



EAST SIDE

HIGH SCHOOL DISTRICT

Silicon Valley

Preparing every student to thrive in a global society.

Budget Advisory Committee Meeting

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Marcus Battle

Associate Superintendent, Business Services and Operations, and

Karen Poon, Director of Finance

May 12, 2015

ESUHSD 2015-16 Preliminary Budget

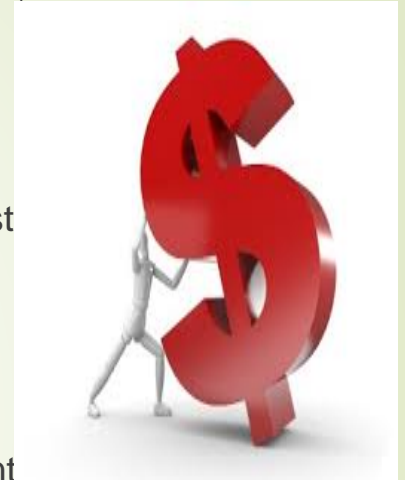
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The District's Budget Approach

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- The budget process allows for full engagement and feedback by school sites, district depts., Supts. Council, and the community at large;
- All School Sites were required to set-aside a portion of their discretionary budget for instructional supplies and materials;
- All non-discretionary spending was reviewed on a case-by-case basis – most increases were a result of one-time costs or normal operations for employee salaries and benefit costs, for inflationary adjustments for utilities and other services, debt service and related items;
- The district updated all revenue projections based on the LCFF base and supplemental funding, State grants and Federal awards, projected enrollment and ADA, and other misc. factors;
- The district reviewed all estimated encroachment for transportation and special education to determine if adjustments and additional contributions from the general fund were needed;
- The District increased salary and benefits cost for new positions to support expanded programs, services, and initiatives based on the receipt of funding as part of the Local Control Funding Formula;
- The Superintendent's Council questioned and/or validated all ongoing and new requests for expenditures prior to the Governing Board's review;
- The Preliminary Budget provides the District recommendation for the current year FY 2015-16 and multi-year FY 2016-17 through FY 2017-18



FY 2015-16 Major Budget Development Assumptions

- School Services of California Dartboard;
- Enrollment & Average Daily Attendance (ADA);
- Salary & Benefits;
- Major Financial adjustments related to changes in staffing, programs, and other expenses;
- Recommended Fund Transfers, if applicable;

Estimated Contributions from the General Fund

Category of Expense	FY 2014 – 15	FY 2015 - 16	FY 14-15 Vs. FY 15-16 Variance
Special Education (Gen.)	(\$25,329,288)	(\$28,851,862)	(\$3,522,574)
Special Education Transportation	(\$4,846,590)	(\$5,024,750)	(\$178,160)
Food Services	(\$624,984)	(\$650,000)	(\$25,016)
Property & Liability	(\$100,000)	(\$100,000)	(\$0)
Routine Restricted Maintenance	(\$5,750,000)	(\$7,260,000)	(\$1,510,000)
Total Contributions	(\$36,650,862)	(\$41,886,612)	(\$5,235,750)

Projected Staffing (FTE) Expenditure Increases Beginning FY 2015-16

New Positions Recommended for FY 2014-15	Certificated Administrators	Classified Managers	CSEA	ESTA	Total New Positions
LCAP – Supplemental Positions			1.0	17.0	18.0
Ed Center - Districtwide Reorganization		1.0			1.0
Total Positions		1.0	1.0	17.0	19.0

Positions Total \$ 2.19 million for Salaries & Benefits Beginning in FY 2015-16

Routine Restricted Maintenance Budget

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	FY 2014-15	FY 2015-16	Variance
Contribution from Unrestricted General Fund	\$5,750,000	*\$7,260,000	\$1,510,000
Expenses:			
Salaries & Benefits (Added 2.15 FTE's)	\$4,212,919	\$4,707,824	\$494,905
Deferred Maintenance Set-Aside	\$0	\$600,000	\$600,000
Lease Vehicles (19)		\$119,341	\$119,341
All Other Operation Cost	\$1,179,142	\$1,403,205	\$224,063
Indirect Cost	\$357,939	\$429,630	\$71,691

Note: *Budget Flexibility ends July 1 and ESUHSD must begin budgeting 3% of Expenses for RRMA

FY 2015-16 Projected Revenues

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Revenue Sources (Unrestricted Only)	FY 2014 – 15 Estimated Actual	FY 2015 – 16 Preliminary Budget	Actual vs. Budget Variance
LCFF	\$193,932,981	\$205,471,983	\$12,039,002
Federal Revenues	\$180,328	\$180,328	0
Other State	\$6,233,460	\$8,359,730	\$2,126,270
Local	\$6,540,249	\$4,133,599	(\$2,406,650)
Total Revenues	\$206,887,018	\$218,145,640	\$11,758,622

