

Pacifica School District Board Meeting



2014-2015 First Interim Report
December 10, 2014

PSD Guiding Principle

***A Balanced investment in
People, Operations & Programs
for the benefit of our students***

*Note: Allocation of revenue to address
needs in these areas as we keep in mind
negotiations with our labor partners.*

Budget Cycle Review

- Budget Adopted in June (based on Governor's May Revise)
 - Aligned with LCAP
- State Adopts budget –June 2014
- First Interim Report – December 2014
- Second Interim Report – April 2015
- Unaudited Actuals – September 2015

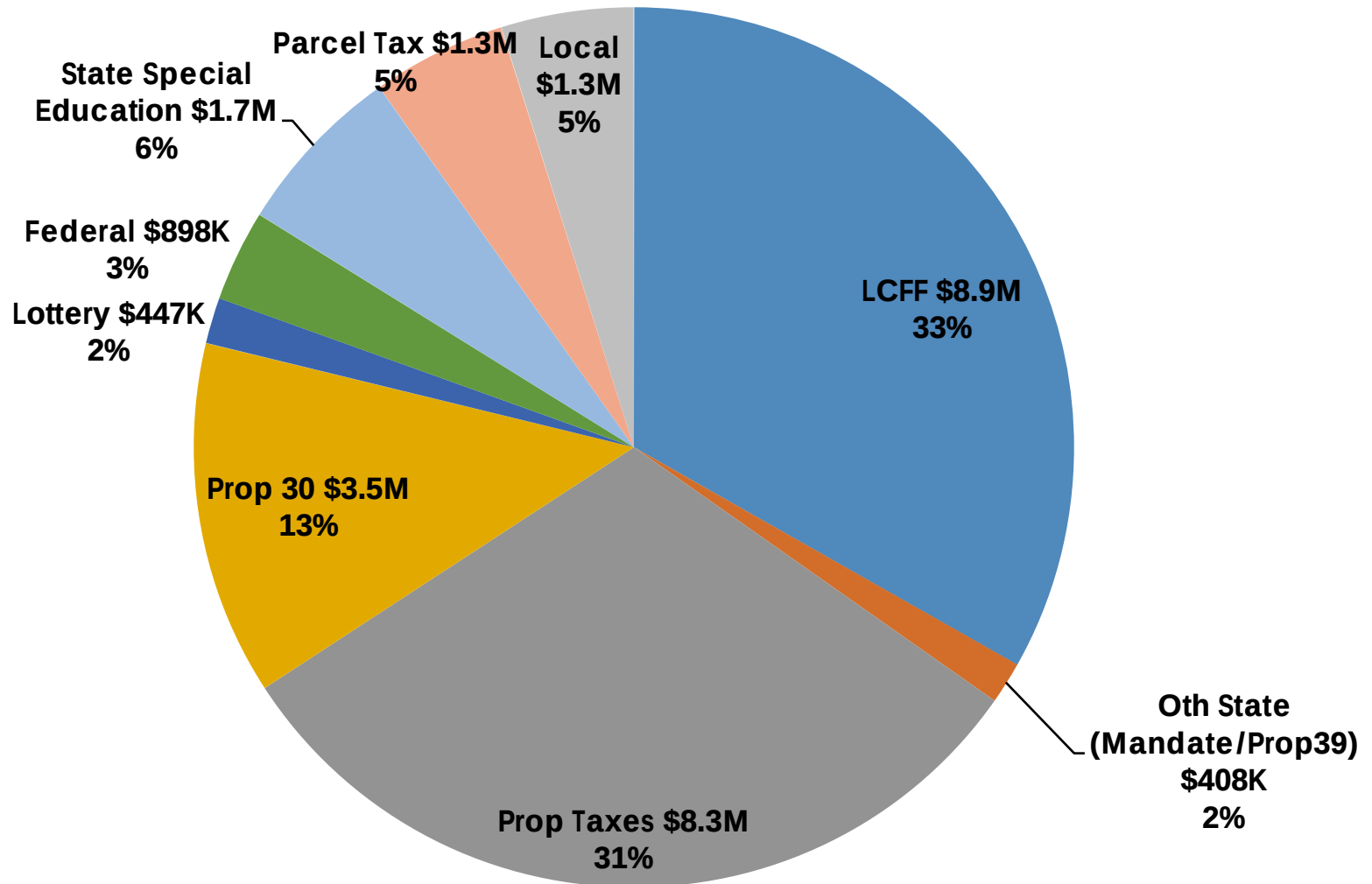
Local Control Funding Formula- LCFF

- New State Funding Formula 2013-2014
- Addresses funding inequities
- 8 year transition-full implementation 2020
- Increases flexibility
- Base Grant by grade level
- Supplemental Funds
 - Ensures needs of English Learner, Foster Youth, Free & Reduced are met

