



East Side Union High School District



OPEN AND ACCOUNTABLE

FY 2014-15 Second Interim Update – Budget Advisory Committee

Presented by: Marcus Battle,
Associate Superintendent of Business Services and
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March 11, 2015

Key Impacts For ESUHSD Based on the Governor's Budget Proposal

- **FY 2014 – 15 – No Changes;**
- **COLA** for Fiscal Year (FY) 2015-16 was projected at 2.19% and has been projected downward to 1.58%, this will result in a reduction of \$436,035 in projected revenues; FY 2016–17 COLA increased slightly from 2.14% to 2.17% resulting in a slight increase of \$11,683
- **Local Control Funding Gap** changed for FY 2015 -16 from 20.68% to 32.19% resulting in a revenue increase of \$3.2 mil; for FY 2016–17 the Gap % decreased slightly from 25.48% to 23.71% resulting in a slight increase in revenues of \$840,271
- **Local Control Fund Formula (LCFF)/Supplemental Proportionality Funding (Incl. EIA) –** Estimated at \$8.39 million for FY 2014-15 and \$11.46 million for FY 2015-16, and \$13 million for FY 2016-17

**EAST SIDE UNION HIGH
SCHOOL DISTRICT -
BUDGET UPDATE FOR
SECOND INTERIM**

FY 14-15 ESUHSD Enrollment Update

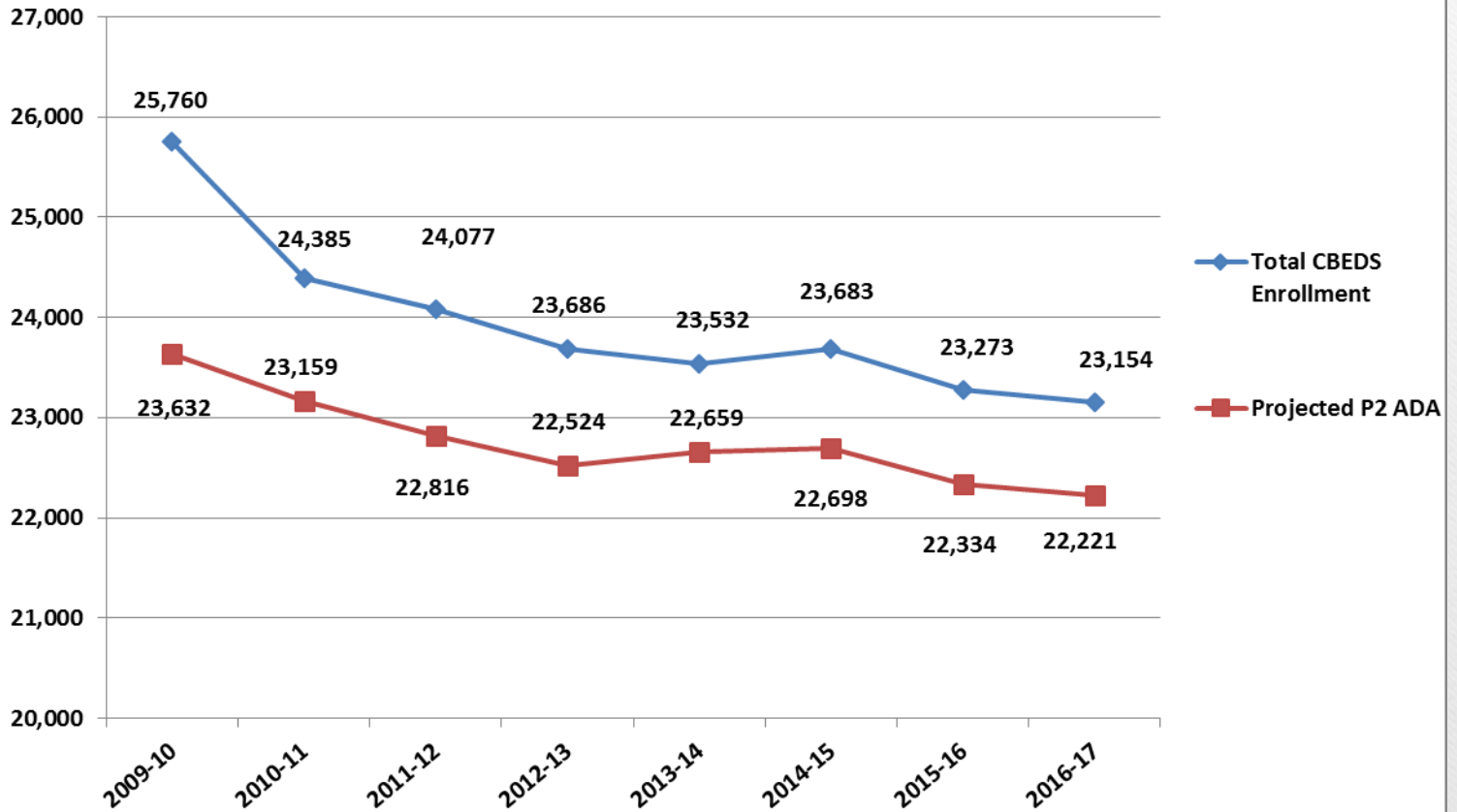


- Oct. 2014 CBEDS Enrollment Count 23,683
 - Year to Date as/of Feb 2015 23,330 down 353
 - FY 14-15 Second Interim Funded ADA – 22,698 (Down 95 ADA)
- 2015/16 Budgeted Enrollment – 23,273
 - FY 2015-16 estimated Funded ADA 22,667 (Down 95 ADA)

Projected ADA Funding Changes:

- FY 2014-15 (\$809,020) – estimated loss of 95 ADA
- FY 2015-16 (\$860,035) – estimated loss of 95 ADA

East Side Union High School District Enrollment / ADA Projections



