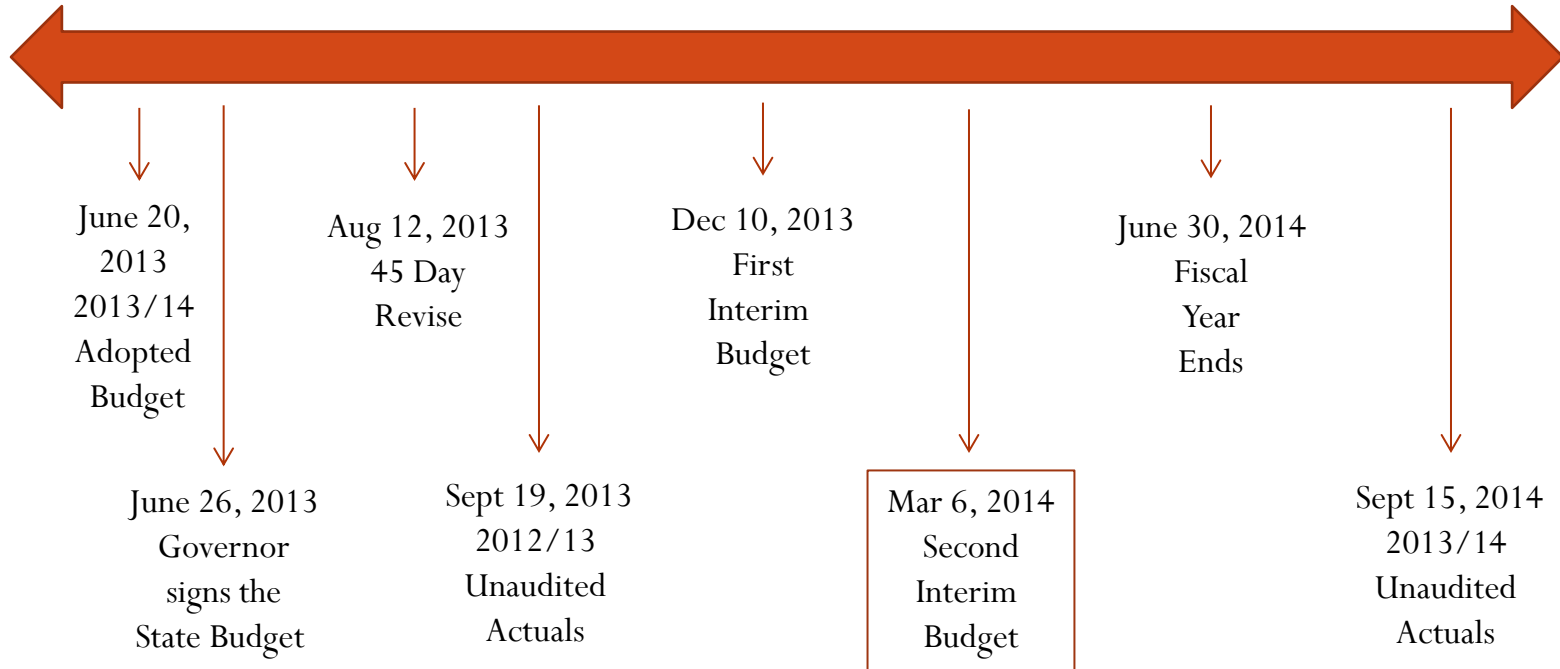


2013-14 SECOND INTERIM BUDGET

Pleasant Valley School District

March 6, 2014

Budget Cycle



Certification of Financial Condition

- Positive Certification

- Based upon current projections, the district will meet its financial obligations for the current fiscal year and subsequent two fiscal years

- Qualified Certification

- Based upon current projections, the district may not meet its financial obligations for the current fiscal year and subsequent two fiscal years

- Negative Certification

- Based upon current projections, the district will be unable to meet its financial obligations for the remainder of the current fiscal year or for the subsequent fiscal year

2013/14 First Interim Budget

- Unrestricted Operations
 - ongoing operational costs
 - classroom teachers, support staff, utilities
- Unrestricted Programs
 - varying degrees of flexibility
 - focused on particular needs
 - Transportation, EIA, K-3 Class Size Reduction, Donations
- Restricted Programs
 - specific guidelines
 - Title I, Special Education, CCSS Implementation

Unrestricted Operations

Revenue	29,980,274
Expenditures	31,732,612
Net Increase/(Decrease)	(1,752,338)
Beginning Balance	9,611,891
Ending Balance	7,859,553
<u>Reserves:</u>	
Cash	5,250
Designated Econ Uncertainty	1,616,401
Instructional Materials Adoption	2,000,000
Restoration of Day - PVEA	123,700
Equipment (Busses, mowers)	192,045
Budget Stabilization	3,922,157

