

**"Empowering  
Students for  
Success"**



# Capistrano Unified School District

2014-2015 Proposed Budget

June 11, 2014

# Capistrano Unified School District

## Vision

Educated, responsible, and confident citizens succeeding in a global society



## Mission

The Capistrano Unified School District, with support from our community, prepares students to achieve academic and personal success while becoming responsible citizens and lifelong learners



# Budget Calendar

Budgeting for schools is a continuous, year-round process

- **Adopted Budget June 30, 2014**
- 1<sup>st</sup> Interim December 15, 2014 (reporting data as of October)
- 2<sup>nd</sup> Second Interim March 15, 2015 (reporting data as of January)
- 3<sup>rd</sup> Interim\* June 1, 2015 (reporting data as of April)

\*Note: Pursuant to Education Code §42131(e), a 3<sup>rd</sup> Interim Report is only required to be filed by June 1 if the 2<sup>nd</sup> Interim certification is not positive.

# 2014-2015 State Budget

Proposed Budget



# Funding Local Control Funding Formula- Comparing Budget Proposals

- ▶ **Governor → +\$4.5 Billion**
  - ▶ Same as January proposal
  - ▶ No additional Common Core funding
  - ▶ Increase in STRS rates over seven years starting in 2014-2015
- ▶ **Senate → +\$4.8 Billion**
  - ▶ 50% of increase towards Career Technical Education (CTE) grade span adjustment
  - ▶ Same STRS total increases except lower employer rates in early years
  - ▶ +\$550 million for Common Core
  - ▶ +\$300 million towards Career Pathways Trust Program
  - ▶ +\$713 million for Early Childhood Education
  - ▶ +\$448 million mandate payments (10% of outstanding balance)
- ▶ **Assembly → +\$4.65 Billion**
  - ▶ Same STRS total increases except lower employer rates in early years
  - ▶ +\$1.25 billion for Common Core
  - ▶ +\$384 million new categorical program for CTE and Regional Occupational Centers
  - ▶ +\$440 million for Early Childhood Education
  - ▶ +\$292 million mandate payments

