

**"Empowering  
Students for  
Success"**



# Capistrano Unified School District

2015-2016 Proposed Budget

June 24, 2015

EXHIBIT 6

Attachment 1

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## Budget Calendar

Budgeting for schools is a continuous, year-round process

- **Adopted Budget June 30, 2015**
- **1<sup>st</sup> Interim December 15, 2015** (reporting data as of October)
- **2<sup>nd</sup> Second Interim March 15, 2016** (reporting data as of January)
- **3<sup>rd</sup> Interim\* June 1, 2016** (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.



# 2015-2016 State Budget

Proposed Budget

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## 2015-2016 State Budget Deal Announced

- ▶ On June 16, 2015, Governor Jerry Brown announced that he and the Legislature have reached an agreement on a final 2015-2016 spending plan.
- ▶ The final State Budget will include slightly higher spending levels than he proposed at the May Revision in the areas of preschool, child care, and the California State University system.
- ▶ In addition to announcing the State Budget deal, Governor Brown announced two special sessions to address some of the open items still remaining on infrastructure and health care.
- ▶ The 2015-2016 State Budget will use the Administration's revenue estimates, which means that spending items will need to be reduced, but by redirecting some spending and using identified savings, the Governor's press release noted that the State Budget agreement can afford additional spending, including:
  - ▶ \$500 million for a one-time K-12 teacher effectiveness block grant
  - ▶ \$265 million to fund 7,000 additional preschool slots and 6,800 child care slots, plus a rate increase for all providers
- ▶ Necessary reductions will need to be reflected in the final 2015-2016 State Budget, so the Legislature is likely to send a supplemental State Budget bill to the Governor later in the week, replacing the appropriations in AB 93 that are higher than the final State Budget deal includes.



# District Budget

2015-2016 Projections



## 2015-2016 Budget

- ▶ Student enrollment estimated at 49,534 students which the state then funds on a “per Average Daily Attendance” (ADA) basis.
  - ▶ The “funded” ADA for 2015-2016 will be 48,355 ADA.
- ▶ This budget reflects the Governor’s May Revised budget proposal shared with Trustees at the May 27, 2015, Regular Board meeting. The District’s budget will be revised when the state’s budget is finalized.
  - ▶ For 2015-2016, the state is expected to fund CUSD \$7,693 per ADA, which is \$805 more per ADA than the prior year.
- ▶ Important to note are the following items:
  - ▶ The LCAP is reflected in this budget
  - ▶ The additional STRS/PERS contributions are reflected in this budget (+\$3.8 million)
  - ▶ The reserve level for economic uncertainty is increased, as planned, to 2.75%
  - ▶ The Deferred Maintenance fund is further enhanced to reflect a commitment to addressing facilities maintenance and upkeep.
  - ▶ This budget also reflects a responsible recovery with no structural deficit and a positive multi-year projection.



# 2014-2015 Budget Proposal Combined General Fund

	2014-15 Estimated Actuals	2015-16 Budget Adoption	Change From Prior Year
<b><u>Revenue</u></b>			
LCFF Sources	\$335,216,262	\$371,380,019	\$36,163,757
Federal Revenue	\$17,818,602	\$16,200,878	(\$1,617,724)
State Revenue	\$41,789,835	\$38,922,273	(\$2,867,562)
Local Revenue	\$7,294,385	\$4,215,915	(\$3,078,470)
<b>Total Revenue</b>	<b>\$402,119,084</b>	<b>\$430,719,085</b>	<b>\$28,600,001</b>
<b><u>Expenditures</u></b>			
Certificated Salaries	\$201,101,736	\$205,567,454	\$4,465,718
Classified Salaries	\$58,481,765	\$59,865,233	\$1,383,468
Benefits	\$79,208,445	\$85,119,016	\$5,910,571
Books and Supplies	\$12,891,677	\$16,478,031	\$3,586,354
Services & Operating Expenses	\$37,130,607	\$34,833,892	(\$2,296,715)
Capital Outlay	\$5,498,398	\$2,559,030	(\$2,939,368)
Other Outgo/Debt Service	\$13,714,285	\$12,773,609	(\$940,676)
Trnsfrs of Indirect/Direct Support	(\$629,155)	(\$603,944)	\$25,211
<b>Total Expenditures</b>	<b>\$407,397,758</b>	<b>\$416,592,321</b>	<b>\$9,194,563</b>
<b><u>Other Sources and Uses</u></b>			
Other Funding Sources	\$0	\$0	\$0
Interfund Transfers Out	\$0	\$0	\$0
<b>Total Sources and Uses</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Beginning Fund Balance</b>	<b>\$33,377,613</b>	<b>\$28,098,939</b>	<b>(\$5,278,674)</b>
<b>Audit Adjustments</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Incr (Decr) in Fund Balance</b>	<b>(\$5,278,674)</b>	<b>\$14,126,764</b>	<b>\$19,405,438</b>
<b>Ending Fund Balance</b>	<b>\$28,098,939</b>	<b>\$42,225,703</b>	<b>\$14,126,764</b>

