

SAUSALITO MARIN CITY SCHOOL DISTRICT

2014-2015 First Interim Budget
Overview

December 9, 2014

First Interim Report

What is 1st Interim:

- ▣ State Law requiring Districts to report periodic budget certification
 - Covers the period from July 1 to October 31 of each year.
 - Formal benchmark for one-third of the year (revenue & expenditure trends contained in report usually continue for the remainder of the year)
- ▣ Board's must certify that it can meet it's financial obligations for the current and next two years.

SAUSALITO MARIN CITY SCHOOL DISTRICT 2014-2015

❖	Basic Aid Revenues/Property Taxes		\$5,170,957
	❖ (5,029,280+ 107,145+ 4,047+ 30,485)		
❖	In-Lieu Transfer	(-)	\$2,114,198
❖	<hr style="border-top: 1px dashed black;"/>		
❖	Sub-Total		\$3,056,759
❖	LCFF	(-)	\$1,024,740
	*Calculation: \$7,521.23 per 123.25ADA		
❖	<hr style="border-top: 1px dashed black;"/>		
❖	Difference		\$2,032,019
❖	NOTE: The District currently is approximately 39% deep into Basic Aid status		

LCFF/Revenue Limit Sources

Total Revenues

\$4,090,719

▣ LCFF/Revenue Limit Sources	\$ 6,255,339
❖ Property Taxes; \$ 5,029,280+ 107,145+ 4,047+ 30,485	
❖ LCFF/State Aid; \$ 1,024,740 + \$29,642	
▣ Transfer Unrestricted (Special Ed.)	<u>\$ (-) 20,422</u>
▣ Transfer of Charter In-Lieu	<u>\$ (-)2,114,198</u>
	\$ 4,090,719

