

# Fiscal Year 2013-14 Community Budget Forum

October 23, 2013

Presented By
Ken A. Forrest
Chief Business Officer
Gerardo Castillo
Director of Fiscal Services



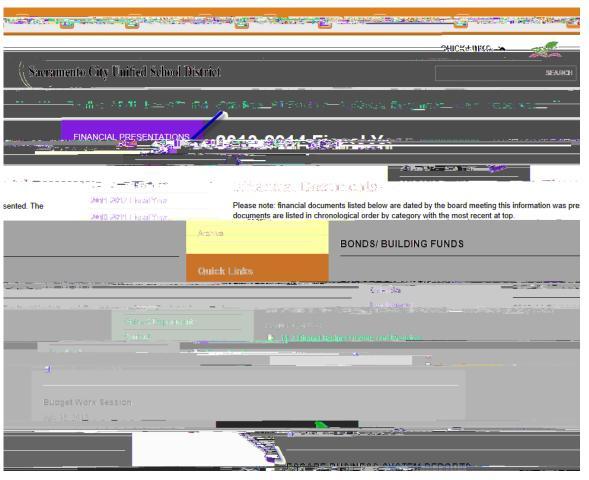
# **Agenda**

- A. Presentation.
  - Where are we today?
    - What about future years?
  - What is supplanting?
  - Local Control Funding Formula (LCFF)
  - Questions during the presentation are encouraged!
- **B.** Interactive Response To Questions.

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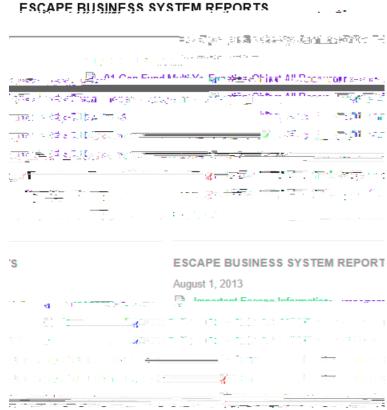
#### **Website**



Please remember Escape reports are "As Is" and we are still in the processing of updating and validating our system. We have a ways to go to ensure consistent information.

# Escape System Detail Currently Posted On Our Website

# As We Enhance Our System More Information Will Be Posted





#### Restricted versus UnRestricted

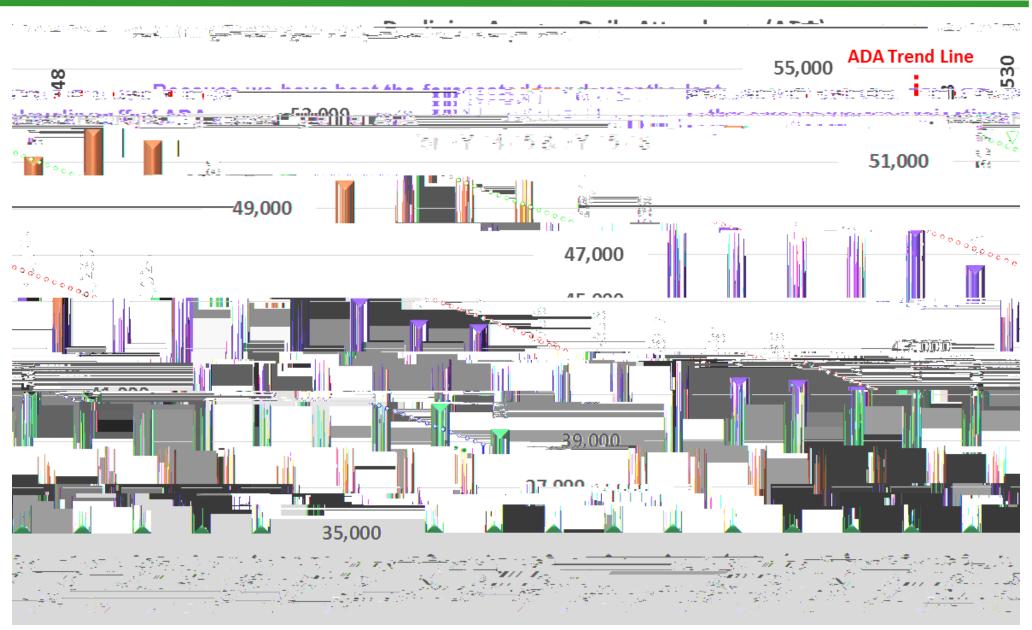
In order to ensure that we are providing adequate information related to the above requirement, this budget presentation at times shows the Unrestricted, Restricted, and Total Amounts of both Revenue and Expenditures.