# District Budget

2014-2015 Projections





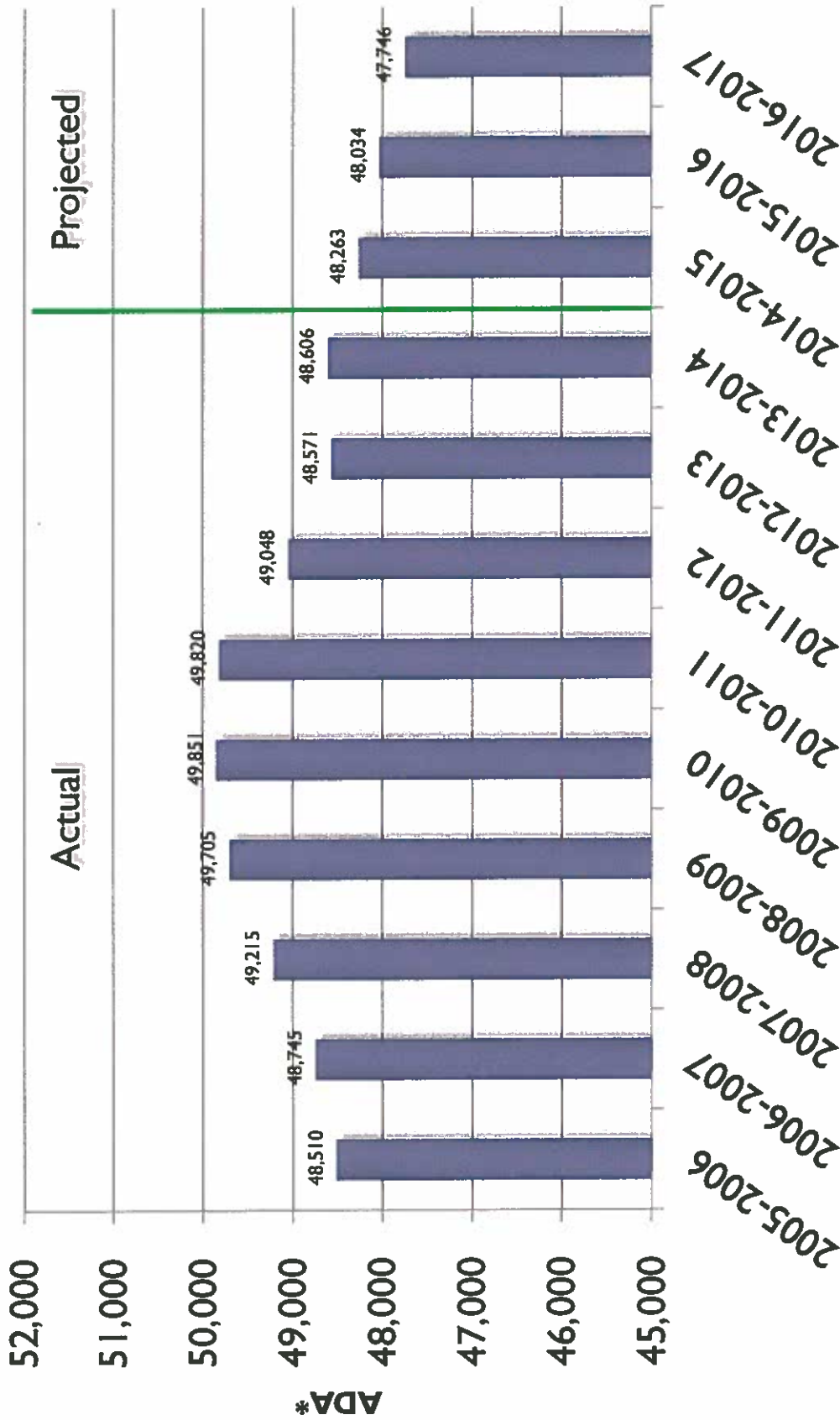
# Budget Development

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- ▶ **Budget Assumptions**
  - ▶ Framework for developing the 2014-2015 proposed budget
  - ▶ Revenue assumptions based on Governor's May Revised K-12 budget proposal
  - ▶ Expenditure assumptions based on returning to a full school year and full work year for all employees
    - ▶ Includes Governor's proposed STRS contribution rate increases
    - ▶ Step and Column salary adjustments
    - ▶ Any other expected increases or decreases in expenditures
- ▶ **Budget Guidelines**
  - ▶ Provide the over arching philosophy for developing and managing the budget
    - ▶ Building reserve levels
    - ▶ Avoiding deficit spending when funding is improving
    - ▶ Staffing effectively
    - ▶ Adhering to supply and equipment formulas

