



FULLERTON
SCHOOL
DISTRICT



Great Schools
Successful Kids

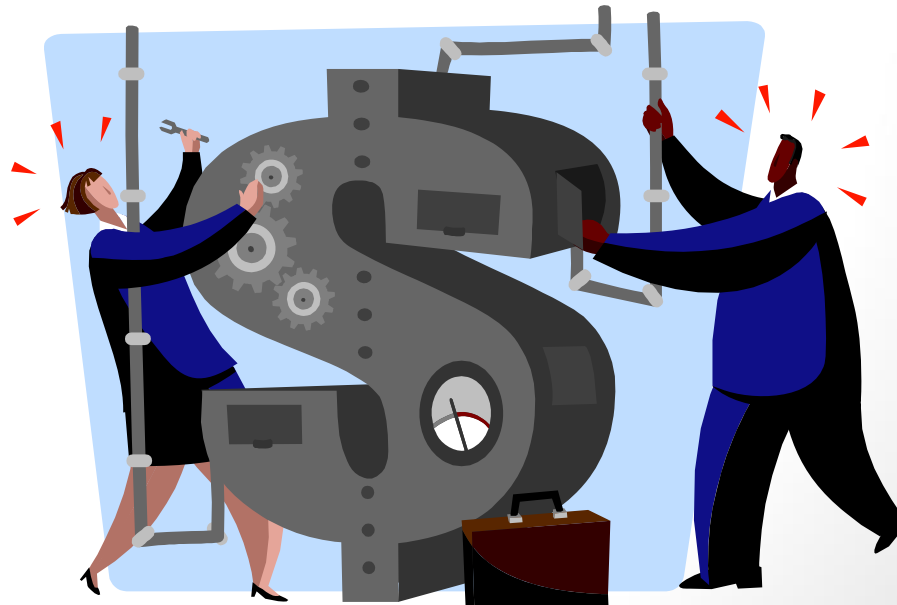
2014-15 Budget

Report to Board of Trustees

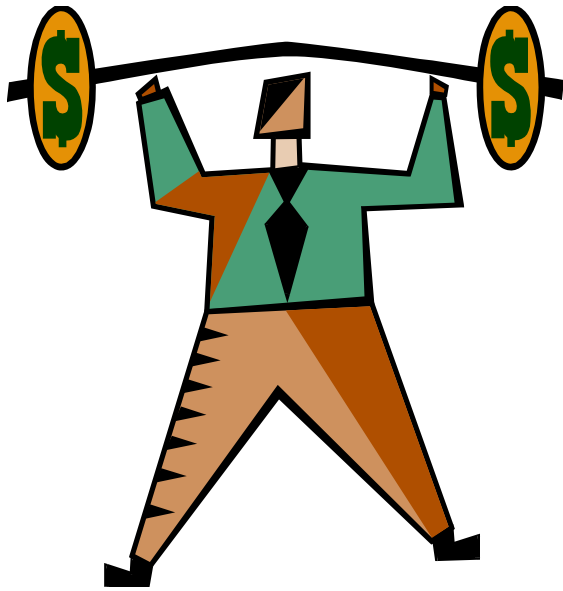
June 10, 2014

The LCAP Budget

- A new funding formula...
- A new budget process!
- 2 public hearings required before June 30th adoption



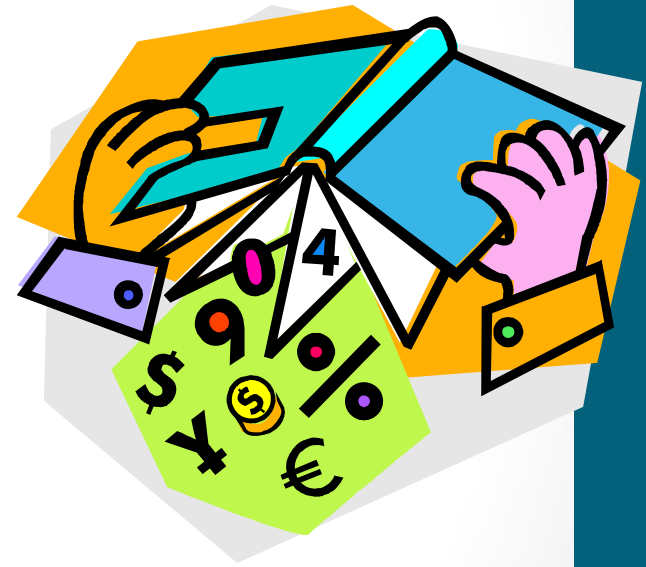
The “Final” Budget



- “Final” budget due June 30 to State
- For all funds:
 - 2013-14 Estimated Actuals
 - 2014-15 Budget
- General Fund only:
 - Multi-year projections through 2016-17
- Budget will be revised throughout the year

The “Final” Budget

- Our budget based on Governor’s January Budget
- State budget to be passed by June 15
- Our budget should not be materially different from final state budget – but still lots of details to be worked out



2013-14 Estimated Actuals

- District's best estimate of J-200 unaudited actuals
- Reflects current District budget
- Current budget includes all budget revisions for year



2013-14 Estimated Actuals

Items Reviewed:

- LCFF updated to latest information
- All Categorical programs/carryovers
- Other revenues
- All expense accounts
- Encroachment
- Other Funds



2013-14 Estimated Actuals

Material Changes from Second Interim



- Only material change: LCFF
- No other material revisions from Second Interim

2013-14 Estimated Actuals

◆ Estimated net decrease (\$ 1,847,082)

Total is made up of:

- Unrestricted net income
\$1,074,955
- Restricted net deficit
(\$ 2,922,037)



2013-14 Estimated Actuals

Ending Fund Balance:

Restricted, Reserved, Designated	\$ 2,537,609
Unrestricted	<u>22,323,406</u>

Total General Fund Ending

Balance	\$24,861,015
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2013-14 Estimated Actuals