2014-15 Budget Assumptions Salaries and Other Expenses



- Board Approved and District Recommended Updates and Changes to Fiscal Assumptions Since Budget Adoption Incl. SSC Dartboard;

Key Fiscal Assumptions (Changes/Adjustments Highlighted)

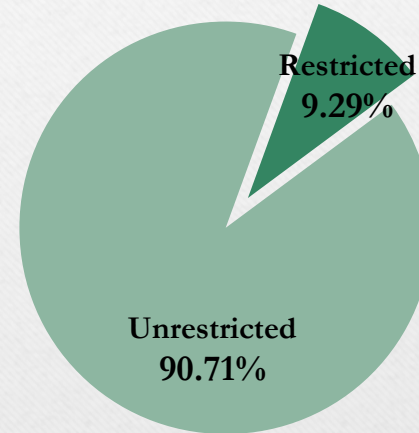
- Statutory COLA – 0.85%
- LCFF Target Base - \$8,491
- **LCFF Unduplicated Count – 53.79% (up 0.61%)**
- LCFF Approved Funding Gap – 29.15%
- **Salaries Increases - Negotiations settled for FY 14-15 @ 5% with an additional 1.5% pending Governor's May Revision**
- Certificated Step and Column – Unchanged at 1.5%
- Classified Step and Column – Unchanged at 2%
- STRS – 8.88%
- PERS – 11.771%
- Workers' Comp – 1.98%
- Health and Welfare – 6%

2014-15 Second Interim Revenues

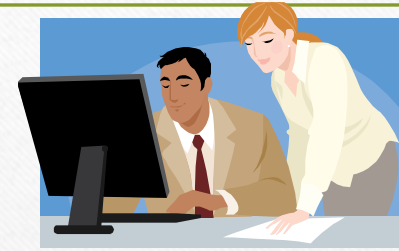


Total Revenues - \$ 226 million

- **Unrestricted – \$205 million**
 - **Restricted - \$21 million**
-
- **Projected Revenues Increased \$793k since First Interim**



The 2014-15 Second Interim Budget reflects...



- Board Approved and District Recommended Updates and Changes Since First Interim (Revenues);
 - **\$793k in Revenue Increases**
 - **(\$862k) LCFF** – Decrease due to downward projection of P2 ADA of 95.33, including a slight reduction in the GAP% 0.41%; Unduplicated count increased slightly by 0.61%
 - **\$971k Federal** – Slight increase in Federal funds related to special education IDEA grants, Title I, and Title III
 - **(\$267k) Other State** – Decrease related to reduction in Mandated Block Grant and lottery revenues
 - **\$951 Local** – SELPA Special Ed. excess reimbursement from COE of \$721k and increases in local revenues