2015-16 Major Changes in Revenues

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- ▶ **Local Control Funding Formula (LCFF) – \$12 million increase based on Governor’s Budget;**
- ▶ **Federal Revenues – No Change;**
- ▶ **Other State – \$2.1 million increase – Primarily due to one-time mandate cost of \$2.76 million; Decrease of Lottery of (\$634k)**
- ▶ **Local – \$2.4 million decrease – Primarily due to Green Energy Incentive decrease of (\$1.33) million and one time Microsoft Voucher of (\$880K)**

Total Est. Increase for FY 2015-16 \$11.7 million

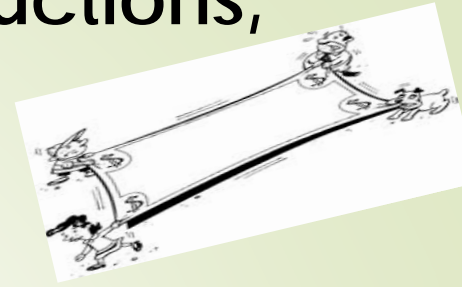
FY 2015-16 General Fund Expenditure Estimates by Object

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Expenditures by Object (Unrestricted)	FY 2014 -15 Estimated Actual	FY 2015-16 Preliminary Budget	Actual vs. Budget Variance
Certificated Salaries	\$95,746,278	\$95,538,767	(\$207,511)
Classified Salaries	\$20,864,218	\$21,043,261	\$179,043
Employee Benefits	\$46,967,071	\$49,983,545	\$3,016,474
Books and Supplies	\$2,263,044	\$2,301,808	\$38,764
Operation and Contracted Services	\$14,137,475	\$13,831,528	(\$305,947)
Capital Outlay	\$40,151	\$50,000	\$9,849
Other Outgo	\$3,740,499	\$3,791,219	\$50,720
Direct Support/Indirect Costs	(\$3,490,406)	(\$3,238,883)	\$251,523
Debt Services	\$2,022,505	\$2,062,303	\$39,798
Total Expenditures	\$182,290,835	\$185,363,548	\$3,072,713
Other Sources/Uses	(\$24,624,219)	(\$32,861,862)	(\$8,237,643)

Major 2015-16 Expenditure Reductions, Increases, and Adjustments

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- **Certificated Salaries – Decrease of \$208k.** Primarily due to transferring Adult Ed expenses and reducing 15.6 FTE's teachers due to declining enrollment of 465 and other augmentation for LCAP
- **Classified Salaries - Increase of \$179k** Primarily due to transferring of Adult Ed expenses and reinstatement of 5.0 FTE classified positions
- **Employee Benefits – Increase of \$ 3.0 Mil.** Primarily related to rate increase for STRS, PERS and Medical Benefits
- **Books and Supplies – No major changes;**
- **Operations and Contracted Services Expenses – decrease of \$ 306k**
Primarily related to rate increase for P/L insurance, utilities and remove Board election cost and transfer IT budget to Tech Bond
- **Other Outgo & Debt Service – No major changes;**

Total Increases and Adj. \$3.07 Mil.

FY 2015-16 Multi-Year Budget

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Components (Unrestricted Only)	FY 2015-16	FY 2016-17	FY 2017-18
Revenues	\$218,145,640	\$218,050,090	\$225,345,006
Expenses	\$185,363,548	\$193,930,370	\$199,535,131
Net Increase (Decrease)	\$32,782,092	\$24,119,720	\$25,809,875
Other Sources/Uses	(\$32,861,862)	(\$34,644,465)	(\$34,250,568)
Beginning Balance	\$27,785,940	\$27,706,170	\$17,181,425
Ending Balance before Reserve	\$27,706,170	\$17,181,425	\$8,740,731
Revolving Cash & Stores	\$161,935	\$161,935	\$161,935
General Fund Reserves F/17	\$7,635,542	\$7,711,898	\$7,789,017
Ending Fund Balance (Est.)	\$35,503,648	\$25,055,258	\$16,691,683
Reserve %	14.62%	9.87%	6.36%

Preliminary Budget – Ending Fund Balance Components

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Components (Unrestricted Only)	FY 2015-16	FY 2016-17	FY 2017-18
Revolving Cash	\$2,500	\$2,500	\$2,500
Stores Inventory	\$159,435	\$159,435	\$159,435
Res. For Economic Uncertainty (Fd 17)	\$7,635,542	\$7,711,898	\$7,789,017
Designated – Site Carryover	\$500,000	\$500,000	\$500,000
Designated – EIA & Supplemental Carryover	\$634,825	\$1,800,723	\$3,249,713
Designated – Addl. Reserve for Gov. Budget Actions	\$26,571,346	\$14,880,702	\$4,991,018
Ending Balance	\$35,503,648	\$25,055,258	\$16,691,683
Reserve %	14.62%	9.87%	6.36%

Questions or Comments