### **LCFF Accountable Dollars**

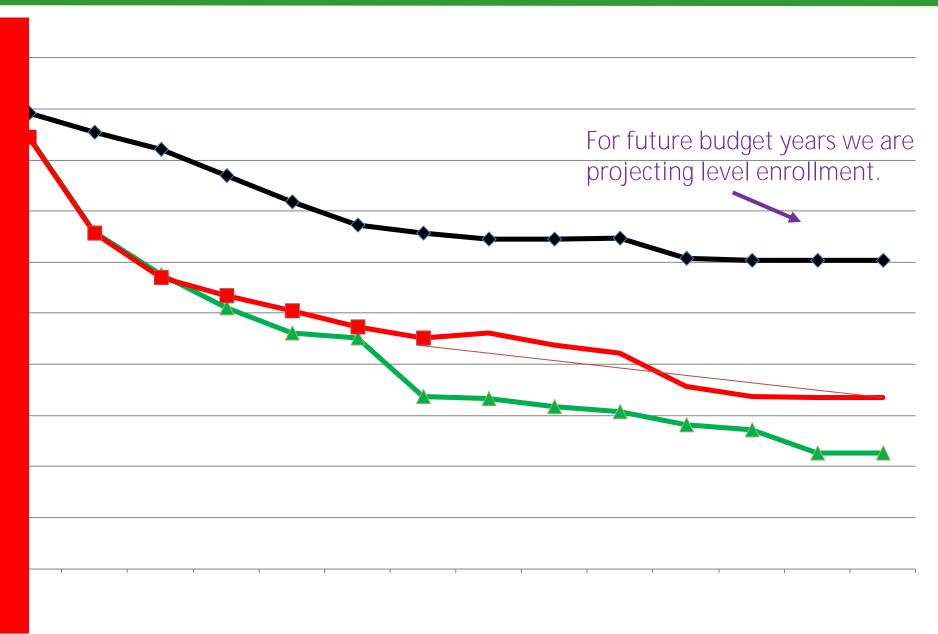


### **ADA History**



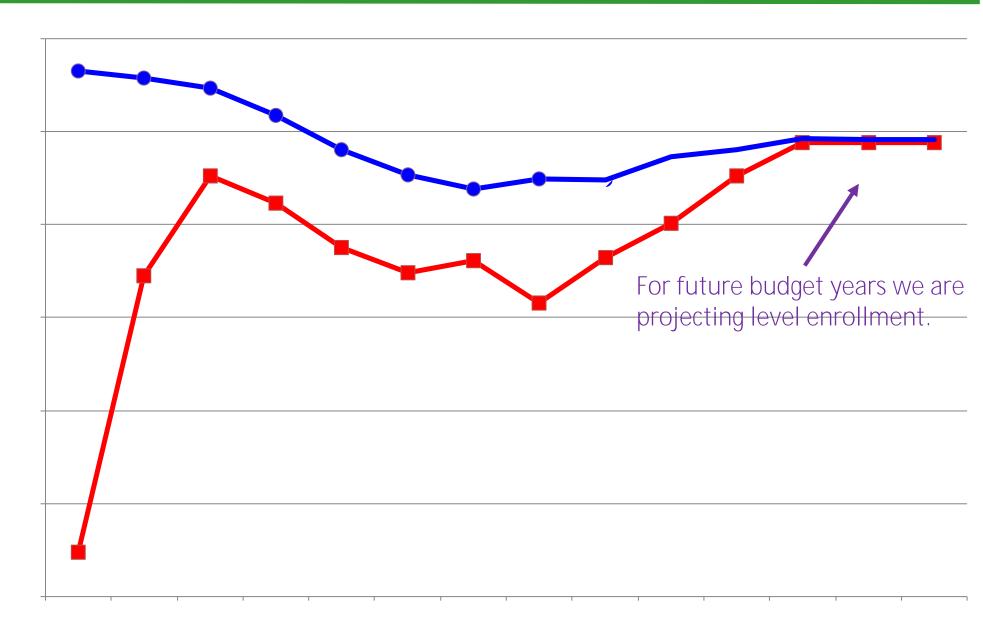


### **Enrollment ADA Analysis**



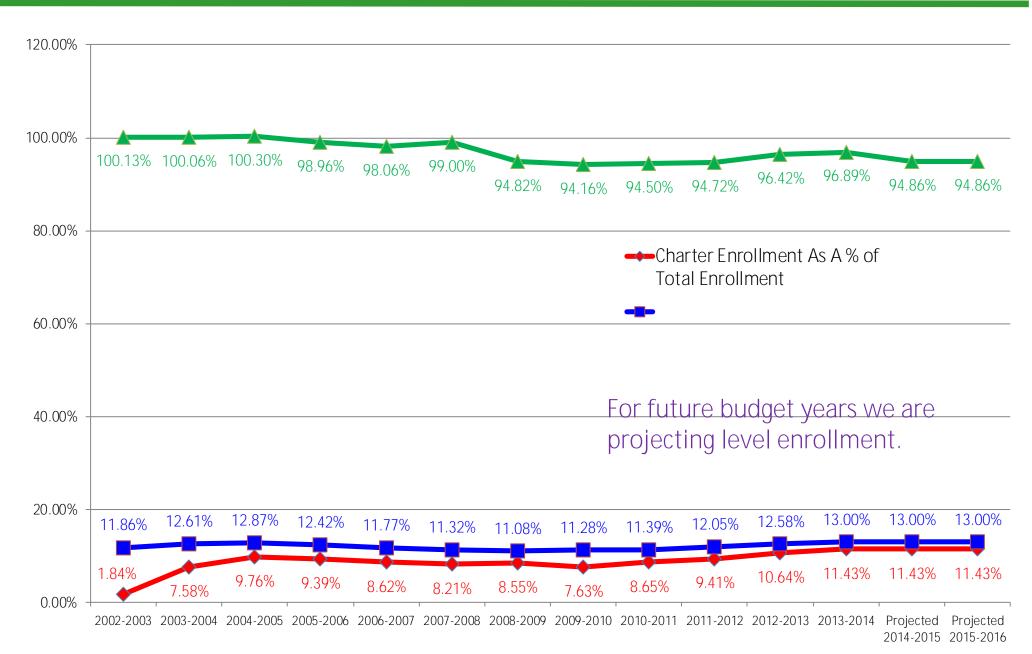


### **Charter / Special Education Enrollment**





#### **ADA Percent Analysis**



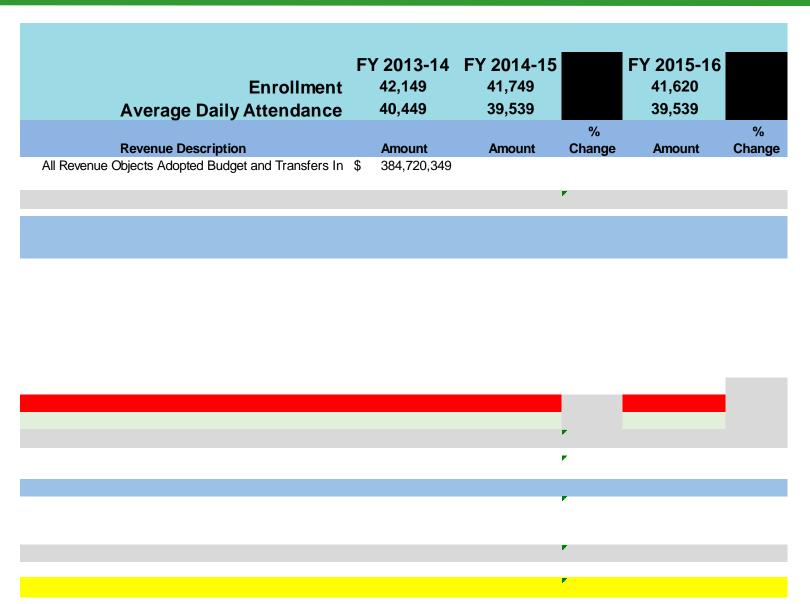


# **Multi-Year Projections**

Multi-Year Forecast - No Use of Reserve 3% Annual Increase								
matti icai i orcoast itt		Y 2013-14	FY 2014-15		FY 2015-16			
Enrollment		42,149		41,749		-	41,620	
		40,449		39,539			39,539	
Average Daily Attendance		40,449		39,539			39,339	
Burrens Breakfiller		A		A	%		A	%
Revenue Description	Ι φ	Amount	Ι φ	Amount	Change	Φ.	Amount	Change
All Revenue Objects Adopted Budget and Transfers In		384,720,349		389,463,959	1.2%		401,147,878	3.0%
Anticipated Beginning Fund Balance		11,807,617	\$	8,655,289	-26.7%		8,619,282	-0.4%
Total Anticipated Revenue & Beginning Fund Balance	\$	396,527,966	\$	398,119,248	0.4%	\$	409,767,160	2.9%
Expenditure Description		Amount		Amount			Amount	
Certificated Salaries	\$	167,263,601	\$	167,936,237	0.4%	\$	169,615,599	1.0%
Classified Salaries	\$	48,605,232	\$	49,494,074	1.8%	\$	49,890,026	0.8%
Employee Benefits	\$	108,513,742	\$	115,157,483	6.1%	\$	122,465,598	6.3%
Books & Supplies		14,037,258	\$	14,496,788	3.3%	_	14,496,788	0.0%
Services & Other Operating Expenses		48,720,731	\$	47,083,271	-3.4%	\$	48,083,271	2.1%
Capital Outlay		249,877	\$	249,877	0.0%	\$	249,877	0.0%
Other Outgo/Indirect Costs	_	482,236	\$	482,236	0.0%		482,236	0.0%
<u> </u>		Expenditure Re	edu	ction From Pre	vious Year	\$	(5,400,000)	
Expenditure Reduction/Additional Revenue Increase Abo	ove :		\$	(5,400,000)		\$	-	
Amount Available To Build Reserves & Address Expend				-		\$	1,000,000	
Total Adopted Budget Expenditures	\$	387,872,677	\$	389,499,966	0.4%	\$	400,883,396	2.9%
Anticipated Ending Fund Balance	\$	8,655,289	\$	8,619,282	-0.4%	\$	8,883,764	3.1%
Required Reserves		Amount		Amount			Amount	
Reserve For Economic Uncertainties	\$	8,007,454	\$	8,039,999	0.4%	\$	8,267,668	2.8%
Revolving Cash	\$	225,000	\$	225,000	0.0%	_	225,000	0.0%
Stores Inventory		320,000	\$	320,000	0.0%		320,000	0.0%
Total Required Reserves	\$	8,552,454	\$	8,584,999	0.38%		8,812,668	2.65%
Anticipated Unreceived Ending Fund Palance	¢	102 925	\$	34,283	-66.7%	\$	71,096	107.4%
Anticipated Unreserved Ending Fund Balance \$ 102,835				34,203	-00.7%	Þ	71,090	107.4%
Salaries include step and column increase for FY 2014-15 and FY 2015-16								
Health Benefits are projected to increases by 10% for FY 2014-15 and FY 2015-16.								
Utilities increase by 10% for FY 2014-15.								



### **Multi-Year Projections Continued**





# **Multi-Year Projections Continued**

#### **Multi-Year Projections Continued**



- In our discussions with the Sacramento County Office of Education (SCOE) they have agreed to allow our District to use an anticipated LCFF funding increase of 3% in our multi-year projections for planning purposes.
- When you compare the FY 2014-15 budget challenges between the three presented scenarios you have the following results:
  - o 3% funding increase translates into a \$5.4 million shortfall
  - o 4% funding increase translates into a \$2.0 million shortfall
  - **o** 6% funding increase translates into \$5.7 million available to address District needs.