Unrestricted Ending Fund Balance

- **\$ 22,323,406**
- 19.9% of total expenditures
- State requirement is 3%



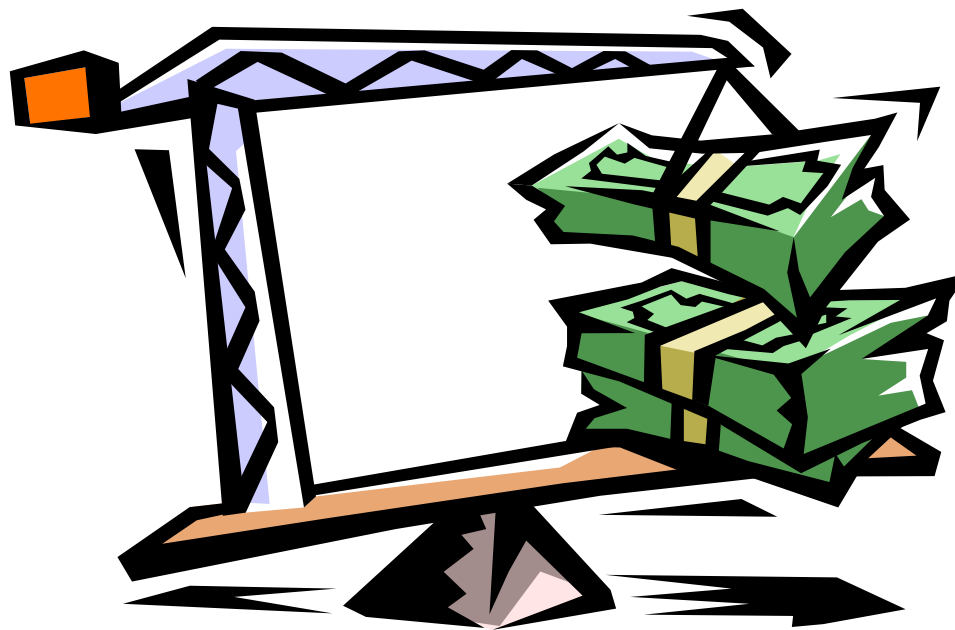
2013-14 Estimated Actuals

Final results should be better than Estimated Actuals

- 100% of categorical grants typically not spent
- Projected under-spending in expenditure accounts



2014-15 Budget



State Budget Overview



- Largest increase to K-12 education in CA history
- Increase in Prop 98 used for:
 - Continued implementation of LCFF
 - Buy down deferrals
- No increases to other K-14 programmatic funding

State Budget Overview

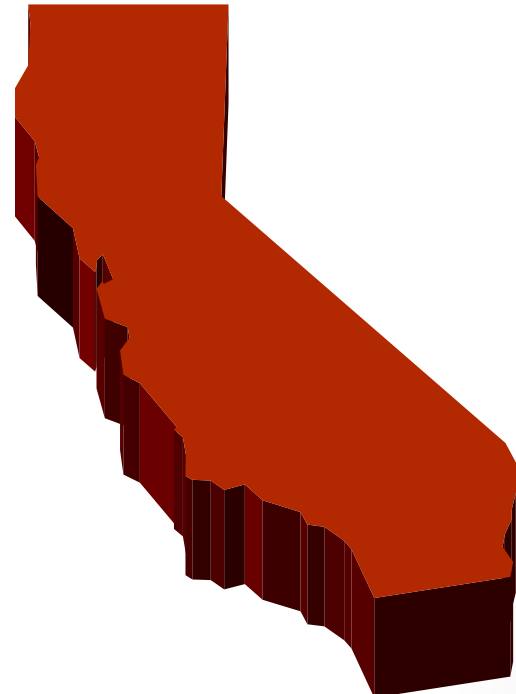
- \$4.5B to continue implementation of LCFF
- Average district increase for State: 10.7%
- \$737 per pupil
- Range is 0-20%
- 28% of full LCFF implementation



State Budget Overview

Other major proposals from the Governor:

- Rainy Day Fund
- Increase in Medi-Cal funding
- CalSTRS unfunded liability



State Budget Overview

What's not included:

- Statewide School facilities bond
- Increased funding for unfunded STRS proposal
- No new funding for Special Ed, Early Childhood Ed, Common Core
- No payment on prior year state mandate “credit card”

General Fund Budget Summary

2014-15 May Revision General Fund Budget Summary (In Millions)		
	2013-14	2014-15
Prior-Year Balance	\$2,429	\$3,903
Revenues and Transfers	<u>\$102,185</u>	<u>\$105,346</u>
Total Resource	\$104,614	\$109,249
Total Expenditures	<u>\$100,711</u>	<u>\$107,766</u>
Fund Balance	\$3,903	\$1,483
Budget Reserve:		
Reserve for Encumbrance	\$955	\$955
Reserve for Economic Uncertainties	\$2948	\$528
Budget Stabilization Account	\$0	\$1,604

- Revenues and transfers increase \$3.2 billion, or 3%
- Expenditures increase \$7 billion, or 7%
- The reserve is 2% of revenues and transfers



Fullerton School District Budget

FSD Budget - Revenues

Our budget based on:

- LCFF using latest updates
- No COLA on categorical programs (except for Special Ed)
- No other new revenues



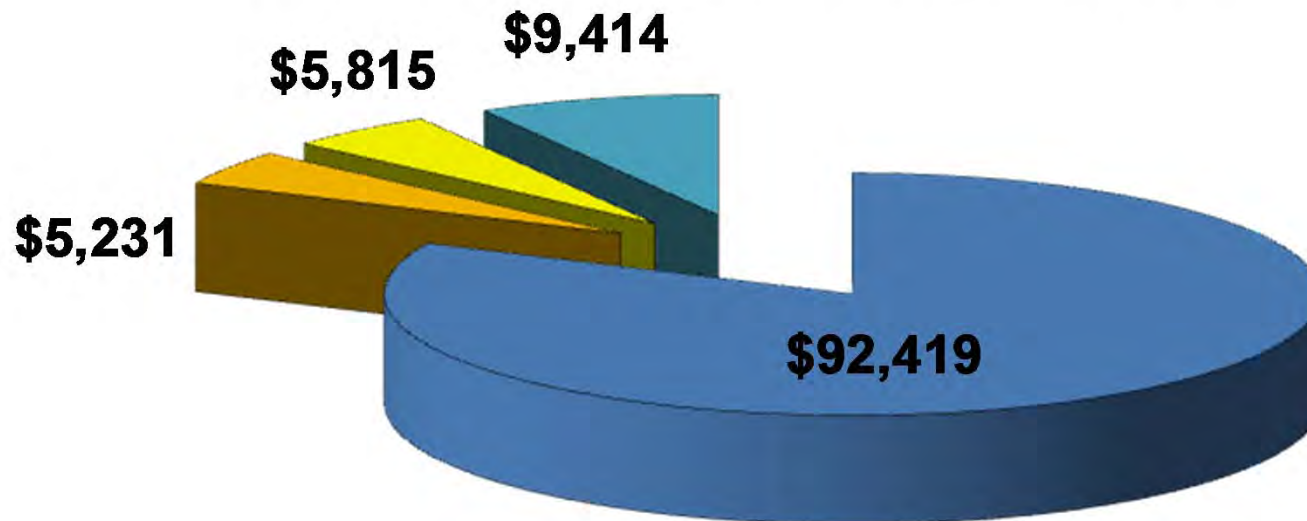
Projected Revenues – 2014-15

- Total Revenues - \$ 112.9M
- \$3.4M increase from Estimated Actuals 2013-14
- Increase due to increase in LCFF
- No projected increase in ADA

