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Budget and Finance News

2014/15 Preliminary Budget Highlights

District Planning to Hire Over 100 New Staff as part of the Local Control Accountability Plan and Districtwide Recovery Effort

SITES (66.5 FTEs)
- Instructional Coaches
- Social Workers
- Parent Involvement Specialist
- Counselors
- New Tech – Teachers
- General Clerks
- Librarians

EDUCATION CENTER 12.7 (FTEs)
- Director – Accountability
- Director – Student Services
- Coordinator Support Services
- Classified Personnel Manager
- Social Worker
- Counselor
- Programmer Analyst
- Computer Specialist
- Receptionist

SITE SUPPORT (10 FTEs)
- Custodial Lead
- Maintenance Staff
- IT Help Desk

SPECIAL EDUCATION (13 FTEs)
- Special Education Teachers
- Job Training Technicians
- School Psychologist
- Para-Professionals
- Social Workers

The District is proposing to increase staff across the District by a total of 102.2 new FTEs beginning in FY 2014-15. The increased staffing is primarily a result of the new supplemental funding under the Local Control Accountability Plan (LCAP) in addition to an increase in the District’s base funding under the Local Control Funding Formula (LCFF). The District is providing critically needed positions at the sites (i.e. social workers, counselors, and Parent Involvement Specialist) to provide direct services to our most needy students. A total of 43.7 positions are being added as part of the LCAP based on the input received from stakeholders, parents, students, and staff during a one year process of engagement. The balance of the positions are a part of the District’s strategic restoration efforts to restore critical programs and services. The majority of the positions will be at the site or site support and are comprised of 55.7 FTE new ESTA positions, 40.5 FTE new CSEA, 2 FTE classified managers, and 4 FTE certificated administrators.
The Governor dropped a bomb on school district’s throughout California with his newly unveiled CalSTRS Funding Plan. Since CalSTRS is currently projected to run out of money by 2046, the Governor is proposing a bold plan to close the estimated $74.4 billion unfunded liability for the California Teachers Retirement Plan. The Governor is proposing beginning in FY 2014-15, to increase the employee contribution rates, employer contribution rates, and the State share. The increases are shown below and are expected to begin on July 1:

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<tr>
<td>Employer Contribution Rate</td>
<td>8.25%</td>
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<td>n/a</td>
<td>n/a</td>
<td>6.3%</td>
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</tbody>
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Projected Impact for East Side: The projected impact of the STRS proposal will be an estimated $8.1 million over 3 years and almost $19 million by 2019-20. If the Governor's proposal remains unchanged, it will definitely impact every California school district’s ability to provide reasonable salary and benefit increases in the future.

Who says there is no such thing as a free lunch? At the May 15 Governing Board meeting, the Board approved a bold plan to increase meal participation and increase revenues in the food service program which has been fiscally challenged in recent years by increased cost and regulations. On July 1, 2014, the district will provide all District reduced eligible students with a free lunch. It is estimated that the change will impact over 2,000 District low income families and students. The District believes this will be a true win-win for the District and low income families.
Question 1. Since the district is bringing back all of these positions, will there be enough money for staff salary increases?

Answer. This is a good question. The district has committed almost $9.3 million to hire over 100 FTEs to support the LCAP, sites, and districtwide reorganization. As a result, this has impacted the amount of money available for salaries. The district is committed to providing salary increases to employees and has allocated funds for this purpose. In addition to ongoing revenues, the district has decided to utilize its reserves to support salary increases and other initiatives.

Question 2. When can we expect negotiations to be settled?

Answer. The District is working hand-in-hand with the unions and is fully committed and prepared to resolve any remaining salary and benefits issues quickly.

Budget Questions and Answers

New Bay Area Commuter Program Coming to East Side

Bay Area employers with 50 or more employees are now required to register and offer commuter benefits to their employees by September 30, 2014 in order to comply with the Bay Area Commuter Benefits Program. Through this program, employers must offer their employees one of four Commuter Benefit options in order to comply with Bay Area Air Quality Management District Regulation 14, Rule 1. Commuter benefits encourage employees to take transit, vanpool, carpool, bicycle and walk rather than drive alone to work.

East Side has teamed with American Fidelity to offer a 125 type benefit program for eligible employees. The program will allow employees to exclude their transit or vanpooling expenses from taxable income, up to $130 per month. Look out for more information to be available in the coming months.

New $113 Million Ed Tech Bond Going to the Voters on Nov. 4, 2014

At the May 15, 2014, Governing Board meeting, the Board approved a resolution to place a new $113 million Technology Bond on the ballot for the November 4 election. In the spring, the Board initiated a study which found that almost two thirds of the voters favored and would support a Technology Bond in the District to increase student computer access, upgrade educational software, keep pace with 21st century technological innovations, and implement Statewide testing requirements at all 11 comprehensive high schools, adult, alternative, and District charter schools. The bond will be issued in 8 series over 18 years and is not expected to exceed a maximum tax rate of $9 per hundred thousand of assessed value. Issuing bonds in this manner is revolutionary and is a smart way of ensuring that the life of the bond (i.e. 3-4 years) is consistent with the useful life of the asset.

REMINDER FROM ACCOUNTS PAYABLE

Please be reminded that Accounts Payable has started the process of closing the books for the end of 2013/14. For properly closing the financial transactions, it is very important to receive all the necessary paperwork (mileage and reimbursement requests, packing slips, invoices, etc.) from all the staff who had advanced any payments or purchased merchandise/services to the Accounts Payable department before leaving for the summer vacation.

Any open POs for which we do not receive packing slips/invoices before June 30th will be closed. If your ordered merchandise has not arrived before 6/30 and, you would like to roll the PO to 2014/15, please let AP know before June 30th. Be advised that rolled POs will use funds from the new fiscal year.

Reimbursement requests older than one month or beyond the fiscal year may not be approved for payment. All 2013/14 outstanding reimbursement requests and receipts must be turned in by June 20, 2014 or they may not be honored.