



# ***EAST SIDE UNION*** HIGH SCHOOL DISTRICT




The Process of Prioritization  
and Restoration Begins

## **FY 2013-14 Second Interim Update – Budget Advisory Committee**

**Presented by: Marcus Battle,  
Associate Superintendent for Business Services and  
Karen Poon, Director of Finance  
March 5, 2014**

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

- **Statutory COLA** – Based on earlier fiscal projections, ESUHSD had projected COLA at 2.3% for FY 2014-15; Since the COLA has been projected downward to 0.86%, this will result in a loss of \$883k in on-going funding for ESUHSD;
- **Local Control Funding Formula (Budgetary Planning Purposes)** - Estimating a \$13.2 million increase for FY 2014-15 and \$13.6 million for FY 2015-16;
- **LCFF/Supplemental Proportionality Funding (Incl. EIA)** – Estimated \$8 mil. for FY 2014-15 and \$9.8 mil. for FY 2015-16;



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

# FY 13-14 ESUHSD Enrollment Update



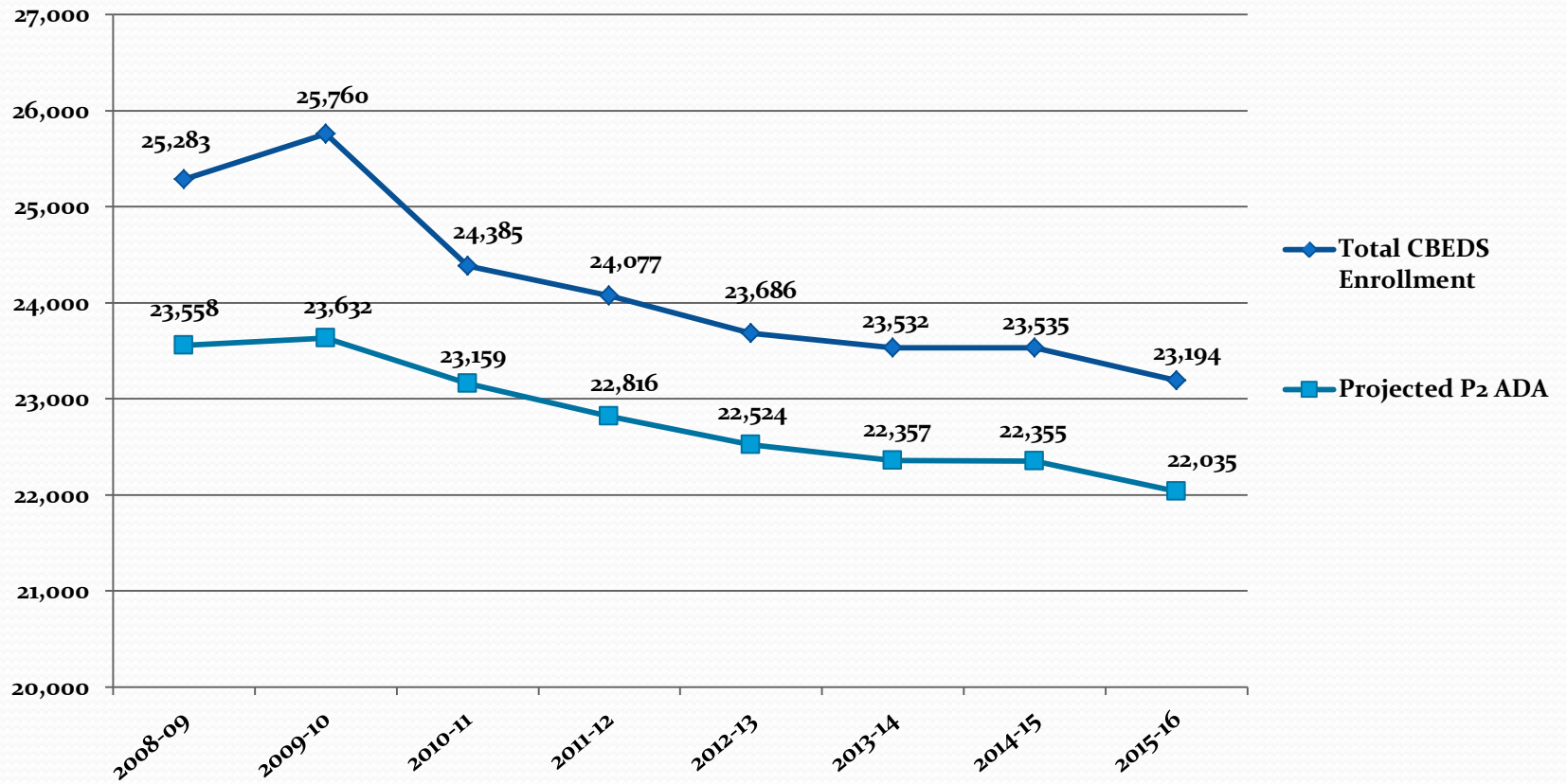
- Oct. 2013 CBEDS Enrollment Count 23,532
  - Year to Date as/of Feb 2014 23,186 down 346
  - FY 13-14 Second Interim Funded ADA – 22,791 (Unchanged)
- 2014/15 Budgeted Enrollment – 23,535
  - FY 2014-15 estimated Funded ADA 22,654 (137 ADA loss)