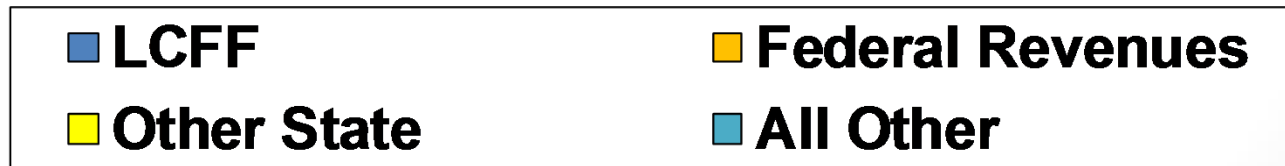


Projected Revenues – 2014-15

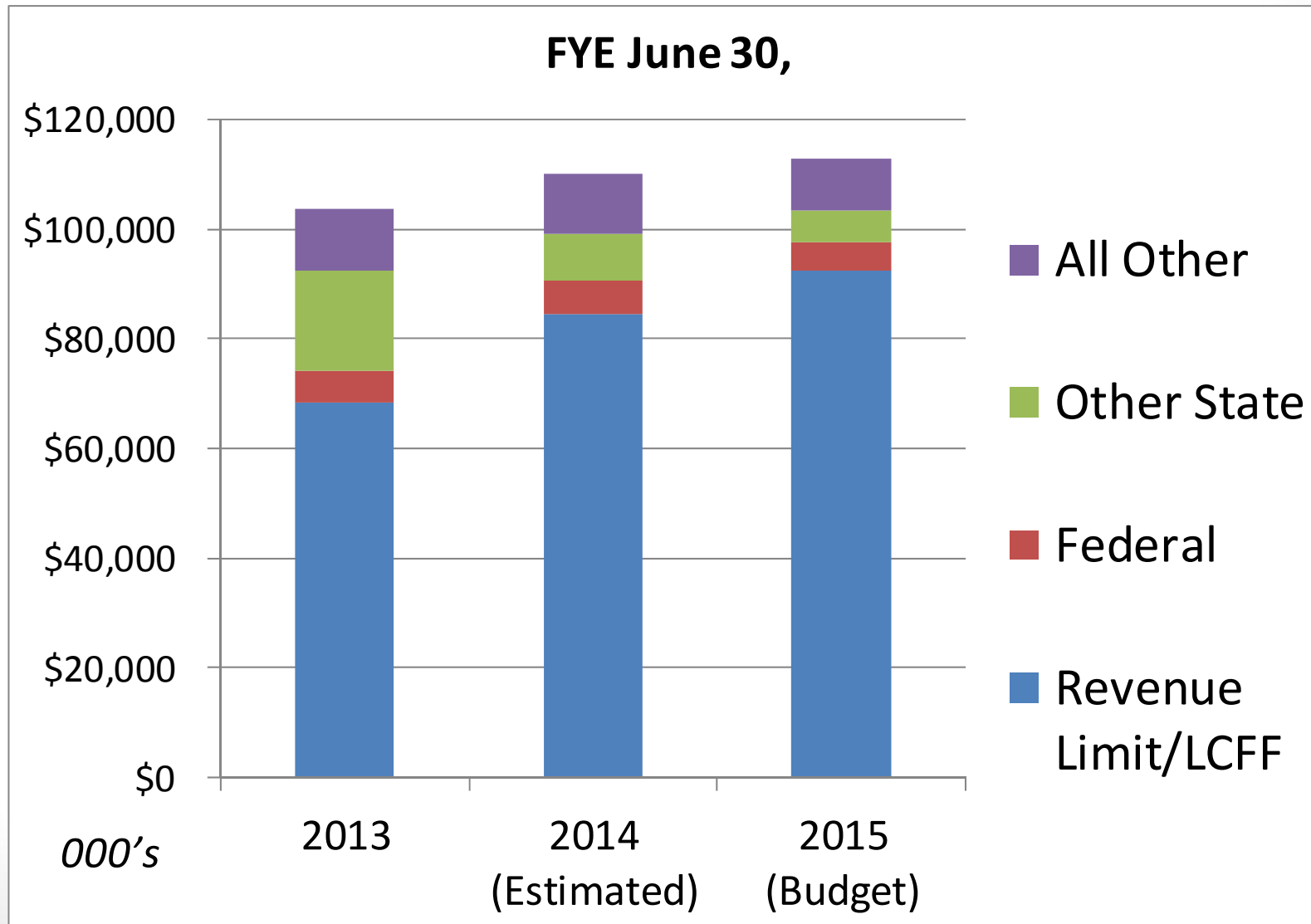
Total Projected Revenues = \$112.9 M



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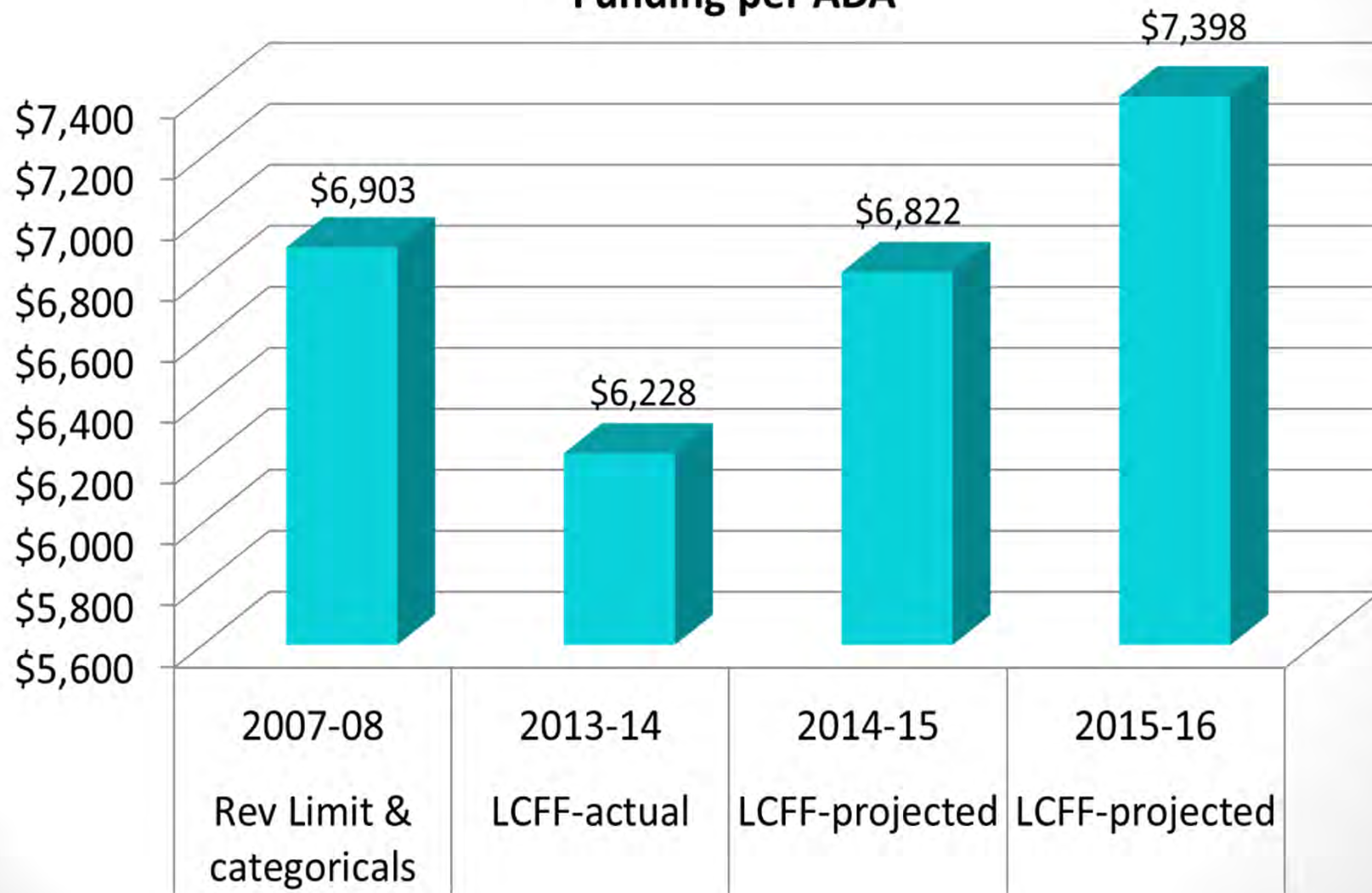


General Fund Revenues



Per Pupil Funding

Funding per ADA



Projected Expenditures – 2014-15

- Total \$111.8 M