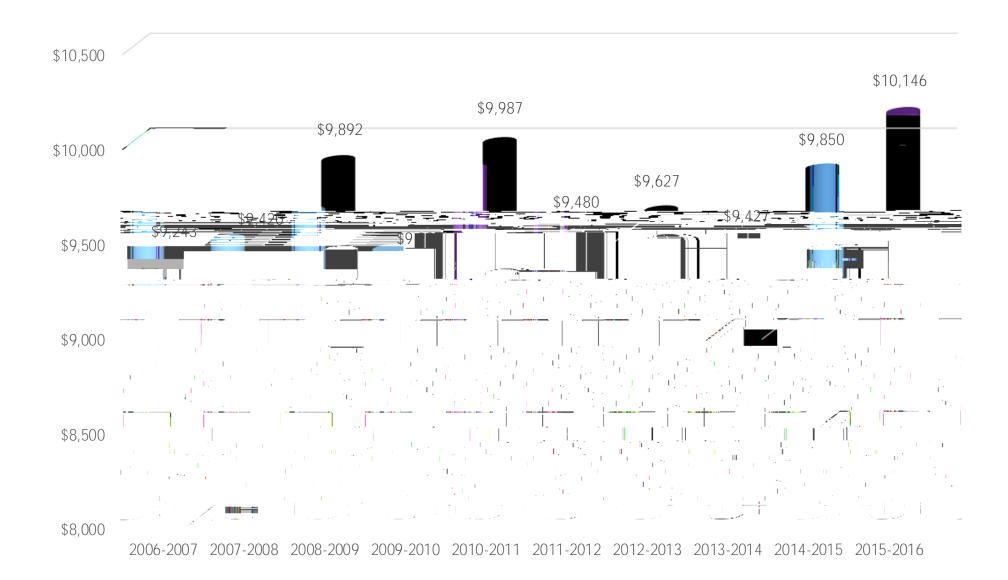
### Multi

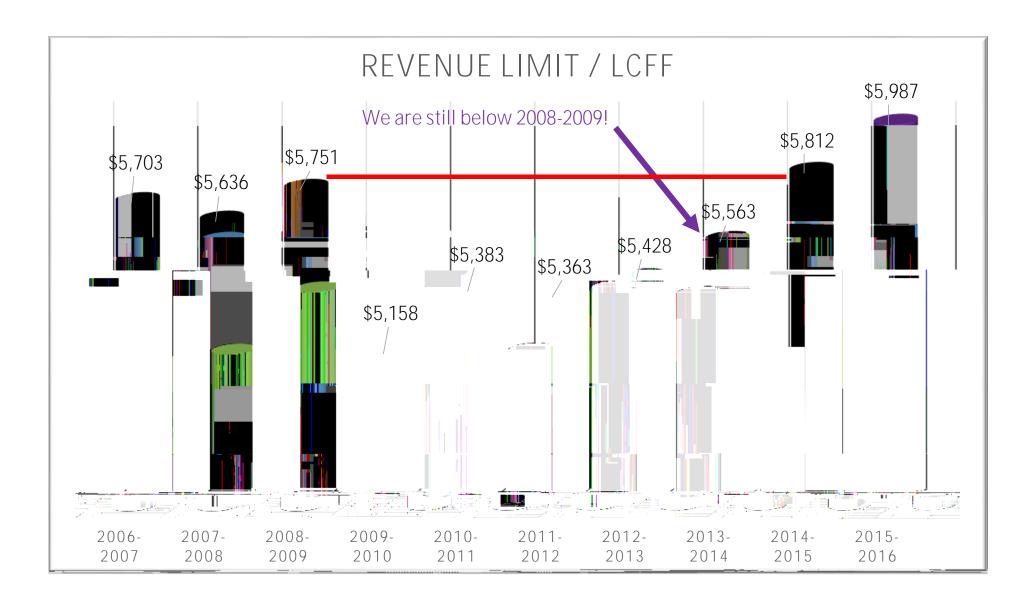


# Prop 30 Education Protection Account

- The Education Protection Account (EPA) is the depository for the new revenues generated from Proposition 30
- Funds are continuously appropriated and are not contingent on the enactment of the State Budget
- Starting September 2013, EPA funds will be distributed to LEAs on a quarterly basis
- LEAs are required to do the following with the EPA funds:
  - Discuss the use of funds in an open public meeting
  - Not use the funds for salaries and benefits for administrators and other administrative costs
  - Report the amounts received and its use on the LEA's website
- We recommend you monitor the use of these funds to ensure your district's compliance with the Proposition 30 requirements

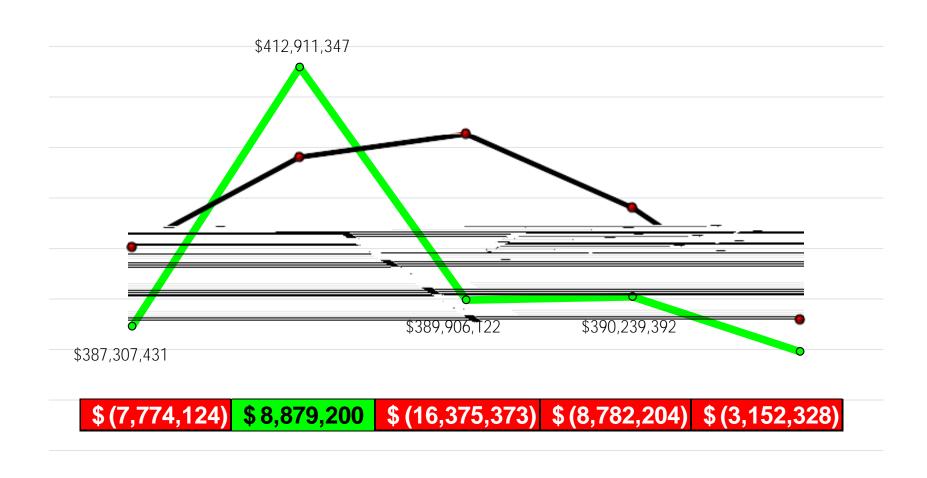
Please remember Prop 30 did not increase our funding! It prevented further reductions in funding of approximately \$16 million or approximately \$395 per ADA.