- Ongoing operational costs
- Classroom teachers, support staff, utilities
- Revenues reflect
 - shift of K-3 CSR funding to Unrestricted Operations from Unrestricted Programs
 - Decrease in LCFF of \$150,000
- Expenditures include
 - Negotiated salary and benefit increases
 - Increases in technology and utility costs
 - Decreases in costs for vacancies, substitutes and legal services

Unrestricted Programs

Revenue	10,379,756
Expenditures	12,586,077
Net Increase/(Decrease)	(2,206,321)
Beginning Balance	2,888,227
Ending Balance	681,906
<u>Reserves:</u>	
Tier III Instr Material Program	671,605
Program Balances	10,301

- Varying degrees of flexibility
- Focused on particular needs
- Examples - Transportation, EIA, Donations
- Revenues reflect shift of K-3 CSR funding to Unrestricted Operations from Unrestricted Programs
- Expenditures include
 - Prior year carryover and \$684,000 of CCSS spending
 - Negotiated salary and benefit increases

Restricted Programs

Revenue	9,602,983
Expenditures	9,561,319
Net Increase/(Decrease)	41,664
Beginning Balance	985,627
Ending Balance	1,027,291
<u>Reserves:</u>	
Legally Restricted	1,027,291

- Specific guidelines
- Examples - Title I, Special Education, CCSS Implementation
- Revenues reflect
 - Prior year Federal carryover
 - CCSS of \$1.3 million
 - Prop 39 California Clean Energy Act \$274,000
- Expenditures include
 - Prior year carryover and \$684,000 of CCSS spending
 - Negotiated salary and benefit increases

2013/14 Second Interim Budget

	Unrestricted Operations	Unrestricted Programs	Restricted Programs	Total Budget
Revenue	29,980,274	10,379,756	9,602,983	49,963,013
Expenditures	31,732,612	12,586,077	9,561,319	53,880,008
Net Increase/(Decrease)	(1,752,338)	(2,206,321)	41,664	(3,916,995)
Beginning Balance	9,611,891	2,888,227	985,627	13,485,745
Ending Balance	7,859,553	681,906	1,027,291	9,568,750
<u>Reserves:</u>				
Cash	5,250			5,250
Legally Restricted			1,027,291	1,027,291
Designated Econ Uncert	1,616,401			1,616,401
Instructional Materials				
Adoption	2,000,000			2,000,000
Equipment (Busses, mowers)	192,045			192,045
Tier III Instr Material Program		671,605		671,605
Program Balances		10,301		10,301
Restoration of Day - PVEA	123,700			123,700
Budget Stabilization	3,922,157			3,922,157

Multi-Year Projection Assumptions

	2013-14	2014-15	2015-16
	2nd Interim	Estimate	Estimate

Enrollment	6,555	6,555	6,555
Local Control Funding Formula (LCFF)			
Average Daily Attendance (ADA)	6311.01	6311.01	6311.01
LCFF Funding per ADA	\$6,157	\$6,678	\$7,188
Percent of LCFF Gap Funded	11.78%	28.05%	33.95%

COLA	1.565%	1.80%	2.20%
California Consumer Price Index (CPI)	2.2%	2.3%	2.5%
PERS Rate	11.442%	12.242%	13.098%
STRS Rate	8.250%	9.075%	9.982%

Multi Year Projection

	2013-14	2014-15	2015-16
	2nd Interim	Estimate	Estimate
Revenue	49,963,013	51,366,191	54,587,553
Expenditures	53,880,008	52,616,900	53,913,105
Net Increase/(Decrease)	(3,916,995)	(1,250,709)	674,448
Beginning Balance	13,485,745	2,888,227	8,318,041
Ending Balance	9,568,750	8,318,041	8,992,489

For 2014/15

- Reduce expenditures for prior year carryover
- Add cost of step/column, CPI increase on cost of goods, and increase in PERS and STRS rates

For 2015/16

- Reduce expenditures for prior year CCSS
- Return Routine Restricted Maintenance contribution to 3%
- Begin textbook adoption
- Add cost of step/column, CPI, and increase in PERS and STRS rates