2014-2015 Revenue Budget Assumptions

- LCFF Funding
 - 29.56% GAP Funding
 - ADA = 3126.93
 - Proportionality = 3% (\$596K)
- **Mandate Revenue for old claims (CCSS)= \$188K**
- Prop 39 Funding = \$100K
- Parcel tax revenue = \$1.3M *(slight increase)*
- General Fund Lease Income-\$350K

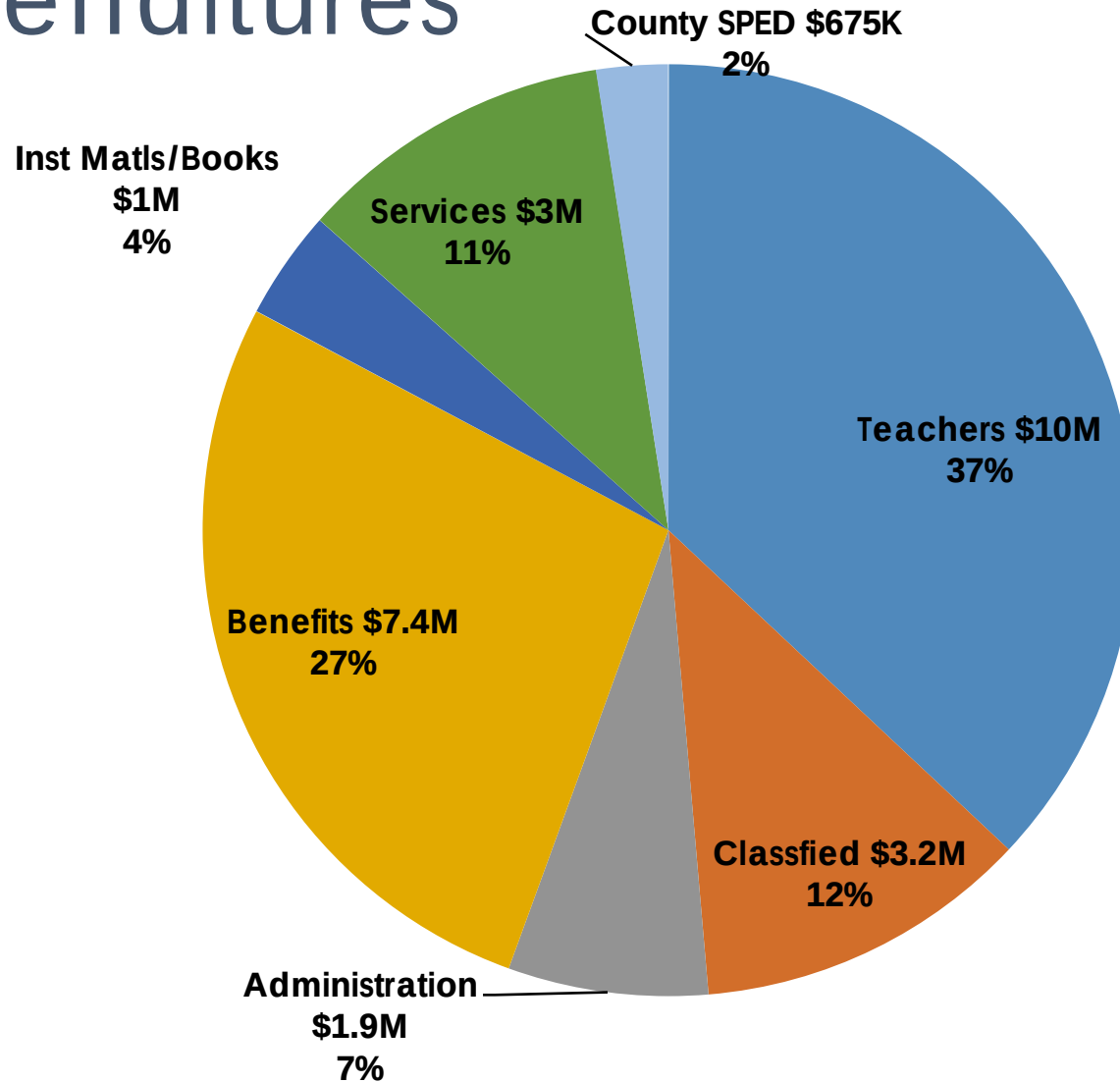
PSD 2014-15 Projected General Fund Revenues



