



EAST SIDE

HIGH SCHOOL DISTRICT

Silicon Valley

Preparing every student to thrive in a global society.

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Budget Advisory Committee Meeting

MARCUS BATTLE
ASSOCIATE SUPERINTENDENT, BUSINESS AND
OPERATIONS & KAREN POON, DIRECTOR OF
FINANCE
MAY 13, 2014

Presentation Summary

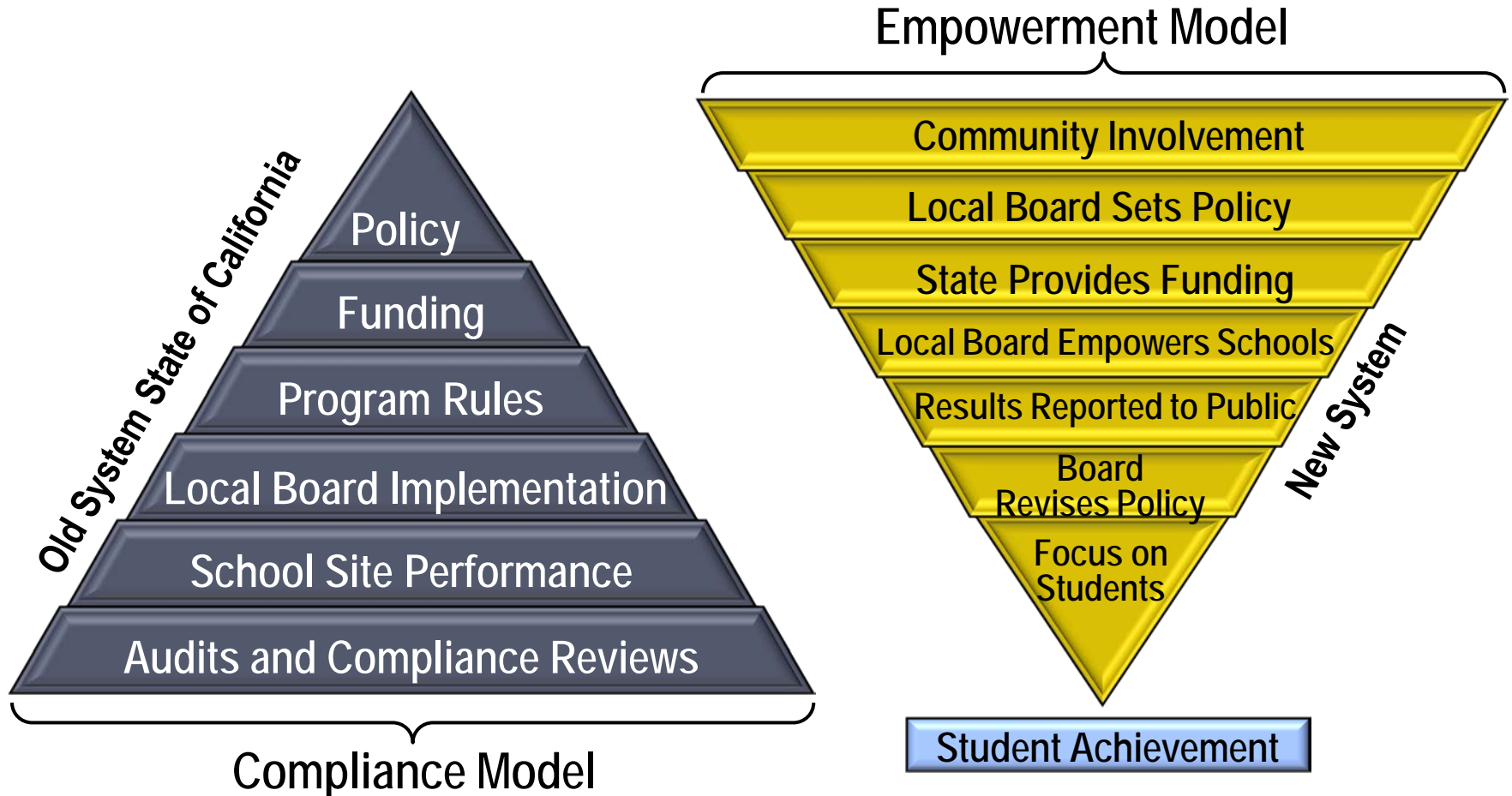
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- Key Impacts of Governor's FY 2014-15 Budget for ESUHSD
- FY 2014-15 Preliminary Budget & Multi-Year Assumptions
- Proposed Savings, Staffing, Expenditure and Other Adjustments
- LCAP Supplemental Budget
- FY 2014-15 Preliminary Budget
- FY 2014 -15 through FY 2016-17 Multi-Year Budget
- Next Steps

