

Pleasant Valley School District
2015-16 First Interim Budget Report
December 8, 2015

Introduction

A school district budget is a living document which changes throughout the year in order to accurately reflect the latest financial requirements and operational practices. Consistent with the requirements of AB 1200 Pleasant Valley School District updates their budget three times a year following adoption; 45day revise, First Interim Budget Report (based on activity through October), and Second Interim Budget Report (based on activity through March). These updated reports must be forwarded to the Ventura County Office of Education for review prior to being sent to the State. Staff is providing the Board of Trustees with the 2015-16 First Interim Budget Report reflecting revenues and expenditures based on the information available at the time. As more information becomes available, the budget will be updated. Staff is requesting the Board approve the First Interim Budget as presented.

Background

Passed in 1991, AB 1200, in conjunction with education codes relating to budget preparation, adoption, and interim revisions, were created because of the need to ensure that local educational agencies throughout California adequately prepare to meet their financial obligations. AB 1200 is a statewide plan for county offices of education and school districts to work together on the local level to improve fiscal procedures, standards, and accountability. The law was rooted in the concerns that arose following the bankruptcy of Richmond School District, and the fiscal collapse of a few other districts that were preparing to seek emergency loans from the State. AB 1200 expanded the role of county offices of education in monitoring school districts and mandates that they intervene, under certain circumstances to ensure districts can meet their financial obligations. The passage of AB 1200 sent a strong message to local educational agencies to put and keep their finances in order.

Passed in 2004, AB 2756 mandated significant revisions to the criteria and standards to improve the fiscal monitoring and oversight of school districts. Effective June 2008, it was further amended to update the formulas and methodologies used by districts in calculating budget projections and to require school districts to provide supplemental information under specified circumstances.

Discussion

Unrestricted Operations

The majority of the District's funding and expenditures are related to the ongoing operations of the District. Other State Revenue has increased due to a one-time payment for Educator Effectiveness Funds of \$521,937. Expenditures have been adjusted to reflect staffing changes and revisions to supplies, utilities and service estimates. The ending fund Pleasant Valley School District balance includes \$1.2 million set aside for a future instructional materials adoption, \$1.9 million designated for economic uncertainties and \$2.3 million set aside for budget stabilization.

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Unrestricted Program

These programs are considered unrestricted and have varying degrees of flexibility. However, they are focused on services identified as a need by the District or required by the State. For example, under LCFF, funding for Deferred Maintenance, Transportation, Targeted Instructional Improvement and Economic Impact Aid is now unrestricted. However, the District still has an obligation to maintain its facilities, transport students and provide additional services for socio-economically disadvantaged students and English language learners. How the District provides these services has become more flexible. Some other programs included in this category are GATE, Lottery and the Education Protection Account. The District also uses this category to track expenses related to donations and the implementation of the District's technology vision.

Revenues have been adjusted to reflect an increase in Education Protection Act (EPA) funding. The EPA is part of the LCFF funding. Expenditures have increased since adoption to reflect the budgeting of prior year carryover. Except for specific plans to hold funds for future spending, it is generally assumed that these programs will spend all of the funds available and expenditures are budgeted accordingly.

Restricted Programs

These programs have specific guidelines on their use and often require reporting how the funds were spent to a Federal or State agency. Examples of programs in this category are Title I, Prop 20 Lottery, Prop 39 California Clean Energy, and Special Education funding. Expenditures include the budgeting of prior year carryover amounts in various programs and vacancies filled since adoption.

Instructional Program Implications

The 2015-16 budget reflects the Board's focus on supporting effective instruction. Resources have been aligned to support technology in the classroom, staff development and a safe environment. The LCFF requires districts to adopt a Local Control Accountability Plan (LCAP). The LCAP identifies local goals focused on improved student outcomes and aligned to the District's spending plan.

Facilities

Our facilities have significant needs in terms of maintenance and repair. In addition to the transfer of \$241,200 to the deferred maintenance fund, the general fund includes \$447,000 of building lease income dedicated to facility and maintenance needs.

School Community and Public Support

The Financial Report will be posted on the District's webpage and is available for review at the District Office as a means to keep the public informed of the District's financial status.

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Budget Impact

Please see the attached budget document for a financial overview and information on budget assumptions.

District Policy Impact

The recommendations included in this report are consistent with the Board of Education policies.