2014-2015 Expenditure Budget Assumptions

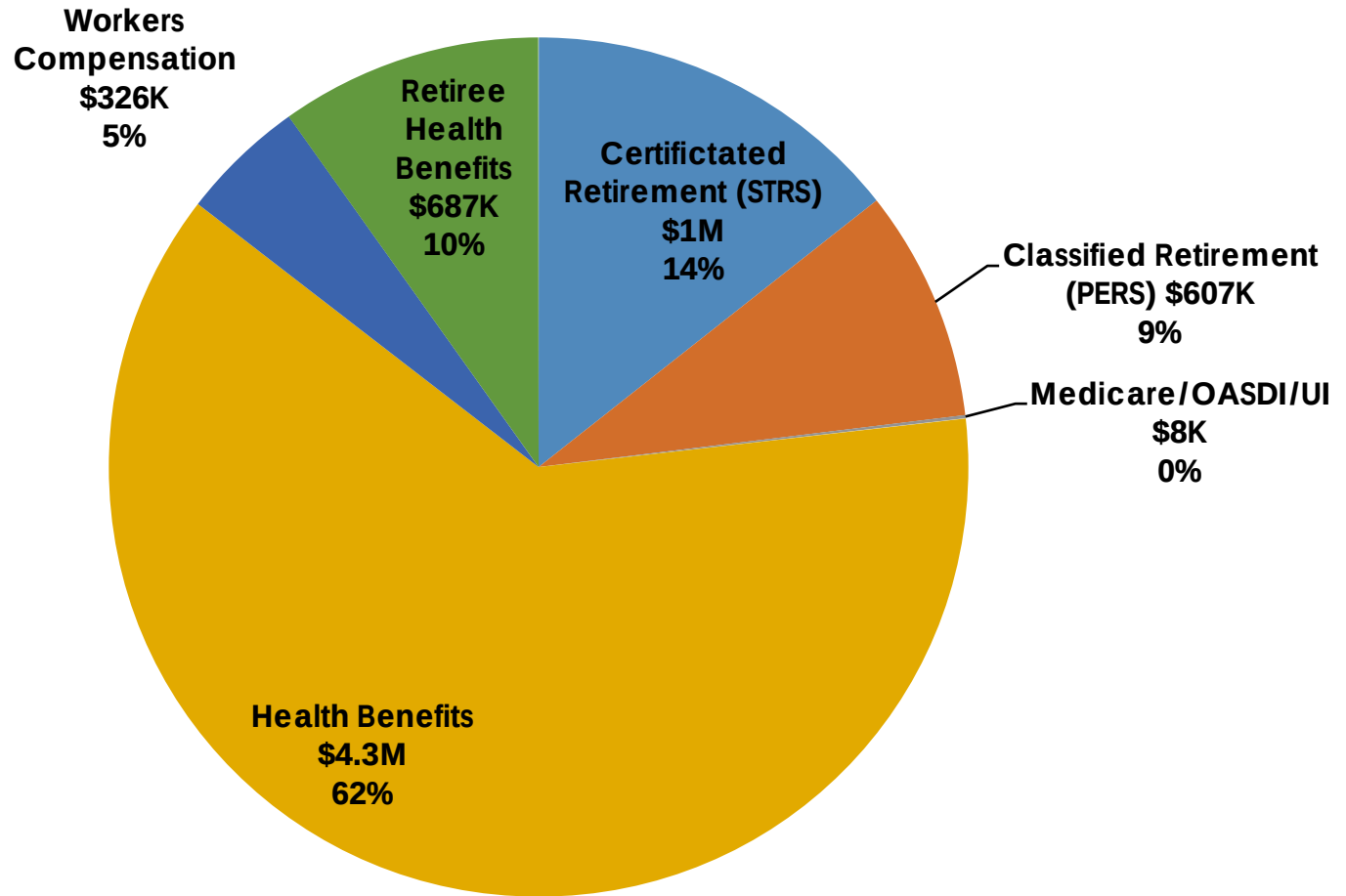
- Final district staffing
 - *Total costs of all employees (salary & benefits)*
 - *Raises not yet included (negotiations still pending)*
- Fund Minimum Proportionality - \$596K
- Planned expenditures for site carryover funds from 2013-2014
- **Contribution to Child Nutrition Fund = \$40K**
 - In addition to the \$16K routinely transferred for revenue limit Meals for Needy
- Transfer to Deferred Maintenance Fund=\$240K

PSD 2014-15 Projected Expenditures



Break-down of Benefit Costs

(28% of total Budget)



Multi Year Budget Assumptions

- LCFF Gap Funding (DOF)
 - 2015/16 - 25.47%
 - 2016/17 - 24.83 %
- Enrollment declined from 13-14
- Tfr Lease Income to Capital Fund 40-\$100K
- Tfr LCFF to Fund14-\$240K
- Tfr LCFF to Fund 13 (Child Nutrition)-\$40K
- ~~■ Tfr LCFF to Reserve -\$125K~~
- Minimum Proportionality Increase-\$119K, 2015/16
- Additional Retirement Increases
 - STRS= 2015/16 =\$180K, 2016-17 =\$190K
 - PERS=2015/16 =\$30K, 2016-17 = \$90K