The Governor's FY 2014-15 Budget Highlights

(Complete Mind Shift of Governance and Planning)

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KEY IMPACTS FOR ESUHSD BASED ON THE GOVERNOR'S CURRENT BUDGET PROPOSAL

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- ✘ **Statutory COLA** – For FY 2014-15, the Governor is proposing a 0.86% Cola increase which equates to an increase of \$1.86 mil. for ESUHSD toward the LCFF target
 - ✘ Local Control Funding Formula Target (Base) \$ 198 mil.
 - ✘ Supplemental Target \$ 21.8 mil.

- ✘ **Local Control Funding Formula** The average increase for K-12 school districts will be 10.9%, or approximately \$751 per student – ESUHSD is projected to receive 7.97% increase at \$ 627 per ADA
 - ✘ LCFF Base Increase \$ 390.30 per ADA
 - ✘ Supplemental \$ 236.70 + Prior Year EIA

ESUHSD 2014-15 Preliminary Budget Assumptions

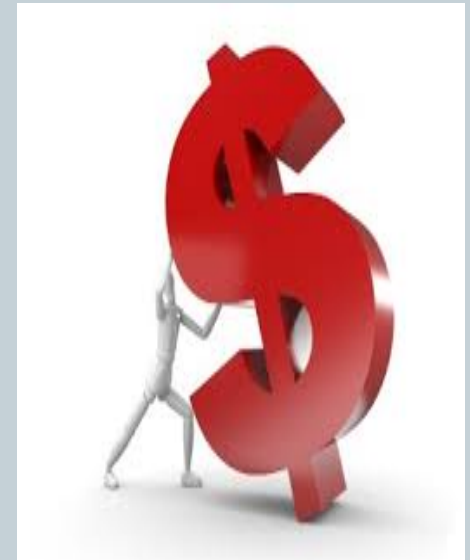
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The District's Budget Approach

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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's recommendation for the current year FY 2014-15 and multi-year FY 2014-15 through FY 2016-17



FY 2014-15 Major Budget Development Assumptions

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- **School Services of Cal. Dartboard;**
- **Enrollment & ADA;**
- **Salary & Benefits;**
- **Major Financial adjustments related to changes in staffing, programs, and other expenses;**
- **Recommended Fund Transfers, if applicable;**




School Services Dartboard

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Major Factors	2013-14 Est. Actual	2014-15	2015-16	2016-17
Statutory Cola	1.56%	0.86%	2.20%	2.4%
LCFF State Funding Rate	11.78%	28.05%	33.95%	21.67%
California CPI	2.0%	2.2%	2.4%	2.7%
California Lottery (Base)	\$124	\$126	\$126	\$126
California Lottery (Prop 20)	\$30	\$30	\$30	\$30

Enrollment & ADA

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Fiscal Year	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Projected	2015-16 Projected	2016-17 Projected
CBEDS Enrollment	24,077	23,686	23,532	23,630  Up 98	23,292  Down 338	23,172  Down 120
P-2 ADA	22,799	22,514.51	22,371	22,448	22,127	22,014
Enrollment to ADA%	94.69%	95.11%	95.07%	95.08%	95.09%	95.09%

Salary & Benefit Adjustments

Salary and Benefit Assumptions	FY 2013-14 (Base Year)	FY 2014-15 (Year 1)	FY 2015-16 (Year 2)	FY 2016-17 (Year 3)
Salary Step and Column % Increases:				
Certificated	1.5%	1.5%	1.5%	1.5%
Classified	2%	2%	2%	2%
Management	1.5%	1.5%	1.5%	1.5%
Benefits:				
STRS	8.25%	8.25%	8.25%	8.25%
PERS	11.417%	11.771%	11.771%	11.771%
Unemployment	0.05%	0.05%	0.05%	0.05%
Workers Comp.	1.963%	2.061%	2.061%	2.061%
Health & Welfare	6%	6%	8%	8%