SAUSALITO MARIN CITY SCHOOL DISTRICT

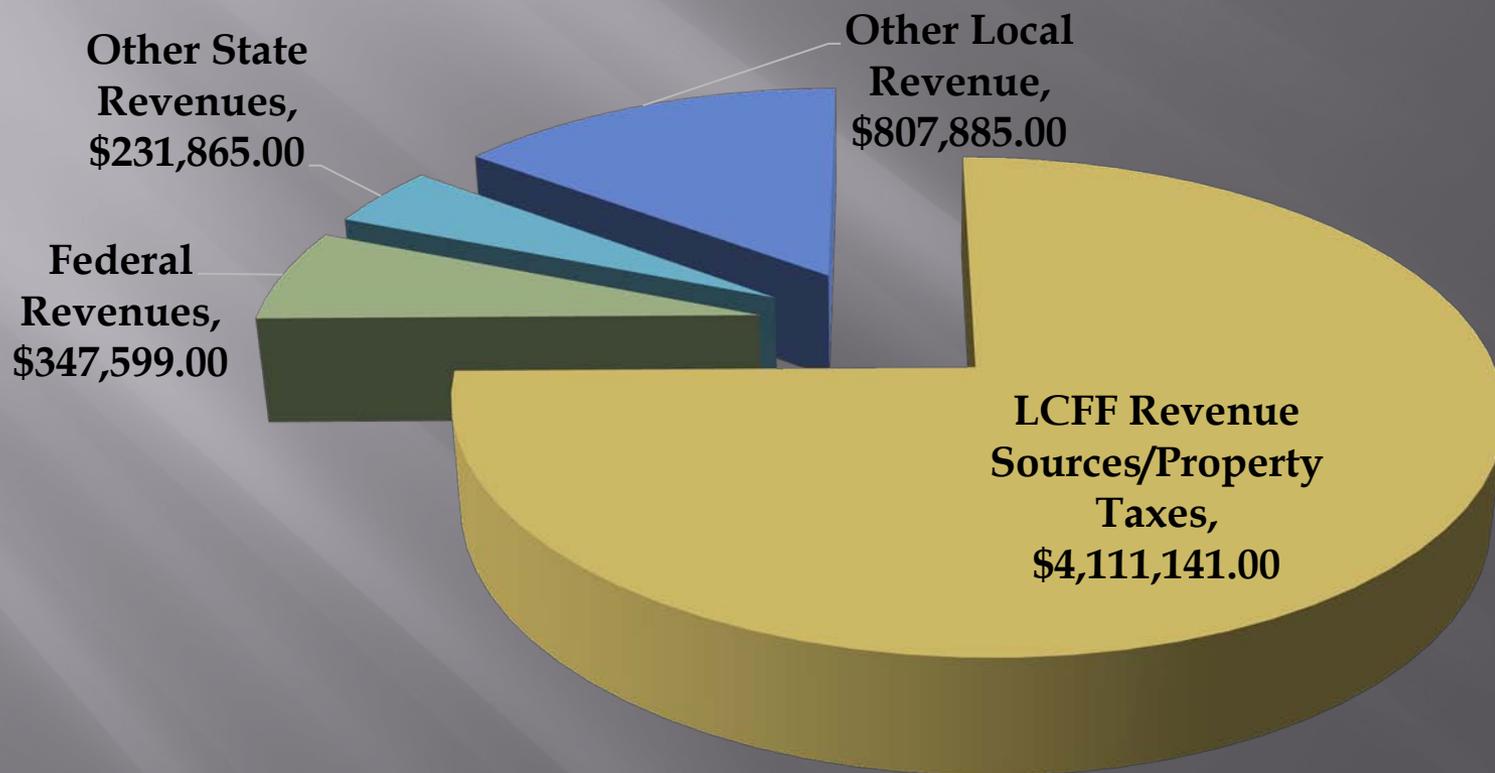
Revenue Detail

2014-2015

Revenue Source: Combined Unrestricted & Restricted	Budget Adoption	First Interim
Property Tax/LCFF Limit Sources	\$ 4,103,149	\$ 4,111,141
Federal Revenues (Special Ed., Title I-III)	\$ 344,478	\$ 347,599
Other State Revenues (EIA, CSR, Lottery)	\$ 280,742	\$ 231,865
Other Local Income (Leases/Rentals, Fees, County Special Ed., Grants)	\$ 748,058	\$ 807,885
Total Revenues	\$5,476,427	\$5,498,390

SAUSALITO MARIN CITY SCHOOL DISTRICT

Total Revenues : Unrestricted & Restricted 2014-2015



Federal Total Revenues

2014-2015

\$347,599

Revenue Source: Unrestricted & Restricted	Budget Adoption	First Interim
Maintenance and Operations	\$ 14,187	\$ 14,187
Special Education Entitlement	\$ 110,991	\$ 110,991
NCLB (Title I; Low-Income)	\$ 193,078	\$ 196,721
NCLB (Title II; Teacher Quality)	\$ 23,172	\$ 22,650
NCLB (Title III; Limited English)	\$ 2,650	\$ 3,050
Total Revenues	\$ 330,291	\$ 347,599

State Total Revenues 2014-2015 \$231,765

Revenue Source: Unrestricted & Restricted	Budget Adoption	First Interim
Mandated Cost Reimbursement	\$ 3,457	\$ 12,998
Lottery	\$ 16,725	\$ 19,494
Prop 39; CA Clean Energy Jobs Act	\$ 88,788	\$ 51,901
Common Core	\$ 24,400	\$ 0
All Other State Revenues (ex. Lottery)	\$ 23,138	\$ 23,138
After School Education and Safety (ASES)	\$ 124,234	\$ 124,234
Total Revenues	\$ 280,742	\$ 231,765

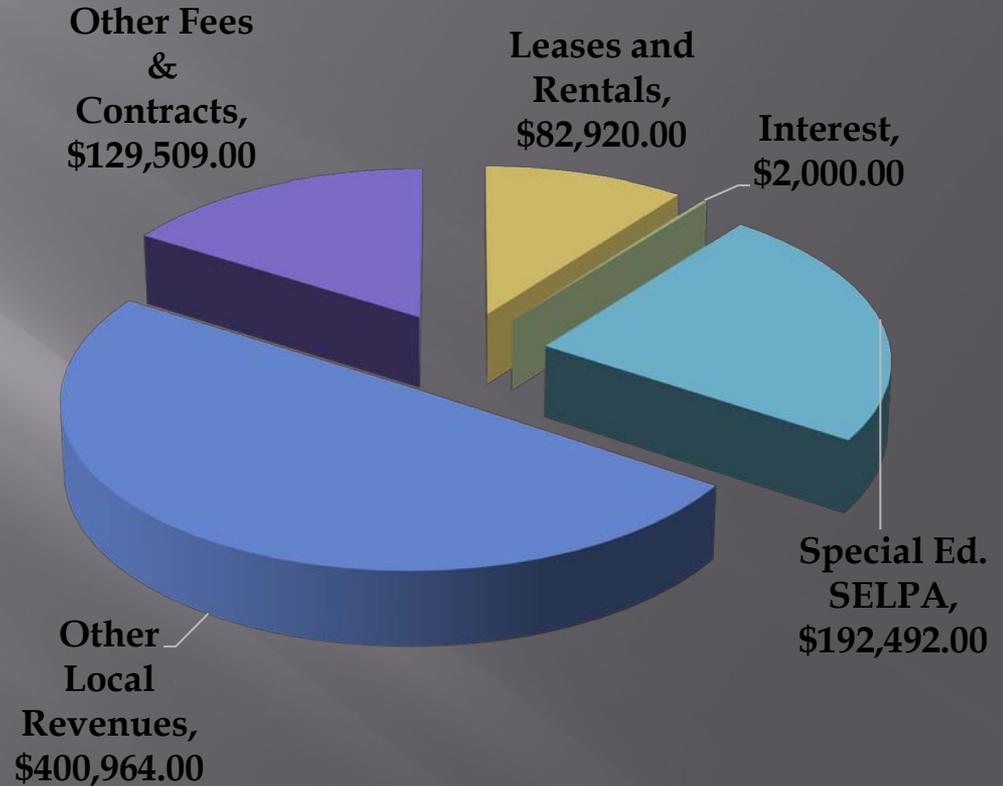
Local Total Revenues 2014-2015 \$807,885