2014-15 Second Interim Project Expenses

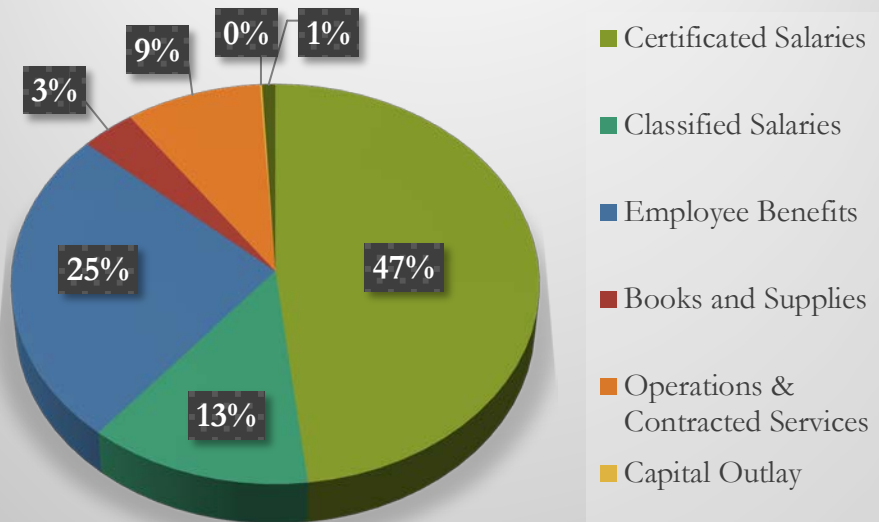


Total Expenses -
\$ 239.2 million

- Unrestricted –
\$182.4 million
- Restricted -
\$56.8 million

➤ Projected Expenses
Increased \$6.3 million
Since First Interim

Expense Distribution by % of Budget



The 2014-15 Second Interim Budget reflects...



- Board Approved and District Recommended Updates and Changes to Expenses Since Budget Adoption;

- **\$6.3 million in Expenditure Increases (Key Highlights)**
 - **\$5.5 million Increase** – Certificated & Classified Salaries, and Benefits increased primarily as a result of negotiated settlements at 5%
 - **\$867k Increase** – Books and Supplies increased primarily as a result of a transfer of funds from salaries related to Common Core to purchase chrome books
 - All Other Expense Categories remained relatively unchanged

2014-15 Second Interim - Projected Ending Fund Balance

Categories	2014/15 First Interim	2014/15 Second Interim	Variance
Revenues	\$225,184,466	\$225,978,036	\$793,570
Expenditures	\$232,945,195	\$239,297,970	\$6,352,775
Excess (Deficiency) of Revenues over Expenditures	(\$7,760,729)	(\$13,319,934)	(\$5,559,205)
Other Sources/Uses Net Increase (Decrease) in Fund Balance	(\$8,685,800)	(\$7,495,170)	\$1,190,630
Beginning Balance	\$33,188,657	\$33,188,657	\$ 0
Ending Balance Before Reserve	\$24,502,857	\$25,693,487	\$1,190,630
Store & Gen Reserve	\$12,426,878	\$7,721,878	\$(4,705,000)
Ending Balance Plus General Res.	\$36,929,735	\$33,415,365	(\$3,514,370)

Projected Ending Fund Balance Decreased by \$3.5 million since First Interim

2014-15 Second Interim Projected Fund Balance Components

Components	Unrestricted	Restricted	Combined
Ending Balance	\$32,446,081	\$969,284	\$33,415,365
Revolving Cash	\$2,500	\$0	\$2,500
Stores	\$159,435	\$0	\$159,435
Legally Restricted (Categorical Balance)	\$0	\$969,284	\$969,284
Economic Uncertainty – General Res. (Fund 17)	\$7,559,943	\$0	\$7,559,943
Site Carryover (est.)	\$500,000	\$0	\$500,000
Designated Reserves - LCAP & EIA	\$1,639,517	\$0	\$1,639,517
Designated Reserves – Fiscal Uncertainty/Budget Balancing	\$22,584,686	\$0	\$22,584,686

All Unrestricted Reserves total 13.44% of General Fund

Multi-Year Budget Assumptions

- Based on SSC Dartboard;
- BASC LCFF Calculator;
- Enrollment and ADA Projections;
- Step and Column Adjustments;
- All Board Approved Budget Changes and Adjustments;
- Negotiated Settlements;
- Benefit Adjustments;
- Health & Welfare Costs;

**Multi-Year Projected Ending Fund Balances
(FY 2014/15 through 2016-17)**

Components	Base Year FY 2014 - 15	FY 2015 - 16	FY 2016 - 17
Revenues	\$225,978,036	\$238,796,653	\$242,065,312
Expenses	\$239,297,970	\$245,136,428	\$253,872,605
Excess/(Deficit)	(\$13,319,934)	(\$6,339,775)	(\$11,807,293)
Net Increase(Decrease) after Transfers in/out	(\$7,495,170)	(\$3,189,775)	(\$5,657,293)
Beginning Balance	\$33,188,657	\$25,693,487	\$22,503,712
Ending Balance plus Gen. Reserve	\$33,415,365	\$30,301,190	\$24,720,252
Stores & Rev. Cash	\$161,935	\$161,935	\$161,935
Legally Restricted (Categorical)	\$969,284	\$651,857	\$359,687
Economic Uncertainty - Statutory Reserve (Fund 17)	\$7,559,943	\$7,635,542	\$7,711,898
Designated Reserves – Budget Balancing and Site Carryover (\$500k)	\$24,724,203	\$21,851,856	\$16,486,732
District Reserve %	13.44%	11.99%	9.5%

Questions or Comments