## **Projected ADA Funding Changes:**

- FY 2013-14 (\$0) – No change
- FY 2014-15 (\$1.1 Mil.) – est. loss of 137 ADA

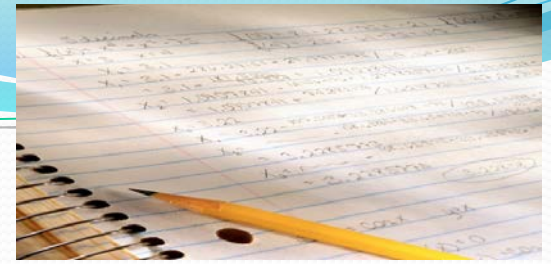
# ENROLLMENT/ADA UPDATE

## East Side Union High School District Enrollment / ADA Projections



# 2013-14 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)**

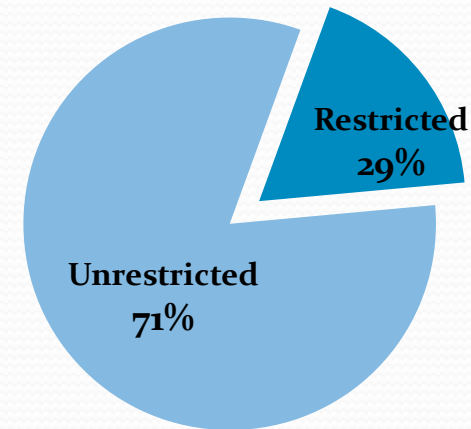
- Statutory COLA – 1.565%
- Deficit Factor – 0%
- LCFF Target Base - \$8,419
- **LCFF Unduplicated Count – 55.04%**
- LCFF Approved Funding Rate – 11.78%
- Salaries Increases - Negotiations settled for FY 13-14 @ 1.95% and 5 Furlough Days Eliminated
- Certificated Step and Column – Unchanged at 1.5%
- Classified Step and Column – Unchanged at 2%
- STRS – 8.25%
- PERS – 11.442%
- Workers' Comp – 1.96%
- Health and Welfare – 6.38%

# 2013-14 Second Interim Revenues



**Total Revenues - \$ 211 Mil.**

- **Unrestricted – \$149 Mil.**
  - **Restricted - \$62 Mil.**
- 
- **Projected Revenues Increased \$7.5 Mil. since First Interim**



# The 2013-14 Second Interim Budget reflects...



- Board Approved and District Recommended Updates and Changes Since First Interim (Revenues);
  - **\$7.5 mil. in Revenue Increases**
    - **\$5.7 mil. LCFF** – Increase due to transfer of \$5.7 mil. funding from Fund 11 Adult Education into general fund pursuant to current law and \$80k from unduplicated count improvement;
    - **\$359k Federal** – Increase Reimbursements totaling \$181k for AP/IB Testing, and \$148k for Title 1 and other adjustments;
    - **\$491k Other State** – Mandated Block Grant Increase of \$234k, and \$309k for Prop 39 Clean Energy Grant and other adjustments;
    - **\$921 Local** – SELPA Special Educ. Revenue increased \$440k, ROC/P inc. \$134k, and RDA income increased by \$441k;

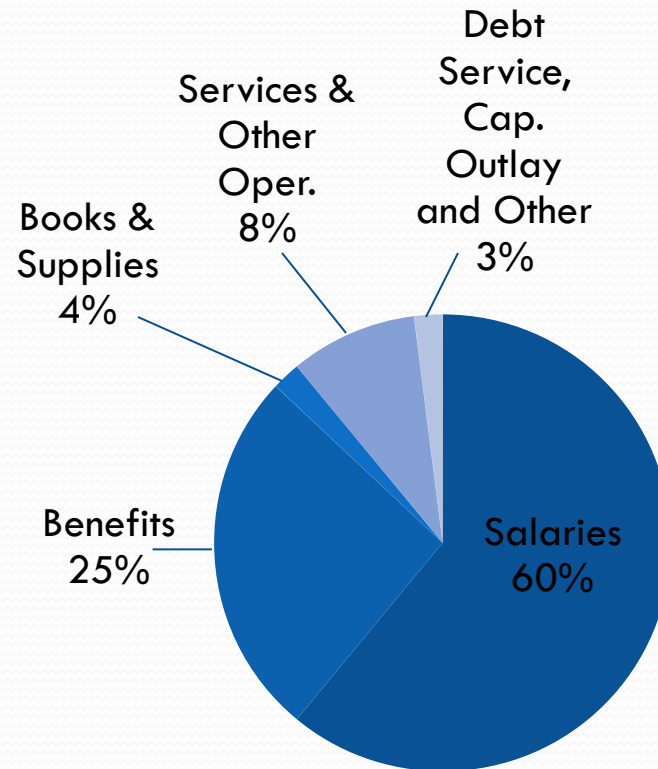


# 2013-14 Second Interim Projected Expenses



Total Expenses -  
**\$ 216.5 Mil.**

- Unrestricted – \$155.2 Mil.
- Restricted - \$61.2 Mil.



