



The East Side Budget Communicator

Volume 5
Winter FY 2013-14

Next District Budget Advisory Committee:

Open to the Public
March 5, 2014 at
4:00 pm.
at the EC

Budget and Finance News

2014/15 Governor's Budget Update

EDUCATION IS THE GOVERNOR'S TOP PRIORITY

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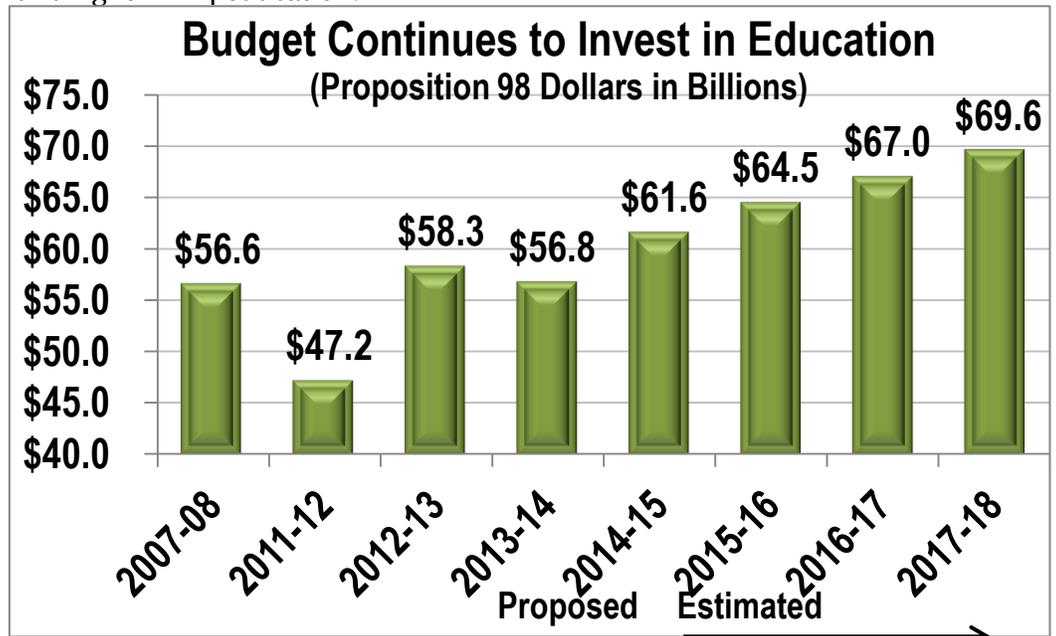
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While the state still faces significant Budget pressures for the non-Proposition 98 part of the Budget, the Administration's attitude toward education is dramatically different this year. Public education has taken more than its fair share of the cuts during the recent recession and under the current Governor, education is beginning to recover at a much faster rate. This year due to an improving economy, the average increase for K-12 school districts will be 10.9%, or approximately \$751 per student. We should point out that the average increase will vary greatly between districts based upon each district's unique demographics. For ESUHSD, this calculates to about 8.05 % or \$633 per ADA. Only once in the past 30 years has public education received an increase of more than 10% and that was way back in 2001.

The Governor's proposal projects \$106.1 billion in new state revenues in the Budget year, plus \$4.2 billion in carryover funds, to pay for \$106.8 billion in state expenditures. The Governor has earmarked \$61.6 billion in proposition 98 funding for K-14 education.



Second Interim Update for FY 2013-14

As of this writing, the District's Second Interim report is still under development for fiscal activity through the period ending January 31, 2014. The Governor recently announced his proposed budget and those assumptions will be taken into account in developing the Second Interim Report. Some of the major impacts to ESUHSD as a result of the Governor's Budget for FY 2014-15 is the mandatory supplemental set-aside for our neediest students (i.e. English language learners, foster youth, and migrant ed.). The Local Control Funding Formula requires the district to designate a proportional share of funds to our neediest students. The district is anticipating an estimated \$632 per ADA of which \$236 must be designated for supplemental services. The remaining increase will be used to address the end of State flexibility for the routine restricted maintenance program, step and column increases, health benefit increases, inflation adjustments, and salary considerations.

In relation to the statutory Cost of Living Adjustment (COLA), the district had included a funded COLA of 2.3% for fiscal years 2014/15. The projected COLA was based on the dartboard provided by School Services of California which all districts use for budgetary planning purposes. The Dartboard was recently updated to reflect the Governor's proposed budget which shows a funded COLA of only 0.86% for FY 2014/15 which represents a loss of funding for ESUHSD estimated at around \$883,000.

The other major area which impacts the budget is enrollment. The district's enrollment has been updated to reflect current projections. The district is expected to lose between 300 – 400 students over the next 3 years totaling over \$3 million in loss revenues.