Major Estimated Remaining Savings Projected Beginning FY 2014-15

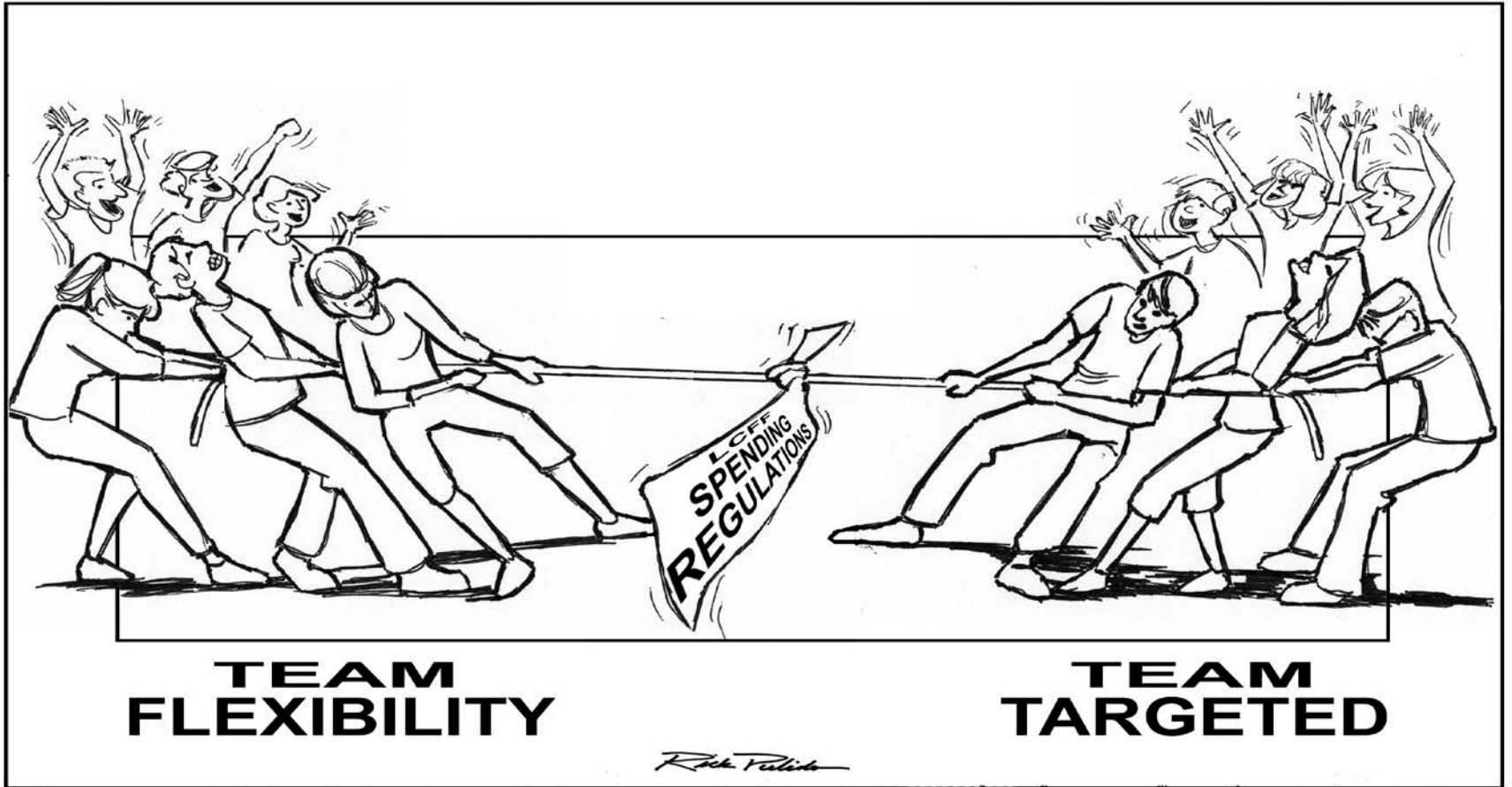
Budget Savings Actions Initiated in FY 2013-14	Source of Savings	FY 2014-15	FY 2015-16	FY 2016-17	Estimated Total Budget Savings through FY 2016-17
Dental Renewal Savings	Renewal Savings	\$400,000	\$300,000	\$ 0	\$700,000
Dental Plan Change to PPO	District Initiated	\$300,000	\$300,000	\$ 0	\$600,000
Full Benefits Audit	District Initiated	\$500,000	\$500,000	\$ 0	\$1,000,000
Solar Loan Payoff	District Initiated	\$1,867,814	\$1,914,637	\$ 0	\$3,782,451
Total Estimated Savings Remaining		\$3,067,814	\$3,014,637	\$ 0	\$6,082,451