➤ Projected Expenses Increased \$4.7 Mil. Since First Interim

# The 2013-14 Second Interim Budget reflects...



- Board Approved and District Recommended Updates and Changes to Expenses Since Budget Adoption;
- **\$4.7 mil. in Expenditure Increases (Key Highlights)**
  - **\$3.8 Mil. Increase** – Certificated & Classified salaries, and Benefits increased primarily as a result of the integration of the Adult Education program from fund 11 into the general fund pursuant to current law;
  - **\$559k Increase** – Books and Supplies increased primarily as a result of the integration of the adult ed program \$167k and \$370k for increases in site clearing accounts and other adjustments;
  - **\$288k Increase** – All Other Expense Categories increased as a result of the integration of the adult education program of \$146k and other adjustments and updates to all other expense categories;

# 2013-14 Second Interim Projected Ending Fund Balance



Categories	2013/14 First Interim	2013/14 Second Interim	Variance
Revenues	\$203,528,581	\$211,079,969	\$7,551,388
Expenditures	\$211,828,302	\$216,543,150	(\$4,714,848)
Net Increase (Decrease) to Fund Balance	(\$8,299,721)	(\$5,463,180)	\$2,836,541
Beginning Balance	\$28,677,993	\$28,677,993	\$ 0
Transfer Out/Def. Maint.	(\$600,000)	(\$600,000)	\$ 0
Fund Bal. Trans. From Fund 11 (Adult Ed)		\$3,548,368	
Net Change	\$0	\$3,548,368	\$3,548,368
Ending Balance Plus General Res.	\$32,180,616	\$38,565,524	\$6,384,909

Projected Ending Fund Balance Increased by \$6.3 mil. Since First Interim

# 2013-14 First Interim

## Projected Fund Balance Components

<b>Components</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Combined</b>
Ending Balance	\$35,251,276	\$3,314,248	\$38,565,524
Revolving Cash	\$2,500	\$0	\$2,500
Stores	\$179,686	\$0	\$179,686
Legally Restricted (Categorical Balance)	\$0	\$3,314,248	\$3,314,248
Economic Uncertainty – General Res. (Fund 17)	\$12,220,158	\$0	\$12,220,158
Site Carryover (est.)	\$500,000	\$0	\$500,000
Designated Reserves – Fiscal Uncertainty/Budget Balancing	\$22,348,932	\$0	\$22,348,932

**All Unrestricted Reserves total 16.2% of General Fund**

# Multi-Year Budget Assumptions

- Based on SSC Dartboard;
- BASC LCFF Calculator;
- Enrollment and ADA Projections;
- Step and Column Adjustments;
- All Budget Reductions Previously Enacted;
- Benefit Adjustments;
- Health & Welfare Costs;

# Multi-Year Projected Ending Fund Balances (FY 2013/14 through 2015-16)

Components	Base Year FY 2013-14	FY 2014-15	FY 2015-16
Revenues	\$211,079,969	\$223,554,767	\$232,998,301
Expenses	\$216,543,150	\$226,963,827	\$230,843,169
<b>Excess/(Deficit)</b>	<b>(\$5,463,180)</b>	<b>(\$3,409,060)</b>	<b>\$2,155,132</b>
Net Increase(Decrease)	(\$5,463,180)	(\$3,409,060)	\$2,155,132
Transfers to (Deferred Maintenance & Other Sources/Uses)	(\$600,000)	(\$600,000)	(\$600,000)
Beginning Balance	\$28,677,993	\$26,163,180	\$22,154,120
Ending Balance plus Gen. Reserve	\$38,565,524	\$34,678,666	\$36,357,222
Stores & Rev. Cash	\$ 182,186	\$ 182,186	\$ 182,186
Legally Restricted (Categorical)	\$ 3,314,248	\$ 3,228,958	\$ 4,124,990
Economic Uncertainty - Statutory Reserve (Fund 17)	\$ 12,220,158	\$12,342,360	\$12,465,783
Designated Reserves – Budget Balancing and Site Carryover (\$500k)	\$22,848,932	\$ 18,925,162	\$ 19,584,263
<b>District Reserve %</b>	<b>16.23%</b>	<b>13.82%</b>	<b>13.93%</b>



# Questions or Comments