# Average Daily Attendance (ADA)

Trend and Projection



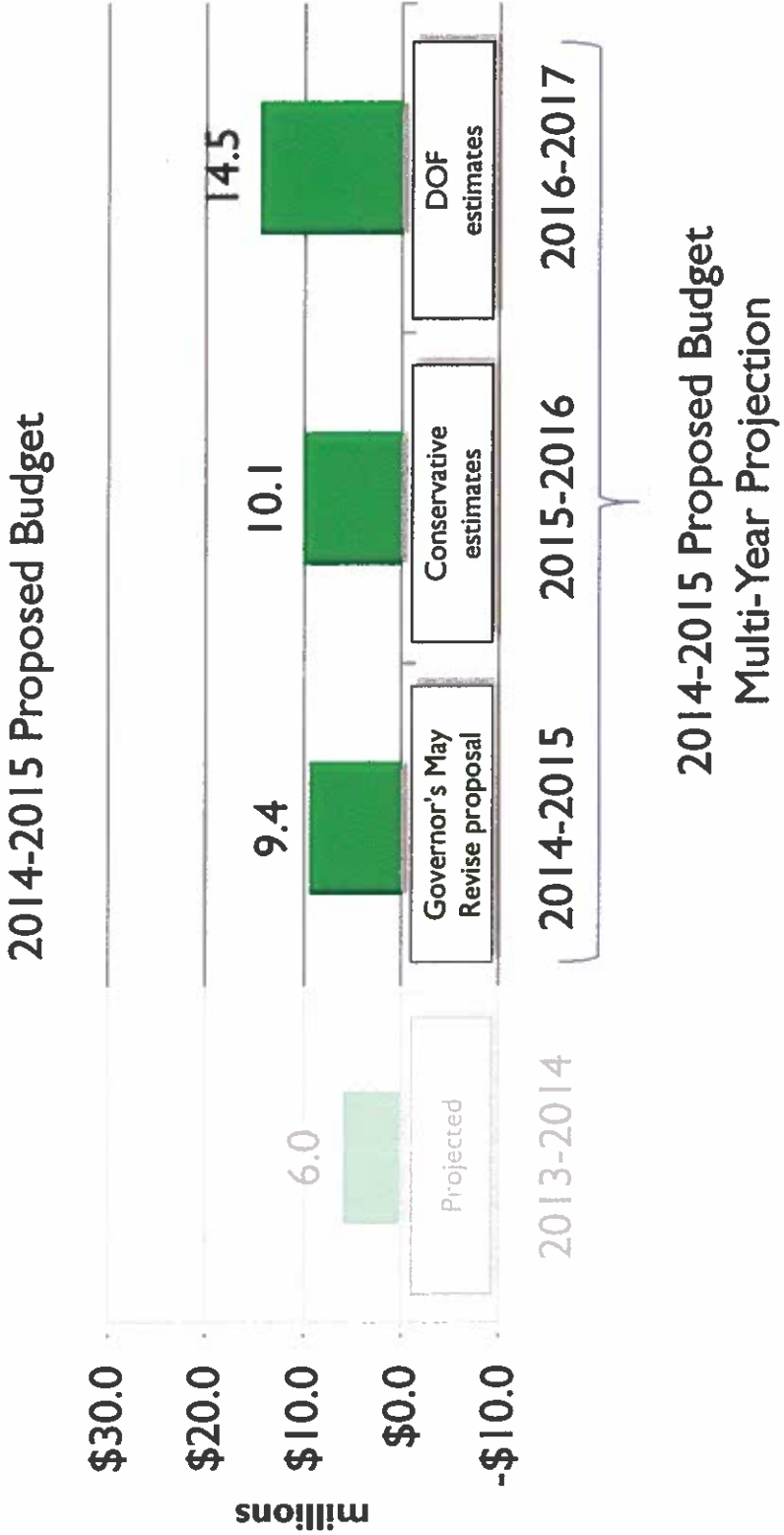
ADA\*



\*funded average daily attendance (ADA). Increase in 2013-2014 due to change in how Camp Pendleton students are counted.