PSD Unrestricted General Fund Multi Year Projections

	2013-2014	2014-2015	2015-2016	2016-2017
Beginning Fund Balance July 1	\$2,317,542	\$1,780,219	\$1,774,492	\$1,603,201
REVENUES	\$20,497,786	\$21,737,172	\$22,012,491	\$22,928,351
EXPENDITURES	\$21,035,109	\$21,742,900	\$22,183,782	\$22,252,123
EXCESS (DEFICIENCY) OF REVENUE	(\$537,323)	(\$5,728)	(\$171,290)	\$676,229
Ending Fund Balance June 30	\$1,780,219	\$1,774,492	\$1,603,201	\$2,279,430
Uncertainty	\$935,319	\$935,319	\$935,319	\$935,319
Revolving Cash Account	\$7,500	\$7,500	\$7,500	\$7,500
School Site Carryover	\$224,673			
Textbook-MATH Adoption	\$150,000	\$150,000		
Mandated Reimbursements (old claims)		\$187,999		
Unallocated Funds:	\$462,727	\$493,674	\$660,382	\$1,336,611
District Reserves:				
General Fund	\$935,319	\$935,319	\$935,319	\$935,319
Fund 17	\$715,000	\$715,000	\$715,000	\$715,000
Total Reserves:	\$2,113,046	\$2,143,993	\$2,310,701	\$2,986,930
Reserve Percentage	8.00%	7.86%	8.46%	10.91%
** Does not include Employee Compensation (negotiations still pending)				

Multi Year Considerations

- Prop 30-Sunset dates
- Parcel Tax – Sunsets 2017
- Health Benefit Cost Increases
 - Negotiation of Cost Containment
 - Impact of Affordable Care Act
- Enrollment Trends
- Retirement Increases (STRS, PERS)
- Other Funds – fiscal stability
 - Child Nutrition Fund
 - Deferred Maintenance Fund

Multi Year Considerations

- Proposition 30 Sunsets
 - Sales tax 2016
 - Income Tax on high earners 2018
- Projected Loss of funds for PSD:
 - 2016-17 \$47/ADA -\$150K
 - 2017-18 \$95/ADA -\$300K
 - 2018-19 \$298/ADA -\$930K
 - 2019-20 \$497/ADA -\$1.5M

Additional Budget Information/Considerations

- Parcel Tax Projections
- Other District Funds
 - Deferred Maintenance Fund
 - Child Nutrition Fund
- Reserves

Pacifica School District

Parcel Tax Report

Parcel Tax Revenues

2013-14

2014-15

2012-2013 Balance of Parcel Tax Funds

\$235,662

\$40,732

2013-2014 Projected Funds

\$1,309,863

\$1,309,339

Total Parcel Tax Funds Available

\$1,545,525

\$1,350,071

Parcel Tax Expenditures

Teachers Salaries

\$892,000

\$1,163,000

BTSA-Beginning Teacher

\$76,000

\$75,000

Literacy/Math Coaching

\$195,764

\$0

Geometry Districtwide

\$15,000

\$0

Counseling Program

\$76,029

\$62,818

Technology

\$250,000

\$0

Total Parcel Tax Expenditures as of June 30

\$1,504,793

\$1,300,818

Balance in Parcel Tax Fund as of June 30

\$40,732

\$49,253

PSD Other Fund Balances

■ Child Nutrition Fund-13	■ \$139K
■ Deferred Maintenance Fund-14	■ \$174K
■ Special Reserve-Fund 17	■ \$714K
■ Building Fund – 21	■ \$887K
■ Capital Outlay-40	■ \$246K
■ Capital (Developer) Fund -25	■ \$126K
■ Retiree Benefit Fund -71	■ \$691K

Deferred Maintenance

- Ortega Project
- Painting Schedule

Child Nutrition Fund

- Currently operating at a loss
- Plan to restructure staffing for 2015-2016

Reserves

3% required (based on total budget)

- Statewide Reserve Averages 2012/13

■ Unified Districts	14.81%
■ Elementary	23.03%
■ High School	19.27%

- PSD Reserve Levels

■ 2012-13 Actuals	10.75%
■ 2013-14 Unaudited Actuals	8.0%
■ 2014-15 Projected	7.86% **

** Reserve may be reduced by Employee Compensation

** Prop 2 Cap on Reserves (6%)

Why carry higher reserves than minimum required?

1. Financial flexibility to absorb unanticipated expenditures without disruption to educational programs
2. Protect against exposure to significant one-time outlays such as disasters, lawsuits, or material audit findings
3. Protection against volatility of state revenues
4. Cash management/avoid cost of borrowing
5. Protection against declining enrollment
6. Protection against the expiration of temporary revenues (parcel tax, Prop30)

Questions Discussion Direction

