


EVERGREEN SCHOOL DISTRICT

Enclosure No. 13
Agenda Item 11.2
Date 6/13/13

DATE: June 13, 2013

TO: Katherine Gomez, Superintendent and
The Board of Trustees

FROM: Nelly Yang – Chief Financial Officer 

SUBJECT: Approval of the 2013-14 Budget

The FY 2013-14 Budget is presented with the Governor's proposed Local Control Funding Formula (LCFF) in multiple-year revenue assumptions (FY 2013-14, FY 2014-15, and FY 2015-16). School Services of California recommended the revenue assumptions below which are not in agreement with the Santa Clara County Office of Education's (SCCOE) 2013-14 Budget Guidelines dated May 22, 2013. The SCCOE advised districts to be conservative in planning for FY 2013-14 and beyond by budgeting a revenue limit with a lower COLA (Cost of Living Allowance) of 1.565% and a higher deficit factor of 22.272%.

Major assumptions included in the Budget are as follows:

Revenue Assumptions

- The Local Control Funding Formula is based on the School Services of California funding simulator.

LCFF BASE PER ADA:	FY 2012-13	\$5,942
	FY 2013-14	\$6,179
	FY 2014-15	\$6,482
	FY 2015-16	\$6,814

- Mandated Block Grant: \$47 per ADA
- Five-year Parcel Tax (Measure T) expiring on June 30, 2014
- One-time revenue of \$170 per ADA in FY 2013-14 for Common Core
- Continued utilization of State Tier III flexibility (This will be part of LCFF revenue.)
- Federal, State and Local estimated carryovers not included
- Federal sequestration reduction not included

Expenditure Assumptions

- FY 2013-14 enrollment and staffing based on May projection update and future years based on the November 2012 demographer's report. FY 2013-14 includes a reduction of 23 students and two additional classroom teachers; a reduction of 254 students in FY 2014-15 with a reduction of 10 teachers; a reduction of 249 students in FY 2015-16 with a reduction of 10 teachers.
- \$1.15 million for Step/Column salary increases for all groups
- Savings from 15 teacher retirements in FY 2013-14 and 5 teacher retirements in future years
- Savings from leaves/ resignations
- No salary increase for all groups
- Health benefits cost increase of 3% in FY 2013-14 and an estimated 5.47% in future years
- K-3 class size ratio maintained at 1:24
- Home to School Transportation adding two routes resulting in an increase 1.25 FTE bus drivers
- One-time Common Core expenditures
- Library service and assistant principals maintained at FY 2012-13 levels

The FY 2012-13 beginning balance had an available unrestricted reserve of \$19.13 million. Currently, based on the Local Control Funding Formula for future years' revenue projections, the District will use \$5.2 million in FY 2012-13; \$3.1 million in FY 2013-14; \$4.2 million in FY 2014-15; and \$2.8 million in FY 2015-16. Despite revenue increases, the district will still be deficit spending and will continue to work closely with all stakeholders to address this issue.

RECOMMENDATION:

It is recommended that the Board of Trustees approve the 2013-14 Budget.

Attachments (2)

A	B	C	D	E	F	G	H	I	J	K	L
	APRIL BUDGET UPDATE			JUNE BUDGET UPDATE			VARIANCE				
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted Variance B - E	Note	Restricted Variance C - F	Note	Total Variance
Revenue Detail											
7 Revenue Limit	65,066,559	844,878	65,911,437	65,066,559	844,878	65,911,437	-		-		-
8 Federal Revenue	-	4,759,678	4,759,678	-	4,759,678	4,759,678	-		-		-
9 Other State Revenue	11,314,678	3,726,214	15,040,892	11,314,678	3,726,214	15,040,892	-		-		-
10 Other Local Revenue	2,772,090	3,139,097	5,911,187	2,772,090	3,139,097	5,911,187	-		-		-
11 Total Revenue	79,153,327	12,469,867	91,623,194	79,153,327	12,469,867	91,623,194	-		-		-
12											
Expenditure Detail											
14 Certificated	47,540,754	5,717,944	53,258,698	47,424,654	5,865,544	53,290,198	(116,100)	*	147,600	*	31,500
15 Classified	5,221,427	3,611,742	8,833,169	5,210,927	3,614,342	8,825,269	(10,500)	*	2,600	*	(7,900)
16 Employee Benefits	19,739,115	3,830,303	23,569,418	19,739,115	3,792,323	23,531,438	-		(37,980)	*	(37,980)
17 Books & Supplies	1,291,108	2,282,306	3,573,414	1,355,208	2,189,086	3,544,294	64,100	*	(93,220)	*	(29,120)
18 Services, Other Operating	2,053,591	4,701,714	6,755,305	2,116,091	4,682,714	6,798,805	62,500	*	(19,000)	*	43,500
19 Capital Outlay	8,500	13,631	22,131	8,500	13,631	22,131	-		-		-
20 Other Outgo	20,467	366,193	386,660	20,467	366,193	386,660	-		-		-
21 Direct Support/Indirect	(307,154)	202,504	(104,650)	(307,154)	202,504	(104,650)	-		-		-
22 Total Expenditures	75,567,808	20,726,337	96,294,145	75,567,808	20,726,337	96,294,145	-		-		-
23											
24 Excess/(Deficiency)	3,585,519	(8,256,470)	(4,670,951)	3,585,519	(8,256,470)	(4,670,951)	-		-		-
25											
26 Other Financing Sources/Uses											
27 Transfers In			-			-	-		-		-
28 Transfers Out			-			-	-		-		-
29 Other Sources			-			-	-		-		-
30 Other Uses			-			-	-		-		-
31 Contributions	(8,788,959)	8,788,959	-	(8,788,959)	8,788,959	-	-		-		-
32 Total Other Sources/Uses	(8,788,959)	8,788,959	-	(8,788,959)	8,788,959	-	-		-		-
33											
34 Net Inc/Dec to Fund Balance	(5,203,440)	532,489	(4,670,951)	(5,203,440)	532,489	(4,670,951)	-		-		-
35											
36 Beginning Balance	21,000,374	2,292,134	23,292,508	21,000,374	2,292,134	23,292,508	-		-		-
37 Ending Balance	15,796,934	2,824,623	18,621,557	15,796,934	2,824,623	18,621,557	-		-		-
38											
39 Components of Ending Fund Balance											
40 Revolving Cash	15,000		15,000	15,000		15,000	-		-		-
41 Stores	70,160		70,160	70,160		70,160	-		-		-
42 Prepaid Expenditures	1,110,290		1,110,290	1,110,290		1,110,290	-		-		-
43 Restricted		2,824,623	2,824,623		2,824,623	2,824,623	-		-		-
44 Other Assigned	300,000		300,000	300,000		300,000	-		-		-
45 Reserve for Economic Uncertainty	2,888,824		2,888,824	2,888,824		2,888,824	-		-		-
46 Undesignated	11,412,660		11,412,660	11,412,660		11,412,660	-		-		-
47 Total	15,796,934	2,824,623	18,621,557	15,796,934	2,824,623	18,621,557	-		-		-
48 Percentage	14.85%			14.85%							

Note : Changes to June Estimated Actuals Report

* Schools and departments revised the budget between categories.
There were no changes in the projected unrestricted & restricted ending balances.

Restricted Fund Balance Detail:

Medi-cal	\$111,665
Lottery: Instructional Materials	645,088
Special Ed: Mental Health Services	988,400
Economic Impact Aid (EIA)	863,000
Maintenance Account	116,470
Local Donations	100,000
Total	\$2,824,623