Dental and VSP.

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

| Description           | Est Acts 2013-14 | 2014-15 Budget |
|-----------------------|------------------|----------------|
| Certificated Retirees | \$ 67,000        | \$ 87,736      |
| Classified Retirees   | \$ 4,100         | \$ 3,006       |
|                       | \$ 71,100        | \$ 90,742      |

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

| Description  | Est Acts 2013-14 | 2014-15 Budget |
|--------------|------------------|----------------|
| Certificated | \$ 69,000        | \$ 39,000      |
| Classified   | \$ 62,000        | \$ -           |
|              | \$ 131,000       | \$ 39,000      |

**Liability Insurance** expense is budgeted based on an 80% Confidence Level; rates are provided by the District's insurance provider, Keenan & Associates.

| 2011-12   | 2012-13    | 2013-14    | Est 2014-15 |
|-----------|------------|------------|-------------|
| \$207,917 | \$ 210,603 | \$ 227,204 | \$ 261,285  |

**Routine Restricted Maintenance** contribution will be \$1,049,405. The state decreased the contribution requirement from 3% to 1%; however, the District contributed 2.5%. Contribution flexibility ends in 2015-16, and the full 3% will need to be budgeted.

| Estimated General<br>Fund 01 Expenditures | Estimated 2014-15<br>Contribution | Contribution % |
|---|-----------------------------------|----------------|
| \$ 41,993,416                             | \$ 1,049,405                      | 2.50%          |

Currently, 55% of the Routine Restricted Maintenance budget is earmarked for salaries and benefits.

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

| Vendor                                     | 2014-15 Budget      |
|--|---------------------|
| Bay School                                 | \$ 25,000           |
| Central Coast                              | \$ 134,031          |
| Monterey County Office of Education        | \$ 1,632,339        |
| Monterey Peninsula Unified School District | \$ 340,800          |
| Parent mileage reimbursements              | \$ 8,300            |
| Read 180                                   | \$ 15,500           |
| Rebecca's                                  | \$ 114,820          |
| Speech Pathology Services                  | \$ 130,000          |
| Staffing Options                           | \$ 25,000           |
| Tucci                                      | \$ 69,507           |
|  | <u>\$ 2,495,297</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 dollars come in under the LCFF, the District shall contribute to Fund 11 an amount no less than the amount spent in the 2012-13 year in order to remain in compliance with the MOE requirement.

Planned transfer for 2014-15: \$ 310,671

**Deferred maintenance --** The district continues to maintain its deferred maintenance in Fund 14. In accordance with direction received from the board, the contribution to this fund is planned as follows:

| Est Act 2013-14 | Budgeted 2014-15 | Forecast 2015-16 |
|-----------------|------------------|------------------|
| \$ 329,000      | \$ 450,000       | \$ 500,000       |

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

|                                | Est Act 2013-14     | 2014-15 Budget      |
|--------------------------------|---------------------|---------------------|
| ROP                            | \$ 611,415          | \$ 611,415          |
| Routine Restricted Maintenance | \$ 913,541          | \$ 1,049,405        |
| Special Education              | \$ 4,518,728        | \$ 4,755,022        |
| Transportation*                | \$ 1,644,110        | \$ -                |
|                                | <u>\$ 7,687,794</u> | <u>\$ 6,415,842</u> |

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

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