Prepared & Reviewed by

The above information was prepared by Elena Zaharov. If you have any questions, please contact Elena at 805-383-1563.

Recommendations

The Superintendent recommends the Board approve the 2015-16 First Interim Budget Report as presented.

**Pleasant Valley Elementary School District
2015-16 1st Interim Budget
By Category**

	I Unrestricted Operations	II Unrestricted Programs	III Restricted Programs	IV Total Budget
Revenue				
8010-8099 LCFF/Revenue Limit	39,284,347	8,107,332	-	47,391,679
8100-8299 Fed Revenue	35,000	8,400	2,549,111	2,592,511
8300-8599 Othr State Rev	3,562,235	836,962	816,391	5,215,588
8600-8799 Local Revenue	1,058,400	391,595	4,452,996	5,902,991
Total Revenue	43,939,982	9,344,289	7,818,498	61,102,769
Expenditures				
1000 Certificated Salaries	15,812,232	8,564,366	4,696,509	29,073,107
2000 Classified Salaries	4,919,765	800,427	2,858,059	8,578,251
3000 Employee Benefits	6,905,810	2,656,124	2,292,155	11,854,089
4000 Books & Supplies	1,498,688	4,870,881	2,411,137	8,780,706
5000 Services & Contracts	2,341,806	1,082,612	2,603,728	6,028,146
6000 Capital Outlay	40,000	185,415	70,370	295,785
7000 Other Outgo	1,240,147	85,000	427,084	1,752,231
Subtotal Expenditures	32,758,448	18,244,825	15,359,042	66,362,315
Other Financing Sources/Uses				
Contributions	(11,605,603)	5,506,087	6,099,516	-
Interfund transfer out	-	-	-	-
Subtotal Other Financing	(11,605,603)	5,506,087	6,099,516	-
Total Expenditures	44,364,051	12,738,738	9,259,526	66,362,315
Net Increase/(Decrease)	(424,069)	(3,394,449)	(1,441,028)	(5,259,546)
Beginning Balance	8,950,507	3,404,750	1,441,028	13,796,285
Ending Balance	8,526,438	10,301	-	8,536,739
Reserves:				
Cash	5,250			5,250
Legally Restricted			-	-
Designated Econ Uncert	1,990,870			1,990,870
Instructional Materials Adoption	1,158,149			1,158,149
Equipment (Busses, mowers)	192,045			192,045
One-time Mandated Costs				
Payment	2,859,000			2,859,000
Program Balances		10,301		10,301
Budget Stabilization	2,321,124			2,321,124

**Pleasant Valley Elementary School District
2015-16 1st Interim
2015-16 Adopted compared to 1st Interim**

	I 2015-16 Adopted Budget	II 2015-16 1st Interim Budget
Revenue		
8010-8099 LCFF/Revenue Limit	47,465,267	47,391,679
8100-8299 Fed Revenue	2,325,108	2,592,511
8300-8599 Othr State Rev	5,164,515	5,215,588
8600-8799 Local Revenue	5,837,222	5,902,991
Total Revenue	60,792,112	61,102,769
Expenditures		
1000 Certificated Salaries	28,431,615	29,073,107
2000 Classified Salaries	8,669,803	8,578,251
3000 Employee Benefits	11,542,044	11,854,089
4000 Books & Supplies	3,951,892	8,780,706
5000 Services & Contracts	5,397,231	6,028,146
6000 Capital Outlay		295,785
7000 Other Outgo	1,531,785	1,752,231
Subtotal Expenditures	59,524,370	66,362,315
Other Financing Sources/Uses		
Contributions	-	-
Interfund transfer out		-
Subtotal Other Financing	-	-
Total Expenditures	59,524,370	66,362,315
Net Increase/(Decrease)	1,267,742	(5,259,546)
Beginning Balance	7,682,726	13,796,285
Ending Balance	8,950,468	8,536,739
Reserves:		
Cash	5,250	5,250
Legally Restricted	-	-
Designated Econ Uncert	1,785,732	1,990,870
Instructional Materials Adoption	1,158,149	1,158,149
Equipment (Busses, mowers)	192,045	192,045
One-time Mandated Costs		
Payment	2,859,000	2,859,000
Program Balances	10,301	10,301
Budget Stabilization	2,939,991	2,321,124