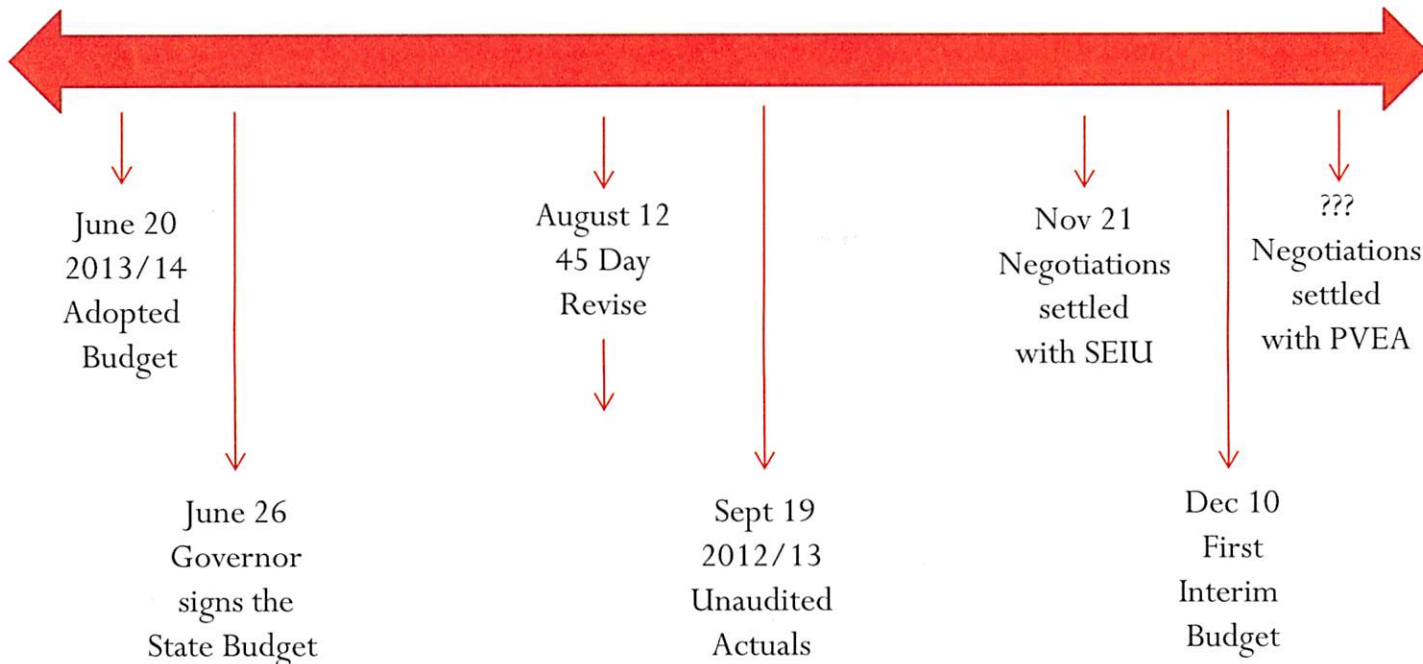


2013-14 FIRST INTERIM BUDGET

Pleasant Valley School District

December 10, 2013

What a Difference Six Months Makes!



Major Changes Since Adoption

- Local Control Funding Formula (LCFF)
- Common Core State Standards (CCSS) Implementation Grant
- Prop 39 CA Clean Energy Act
- Prior Year Program Carryovers
- Salary and Benefit Enhancements

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	
8010-8099 LCFF/Revenue Limit	26,868,709
8100-8299 Fed Revenue	30,000
8300-8599 Othr State Rev	310,726
8600-8799 Local Revenue	890,164
Total Revenue	28,099,599
Expenditures	
1000 Certificated Salaries	12,755,618
2000 Classified Salaries	4,017,650
3000 Employee Benefits	6,731,499
4000 Books & Supplies	888,183
5000 Services & Contracts	2,330,537
6000 Capital Outlay	50,340
7000 Other Outgo	(11,214)
Subtotal Expenditures	26,762,613
Other Financing Sources/Uses	(3,334,507)
Total Expenditures	30,097,120
Net Increase/(Decrease)	(1,997,521)
Beginning Balance	9,611,891
Ending Balance	7,614,370
<u>Reserves:</u>	
Cash	5,250
Designated Econ Uncert	1,624,702
Instructional Materials Adoption	2,000,000
Equipment (Busses, mowers)	192,045
Budget Stabilization	3,792,373