Projected Staffing (FTE) Expenditure Increases Beginning FY 2014-15

New Positions Recommended for FY 2014-15	Certificated Administrators	Classified Managers	CSEA	ESTA	Total New Positions
LCAP – Supplemental Positions	1.5		11.5	30.7	43.7
Common Core				6.0	6.0
Sites – Maintaining the CORE	1		11	12	24
Ed Center - Districtwide Reorganization	1.5	2	4		7.5
Special Education			6	7	13
Routine Restricted Maintenance Activity (RRMA) Positions			8		8
Total Positions	4.0	2	40.5	55.7	102.2

Positions Total \$9.3 million for Salaries & Benefits Beginning in FY 2014-15

Local Control Accountability Plan Budget



Supplemental Positions Only Added by Site

School Sites	Instructional Coaches	Social Workers	Counselors (Decile 1-3 Only)	Parent Invol. Specialist	Librarians
Andrew Hill	.5	1.0	1.0	1.0	.25
*James Lick	.5	1.0	1.0	1.0	.25
Mt. Pleasant	.5	1.0	1.0	1.0	.25
WC Overfelt	.5	1.0	1.0	1.0	.25
Piedmont Hills	.5	1.0		1.0	.10
Oak Grove	.5	1.0	1.0	1.0	.25
Silver Creek	.5	1.0		1.0	.10
Yerba Buena	.5	1.0	1.0	1.0	.25
Independence	.5	1.0		1.0	.10
Santa Teresa	.5	1.0		1.0	.10
Evergreen	.5	1.0		1.0	.10
Calero		1.0			
Foothill	.5	1.0			
Education Center	1.5 Dir. & Coord.	1.0	.50		
Total	7.5	14.0	6.5	11.0	2.0

(Note: For James Lick add 2.2 FTE Teachers and .5 FTE Comp. Tech for New Tech)

All New Positions Added at School Sites

School Sites	Instructional Coaches	Social Workers	Counselors * Funded by District - Free up Site Discretionary	Parent Involvement Specialist	Librarians	General Clerks	Dean of Students
Andrew Hill	1.0	1.0	2.0	1.0	.25	1.0	
*James Lick	1.0	1.0	2.0	1.0	.25	1.0	
Mt. Pleasant	1.0	1.0	2.0	1.0	.25	1.0	
WC Overfelt	1.0	1.0	2.0	1.0	.25	1.0	
Piedmont Hills	1.0	1.0	1.0	1.0	.10	1.0	
Oak Grove	1.0	1.0	2.0	1.0	.25	1.0	
Silver Creek	1.0	1.0	1.0	1.0	.10	1.0	
Yerba Buena	1.0	1.0	2.0	1.0	.25	1.0	
Independence	1.0	1.0	1.0	1.0	.10	1.0	
Santa Teresa	1.0	1.0	1.0	1.0	.10	1.0	
Evergreen	1.0	1.0	1.0	1.0	.10	1.0	1.0
Calero		1.0					
Foothill	.5	1.0					
Total	11.5	13.0	17.0	11.0	2.0	11.0	1.0

(Note: For James Lick add 2.2 FTE Teachers and .5 FTE Comp. Tech for New Tech)

Supplemental LCAP Budget

Supplemental Budget	FTEs	Multi-Year Budget		
		2014/15	2015/16	2016/17
<u>Ed Center</u>				
Director I - Accountability	0.5			
Coordinator Support Services	1.0			
Social Worker	1.0			
Counselor - Migrant Ed/Student Services	0.5			
Ed Center Total		\$ 364,894	\$ 374,326	\$ 384,216
<u>School Sites</u>				
Instructional Coaches (0.5 FTE)	6.0			
Social Workers	13.0			
Parent Involvement Specialist	11.0			
New Tech - James Lick	2.2			
New Tech - Computer Tech (0.5)	0.5			
Librarians (Decile 1 - 3)	2.0			
Counselors (Decile 1 - 3)	6.0			
Site Total		\$ 4,215,076	\$ 5,553,116	\$ 5,703,935
<u>Site Program</u>				
A-G Credit Recovery/Acceleration		\$200,000	\$200,000	\$200,000
Supplemental Totals	43.7	\$4,779,970	\$6,127,442	\$6,288,151

ESUHSD 2014-15 Preliminary Budget

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2014-15 Major Changes in Revenues

