

SAUSALITO MARIN CITY SCHOOL DISTRICT

2012-2013 Second Interim ~ General Fund

KEY BUDGET ASSUMPTIONS

The revised budget assumptions are based on the most recent information since the Governor's Budget Proposal. The updates and common message points used in this Budget Update come from School Services of California, Legislative Analyst's Office, Department of Finance and the Marin County Office of Education.

REVENUES: 2012-2013 = \$ 5,737,278

1. Revenue Limit Sources/Property Taxes = \$ 3,290,342 (this number reflects the revenues after WCA in lieu)

- Property taxes growth of 1.8% growth from 2011-2012 based on the J-29 (P1) estimates from the County of Marin.
- Revenue limit deficit factor of 22.272% for 2012-2013, 2013-2014 and 2014-2015.
- Declining enrollment based on CBEDS (20%). ADA estimates at 94% of enrollment per trend analysis.

2. Federal Revenue = \$294,338

- Carryover budgeted and no increases for COLA or growth budgeted.
- No ARRA-IDEA, ARRA-SFSF or Federal Jobs monies budgeted as these were one-time only.
- Title I, Title II, Title III monies budgeted reflecting decreases and increases per the recertification of funds.
- Federal budget cut of 8.2%.

3. State Revenue = \$ 866,293

- COLA of 0% applied to all categorical programs.
- Projected Basic Aid "Fair Share" reduction to categorical programs at approximately \$913.24 per student, lesser of 9.57% P2 Revenue Limit calculation before deficit or excess property tax (\$109,589).
- All categorical program balances available under prior year Tier 2 and 3 Sweep and/or Flexibility options remain shifted to unrestricted general fund. Slight increase in EIA categorical funding due to the recertification of the consolidated application.
- Home to School Transportation funding included at 2011-2012 funding level (\$455 total revenue).

4. Local Revenues = \$1,113,978

- Special Education AB 602 revenue – (transfer from SELPA-Special Education Local Plan Area) revised to reflect 0% COLA, budgeted flat.
- Rent increase on leased properties based on minimum set forth in current lease agreements.
- Slight increase in local revenues for shared services with Bolinas-Stinson Union School District.
- Marin Community Foundation VAPA grant, Pre-K to 3 grant and Transforming School Grant (TSG) reduced from prior year allocation (2011-2012). Reduction in the three Marin Community Foundation grants by 20% for 2012 - 2013 and an ongoing reduction of 20% per year thru 2014-2015 (until the grants are phased out).

EXPENDITURES: 2012-2013 = \$ 6,084,259

1. Salaries & Benefits = \$3,268,317

- Certificated salaries include the following staffing by formula:
 - ✓ 15 FTE Certificated
 - ✓ 3 FTE Administration (District)
- Classified salaries include the following staffing by formula:

- ✓ 13.23 FTE Classified support staff including maintenance, custodial, clerical, campus support, paraprofessionals
- ✓ 2.0 FTE Confidential (district office)
- ✓ 2.0 FTE Classified Management
- Statutory benefits (employer costs):
 - ✓ STRS rate 8.25%
 - ✓ Social Security rate 6.2%
 - ✓ Medicare rate 1.45%
 - ✓ SUI rate 1.61 % per EDD
 - ✓ PERS rate 11.4 per CDE
 - ✓ Worker's Compensation rate 2.215%
 - Certificated Total = 13.525%
 - Classified Total = 22.875%

2. Books/Supplies = \$ 279,926

- Book/Supplies (\$131,526 were one-time expenses funded by grants)

3. Services/Operating Expenditures = \$ 1,738,511

- Marin County Office of Education support/contracts (Psychologist, Nurse, Superintendent, Aries, CalPads, Technology, QSS, Payroll, Accounts Payable, Special Ed Director)
- Operational Expenditures for all sites; utilities, gas, sewer, trash, internet, communications, etc.
- Increase in Special Education expenditures: Non-Public School placements, non-public school agencies (speech, OT, PT, etc.)
- Funds allocated toward professional development for staff: International Baccalaureate program, curriculum/staff development, Summer Arts Institute, National Equity Project, Restorative Justice, etc.