# **Deficit Spending Continues**

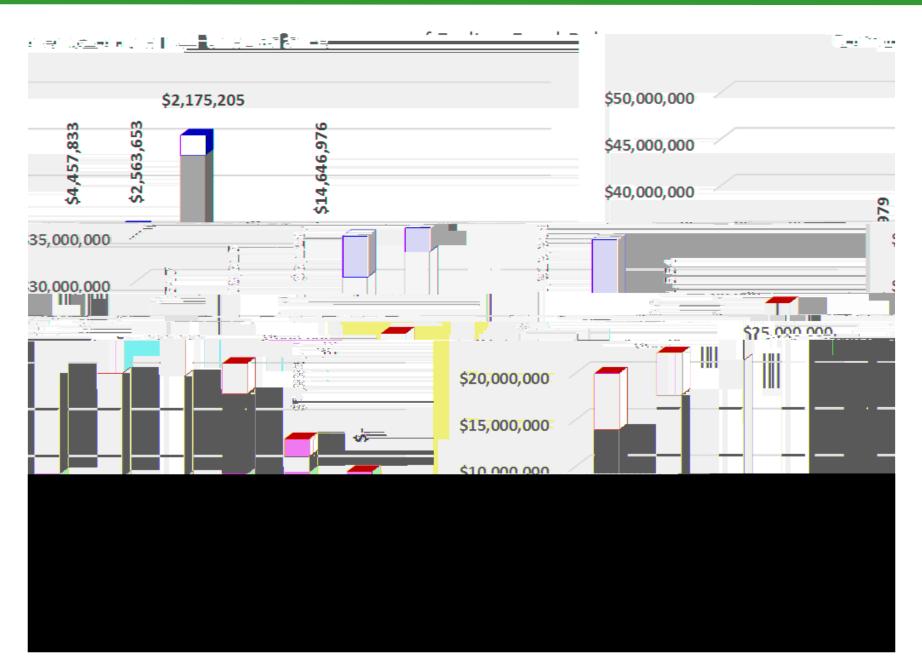


This chart illustrates what is known as a **Structural Deficit** 



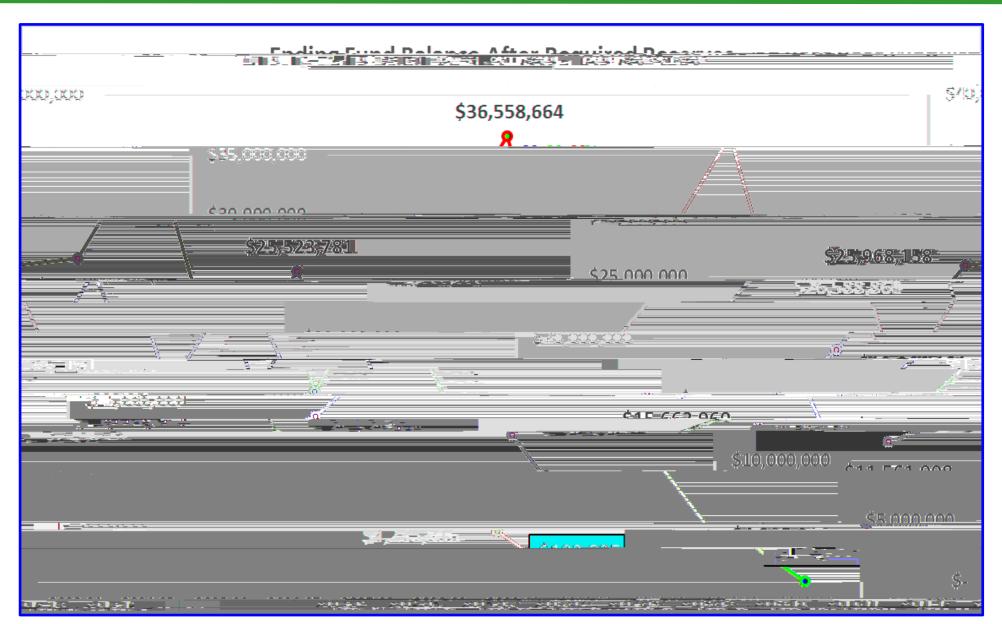


# Fund Balance By Component



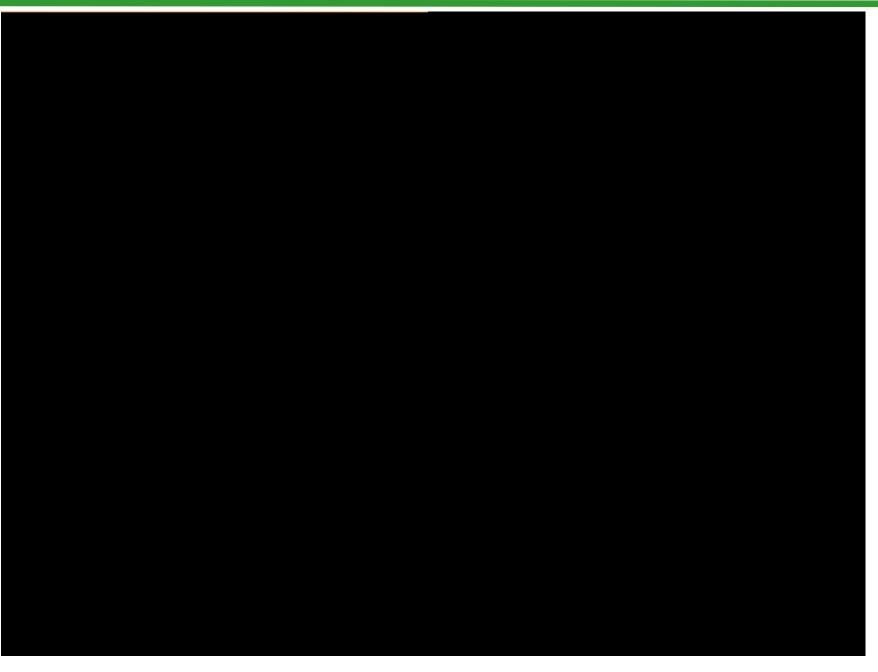


#### **Fund Balance Analysis Continued**



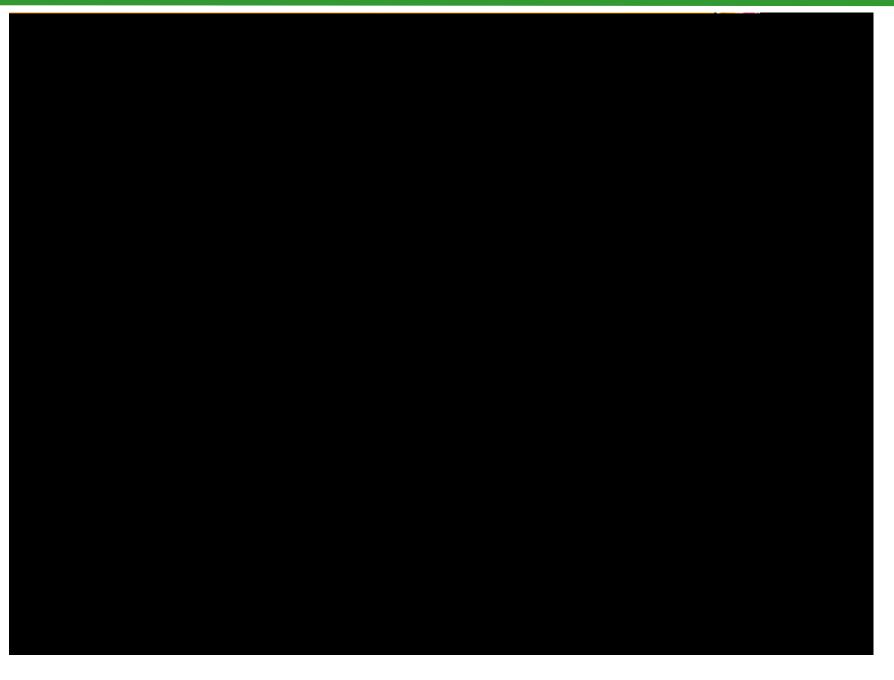


#### **Reserve Discussion**



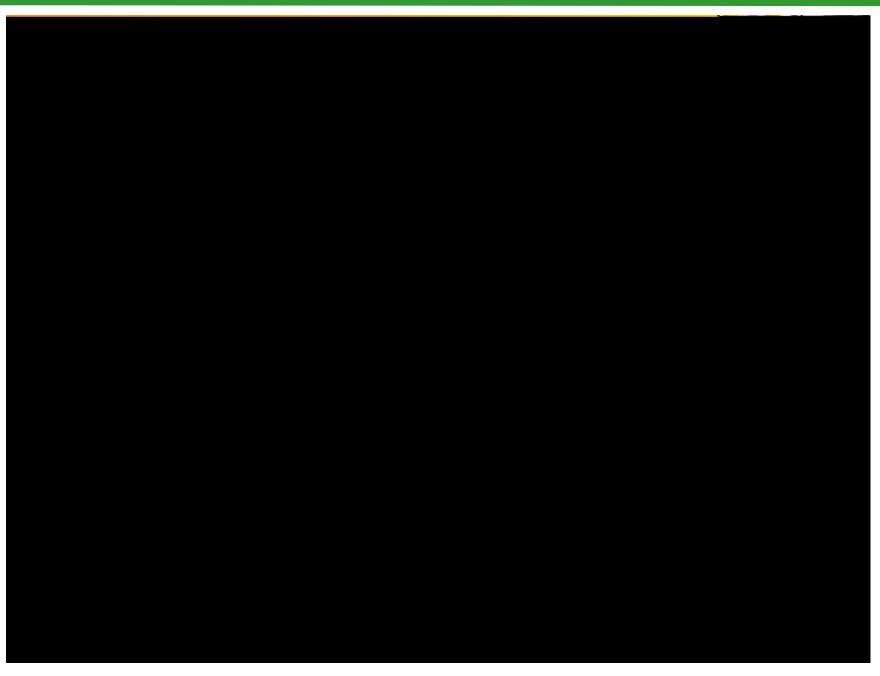


### **Reserve Discussion**





### **Reserve Discussion**





# Continuing Budget Obligations & Considerations



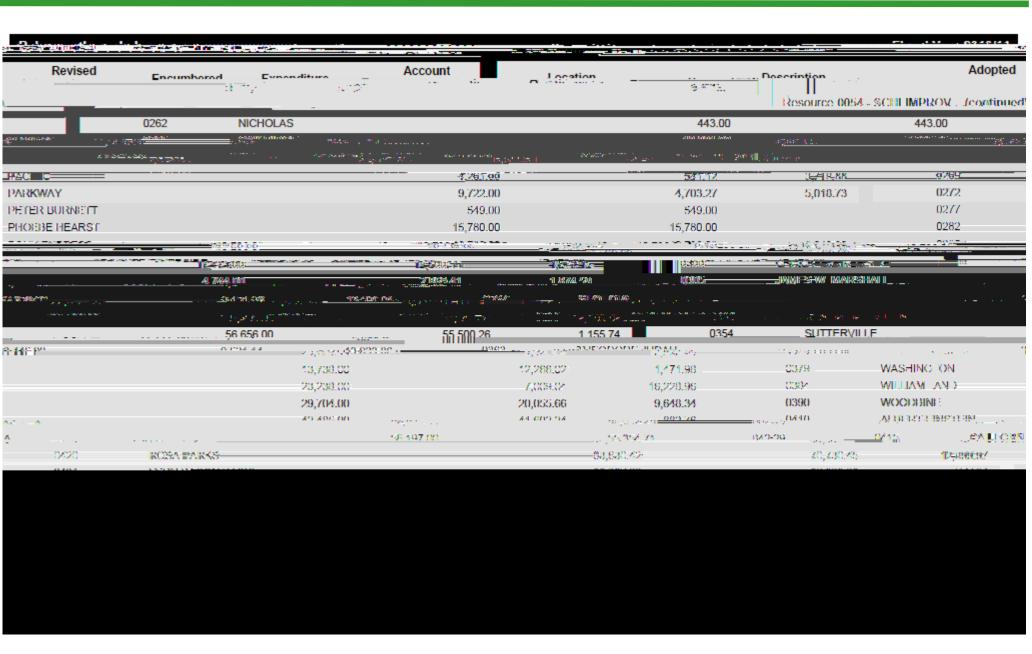
# School Library Improvement Block Grant SLIBG