- Increases to Budget:
 - Normal ongoing step and column
 - Added expenditures due to increase in LCFF



Budget Additions – 2014-15

Common Core Implementation

- Technology, professional development, instructional materials, staffing

Site-based Additions

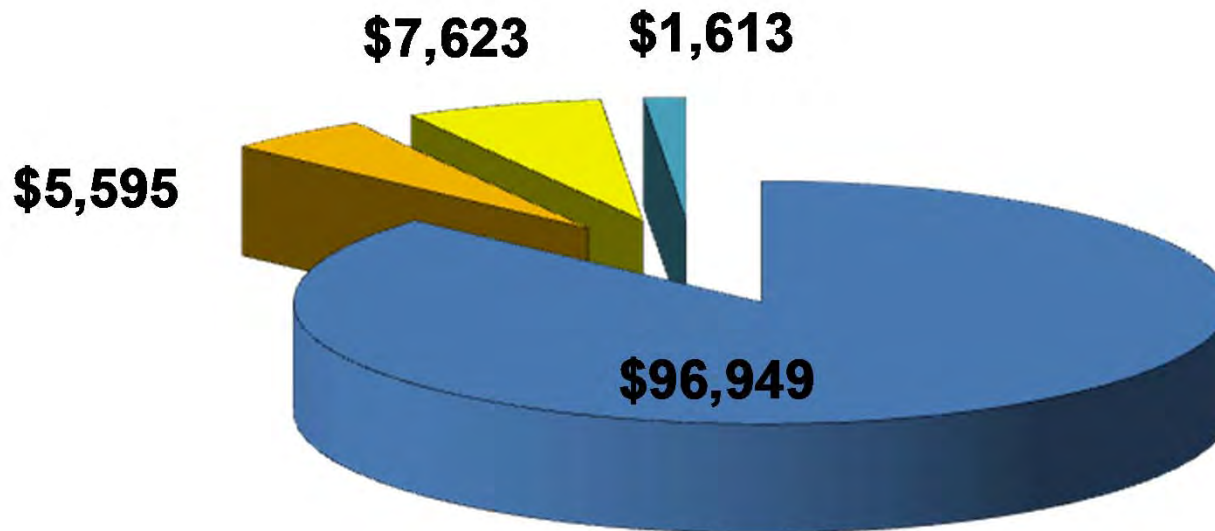
- RTI, health clerks, library/media tech support, playground supervision