Multi Year Projection

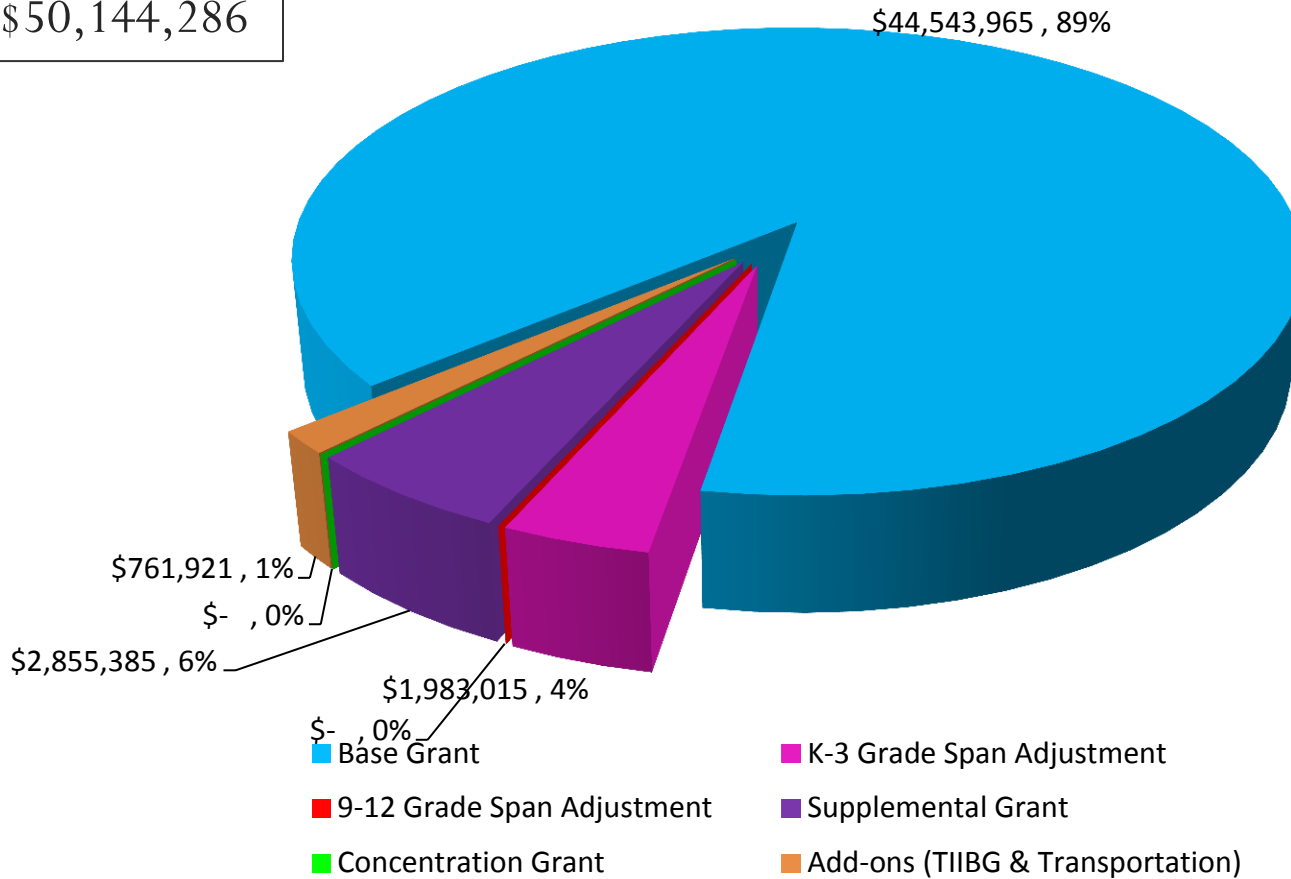
	2013-14	2014-15	2015-16
	2nd Interim	Estimate	Estimate
Revenue	49,963,013	51,366,191	54,587,553
Expenditures	53,880,008	52,616,900	53,913,105
Net Increase/(Decrease)	(3,916,995)	(1,250,709)	674,448
Beginning Balance	13,485,745	2,888,227	8,318,041
Ending Balance	9,568,750	8,318,041	8,992,489
<u>Reserves:</u>			
Cash	5,250	5,250	5,250
Legally Restricted	1,027,291	126,540	126,540
Designated Econ Uncert	1,616,401	1,578,507	1,617,394
Instructional Materials			
Adoption	2,000,000	2,500,000	2,500,000
Equipment (Busses, mowers)	192,045	192,045	192,045
Tier III Instr Material Program	671,605	671,605	-
Program Balances	10,301	10,301	10301
Restoration of Day - PVEA	123,700	-	-
Budget Stabilization	3,922,157	3,233,793	4,540,959

Summary of LCFF Funding

	2013-14	2014-15	2015-16
	2nd Interim	Estimate	Estimate
LCFF Target	\$50,144,286	\$50,569,638	\$51,630,396
Floor	37,348,948	38,856,239	42,141,847
CY Gap	12,795,338	11,713,399	9,488,549
CY Gap Funding	1,507,291	3,285,608	3,221,362
Percent of Gap Funding	11.78%	28.05%	33.95%
Total Phase-In Entitlement	\$38,856,239	\$42,141,847	\$45,363,209

Components of 2013-14 LCFF Target

LCFF Target
\$50,144,286



Next Steps for PVSD

- Continue to analyze information as it becomes available
- Governor's May Revise for 2014-15
- Prepare 2014-15 adopted budget
- Close the 2013-14 fiscal year
- Remain cautiously optimistic
- Budget conservatively