Public Hearing for Proposed Fiscal Year 2013-14 Transfers of Tier III Resources						
Tier III Program	Original Funding	2010-11 Funding	2011-12 Funding	2012-13 Funding	2013-14 Funding	2013-14 Transfer to Resource 0000 NO SLIBG ALLOCATIONS
School Library/ Improvement Block Grant - Funds allocated to district wide programs.	\$3,361,349	\$953,663	\$723,663	\$0	\$0	\$3,374,444
Total	\$32,587,800	\$17,587,800	\$13,757,800	\$6,382,622	\$6,447,546	\$26,675,706



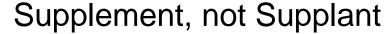
# School Library Improvement Block Grant SLIBG





### Supplement, not Supplant







Categoricals are intended to be "over and above", "extra", "in addition to" what is being expended from state and local funds [supplement]

Categoricals are not to replace/decrease what is being expended from state and local funds [supplant]

If supplanting is determined by grantor, funds must be returned to grantor



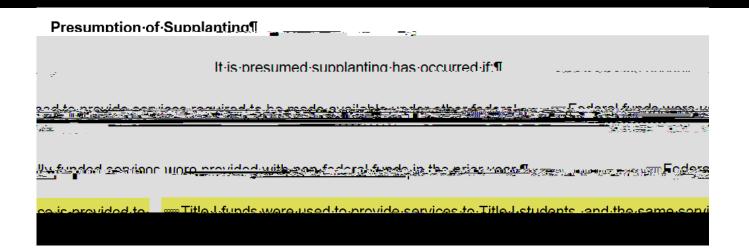




### Supplement, not Supplant - Continued





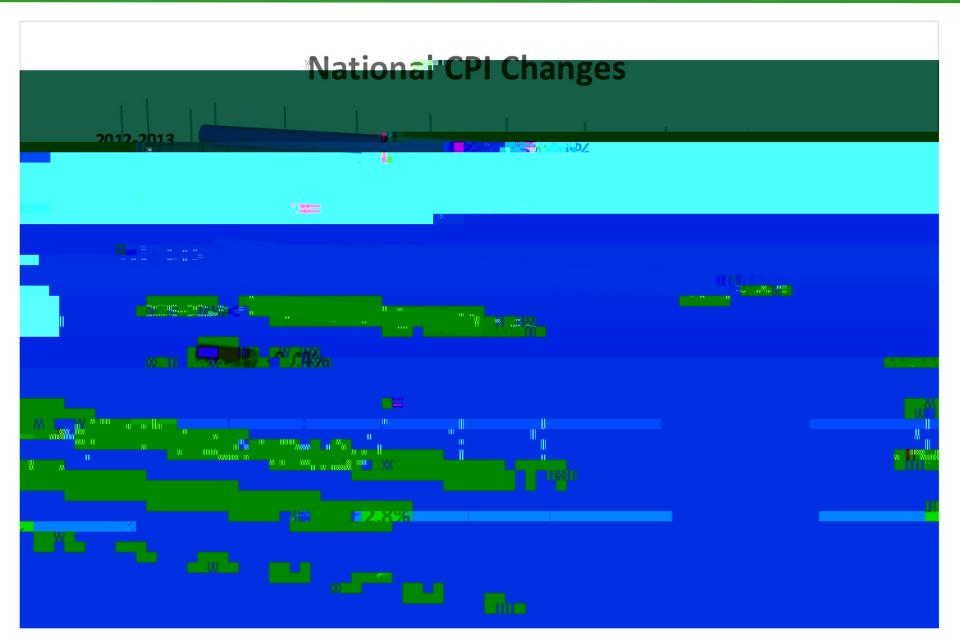




### OK – what does all of the above actually mean?

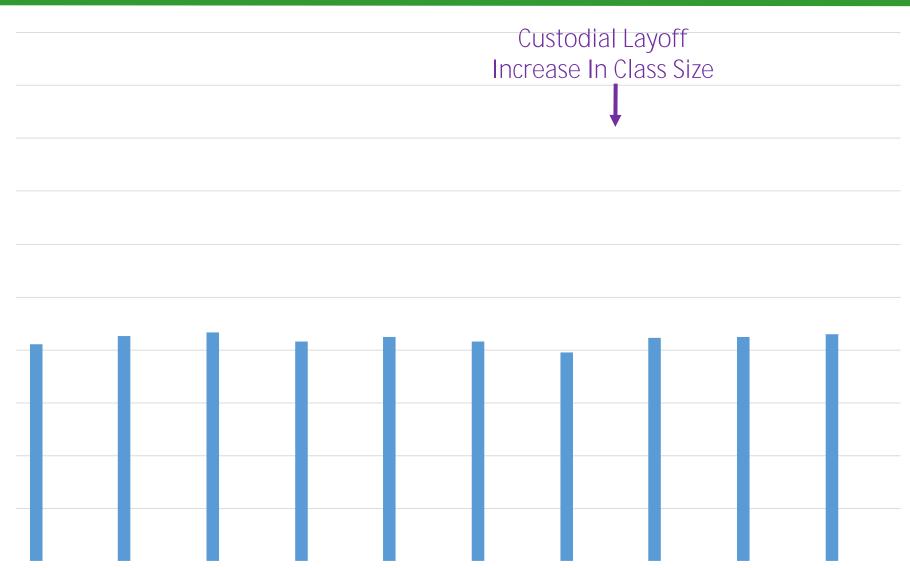
- To ensure that the District, not a specific school, is not guilty
  of supplanting it is required that we be able to show that we
  did not reduce any funding to any school receiving Title I
  funds.
- Unfortunately that is only the first part, the second part relates to being able to show that under no circumstances did any Title I schools receive any less on a per pupil basis than any non-Title I schools from General Fund Support.
  - So for instance the General Fund staffing allocation must be the same at all schools and the amount allocated for supplies and services on a per student basis must also be the same or the District is guilty of using Title I funds to supplant.







# **Expenses Continue To Climb Regardless Of Funding**





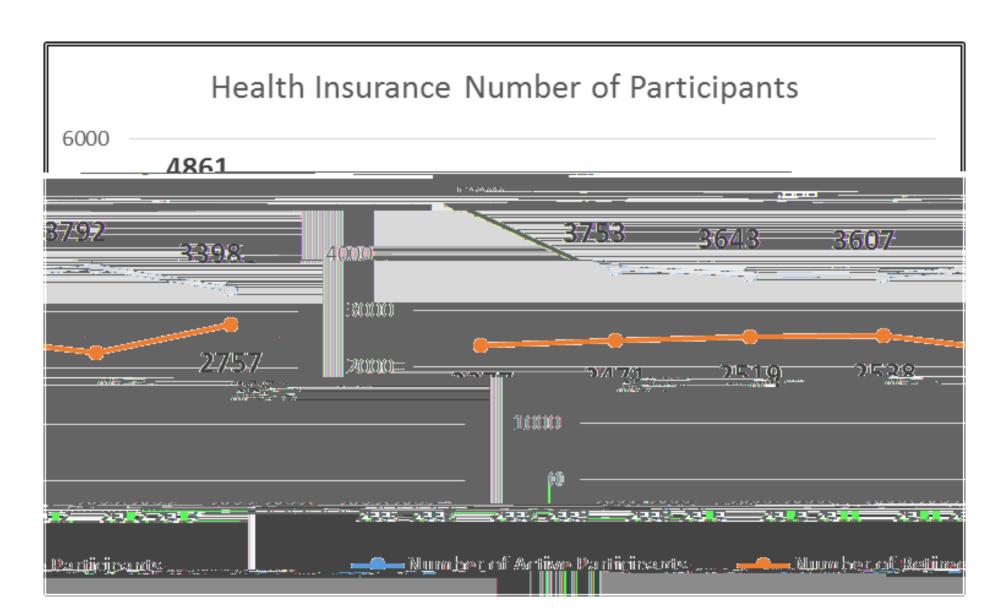


#### Class Size Relief (CSR)

- In the absence of a locally bargained ratio, under the LCFF, progress must be made toward a school site average classroom student-to-teacher ratio of 24:1
  - For 2013-