- Revenues up \$1,276,000 from LCFF funding
- Expenditures adjusted
 - Staffing changes
 - revisions to supplies, utilities and service estimates
- Other Uses are contributions to Special Education and Transportation programs
- Deficit spending just under \$2 million

Unrestricted Programs

Revenue

8010-8099 LCFF/Revenue Limit	5,769,798
8100-8299 Fed Revenue	67,318
8300-8599 Othr State Rev	5,967,418
8600-8799 Local Revenue	562,026

Total Revenue 12,366,560

Expenditures

1000 Certificated Salaries	8,159,472
2000 Classified Salaries	254,840
3000 Employee Benefits	1,144,052
4000 Books & Supplies	2,937,329
5000 Services & Contracts	1,532,005
6000 Capital Outlay	10,000
7000 Other Outgo	8,453
Subtotal Expenditures	14,046,151
Contributions	(281,461)
Interfund transfer out	(245,269)

Other Financing Sources/Uses (526,730)

Total Expenditures 14,572,881

Net Increase/(Decrease) (2,206,321)

Beginning Balance 2,888,227

Ending Balance 681,906

Reserves:

Tier III Instr Material Program	671,605
Program Balances	10,301

- Revenues adjusted to reflect shift of programs under LCFF from restricted to unrestricted
- Expenditures adjusted for prior year carryover
- Deficit spending \$2.2 million

Restricted Programs

Revenue

8010-8099 LCFF/Revenue Limit	1,077,481
8100-8299 Fed Revenue	2,365,864
8300-8599 Othr State Rev	1,801,720
8600-8799 Local Revenue	4,283,328

Total Revenue 9,528,393

Expenditures

1000 Certificated Salaries	4,130,029
2000 Classified Salaries	2,591,305
3000 Employee Benefits	1,860,839
4000 Books & Supplies	1,786,816
5000 Services & Contracts	1,138,805
6000 Capital Outlay	-
7000 Other Outgo	1,594,903
Subtotal Expenditures	13,102,697
Contributions	3,615,968
Interfund transfer out	-

Other Financing Sources/Uses 3,615,968

Total Expenditures 9,486,729

Net Increase/(Decrease) 41,664

Beginning Balance 985,627

Ending Balance 1,027,291

Reserves:

Legally Restricted 1,027,291

- Revenues adjusted for
 - Prior year Federal carryover
 - CCSS implementation \$1.3 million
 - Prop 39 California Clean Energy Act \$274,000
- Expenditures include
- Prior year carryover for various programs
- \$684,000 of the CCSS funding
- Ending Balance is CCSS, Prop 39 & YAA

2013/14 First Interim Budget

	Unrestricted Operations	Unrestricted Programs	Restricted Programs	Total Budget
Revenue				
8010-8099 LCFF/Revenue Limit	26,868,709	5,769,798	1,077,481	33,715,988
8100-8299 Fed Revenue	30,000	67,318	2,365,864	2,463,182
8300-8599 Othr State Rev	310,726	5,967,418	1,801,720	8,079,864
8600-8799 Local Revenue	890,164	562,026	4,283,328	5,735,518
Total Revenue	28,099,599	12,366,560	9,528,393	49,994,552
Expenditures				
1000 Certificated Salaries	12,755,618	8,159,472	4,130,029	25,045,119
2000 Classified Salaries	4,017,650	254,840	2,591,305	6,863,795
3000 Employee Benefits	6,731,499	1,144,052	1,860,839	9,736,390
4000 Books & Supplies	888,183	2,937,329	1,786,816	5,612,328
5000 Services & Contracts	2,330,537	1,532,005	1,138,805	5,001,347
6000 Capital Outlay	50,340	10,000	-	60,340
7000 Other Outgo	(11,214)	8,453	1,594,903	1,592,142
Subtotal Expenditures	26,762,613	14,046,151	13,102,697	53,911,461
Other Financing Sources/Uses				
Contributions	(3,334,507)	(281,461)	3,615,968	-
Interfund transfer out	-	(245,269)	-	(245,269)
Subtotal Other Financing	(3,334,507)	(526,730)	3,615,968	(245,269)
Total Expenditures	30,097,120	14,572,881	9,486,729	54,156,730
Net Increase/(Decrease)	(1,997,521)	(2,206,321)	41,664	(4,162,178)
Beginning Balance	9,611,891	2,888,227	985,627	13,485,745
Ending Balance	7,614,370	681,906	1,027,291	9,323,567