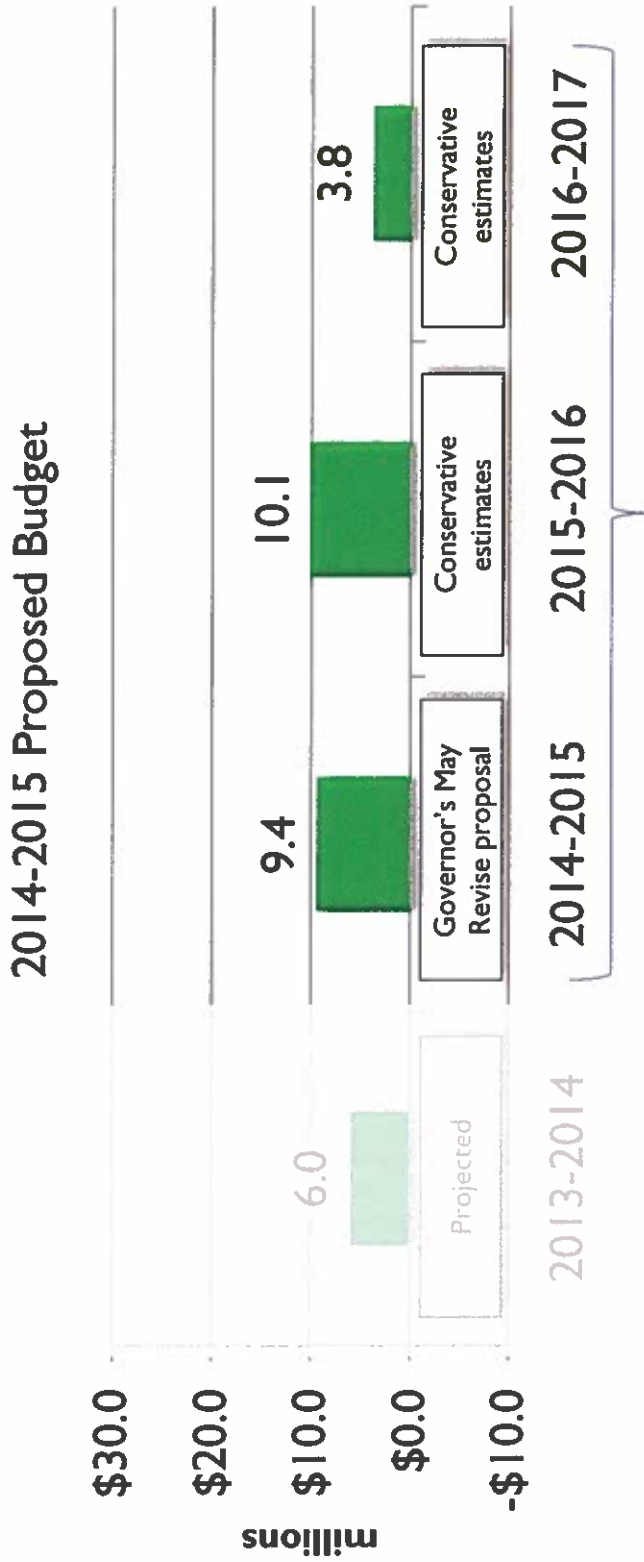


# District Multi-Year Projection



- State budget priorities can change from year to year with no guarantee that LCFF growth will be provided or that the LCFF will be fully funded
- Capture some one-time savings to improve reserve balances. Plan for being ready to absorb next economic downturn while at the same time maintaining services for students

