



The East Side Budget Communicator

Volume 6
Spring 2014

**Next District
Budget
Advisory
Committee:**

Open to the
Public
TBD October
2014 at 4:00
pm

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**

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Budget Cont.

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Governor drops
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Area Commuter
Program

New Ed Tech Bond

Budget Q&A!

SITES (66.5 FTEs)

- Instructional Coaches
- Social Workers
- Parent Involvement Specialist
- Counselors
- New Tech – Teachers
- General Clerks
- Librarians

SITE SUPPORT (10 FTEs)

- Custodial Lead
- Maintenance Staff
- IT Help Desk

EDUCATION CENTER 12.7 (FTEs)

- Director – Accountability
- Director – Student Services
- Coordinator Support Services
- Classified Personnel Manager
- Social Worker
- Counselor
- Programmer Analyst
- Computer Specialist
- Receptionist

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.

FY 2014-15 Preliminary Budget Highlights (Continue)

2014 -15 Major Changes in Revenue

- **The Local Control Funding Formula (LCFF)** is projected to provide an increase of \$13.5 million in the District budget based on the Governor's budget recommendation
- **Federal, Other State, and Local Revenues** are not expected to change much in FY 2014-15 and will generally hold steady

Total Estimated Increase in Revenues \$11.7 million

2014 -15 Major Changes in Expenditures

- **Certificated Salaries increase \$5.9 million** primarily due to an increase in 59.7 FTE due to Local Control Accountability Plan (LCAP) and Districtwide reorganization
- **Classified Salaries increase \$1.9 million** primarily due to an increase in 42.5 FTE due to LCAP, additional site support, and increased maintenance staff
- **Employee Benefits increase \$4.6 million** primarily due to an increase in certificated and classified salary expenses
- **Books and Supplies** – No major changes
- **Operations and Contracted Services** have increased \$861,000 primarily related to increases in IT communication expenses, insurance expenses, and Board election costs;
- **Debt Service** – No major changes

Total Estimated Increase in Expenses \$13.1 million (Excludes Negotiated Settlements)

CalStrs Update – The Governor Drops a Bomb at May Revise

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:

	Current	2014-15	2015-16	2016-17	2017-18
Employer Contribution Rate	8.25%	9.5%	11.1%	12.7%	14.3%
Employee Contribution	8.0%	8.15%	9.2%	10.25%	10.25%
State	3.0141%	n/a	n/a	6.3%	

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

Sweeping Changes to the District's Free & Reduced Lunch Program

**FREE
LUNCH**

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.

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.



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Budget Questions and Answers

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 mil. 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.

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.