Fiscal Excellence is the New Norm at East Side

After years of investigations and inquiry, the Finance Division has taken great efforts over the past 2 years to increase standards and trainings to promote excellence in fiscal management practices. As a result, the District had "No Audit Findings" for the Fiscal Year Ending June 30, 2012. For the Fiscal Year Ending, June 30, 2013, the District continues the trend of excellence. The District only had one reportable non-financial finding and "No Findings" in our \$200+ million bond program. This is truly an amazing turnaround and collaborative effort. Thanks to the great work of our district office and site staff.

ESUHSD Reaches New Milestone for Free Lunch Signs-Ups

For Fiscal Year 2013-14, the District's free lunch sign-ups have skyrocketed as the District took an all hands on deck approach to ensure that every eligible student was signed-up to maximize funding from the new Local Control Funding Formula. The district's percentage of eligible students increased from 43% in FY 2012-13 to almost 51% for FY 2013-14 for a total increase of 1,500+ students. The District's Food Services Director, Julie Kasberger with the assistance of the Food Service Supervisor, Darlene Martinez spearheaded the district's effort and engaged all stakeholders in the process including site administration, teachers, and food service staff. A special thanks goes out to the site administration teams, teachers, and staff for their assistance.

Local Control Accountability Plan (LCAP) – Moving from Compliance to Empowerment?

The process of developing the new LCAP is currently underway with an initial draft discussion scheduled for the March 20 board meeting and final adoption by July 1, 2014. The LCAP will be designed to do the following:

- Promote Equity and justice for the neediest students;
- Narrow the achievement gap;
- Shift from compliance to empowerment;
- Provide a locally developed plan to achieve improved results for students; and
- Require district's to think, plan, and budget differently.

Big Changes in the Benefits Office

As many of you may or may not be aware, Esther Carrillo who had been a staple in the business office as the district's benefit's coordinator for years recently retired effective December 31, 2013. Esther will surely be missed and was instrumental in improving the benefits programs for all district employees. She worked very closely with the CBO and her Departmental Director in enhancing the life insurance coverage for all district employees from \$25,000 to \$40,000. In addition, she played a major role in the recent benefits audit which will save the district almost \$1 million per year. In order to fill the large void left by Esther, the district was fortunate enough to interview and hire Christine Nisha who has a Masters' Degree in Business Management and extensive health benefits experience. The district found a very highly qualified replacement and we are pleased to have Christine as part of the business management team. Stop by and say hello to Christine next time you are at the district office.



Campus Safety and Security Update



To Report Fraud,
Waste, or Abuse
Anonymously Call
1-855-247-3156

As a result of a recent surge in property related crimes in the district, the business services division recently held a security seminar for site administrators and staff. There were presentations presented by WeTip and First Alarm. The CEO of WeTip presented information regarding the WeTip program the district joined in 2013 which provides an anonymous tip line for staff, students, or the public to report crimes such as arson, bullying, drugs, property crime, and etc. WeTip offers rewards up to \$1,000 as a cash incentive for information which may lead to an arrest and/or conviction. **The phone number for reporting is 1-800-78-crime.** The administrators received a CD from WeTip with helpful information and downloads. The administrators and staff also received a presentation from First Alarm. First Alarm is responsible for patrolling and monitoring the district sites after business hours. They provided some helpful advice on insuring appropriate lighting on the campus at night and identifying and addressing problem areas.

Budget Questions and Answers

Question 1. Since the district is getting almost \$13 million more money in the budget, can we expect a pay increase?

Answer. The short answer is yes, however, 80% of our new funding is already earmarked for new supplemental programs as a result of LCFF, State mandated routine restricted maintenance level of effort, and associated step and column and health and benefits increases.

Question 2. Will all lost positions be brought back?

Answer. With the new district strategic plan and State guidelines, the district is only planning to recommend the addition of new positions in the upcoming budget which are required by law and supports the Board's stated strategic priorities and new State requirements.

Question 3. What are the supplemental programs you are referring to in question #1?

Answer. As a requirement of the LCFF, The district is mandated to provide supplemental services to students who are identified as low income, foster youth, English language learners, and migrant ed.

Reminder for Employee Reimbursement Procedure

Don't have your request turned-down or delayed.

- Please print clearly on the correct form.
- Include your address, not the school site.
- Correct Account Number
- Should be signed by the employee requesting the reimbursement and authorized administrator.
- Reimbursements over \$100 require a signed pre-approval memo from the Principal or designee.
- Items should not be delivered to the employee's home address.
- Attach original invoices/receipts. For online purchases make sure to include proof of payment.
- Requests should be submitted for payment no later than 1 month of the original back up receipt.

Reimbursement requests older than one month or beyond the fiscal year may not be approved for payment.

Upcoming Meetings

- **Recommended District-wide Blue Bear Accounting** training for Activity Directors, Finance Clerks, and Administrators who utilize Blue Bear. The training will be held on March 26. Please contact Tina Flores for more information and details.