Program Enhancements

- Transitional kindergarten, music/arts, Ladera Vista arts program, NJHS STEM

Projected Expenditures – 2014-15

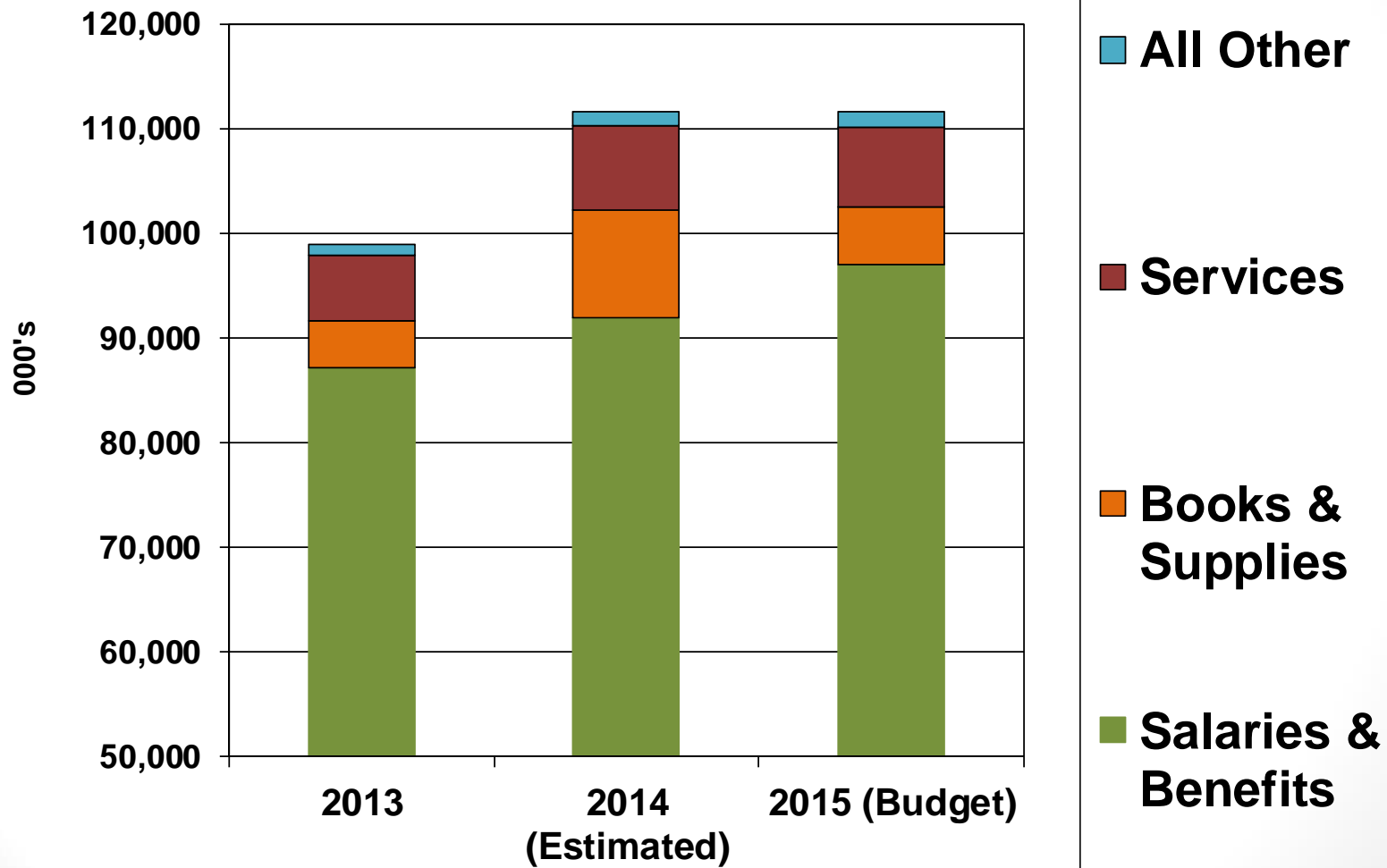
Total Projected Expenditures = \$111.8 M



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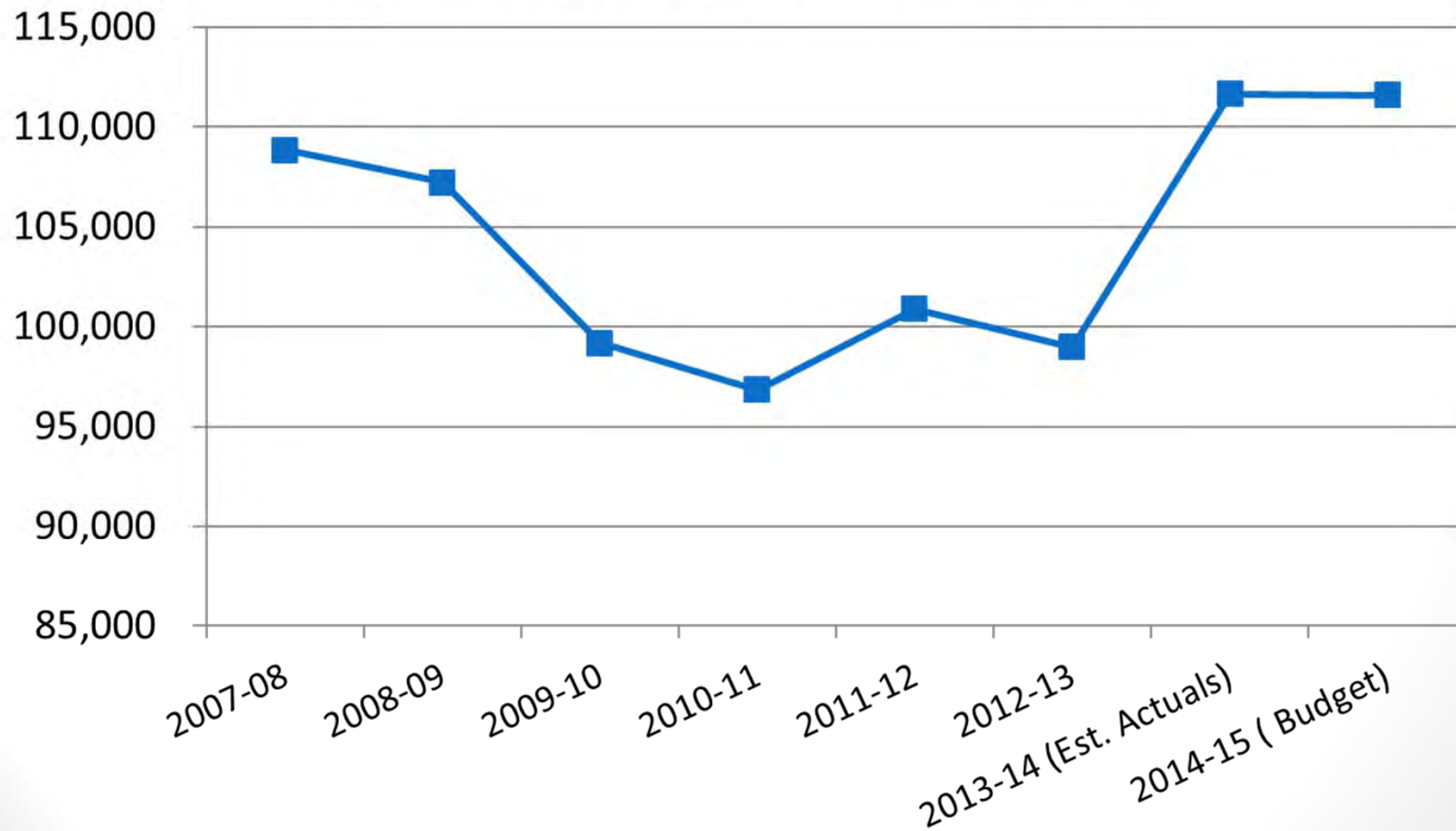