4. Capital Outlay, Other Out-go and Other Financing Sources/Uses = \$ 797,505

- Deferred Maintenance contribution of \$100,000 (2012-2013 one-time contribution) to address ongoing major repair needs district wide.
- Contribution toward the Cafeteria fund
- District wide repairs
- Debt payments on COP's, Bonds, financing, etc.
- Supplemental to WCA

5. Reserves = \$603,426

- Designated for Economic Uncertainties remains at 5% (state requirement/law) of adopted budget operating expenditures (\$304,213).
- Maintained Board Designated reserve for Economic Uncertainties per Board Policy of 5% (\$304,213).

2013-2014 to 2014-2015 General Fund ~ MYP Factors

REVENUES

1. Property taxes estimated with a 1.5% growth from prior year for both 2013-2014 and 2014-2015.
2. Revenue limit deficit factor of 22.272% for 2013-2014 and 24.272% for 2014-2015.
3. Federal Revenue budgeted with a 8.2% decrease from 2012-2013 for both 2013-2014 and 2014-2015 per the current Federal budget cut approved by Washington D.C. at the beginning of March .
4. State Categorical program Revenues budgeted with 0% COLA per SSC dartboard. Includes flexibility options for ongoing Tier 3 programs and estimate of ongoing "Fair Share" reduction for Basic Aid districts (9.57% 2012-2013 & 8.92% 2013- 2014 & 2014-2015).
5. Marin Community Foundation grants for 2012-2013 to 2014-2015 with 20% reductions annually in grant amounts (reduction for 2012-2013; \$259,789 & 2013-2014; \$136,151 & 2014-2015; \$95,713).

EXPENDITURES

1. Salaries & Benefits

- 2013-2014 Staffing
Certificated salaries include the following staffing by formula:
 - ✓ 12.2 FTE Certificated (2.8 FTE reduction due to declining enrollment)
 - ✓ 2.0 FTE Administration (1 FTE reductions due to declining enrollment)
 - Projected step and column adjustments included in salary projections.
 - Benefits updated to include effects of step and column increases.
- Classified salaries include the following staffing by formula:
 - ✓ 9.33 FTE Classified support staff including maintenance, custodial, clerical, campus support, paraprofessionals (3.9 FTE reduction due to decrease in enrollment)
 - ✓ 1.0 FTE Confidential (district office; Reduction include 1 FTE)
 - ✓ 2.0 FTE Classified Management
 - Projected step and column adjustments included in salary projections.
 - Benefits updated to include effects of step and column increases.
- 2014-2015 Staffing
 - ✓ Certificated staffing (dependent on student enrollment and program)
 - ✓ Classified staffing (dependent on student enrollment)
 - Projected step and column adjustments included in salary projections.
 - Benefits updated to include effects of step and column increases.

2. Non-Salary accounts

Unrestricted/Restricted:

- Decrease in books and supplies of \$20,000 from 2012-2013 to 2013-2014 and of \$ 20,000 from 2013-2014 to 2014-2015 (need for budget reduction).
- Decrease in services and other operating expenditures of \$320,210 from 2012-2013 to 2013-2014 and of \$ 207,473 from 2013-2014 to 2014-2015 (one-time expenses, reduction in grant expenditures that are being reduced, elimination of services no longer needed and redirection of contracted services to direct-hire expenditures).
- Decrease in other outgo expenditures of \$95,000 from 2012-2013 to 2013-2014 and of \$117,000 from 2013-2014 to 2014-2015 in supplemental funding (need for budget reductions and LCFF in-lieu changes).
- Decrease in Deferred Maintaining contribution of \$ 67,000 from 2013-2014 to 2014-2015 (need for budget reductions)
- Increase in other financing uses of \$250,000 from 2012-2013 to 2013-2014 (on-going) for the COP payment.

3. Total Expenditure Reductions

- a. 2012-2013 to 2013-2014 = \$ 596,052 (after the addition of the COP payment)
- b. 2013-2014 to 2014-2015 = \$ 402,570 (after the addition of the COP payment)

RESERVES

1. Maintained Board Designated reserve for Economic Uncertainties of 10% per State & Board Policy.

NOTE: The Local Control Funding Formula (LCFF) is currently being reviewed and is expected to be part of the 2013 - 2014 Governor's budget proposal. If LCFF in its current proposed budget language is implemented, there would be no financial implication to the District's categorical funds ("hold harmless rule") but there could be district financial implications depending to how the charter school in-lieu funds are calculated (figure range from \$95K-350K).