# District Multi-Year Projection



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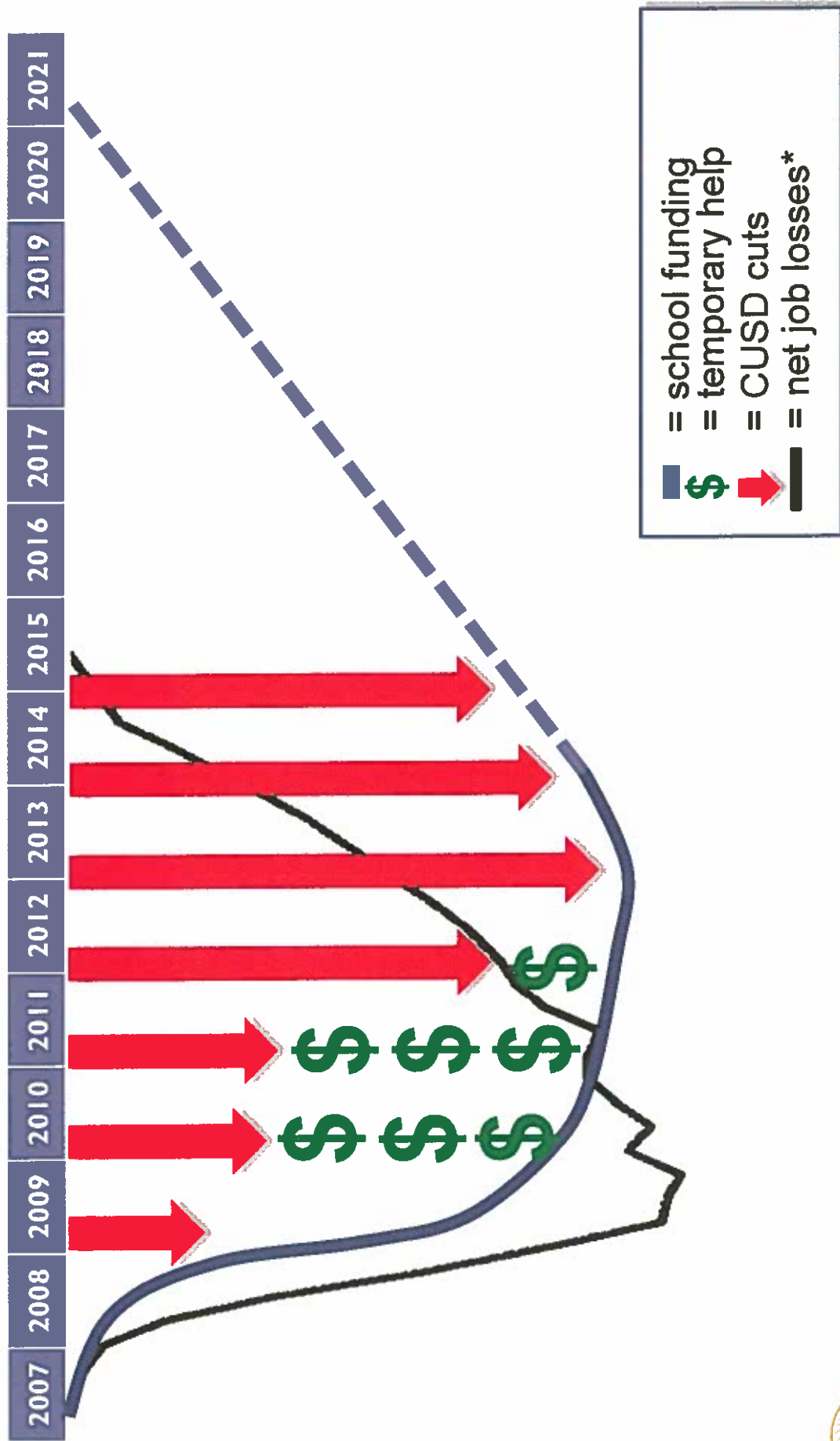
# 2014-2015 Growth Toward Target