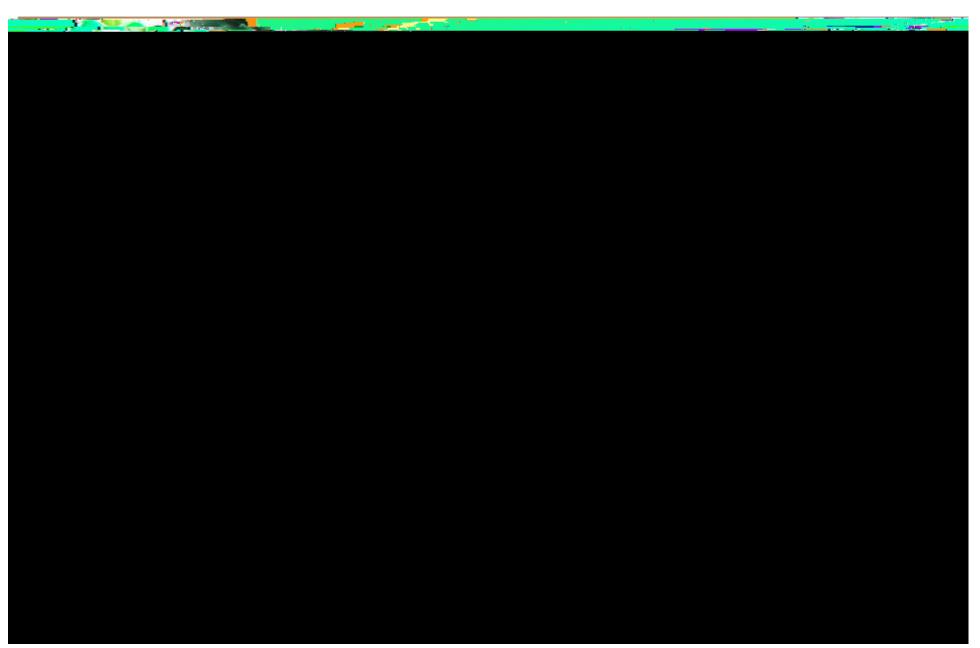


#### **Budget Realities Health Care Cost**





#### **State Common Core**





#### **State Common Core Continued**

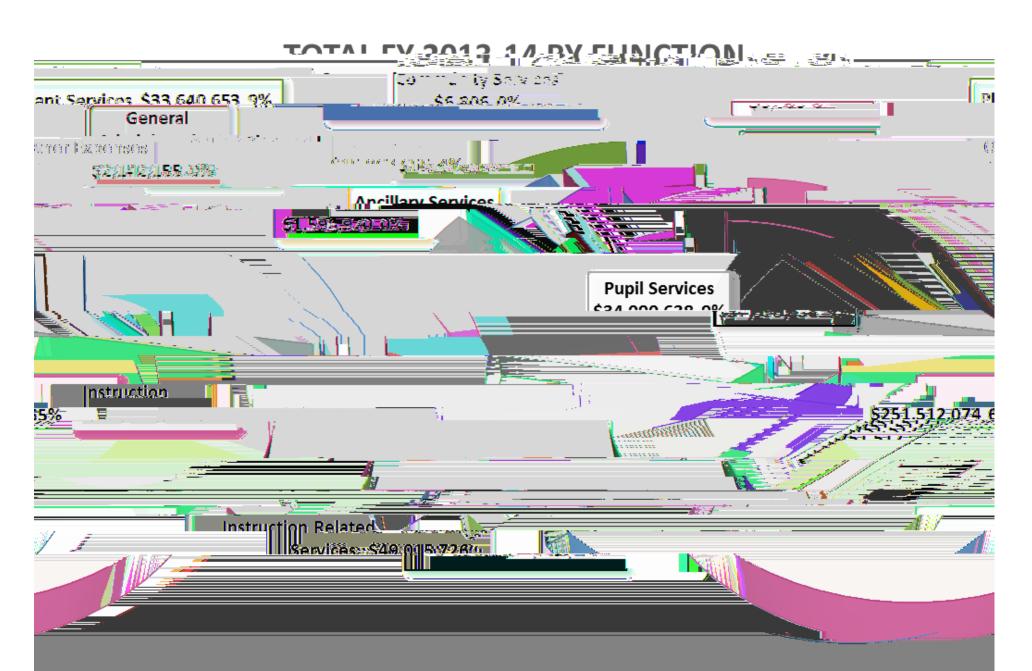




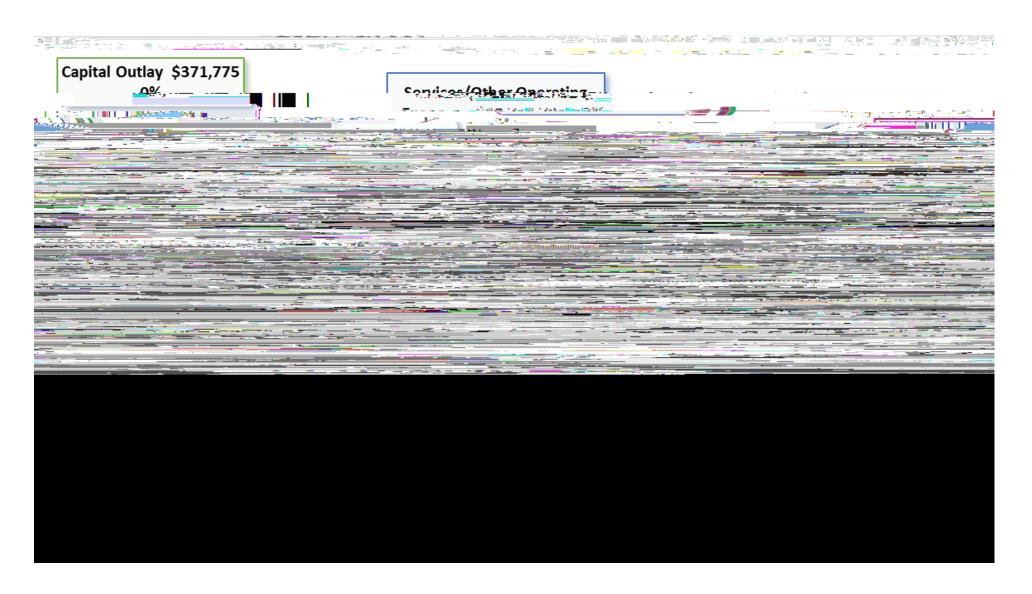
### **State Common Core Continued**







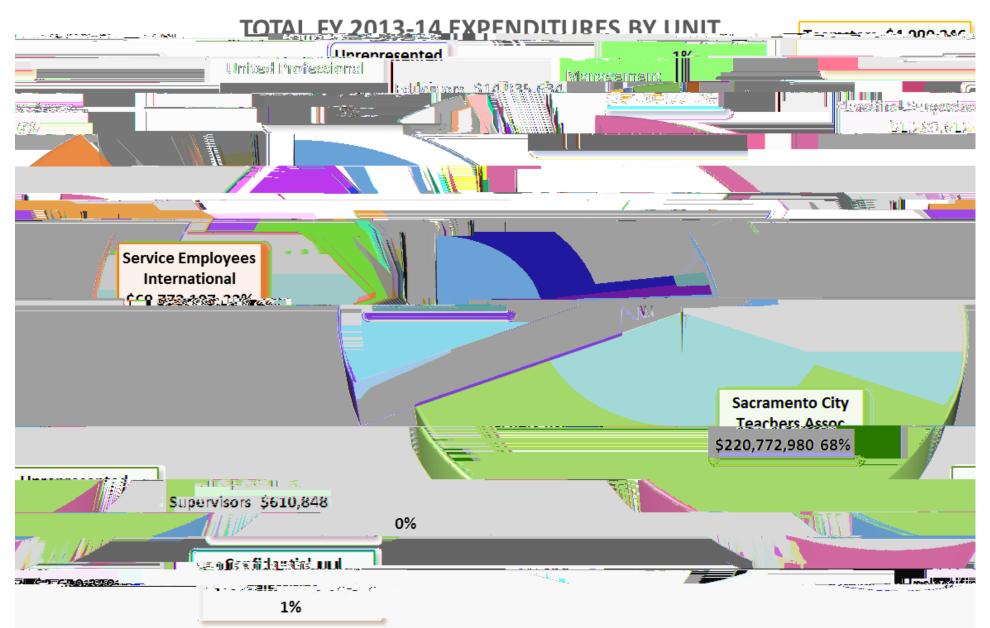














- Our District Budget is a living document and changes constantly.
- These next slides will illustrate just how much the budget has changed since the 45 day revision.



