

**"Empowering
Students for
Success"**



Capistrano Unified School District

**BUDGET SUBCOMMITTEE MEETING
APRIL 16, 2013**

Agenda Item 1. Purpose of Budget Subcommittee

- To develop a broader understanding of school finance and budgeting process
- To develop a deeper understanding of current budget, multi-year projection and other issues facing the District for the following budget year.
- Resources:
 - ◆ EdSource <http://www.edsource.org/>
 - ◆ Ed Data- Education Data Partnership <http://www.ed-data.k12.ca.us/>
 - ◆ CSBA-California School Boards Association <http://www.csba.org/>
 - ◆ CDE-California Department of Education <http://www.cde.ca.gov/>
 - ◆ FCMAT- Fiscal Crisis & Management Assistance Team <http://www.fcmat.org/>
 - ◆ U.S. Department of Education <http://www.ed.gov/>

Agenda Item 2. New Information on the State Budget

- Economy slowing improving
 - ◆ Median home prices up 24 percent since 2009. \$341K from \$275K
 - ◆ Jobs not coming back very fast. Regained 564,000 of 1.4 million lost in last recession
 - 1981 – 2.3 years to fully regain job losses
 - 1990 – 5.3 years to fully regain job losses
 - 2001 – 4.0 years to fully regain job losses
 - Current – 7 years expected before all lost jobs return
- March State revenues to-date better than projected.
 - ◆ Since July 2012 – Revenue for California is \$4.7 billion more than in Governor Brown's estimates.

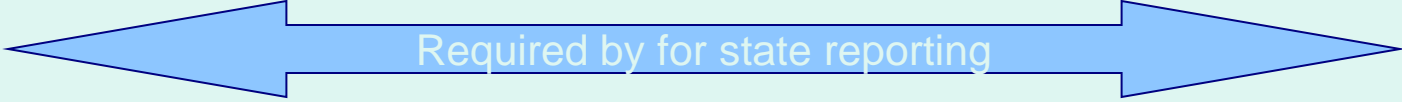
Agenda Item 2 (cont'd). New Information on the State Budget

- ◆ Personal income tax + 14.8 % above projections
- ◆ Corporate tax +5.8% above projections
- ◆ Sales tax -8.0% below projections – probably due to increased federal tax
- Income tax payments/refunds over the next few weeks will indicate if this improvement is solid or not. If net income is \$6.3 billion, this would put State revenue in line with projections.
- The Local Control Funding Formula is being debated in Sacramento.
 - ◆ Discussions have included eliminating the “concentration grant” and adding that funding into the “base grant”.
 - New LCFF would include a “base grant” and “supplemental grant” only.

Agenda Item 3. Budgeting Structure

- The Standardized Account Code Structure (SACS) is the statewide, uniform financial reporting format for school budgets
 - ◆ SACS is a system that allows for:
 - Statewide comparisons, with some limitations
 - The ability to identify how much is being spent and what type of moneys are in a budget
- While there are still differences in the way some districts code items in the budget, there is now a general level of consistency
- Why are we required to use SACS?
 - ◆ Align ourselves with federal requirements
 - ◆ Consistent recording of financial activity
- Foundation for the district's chart of accounts

Standardized Account Code Structure used at Capistrano Unified School District

| | | | | | | | | |
|--|-------------|-----------------|------------------------|---------------|-------------|-----------------|---------------|-------------|
|  | | | | | | | | |
| 8 Fields shown * | FUND (2) | RESOURCE (4) | PROJECT YEAR (1) | OBJECT (4) | GOAL (4) | FUNCTION (4) | SCHOOL (3) | MISC (3) |
| 25 Digits ** | XX | XXXX | X | XXXX | XXXX | XXXX | XXX | XXX |

- Fields are consistent between agencies but the order may vary

- *There are two, three-digit fields at the end of the account string [MISC 2 and MISC 3] not shown that are not used at this time.*

Understanding the Fields

- Fund (2 digits)
 - ◆ Keeps money separate
 - ◆ Similar to having multiple checking or bank accounts
 - ◆ Established in accordance with special regulations, restrictions or limitations
 - ◆ Fund 01 General Fund
 - Contains both unrestricted and restricted funds
 - Used for general operating expenses of the District

Understanding the Fields

- Resource (4 digits)
 - ◆ Identifies funding source; where the funds are coming from
 - ◆ Revenue and expenditures are tracked by:
 - 0000 – 2999 Unrestricted
 - 3000 – 5999 Federal
 - 6000 – 7999 State
 - 8000 – 9999 Local
- Project Year (1 digit)
 - ◆ Only used to track programs crossing fiscal years

Understanding the Fields

- Object (4 digits)
 - ◆ Classifies expenditures by the type of service or commodity:
 - 1000 – 1999 Certificated Salaries
 - 2000 – 2999 Classified Salaries
 - 3000 – 3999 Employee Benefits
 - 4000 – 4999 Books and Supplies
 - 5000 – 5999 Services and Other Operating Expenses
 - 6000 – 6999 Capital Outlay
 - 7000 – 7499 Other Outgo

Understanding the Fields

- Object (4 digits) – (cont.)

- ◆ Indicates the general source of income:

- 8010 – 8099 Revenue Limit
- 8100 – 8299 Federal Revenue
- 8300 – 8599 State Revenue
- 8600 – 8799 Other Local Revenue



- Goal (4 digits)

- ◆ Defines an objective related to an instructional setting or a special population of students receiving services
- ◆ All Special Education expenditures *and* income must have a Goal code beginning with “5”

Understanding the Fields

- Function (4 digits)
 - ◆ Identifies services or activities performed in support of a goal
 - 1000 – 1999 Instruction Provided Directly to Students
 - 2000 – 2999 Instruction Related Services
 - 3000 – 3999 Pupil Services
 - 4000 – 4999 Ancillary Services (Co-Curriculars)
 - 6000 – 6999 Enterprise
 - 7000 – 7999 General Administration
 - 8000 – 8999 Plant Services
 - 8000 – 8999 Other Outgo (Debt Service)

All expenditures must be coded to a Function code

Understanding the Fields

- School (3 digits)
 - ◆ Site location number

- Miscellaneous (3 digits)
 - ◆ Used to further describe an expenditure or income
 - ◆ Sites and departments may use it to track expenditures
 - Secondary uses this field to identify department expenses
 - Miscellaneous codes beginning with "9" are used for billings
 - M & O uses Miscellaneous 201 to track Use of Facilities

Learn More About School Finance

Helpful Links

- Ed Data – Education Data Partnership
 - ❖ <http://www.ed-data.k12.ca.us/Pages/Home.aspx>
- CSBA – California School Boards Association
 - ❖ <http://csba.org/>
- CDE – California Department of Education
 - ❖ <http://www.cde.ca.gov/>
- FCMAT – Fiscal Crisis & Management Assistance
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- U.S. Department of Education
 - ❖ <http://www.ed.gov/>

Agenda Item 4. Strategic Planning Process

- Marcus Walton will provide a summary of the District's strategic planning process.

Agenda Item 5. Budget Implications of Enrollment Projections and Staffing

- Elementary and Secondary staffing information