"Empowering Students for Success"

Capistrano Unified School District

2014-2015 Proposed Budget

June 25, 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**
- 1st Interim December 15, 2014 (reporting data as of October)
- 2nd Second Interim March 15, 2015 (reporting data as of January)
- 3rd Interim* June 1, 2015 (reporting data as of April)

*Note: Pursuant to Education Code §42131(e), a 3rd Interim Report is only required to be filed by June 1 if the 2nd 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

Final Approved State Budget

- Governor has until June 30, 2014, to veto any budget line items and sign the budget
- Maintains $1 billion in deferrals to stay within the Governor's revenue projections
- Provides $400.5 million of mandate pay back
  - Includes intent language that school districts prioritize these funds for implementation of the Common Core State Standards (CCSS), though a district can use these funds for one-time purpose, as determined by the Board of Trustees
- Increases Local Control Funding Formula (LCFF) funding $250 million. The LCFF target gap funded at about 29%
- Includes language capping a district's reserve to twice the required minimum
  - If the "rainy day" fund passes in November, the proposed reserve cap is only active the year after state makes a deposit into the rainy day fund
- STRS rate increases in 2014-2015 by .63% versus 1.25% in May Revise
  - Rate increases to same rate as proposed but larger increases occur in later years

Final Approved State Budget

- +$250 million towards Career Pathways Trust Program
- Early Childhood Education
  - Additional funding for preschool and Transitional Kindergarten
    - +$155 million in Proposition 98 funding
    - +$100 million in non-Proposition 98 funding
- Items remaining in the final signed state budget will be brought back to the Board as part of a revised District budget

District Budget

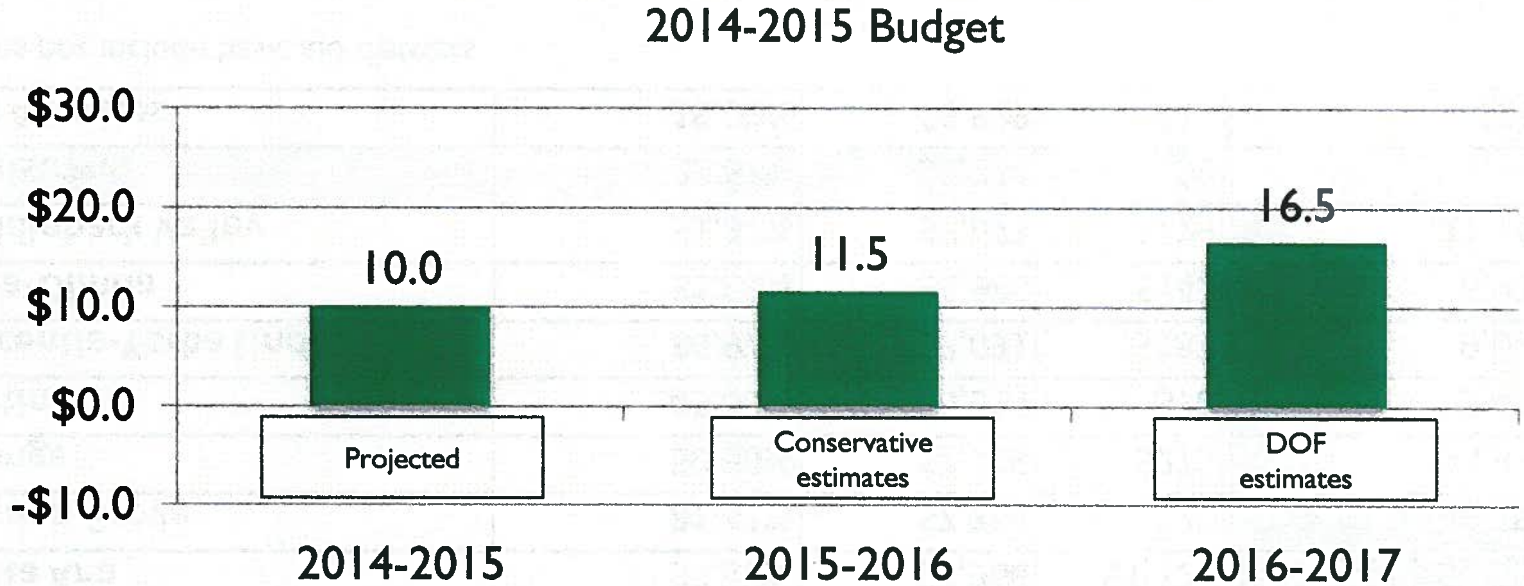
2014-2015 Projections

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

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

Unrestricted and Restricted Grants Supported by Unrestricted Fund

	2013-2014 Estimated Actuals	2014-2015 Proposed Budget	Changes from 2013-2014	Comments
Revenue				
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
Total Revenue	$349,815,521	$375,666,101	$25,608,576	
Expenditures				
Certificated Salaries	$181,549,549	$193,702,782	$11,553,233	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	$4,962,036	Health & Welfare increase (retiree/employee) $800,000 Special Ed Teachers/Psych $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)	
Total Expenditures	$347,206,224	$371,546,863	$23,667,439	

Restricted Self-Supporting Grants and Locally Restricted Funds

	2013-2014 Estimated Actuals	2014-2015 Proposed Budget	Changes from 2013-2014	Comments
Revenue				
LCFF Sources	$0	$0	$0	
Federal Revenue	$8,958,399	$6,879,435	($2,078,964)	$2,100,000 Carryover funds in 13-14 and not in 14-15
State Revenue	$14,794,798	$4,354,258	($10,440,540)	$10,200,000 Common Core revenue in 13-14 not in 14-15
Local Revenue	$3,484,411	$154,891	($3,329,520)	$3,300,000 Gift funds in 13-14, not in 14-15. Gift not budgeted until received
Contribution from Unrestricted	$2,361,230	$2,119,226	($242,004)	Asset Mgmt in 13-14 not in 14-15
Total Revenue	$29,598,838	$13,507,810	($15,849,024)	
Expenditures				
Certificated Salaries	$7,088,536	$3,700,755	($3,387,781)	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.
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)	
Capital Outlay	$115,523	$2,000,000	$1,884,477	
Other Outgo/Debt Service	$789,101	$766,908	($22,193)	
Trnsfrs of Indirect/Direct Support	$449,485	$577,906	$128,421	
Total Expenditures	$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
Revenue			
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
Total Revenue	$379,414,359	$389,173,911	$9,759,552
Expenditures			
Certificated Salaries	$188,638,085	$196,803,537	$8,165,452
Classified Salaries	$54,508,292	$58,050,281	$3,541,989
Benefits	$74,330,889	$78,697,789	$4,366,900
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
Trnsfrs of Indirect/Direct Support	($598,254)	($650,629)	($52,375)
Total Expenditures	$370,399,379	$392,555,945	$22,156,566

2014-2015 Budget Adoption

- Staff recommends approval of 2014-2015 Budget

QUESTIONS?