# **School Location Budget Allocations 2013-2014**

Location



# **School Location Budget Allocations 2013**



## **School Location Budget Allocations 2013-2014**

Location Code	School Name	Budgeted Enrollment	2013-14 Total Adopted Budget	2013-14 Total Budget Includes Carryover		Per Student Unrestricted Discretionary		







Locatior Code	n School Name	Budgeted Enrollment	2013-14 Total Adopted Budget	Per Student Adopted Budget	2013-14 Total Budget Includes Carryover	Per Student Total Budget Includes Carryover	Unrestricted Discretionary		stricted Resi	Student tricted etionary	Discretionary	Total Per Student Discretionary
0010 0173 0117 0350 0445 0111 0151 0138 0420	A M Winn Waldorf K-8 Alice Birney Waldorf-Inspired K8 Father Keith B Kenny K-8 Genevieve Didion K-8 John H. Still K-8 John Morse Therapeutic Center Leonardo da Vinci K - 8 Martin Luther King Jr K-8 Rosa Parks K-8	356 566 446 632 937 49 781 564 811	2,152,292.54 2,776,741.21 2,522,416.01 3,308,776.09 5,477,784.32 2,102,903.39 4,399,328.13 3,284,776.12	\$ 4,905.90 \$ 5,655.64 \$ 5,235.41 \$ 5,846.09 \$ 42,916.40 \$ 5,632.94	\$ 2,797,447.68 \$ 3,319,063.17 \$ 5,811,211.39 \$ 2,103,917.16	\$ 5,049.53 \$ 6,272.30 \$ 5,251.68 \$ 3,3694973932 \$ 42,937.08 \$ 5,700.55	\$ 38,592.85 \$ 43,841.31 (\$2294 <b>9</b> 897 <b>2</b> .00 \$ 2,141.33	\$ 65.13 \$ 45 \$ 86.53 \$ 45 \$ 3,695925\$3 \$ 51.20 \$ 21 \$ 43.70 \$ 3 \$ 52.92 \$ 1	52,718.40 \$ 2,800.00 \$ 58,468.87 \$ 8,772.26 \$ 19,568.21 \$ 39,730.37 \$ 14,497.41 \$ 59,087.03 \$	176.18	\$ 39,664.09 \$ 497,061.72 \$ 52,613.57 \$ ,946\( \delta \delt	\$ 70.08 \$ 1,114.49 \$ 83.25 \$ 285.53 \$ 854.52 \$ 71.48
	<b>882</b> 3. com/n 1₹48 18 (s5)11 (4)11 (					3,305,925.3		Tc67[11 124.2				



Location Code	n School Name	Budgeted Enrollment	2013-14 Total Adopted Budget	Per Student Adopted Budget	2013-14 Total Budget Includes Carryover	Per Student Total Budget Includes Carryover	Unrestricted Discretionary	Per Student Unrestricted Discretionary	Restricted Discretionary	Per Student Restricted Discretionary	Discretionary	Total Per Student Discretionary
0010	A M Winn Waldorf K-8	356	2,152,292.54	\$ 6,045.77	\$ 2,485,859.27	\$ 6,982.75	\$ 28,782.18	\$ 80.85	\$ 62,718.40	\$ 176.18	\$ 91,500.58	\$ 257.02
0173	Alice Birney Waldorf-Inspired K8	566	2,776,741.21	\$ 4,905.90	\$ 2,858,033.30	\$ 5,049.53	\$ 36,864.09	\$ 65.13	\$ 2,800.00	\$ 4.95	\$ 39,664.09	\$ 70.08
0117	Father Keith B Kenny K-8	446	2,522,416.01	\$ 5,655.64	\$ 2,797,447.68	\$ 6,272.30	\$ 38,592.85	\$ 86.53	\$ 458,468.87	\$ 1,027.96	\$ 497,061.72	\$ 1,114.49
0350	Genevieve Didion K-8	632	3,308,776.09	\$ 5,235.41	\$ 3,319,063.17	\$ 5,251.68	\$ 43,841.31	\$ 3, <b>69</b> 53 <b>9</b> 2	5.\$3 8,772.26	\$ 13.88	\$ 52,613.57	\$ 83.25
0445	John H. Still K-8	937	5,477,784.32	\$ 5,846.09	\$ 5,811,211.39	\$ 3,36026091219236	<b>2</b>   1\$2294 <b>9</b> 78977 <b>5</b> 2.00	\$ 51.20	\$ 219,568.21	\$ 234.33	\$ ,9462674,540.21	\$ 285.53
0111	John Morse Therapeutic Center	49	2,102,903.39	\$ 42,916.40	\$ 2,103,917.16	\$ 42,937.08	\$ 2,141.33	\$ 43.70	\$ 39,730.37	\$ 810.82	\$ 41,871.70	\$ 854.52
0151	Leonardo da Vinci K - 8	781	4,399,328.13	\$ 5,632.94	\$ 4,452,129.76	\$ 5,700.55	\$ 41,330.04	\$ 52.92	\$ 14,497.41	\$ 18.56	\$ 55,827.45	\$ 71.48
0138	Martin Luther King Jr K-8	564	3,284,776.12	\$ 5,824.07	\$ 3,305,925.32	\$ 5,861.57	\$ 34,959.34	\$ 3,605,92	25\$33 59,087.03	\$ 104.76	\$ 94,046.37	\$ 166.75
0420	Rosa Parks K-8	811										

3,305,925.33

305 928 326 1 Com K-18 18(s5)11(4)11(J ET 26()26()9(6)8(.4)11(0)] T BT 1 0 0 1 1034.93 214.21 Tm 0.307 Tc 67[11 124.25 198.43 Tm [(2)41(8)41(5)41(.)-13(



						Per Student	
					2013-14 Total	Total Budget	Per Student
Location		Budgeted	2013-14 Total	Per Student	Budget Includes	Includes	Unrestricted Unrestricted
Code	School Name	Enrollment	Adopted Budget	Adopted Budget	Carryover	Carryover	Discretionary Discretionary



# Department Budget Allocations 2013-2014 Revised

Location



# Department Budget Allocations 2013-2014 Revised

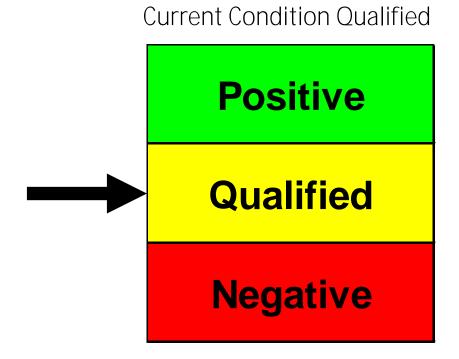
Location Code	Department Name	Total Adopted Budget 10/18/2013	Total Budget Per Student	Total Revised Budget 10/18/2013	Total Budget Per Student
0760	STUDENT SERVICES	\$778,290.00	\$18.58	\$867,941.25	\$20.72
0762	EXPANDED LEARNING SERVICES	\$0.00	\$0.00	\$502,250.00	\$11.99
0763	FOSTER YOUTH SE	\$455,274.00	\$10.87	\$572,388.02	\$13.67
0764	HEALTH SERVICES	\$1,844,985.43	\$44.05	\$1,899,745.85	\$45.36
0765	PYD (Positive Youth Developm.)	\$0.00	\$0.00	\$484,000.00	\$11.56
0766	PSYCH&SOCIAL WK	\$455,219.51	\$10.87	\$464,234.91	\$11.08
0767	YOUTH DEVELOPMENT	\$8,175,768.00	\$195.20	\$7,894,035.07	\$188.47
0770	HUMAN RESOURCE SERVICES	\$2,635,574.00	\$62.92	\$2,514,716.40	\$60.04
0772	EMPLOYEE COMPENSATION	\$717,305.00	\$17.13	\$710,699.58	\$16.97
0776	STAFF DEVELOPME				



#### **Fiscal Condition**

During FY 2013-14 the District must begin the process to reduce ongoing expenditures by approximately \$1 Million

During FY 2014-15 the District must complete the process of reducing ongoing expenditures by another \$6 Million to reach our requirement of a total of <u>\$7 Million</u> in ongoing expenditure reductions.



Failure to address our requirement to reduce expenditures will result in the District moving to a "Negative" fiscal status.