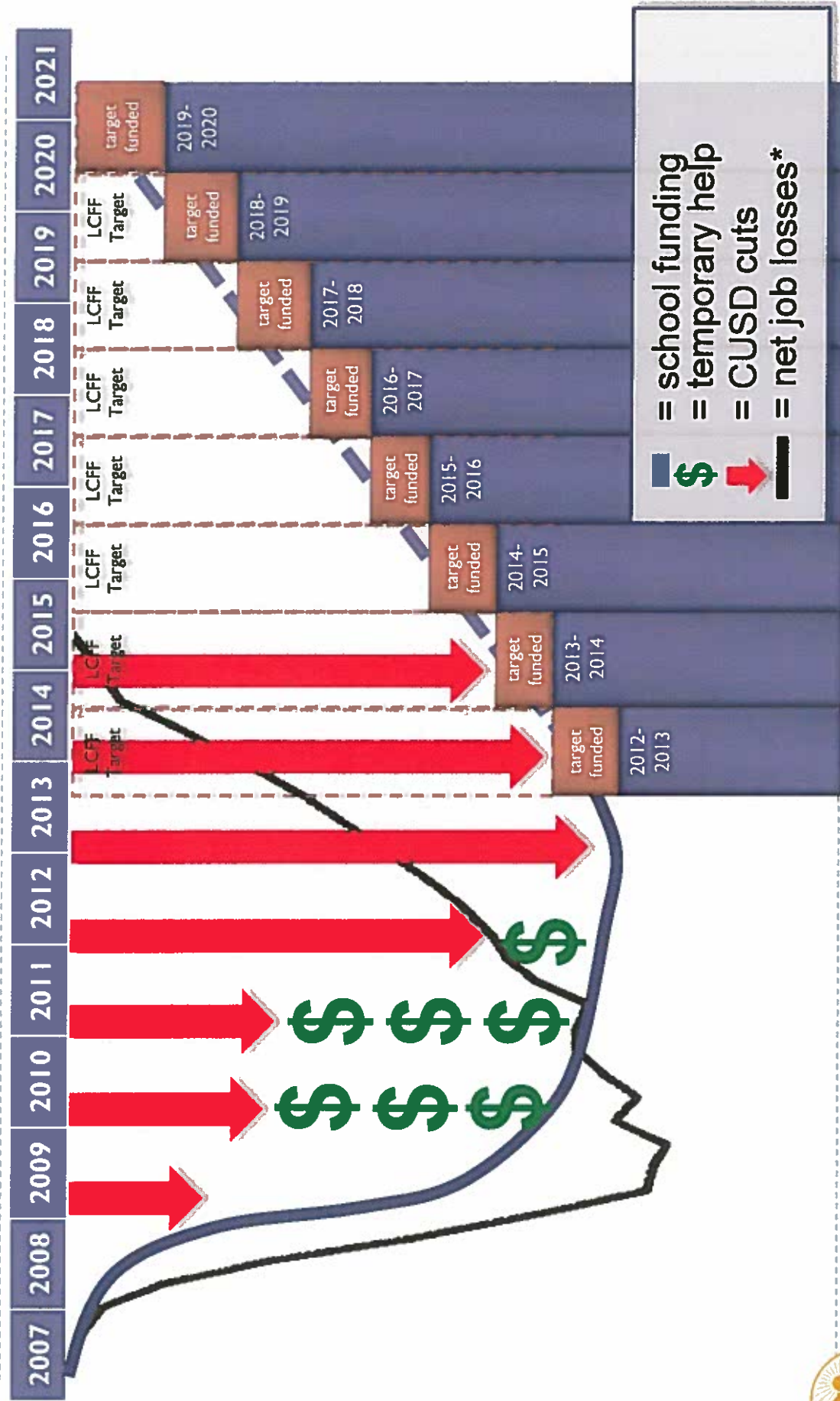
\* LCFF Target will change each year based on COLA and District grade span mix. LCFF Target based on 2007-2008 funding levels plus inflation. State expects to hit target in 2021.



# 2014-2015 Growth Toward Target



# 2014-2015 Growth Toward Target



\*source for net job losses graph : California Legislative Analyst's Office



# CUSD Compared to Unified Districts In Orange County

Orange County Unified Districts*	Unduplicated %	Estimated 2014-2015 per ADA	Funding Variance	Increase/(Decrease) if funded at this \$/ADA
Santa Ana	93.32%	\$7,966	\$1,122	54,585,300
Garden Grove	81.42%	\$7,764	\$920	44,758,000
Orange	50.30%	\$7,119	\$275	13,378,750
Tustin	45.05%	\$6,914	\$70	3,405,500
Placentia-Yorba Linda	36.97%	\$7,031	\$187	9,097,550
Brea-Olinda	31.68%	\$6,986	\$142	6,908,300
Saddleback Valley	31.37%	\$7,073	\$229	11,140,850
Capistrano	23.87%	\$6,844	\$0	-
Los Alamitos	15.02%	\$6,829	-\$15	(729,750)