General Fund Expenditures



General Fund Expenditures

Total General Fund Expenditures (000's)



Governor's Proposed STRS Changes

Employer

- 8.25% to 9.5% for 2014-15
- Estimated cost = \$684,000
- Additional 1.5% each year until 2021
- 19.1% thereafter

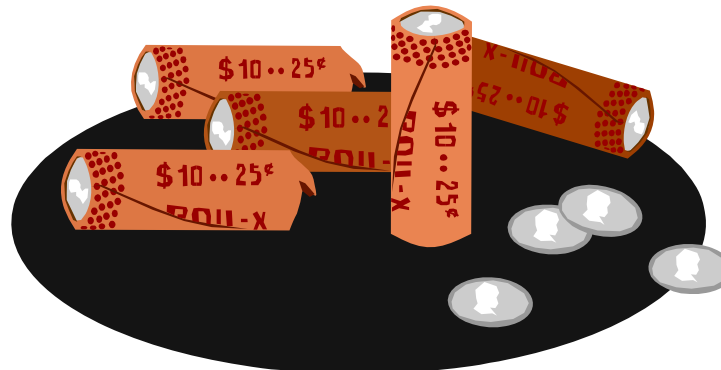
Employee

- 8% to 8.15% for 2014-15
- 9.2% for 2015-16
- 10.25% thereafter

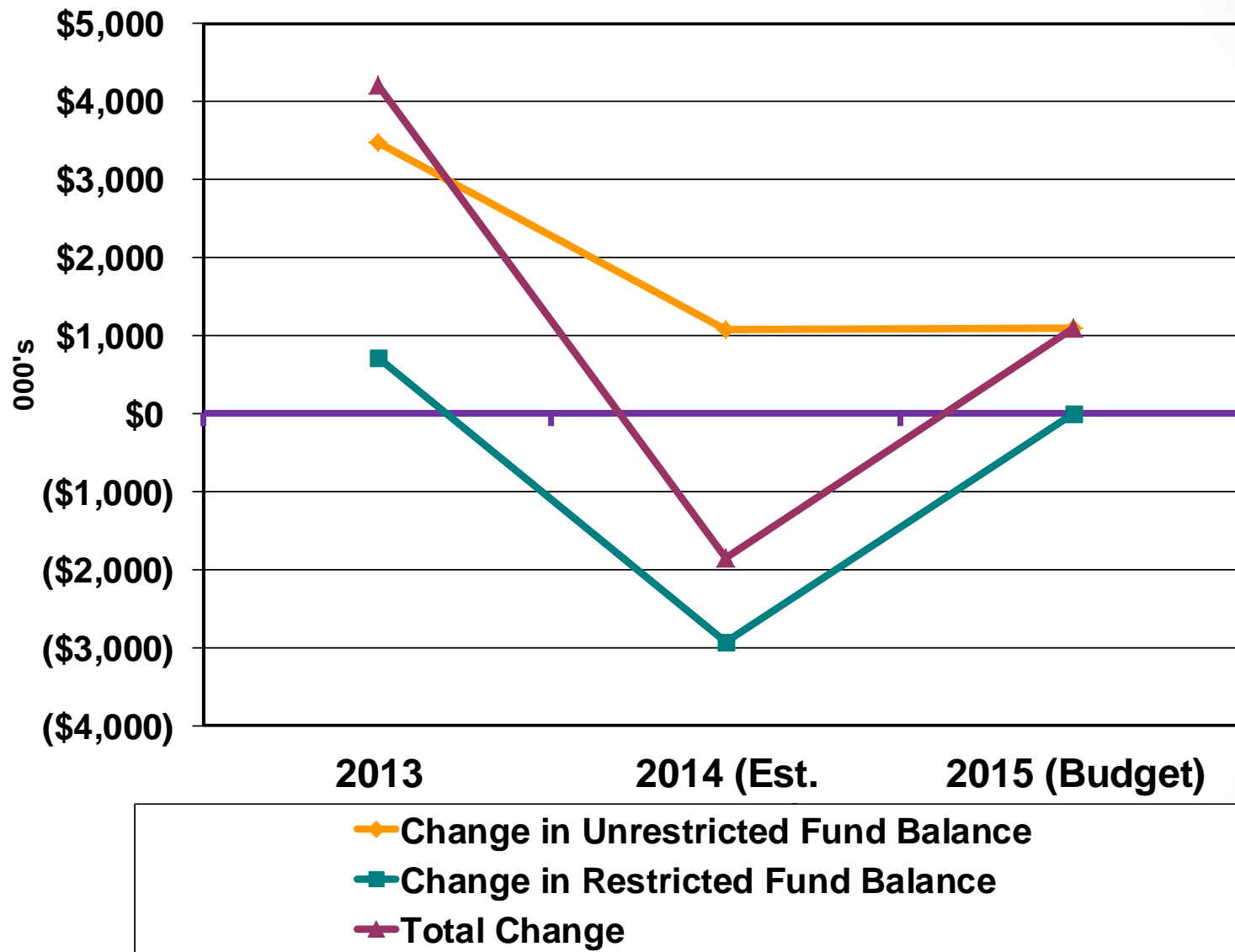
2014-15 Budget – Change in Fund Balance

Total estimated net increase \$ 1,099,127