# LCFF Discussion

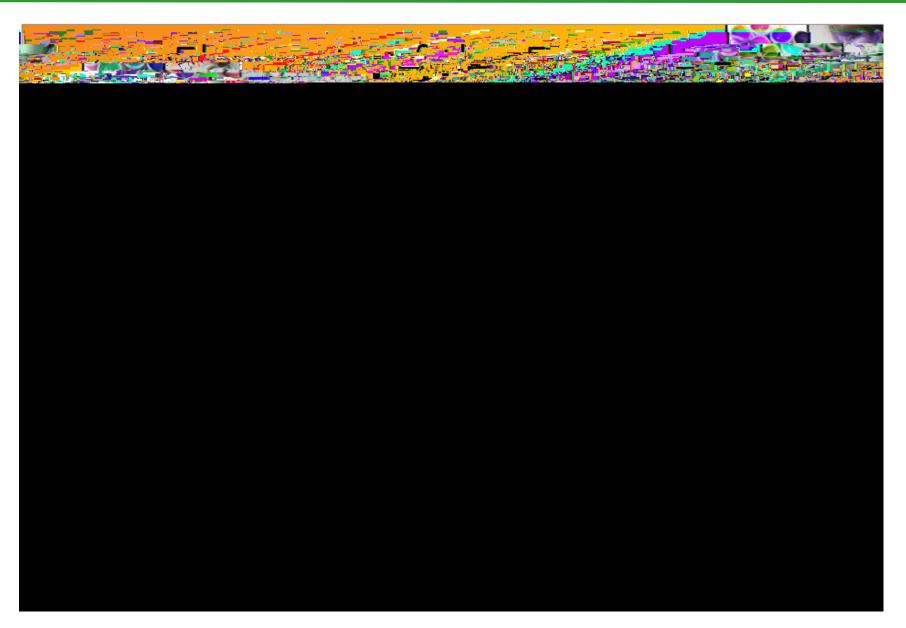








#### **2013-14 District LCFF Entitlement**





2013-14 District LCFF Entitlement

FACTORS	SCUSD
2012-13 Base	\$6,867
LCFF Target	\$9,648
Difference	\$2,781
State Factor	12%
<b>2013-14 Increase</b>	\$334

Adopted Budget Utilized \$267 Per Student. Revised Budget Reflects The \$67 Per ADA Increase. \$2,710,083 Increase Over Adopted Budget.

# 2013-14 Growth Toward Target

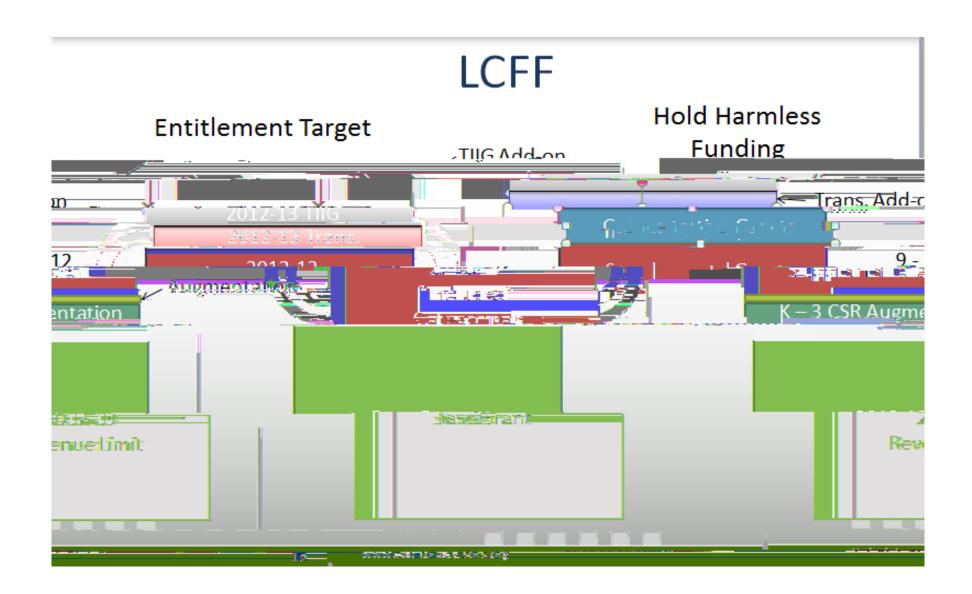


# LCFF Excluded Categoricals

- Special Education
- After School Education and Safety Program
- State Preschool
- Quality Education Investment Act
- State Testing Program
- American Indian Education Centers
- Early Childhood Education Programs
- Specialized Secondary Programs
- California Partnership Academies
- Agricultural Education Incentive Program
- Foster Youth Programs
- Adults in Correctional Facilities

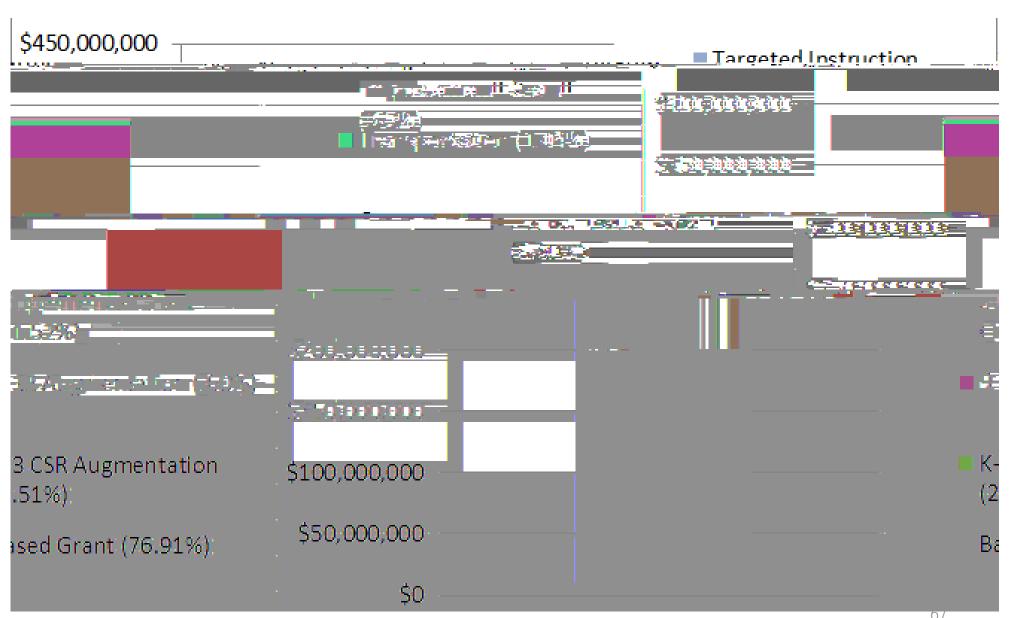








#### **LCFF Continued**



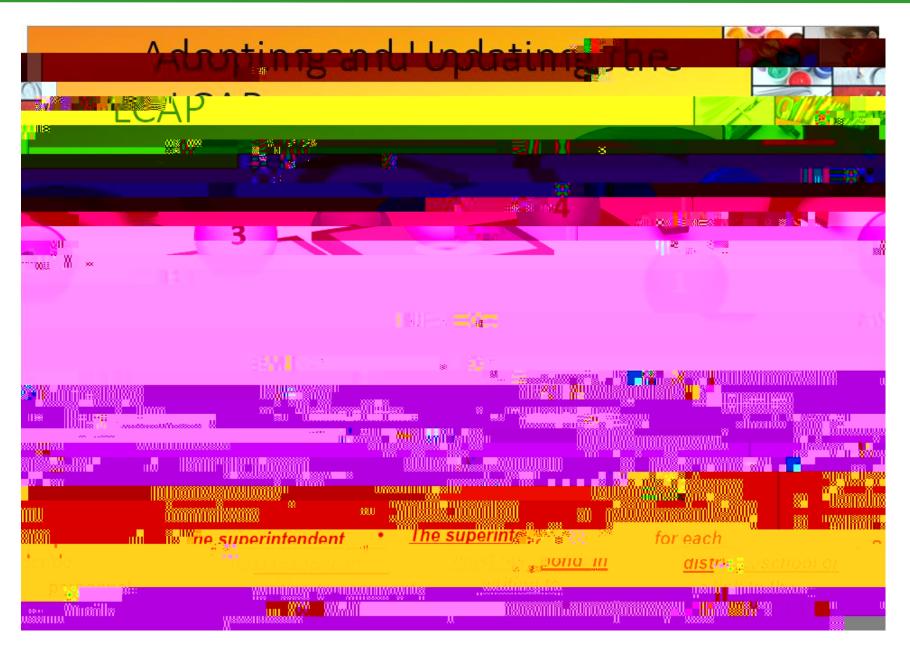


### **LCFF Continued**

Sacramento City Unified School District	Summary
Current funding	\$277,758,567
Target funding (8 years)	\$390,274,789
Increase target	\$112,516,222
2013-14 Projected progress - est 12%	\$13,501,947
Amount per ADA	\$333.80
Adopted Budget Increase ADDITIONAL FUNDING PER ADA INCREASE FROM FY 2013-14 ADOPTED	\$267.00 \$66.80 \$2,701,967.50
Total Additional Funding from FY 2012-13 Percentage increase	\$ 13,501,946.62 4.861%









# Closing