



The East Side Budget Communicator

Volume 4
Fall 2013

Budget and Finance News

**Next District
Budget Advisory
Committee:**

**Open to the Public
Oct 22, 2013 at
4:00 pm. at the EC**

2012/13 Unaudited Actuals

East Side has successfully closed the books for FY 2012-13 and has submitted its' financial statements to the County Office of Education (SCCOE) for review and approval.

By incorporating good Governance and sound financial management practices, the District has ended fiscal year 2012/13 with an increase to our unrestricted fund balance by almost \$2.1 million compared to June estimates. The increase was primarily due to the payoff of the Solar Loan which has allowed East Side to save \$1.8 million in Debt Services charges.

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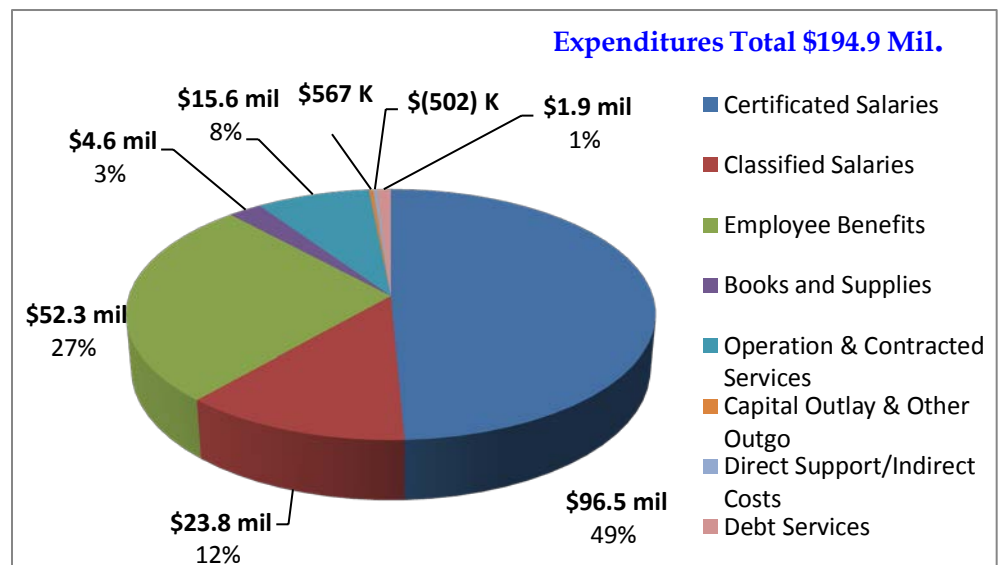
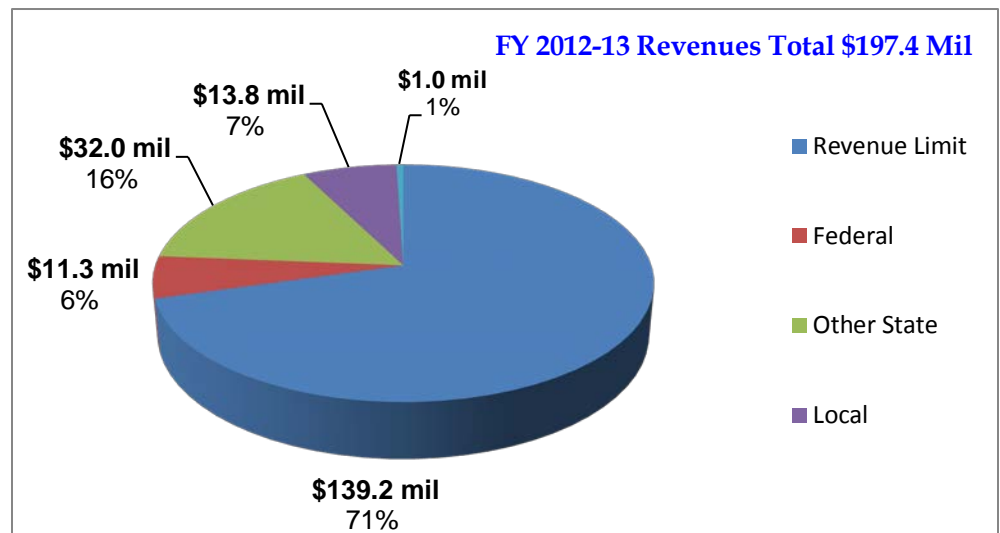
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Revenue Limit vs. the Local Control Funding Formula - What Happened to the COLA?