2013/14 First Interim Budget

	Unrestricted Operations	Unrestricted Programs	Restricted Programs	Total Budget
Ending Balance	7,614,370	681,906	1,027,291	9,323,567
<u>Reserves:</u>				
Cash	5,250			5,250
Legally Restricted			1,027,291	1,027,291
Designated Econ Uncert	1,624,702			1,624,702
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
Budget Stabilization	3,792,373			3,792,373

Multi-Year Budget Assumptions

	2013/14 First Interim	2014/15 Estimate	2015/16 Estimate
Enrollment	6552	6552	6552
LCFF Average Daily Attendance (ADA)	6310	6303	6303
High Estimate LCFF Funding per ADA	\$6,187	\$6,502	\$6,835
Low Estimate LCFF Funding per ADA	\$6,187	\$6,271	\$6,382

Salary and Benefits Increase for SEIU, Unrepresented, Management

- Increase salary schedule by 3%
- Health Benefit Cap
 - Single \$7500 to \$8300
 - Two Party \$7500 to \$8750
 - Family \$7500 to \$9250
- Restored furlough day
- Allocation for similar compensation increase for PVEA

Multi Year Projections Expenditures

Expenditures	2013-14 Adopted	Change	2014-15 Estimate	Change	2015-16 Estimate
1000 Certificated Salaries	25,045,119	255,649	25,300,768	282,034	25,582,802
2000 Classified Salaries	6,863,795	(35,496)	6,828,299	58,790	6,887,089
3000 Employee Benefits	9,736,390	10,190	9,746,580	49,962	9,796,542
4000 Books & Supplies	5,612,328	(1,833,554)	3,778,774	389,921	4,168,695
5000 Services & Contracts	5,001,347	13,939	5,015,286	(370,439)	4,644,847
6000 Capital Outlay	60,340	(10,000)	50,340	-	50,340
7000 Other Outgo	1,592,142	-	1,592,142	-	1,592,142
Subtotal Expenditures	53,911,461	(1,599,272)	52,312,189	410,268	52,722,457
Other Financing Sources/Uses	(245,269)	-	(245,269)	-	(245,269)
Total Expenditures	54,156,730	(1,599,272)	52,557,458	410,268	52,967,726