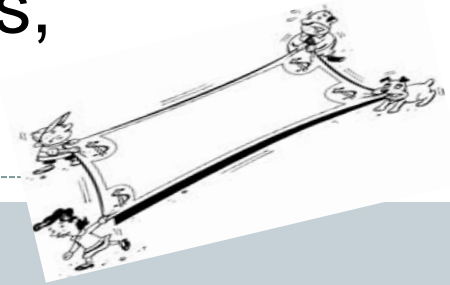
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- **Local Control Funding Formula (LCFF) – \$13.5 mil.** Increase based on Gov. Budget;
- **Federal Revenues – No Change;**
- **Other State – (\$53k) decrease** for prior year carryover;
- **Local – (\$556,569) decrease** due to one-time allocation for Clean Air Bus Grant and other adj.;
- **Special Education and Other Contributions – (\$362k)** decline primarily due to increased contributions for special education due to staffing increase;
- **Transfer for Routine Restricted Maintenance (RRMA) - \$850k** Increase for RRMA to hire addl. Maintenance staff

Total Est. Increase for FY 2014-15 \$ 11.7 Mil.

Major 2014-15 Expenditure Reductions, Increases, and Adjustments

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- **Certificated Salaries – Increase of \$ 5.9 Mil.** Primarily due to increase in certificated staff for LCAP and EIA;
- **Classified Salaries - Increase of \$1.9 Mil.** Primarily related to LCAP, site CORE, RRMA and Educ. Center staffing increases;
- **Employee Benefits – Increase of \$4.6 Mil.** Primarily due to an increase in certificated and classified salaries expenses;

- **Books and Supplies – No major changes;**
- **Operations and Contracted Services Expenses – Increase of \$861k**
Primarily related to Board election costs, IT communication expenses, and cost of insurance;
- **Other Outgo & Debt Service – No major changes;**

Total Increases and Adj. \$13.096 Mil.

FY 2014-15 Multi-Year Budget

Components (Unrestricted Only)	FY 2014-15	FY 2015-16	FY 2016-17
Revenues	\$170,070,247	\$179,524,804	\$181,520,144
Expenses	\$176,956,002	\$181,833,414	\$187,161,113
Net Increase (Decrease)	(\$6,885,754)	(\$2,308,609)	(\$5,640,968)
Other Sources/Uses	(\$600,000)	(\$600,000)	(\$600,000)
Beginning Balance	\$23,096,257	\$15,610,503	\$12,701,893
Ending Balance before Reserve	\$15,610,503	\$12,701,893	\$6,460,925
Revolving Cash & Stores	\$182,186	\$182,186	\$182,186
General Fund Reserves F/17	\$12,342,360	\$12,465,783	\$12,590,441
Ending Fund Balance (Est.)	\$28,135,048	\$25,349,863	\$19,233,552
Reserve %	12.11%	10.69%	7.91%

Preliminary Budget – Ending Fund Balance Components

Components (Unrestricted Only)	FY 2014-15	FY 2015-16	FY 2016-17
Revolving Cash	\$2,500	\$2,500	\$2,500
Stores Inventory	\$179,686	\$179,686	\$179,686
Res. For Economic Uncertainty (Fd 17)	\$12,342,360	\$12,465,783	\$12,590,441
Designated – Site Carryover	\$500,000	\$500,000	\$500,000
Designated – EIA & Supplemental Carryover	\$1,915,048	\$3,110,146	\$3,993,830
Designated – Addl. Reserve for Gov. Budget Actions	\$13,195,454	\$9,091,748	\$1,967,095
Ending Balance	\$28,135,048	\$25,349,863	\$19,233,552
Reserve %	12.17%	10.75%	7.97%

OTHER FUNDS/Child Nutrition Fund 61



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Categories	2013/14 Estimated Actual	2014/15 Preliminary Budget	Variance
Revenues	\$6,089,124	\$6,166,463	\$77,339
Expenditures	\$6,255,775	\$6,441,731	\$185,956
Net Increase (Decrease) to Fund Balance	(\$166,651)	(\$275,269)	(\$108,618)
Beginning Balance	\$361,293	\$194,642	(\$166,651)
Net Change	(\$166,651)	(\$275,269)	(\$108,618)
Ending Balance	\$194,642	(\$80,627)	(\$275,269)

Next Steps

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- District Budget Advisory Committee Meeting at the EC on May 13 @ 4 pm.
- School Services Governor's May Revision Information Session May 19;
- ESUHSD Public Meeting on the Budget will be held on:
 - May 21 – Evergreen Valley High School (Cougar Hall) @ 6:30 pm.
- Public Hearing and Governing Board's Review of the District Recommended Budget with Governor's May Revisions and Local Control Accountability Plan – June 5;
- Final Adoption of the 2014-15 Budget and Local Control Accountability Plan by the Governing Board – June 19;
- State Adopts Budget – Date TBD

Questions or Comments