All Unrestricted Fund

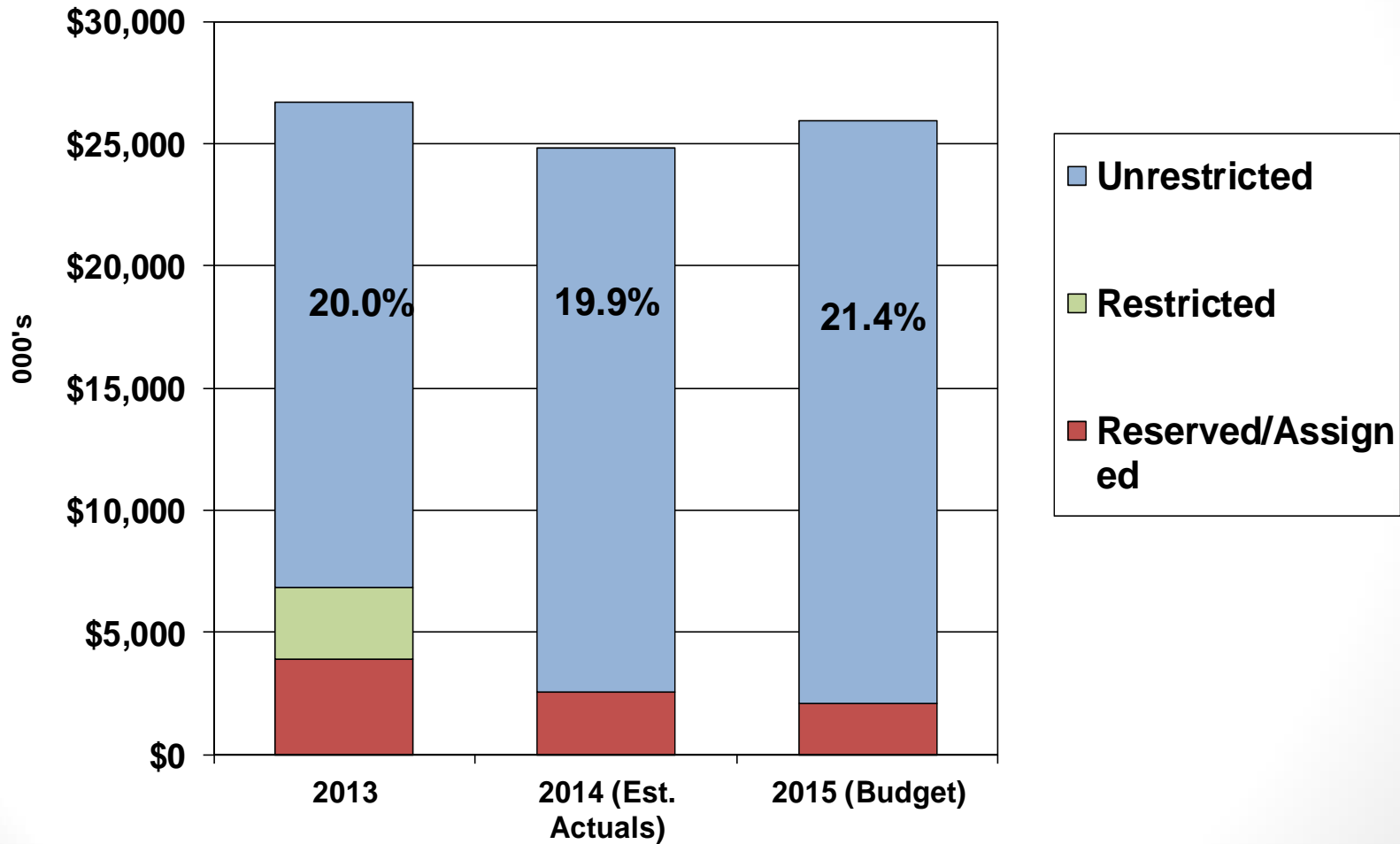


Change in Fund Balance



Ending General Fund Balance

Unrestricted Fund Balance %

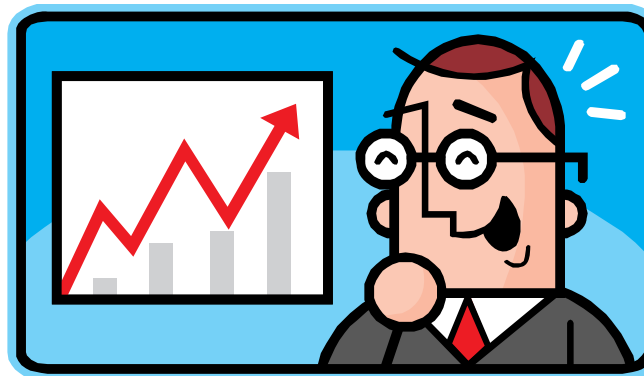


Three-year Projection - LCFF

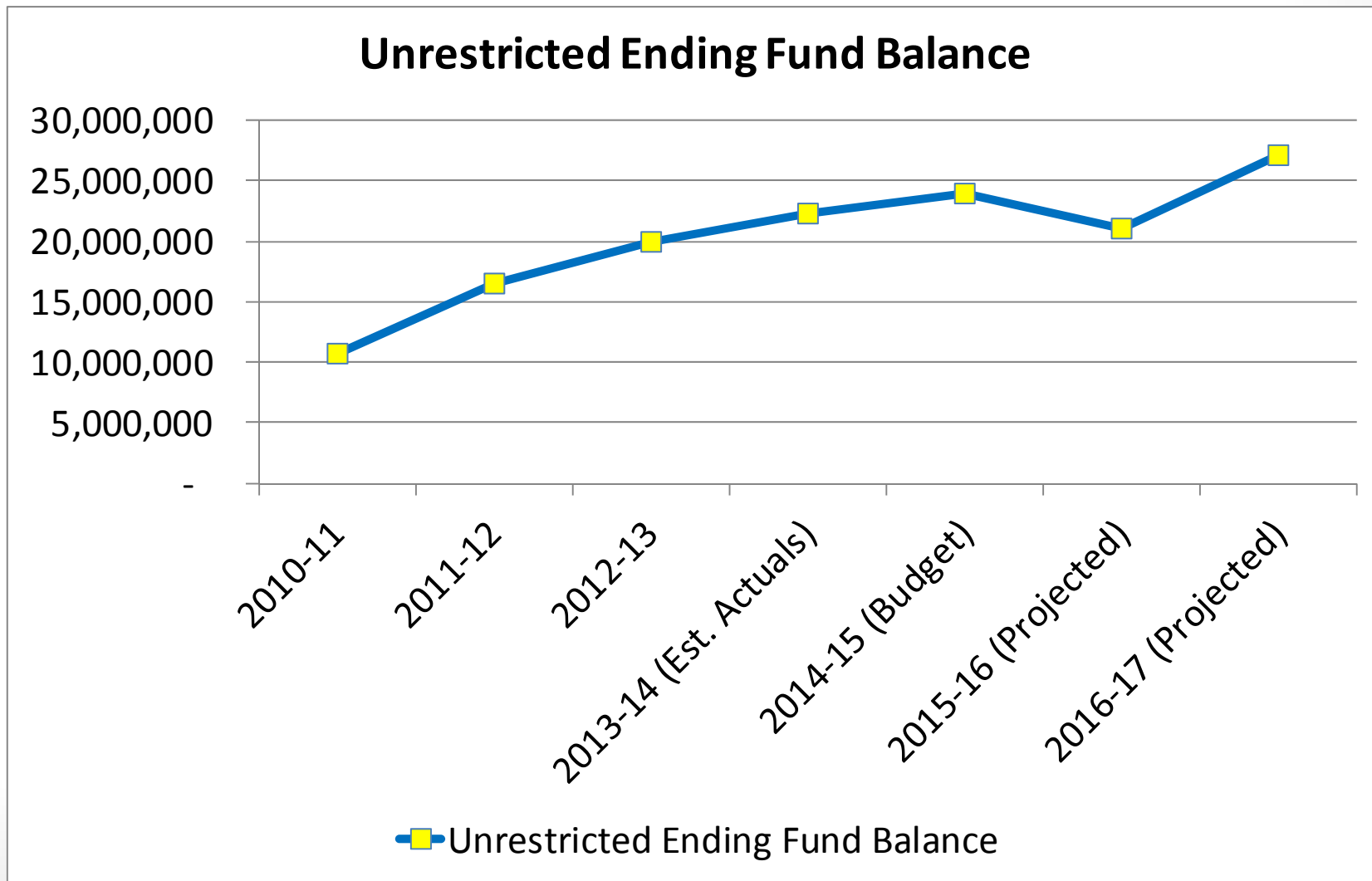
	2014-15	2015-16	2016-17
Statutory COLA	0.85%	2.12%	2.3%
Gap Funding Rate	28.05%	33.95%	21.67%
Unduplicated Count	51.31%	51.08%	50.6%
Net change in FSD LCFF	9.54%	8.44%	3.84%
ADA	13,547	13,547	13,547