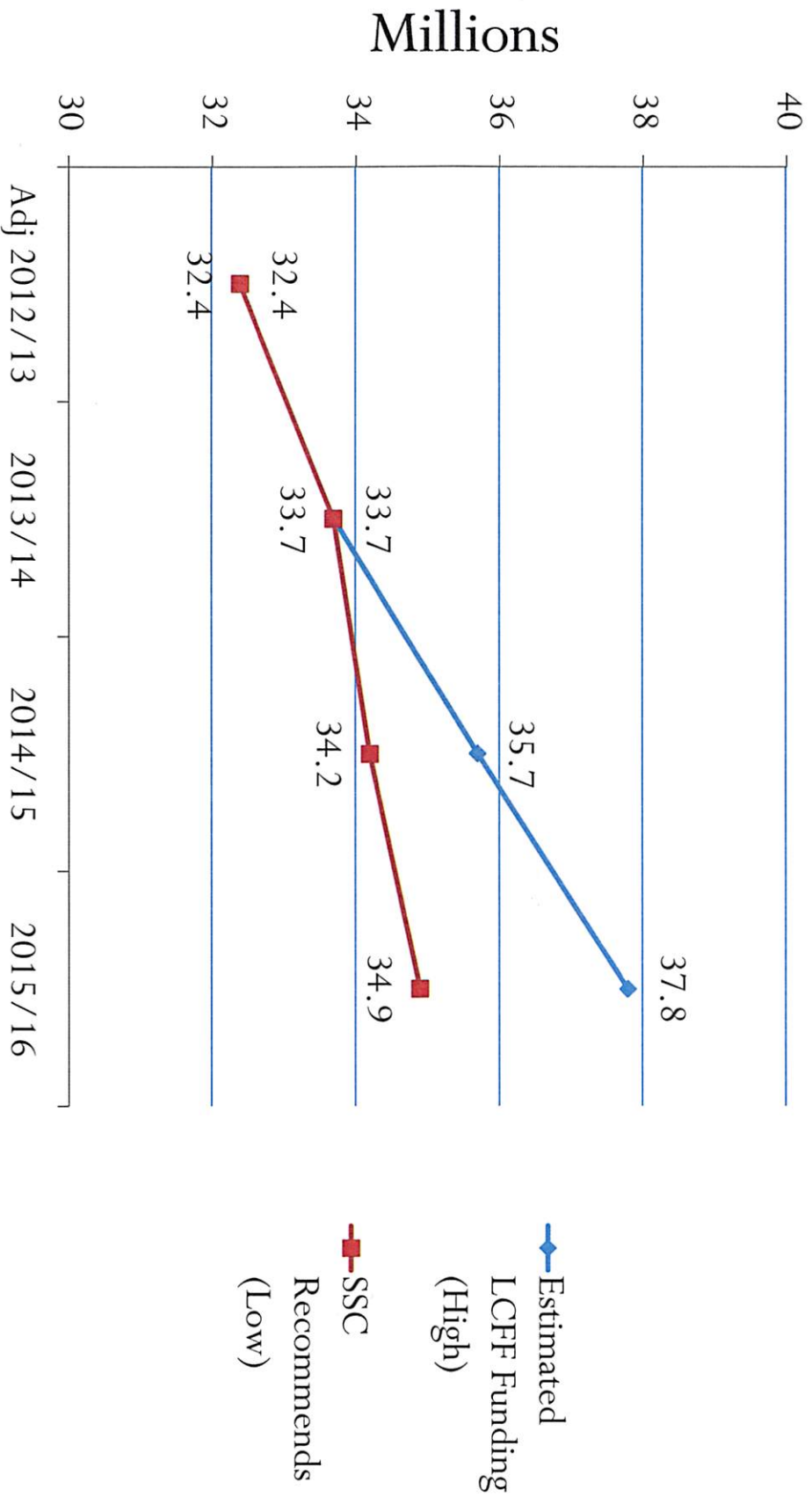
For 2014/15

- Reduce expenditures for prior year carryover
- Add cost of step/column and CPI increase on cost of goods

For 2015/16

- Reduce expenditures for prior year CCSS
- Add cost of step/column and CPI increase on cost of goods

LCFF Revenue



High LCFF Revenue Estimate					
	2013-14	change	2014-15	change	2015-16
	Adopted		Estimate		Estimate
Total Revenue	49,994,552	103,021	50,097,573	2,098,906	52,196,479
Total Expenditures	54,156,730	(1,599,272)	52,557,458	410,268	52,967,726
Net Increase/(Decrease)	(4,162,178)	1,702,293	(2,459,885)	1,688,638	(771,247)
Beginning Balance	13,485,745		9,323,567		6,863,682
Ending Balance	9,323,567		6,863,682		6,092,435
Reserves:					
Cash	5,250		5,250		5,250
Legally Restricted	1,027,291		126,540		126,540
Designated Econ Uncert	1,624,702		1,574,906		1,585,448
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		10,301
Budget Stabilization	3,792,373		1,783,035		1,672,851

Low LCFF Revenue Estimate					
	2013-14	change	2014-15	change	2015-16
	Adopted		Estimate		Estimate
Total Revenue	49,994,552	(1,352,976)	48,641,576	699,635	49,341,211
Total Expenditures	54,156,730	(1,599,272)	52,557,458	410,268	52,967,726
Net Increase/(Decrease)	(4,162,178)	246,296	(3,915,882)	289,367	(3,626,515)
Beginning Balance	13,485,745		9,323,567		5,407,685
Ending Balance	9,323,567		5,407,685		1,781,170
Reserves:					
Cash	5,250		5,250		5,250
Legally Restricted	1,027,291		126,540		126,540
Designated Econ Uncert	1,624,702		1,574,906		1,585,448
Instructional Materials Adoption	2,000,000		2,500,000		-
Equipment (Busses, mowers)	192,045		192,045		53,631
Tier III Instr Material Program	671,605		671,605		-
Program Balances	10,301		10,301		10,301
Budget Stabilization	3,792,373		327,038		-

LCFF Fluctuations

- Funding is fluid and susceptible to many forces
 - No State formula yet
 - Enrollment changes
 - Attendance factor

Attendance factor	96.2%	96.6%	97%	97.2%
Change from MYP	-	\$103,000	\$244,000	\$314,000

State Budget

- Legislative Analyst's Office (LAO) recently reported
 - \$4.7 Billion in higher 2013/14 revenue, which equates to \$3.1 Billion for Prop 98
 - \$5.8 Billion in higher 2014/15 revenue, which equates to \$3.3 Billion for Prop 98
 - By 2020/21 State could fund roughly 90% of the full LCFF cost
 - Forecasts assume no economic downturn in the next 7 years
- Legislature has options for extra Prop 98 funding
 - Buy down the deferrals
 - Fund mandates
 - Fund one time projects like CCSS
 - Fund the LCFF

Summary for PVSD

- Additional analysis needed as information becomes available
- Governor's January Budget Proposal for 2014/15
- Remain cautiously optimistic
- Budget conservatively