Revenue Source: Unrestricted & Restricted	Budget Adoption	First Interim
Leases and Rentals	\$ 82,920	\$ 82,920
Interest	\$ 2,000	\$ 2,000
All Other Fees and Contracts: WCA Oversight/Technology/Aieres	\$ 71,909	\$ 129,509
All Other Local Revenues: MCF Grants (Pre K to 3, TSG) and Garden Program	\$ 398,737	\$ 400,964
County Office Special Ed. : SELPA	\$ 192,492	\$ 192,492
Total Revenues	\$ 748,058	\$ 807,885

LOCAL TOTAL REVENUE :Unrestricted & Restricted 2014-2015 \$807,885

❑ Leases and Rentals	\$ 82,920
❑ Interest	\$ 2,000
❑ Special Ed. SELPA	\$ 192,492
❑ *Other Local Revenue	\$ 400,964
❑ Other Fees & Contracts	\$ 129,509

*Other Local Revenues include restricted monies (Donations; School site, garden program, MCF Grants: Pre K to 3, VAPA, TSG)



Special Education Program Costs, 2014-2015

Special Education Expenses	\$ 1,196,483
<u>Less: Funded Special Ed.</u>	<u>\$ 303,483</u>
Special Ed. Encroachment	\$ 893,000

Total District Expenditures: Special Ed.

- 15% - Special Education Encroachment
- 4% - Funded Special Education
- 19%

- School districts throughout the state face a continuing challenge in funding the costs for serving Special Education students. SMCS D is proud of the Special Education support provided to our students, but the District is also faced with mounting increases in the difference between the federal and state governments' funding and the mandated costs for these vital student services.
- Unfortunately, the federal government has not provided the funding that was envisioned when the laws mandating programs for Special Education students were adopted.
- This shortfall in dedicated funding has led to very significant encroachment into the District's Unrestricted General Fund. Encroachment – the difference between Special Education income and expense – has forced the District into making cuts in other District programs in order to make up for the funding shortfall by federal and state governments