Three-Year Projection

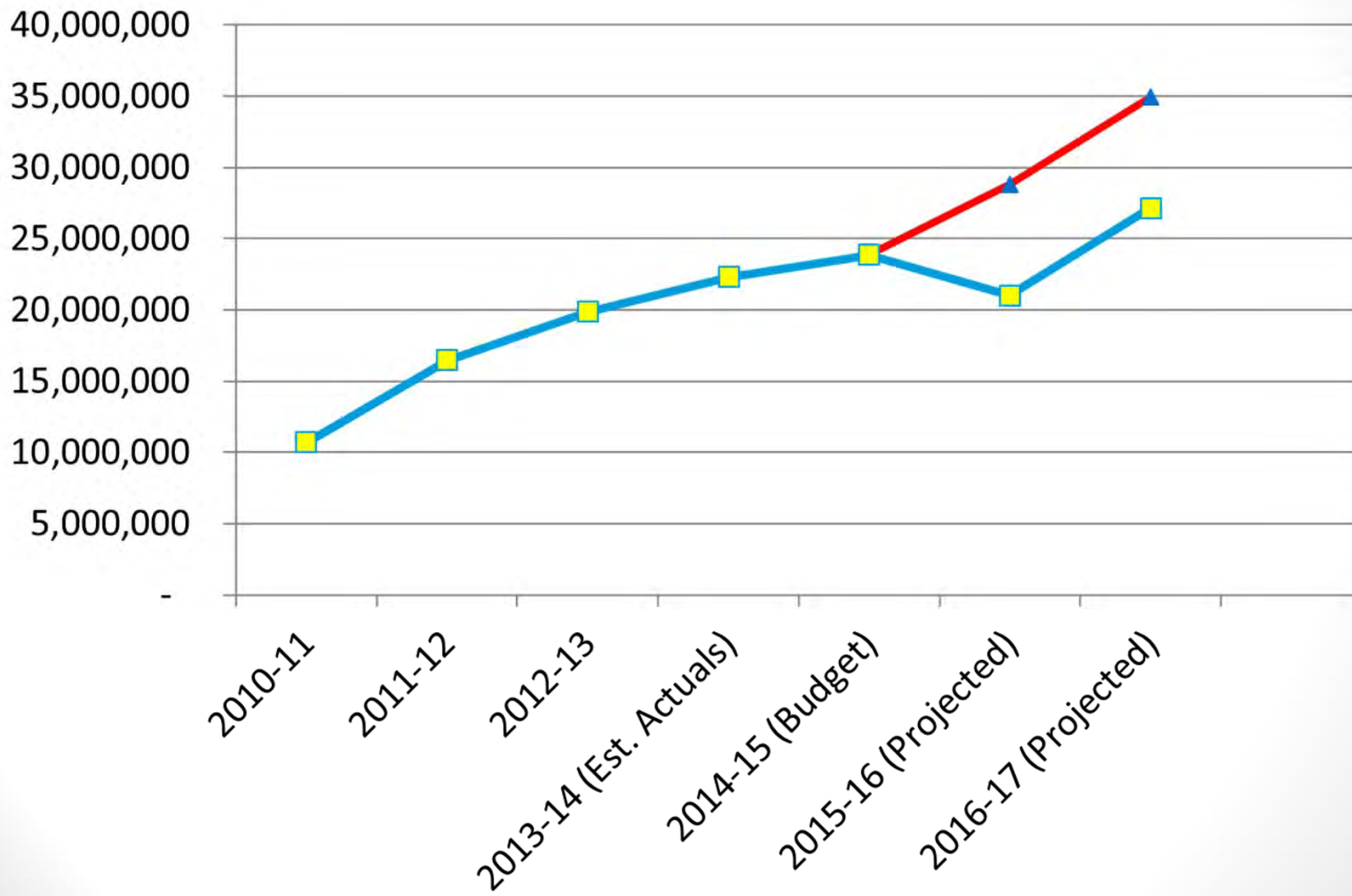
- Projected Unrestricted Fund Balance %'s:
 - 2014-15 21.35%
 - 2015-16 18.37%
 - 2016-17 23.20%



Ending Fund Balance



Ending Fund Balance



What's Next?

- Update our budget to State budget
- Close books on 2013-14 to determine carryovers
- Start school and count enrollment
- Further budget refinement