\*does not include basic aid districts





# Other Orange County Districts

Elementary Districts	Unduplicated %	Estimated 2014-2015 per ADA	Funding Variance	Increase/(Decrease) if funded at this \$/ADA
Anaheim City	91.11%	\$7,626	\$782	38,044,300
Magnolia	88.77%	\$7,570	\$726	35,319,900
Buena Park	80.48%	\$7,360	\$516	25,103,400
La Habra City	80.00%	\$7,360	\$516	25,103,400
Savanna	78.01%	\$7,337	\$493	23,984,450
Westminster	77.81%	\$7,378	\$534	25,979,100
Centralia	69.17%	\$7,060	\$216	10,508,400
Fullerton	52.03%	\$6,825	-\$19	(924,350)
Cypress	44.46%	\$6,686	-\$158	(7,686,700)
Ocean View	43.91%	\$6,813	-\$31	(1,508,150)
Fountain Valley	27.08%	\$6,493	-\$351	(17,076,150)
Capistrano	23.87%	\$6,844	\$0	-
Huntington Beach City	19.82%	\$6,470	-\$374	(18,195,100)

High School Districts	Unduplicated %	Estimated 2014-2015 per ADA	Funding Variance	Increase/(Decrease) if funded at this \$/ADA
Anaheim Union	74.14%	\$8,350	\$1,506	73,266,900
Fullerton Joint Union	46.72%	\$8,163	\$1,319	64,169,350
Huntington Beach Union	32.26%	\$7,984	\$1,140	55,461,000
Capistrano	23.87%	\$6,844	\$0	-

Note: CUSD shown for comparison purposes.

# Other Orange County Districts

Basic Aid Districts	Unduplicated %	Estimated 2014-2015 per ADA	Funding Variance	Increase/(Decrease) if funded at this \$/ADA
Newport-Mesa	48.72%	\$9,650	\$2,806	136,511,900
Irvine	25.98%	\$6,133	-\$711	(34,590,150)
Capistrano	23.87%	\$6,844	\$0	-
Laguna Beach	11.05%	\$13,439	\$6,595	320,846,750

Note: CUSD shown for comparison purposes.



# Unrestricted and Restricted Grants Supported by Unrestricted Fund

	2013-2014 Estimated Actuals	2014-2015 Proposed Budget	Changes from 2013-2014	Comments
<b>Revenue</b>				
LCFF Sources	\$303,063,297	\$328,211,523	\$25,148,226	LCFF 28.05% GAP funding net of declining enrollment includes additional \$500,000 transfer to deferred maintenance
Federal Revenue	\$9,338,494	\$9,060,035	(\$278,459)	Reduction in MAA funds (-\$241,000)
State Revenue	\$36,727,761	\$37,158,723	\$430,962	increased Special Ed. revenue
Local Revenue	\$3,047,199	\$3,355,046	\$307,847	13-14 reflected one-time write-off of old receivables
Contribution to Locally Restricted	(\$2,361,230)	(\$2,119,226)	\$242,004	Reduction in contribution for one-time costs in 13-14 which is offset by an increase in site allocation funds in 14-15
<b>Total Revenue</b>	<b>\$349,815,521</b>	<b>\$375,666,101</b>	<b>\$25,608,576</b>	
<b>Expenditures</b>				
Certificated Salaries	\$181,549,549	\$193,702,782	\$12,153,233	Class size decrease \$4,950,000 Furlough days \$7,200,000
Classified Salaries	\$52,706,740	\$56,826,332	\$4,119,592	Step & Column costs \$4,450,000 PERS/STRS increase \$2,550,000
Benefits	\$72,482,713	\$77,517,949	\$5,035,236	Health & Welfare increase (retiree/employee) \$800,000 Special Ed Teachers/P.sych \$500,000 Classified positions \$450,000
Books and Supplies	\$6,339,371	\$7,998,907	\$1,659,536	Increase due to use of \$673,000 FEMA funds in 13-14 not available in 14-15.
Services & Operating Expenses	\$26,409,010	\$27,698,560	\$1,289,550	Increase of \$70,000 insurance (Property&Liability) . Increase of \$2,500,000 for LCFF proportionality costs
Capital Outlay	\$0	\$0	\$0	
Other Outgo/Debt Service	\$8,766,580	\$9,030,868	\$264,288	Increased costs for County Special Ed. excess costs \$294,000
Trnsfrs of Indirect/Direct Support	(\$1,047,739)	(\$1,228,535)	(\$180,796)	
<b>Total Expenditures</b>	<b>\$347,206,224</b>	<b>\$371,546,863</b>	<b>\$24,340,639</b>	