Old Revenue Limit System

- Under revenue limits, state law provides for an inflationary adjustment based on the change in the Implicit Price Deflator, as published by the U.S. Dept. of Commerce. The legislature could appropriate less than the amount needed, creating a revenue limit deficit, which was tracked by the deficit factor;
- If funded, the revenue limit COLA was provided as a specific dollar amount per ADA, which varied by the type of district (elementary, high school, unified);
- All revenue limit districts received the COLA;

New LCFF

- Under the LCFF, base grants are adjusted annually by the same Implicit Price Deflator;
- If funded, the change in the COLA will not necessarily correspond to the change in the funding received by the District;

Under the LCFF, a district's annual change in funding will depend primarily upon (1) its % of eligible students who qualify for free & reduced lunch, English language learners, and foster youth students and (2) its funding level in the 2012-13 base year. In other words, although the COLA may be represented as an increase of 2%, the actual increase will depend upon the change in student demographics. This was part of a major policy shift by the Governor to ensure that school districts with a high % of low income and ELL eligible students receive more funding.



California along with 44 other states have adopted and are transitioning to the Common Core State Standards. The Governor has earmarked funds in the state budget for implementation. East Side HSD will receive an estimated \$4.4 million which will be received over a 2 year period to allow for training and professional development of staff.

LCFF and the Local Control Accountability Plan – What Does it Mean for ESUHSD?

With increased funding from the LCFF, new rules have been established which require increased transparency and accountability in the use of funds. Specifically, districts are now required to adopt Local Control and Accountability Plans (LCAPs) that disclose how funds will be spent to provide high-quality educational programs. For FY 2014-15, the District must submit a plan to the County Office by July 1, 2014 which will be subject to County Office of Education approval.

School Districts Must Set and attain Annual Goals in Eight Specified Focus Areas or risk County Office of Education intervention.

Under LCFF Free Lunch signs ups are crucial for accurate count of low-income students?

ESDUHSD has embarked on an ambitious campaign to increase the number of qualifying students for the Free Lunch Program. Under the LCFF, district's with 55% or more unduplicated low income, ELL, and foster youth will qualify for concentration funding and reap millions more as part of the LCFF funding formula. For ESUHSD, this could mean almost \$5 million more over the next 3 years. The District believes and current research shows that [high school students are greatly under-enrolled](#) in the school lunch program, possibly because of a perceived stigma of receiving free lunch, according to the Federal Education Budget Project, a Washington, D.C.-based nonpartisan and nonprofit research group. The district is planning to provide increased funding to sites for additional classroom materials for teachers if the District is able to qualify for concentration funding.

Results of the Benefits Audit

As many of you are aware, the Board authorized an audit of health plan dependents with the objective of ensuring that benefit dollars are only paid to cover dependents who are eligible under the negotiated contracts. As a result of the audit, 152 total dependents were found to be ineligible for coverage which resulted in hard dollar premium savings of \$780,035 tied to direct premium reductions. In addition, there was \$304,975 in soft dollar (long-term) savings for projected claims and future premium savings resulting from dependents being removed from the plans. The audit costs a total of \$27,000 and we believe this was money well spent which will reap years of savings and cost avoidance for the District's medical benefits program.



Incorporating the Concept of Life Long Learning into the Overfelt Adult Education Central Plaza Design



On October 15th, a grand opening celebration was held at the newly opened Overfelt Adult Education campus. The new campus includes four new buildings housing twenty classrooms, a student lounge, administrative offices, restrooms and other support spaces.

The focal point of the central plaza is a large colored circle. The circle is designed to represent the mathematical calculation that has challenged brilliant minds for years - π (pi). Associate Principal Joe Vela of AEDIS Architects, who led the architectural, engineering and landscape architecture design teams on the project, says *“Designing this focal point for the plaza according to π expresses the mystery behind numbers and formulas. Our hope is that the OAE students are reminded as they walk across the plaza that learning is a lifelong journey.”*

Teacher Teresa Reen is already incorporating the π -inspired plaza into curriculum: *“My highest level readers are almost ready for the idea of metaphor and allegory and other literary terms. This will show them that it can be math too that can be used this way.”*

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Budget Questions and Answers

Question 1. Why are Negotiations taking so long this year?

Answer. The District has made several offers to ESTA and CSEA and we hope a settlement is near.

Question 2. Since State funding has improved, can we count on regular COLA increases?

Answer. With the LCFF, a change in the COLA will not necessarily correspond to the change in funding received because funding is dependent upon annual changes in % of free & reduced, ELL, and foster eligible students and 2012-13 base funding.

Question 3. When are we going to start bringing back lost position?

Answer. The Superintendent is currently collaborating with all district stakeholder groups to develop a district-wide strategic plan which will provide the framework for determining priorities.

Reminder for Employee Reimbursements

Incomplete forms delay the process.

- Please print clearly on the 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

- **Mandatory** District-wide ASB Training for Athletic & Activity Directors, Finance Clerks, Administrators, and Student Council Representatives will be announced soon.