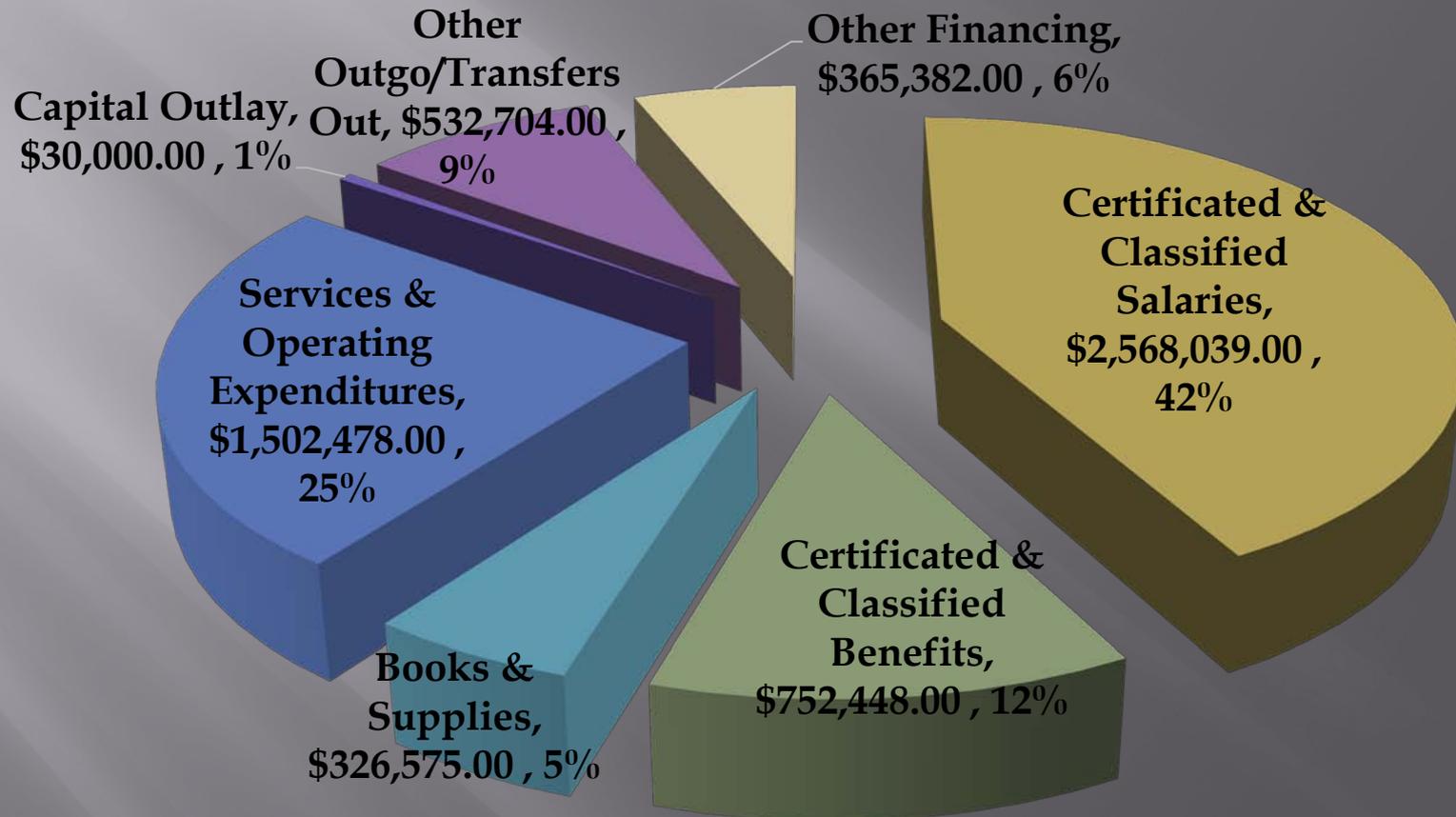
SAUSALIT MARIN CITY SCHOOL DISTRICT

2014-2015

Total Expenditure Details

Expenditure Type: Unrestricted & Restricted	Budget Adoption	First Interim
Certificated Salaries	\$ 1,678,193	\$ 1,762,188
Classified Salaries	\$ 811,565	\$ 805,851
Employee Benefits	\$ 712,047	\$ 752,448
Books & Supplies	\$ 160,026	\$ 326,575
Services & Operating Expenses	\$ 1,368,453	\$ 1,502,478
Capital Outlay	\$ 30,000	\$ 30,000
Other Outgo/Transfers Out	\$ 549,512	\$ 532,704
Other Financing; Def Mnt., Caf.	\$ 362,655	\$ 365,382
Total Expenditures	\$ 5,672,451	\$ 6,077,626

SAUSALITO MARIN CITY SCHOOL DISTRICT Expenditures 2013-14 (Combined restricted and unrestricted)



2014–2015 Budget Adoption Revenue and Expenditure Summary; Unrestricted & Restricted Combined

- | | |
|-----------------------------|---------------------|
| ▣ Total Revenues | \$ 5,498,390 |
| ▣ <u>Total Expenditures</u> | <u>\$ 6,077,626</u> |
| ▣ Net Increase (Decrease) | \$ - 579,236 |
| ▪ In Fund Balance | |
-
- | | |
|---|--------------------------|
| ▣ NOTE: Breakdown of Net Decrease: | |
| ▪ Budget Adoption | First Interim: |
| ▣ Unrestricted: \$-196,024 | Unrestricted: \$-417,447 |
| ▣ Restricted: \$- 0 | Restricted: \$- 161,789 |
| ▪ Restricted negatives are due to the budgeting of the carryover balances within the category “Books & Supplies” (4xxx object code) | |

CHALLENGES

- ▣ State and Federal economic uncertainties
- ▣ Local Property Tax uncertainties; current projections are 2% for the out years
- ▣ Special Education Encroachment; Costs are unpredictable and growing
- ▣ Continue to monitor Cafeteria Program Encroachment
- ▣ Monitor 5-Year Deferred Maintenance Plan
- ▣ While most of the 2013 sequestration cuts to Federal revenues appear to have been restored for the current fiscal year, sequestration provisions remain in effect through 2023
- ▣ Continued changes in legislative mandates including increased costs associated with retirement plans (STRS, PERS, OPEB)
- ▣ District is Deficit Budgeting and Spending (dipping into to reserves)

COMMON MESSAGE

- ▣ Shrinking revenue environment and increased ADA (increase in-lieu)
- ▣ Economic Recovery (slight increase in Property Taxes)
- ▣ Plan for MYP; 2 years out, continue to be cautious and focus on reduction strategies, develop financial projections and contingency plans accordingly
- ▣ Build Reserves: Community Funded Districts are advised to maintain reserves much greater than the State required minimum (School Services of California advises school districts to try and maintain a 16-18% reserve)