# Restricted Self-Supporting Grants and Locally Restricted Funds

	2013-2014 Estimated Actuals	2014-2015 Proposed Budget	Changes from 2013-2014	Comments
<b>Revenue</b>				
LCFF Sources	\$0	\$0	\$0	
Federal Revenue	\$8,958,399	\$6,879,435	(\$2,078,964)	
State Revenue	\$14,794,798	\$4,354,258	(\$10,440,540)	\$2,100,000 Carryover funds in 13-14 and not in 14-15
Local Revenue	\$3,484,411	\$154,891	(\$3,329,520)	\$10,200,000 Common Core revenue in 13-14 not in 14-15
Contribution from Unrestricted	\$2,361,230	\$2,119,226	(\$242,004)	\$3,300,000 Gift funds in 13-14, not in 14-15. Gift not budgeted until received
<b>Total Revenue</b>	\$29,598,838	\$13,507,810	(\$15,849,024)	Asset Mgmt in 13-14 not in 14-15
<b>Expenditures</b>				
Certificated Salaries	\$7,088,536	\$3,700,755	(\$3,387,781)	
Classified Salaries	\$1,801,552	\$1,223,949	(\$577,603)	
Benefits	\$1,848,176	\$1,253,040	(\$595,136)	
Books and Supplies	\$6,896,353	\$9,879,820	\$2,983,467	
Services & Operating Expenses	\$4,204,429	\$2,279,904	(\$1,924,525)	Common Core beginning balance of \$5.7 million carried over to 14-15 and fully expended (\$4.5 million spent in 13-14). Other grant expenditures will be rebudgeted once carryover is known at the close of the 13-14 fiscal year.
Capital Outlay	\$115,523	\$2,000,000	\$1,884,477	
Other Outgo/Debt Service	\$789,101	\$766,908	(\$22,193)	
Transfers of Indirect/Direct Support	\$449,485	\$577,906	\$128,421	
<b>Total Expenditures</b>	\$23,193,155	\$21,682,282	(\$1,510,873)	

# 2014-2015 Budget Proposal

## Combined General Fund

	2013-2014 Est. Actuals	2014-2015 Adopted Bud.	Change from 2013-2014 Est. Actuals
<b><u>Revenue</u></b>			
LCFF Sources	\$303,063,297	\$328,211,523	\$25,148,226
Federal Revenue	\$18,296,893	\$15,939,470	(\$2,357,423)
State Revenue	\$51,522,559	\$41,512,981	(\$10,009,578)
Local Revenue	\$6,531,610	\$3,509,937	(\$3,021,673)
Contribution from Unrestricted	\$0	\$0	\$0
<b>Total Revenue</b>	<b>\$379,414,359</b>	<b>\$389,173,911</b>	<b>\$9,759,552</b>
<b><u>Expenditures</u></b>			
Certificated Salaries	\$188,638,085	\$197,403,537	\$8,765,452
Classified Salaries	\$54,508,292	\$58,050,281	\$3,541,989
Benefits	\$74,330,889	\$78,770,989	\$4,440,100
Books and Supplies	\$13,235,724	\$17,878,727	\$4,643,003
Services & Operating Expenses	\$30,613,439	\$29,978,464	(\$634,975)
Capital Outlay	\$115,523	\$2,000,000	\$1,884,477
Other Outgo/Debt Service	\$9,555,681	\$9,797,776	\$242,095
Tmsfrs of Indirect/Direct Support	(\$598,254)	(\$650,629)	(\$52,375)
<b>Total Expenditures</b>	<b>\$370,399,379</b>	<b>\$393,229,145</b>	<b>\$22,829,766</b>

# QUESTIONS?