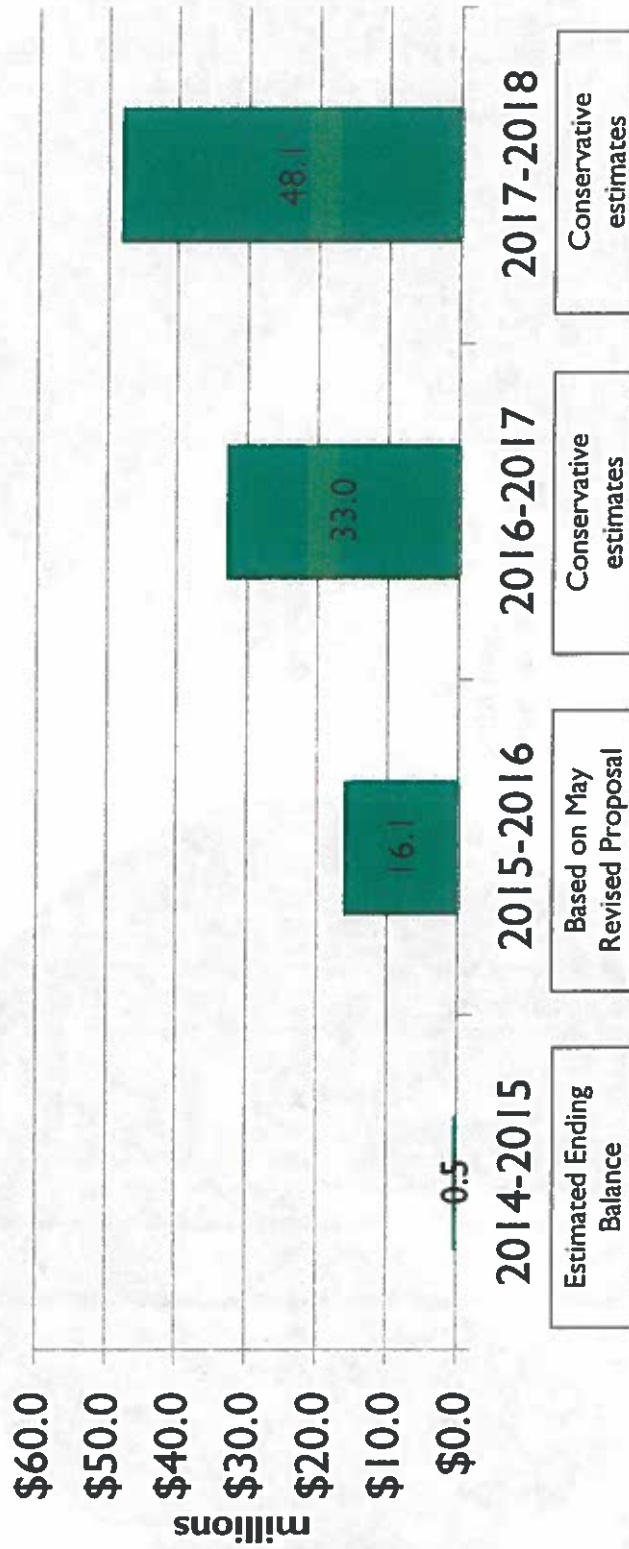
# 2014-2015 Budget Proposal Combined General Fund

	2014-15 Estimated Actuals	2015-16 Budget Adoption	Change From Prior Year
<b><u>Components of Ending Fund Balance</u></b>			
Revolving Cash, Stores, Prepaid	\$325,000	\$325,000	\$0
Legally Restricted	\$6,748,178	\$4,726,738	(\$2,021,440)
Reserve for Economic Uncertainties	\$10,300,000.00	\$11,300,000.00	\$1,000,000
Other Designations/Assignments			\$0
- Recovery list I carryover	\$2,822,000	\$2,262,000	(\$560,000)
- ADA adjustment 14-15 to 15-16	\$516,059	\$0	(\$516,059)
- Library Abatement	\$0	\$0	\$0
- Site Carryover including Gifts	\$750,000	\$0	(\$750,000)
- Gift carryover	\$1,500,000	\$1,500,000	\$0
- Teacher Development	\$100,000	\$0	(\$100,000)
- Common Core Staff Dev carryover	\$1,000,000	\$0	(\$1,000,000)
- 1:1 Device carover	\$3,100,000	\$0	(\$3,100,000)
- LCFF Supplemental carryover	\$400,000	\$0	(\$400,000)
- Technology enhancement	\$75,000	\$0	(\$75,000)
Undesignated	\$462,702	\$22,111,965	\$21,649,263
<b>Total Ending Fund Balance</b>	<b>\$28,098,939</b>	<b>\$42,225,703</b>	<b>\$14,126,764</b>



# District Multi-Year Projection

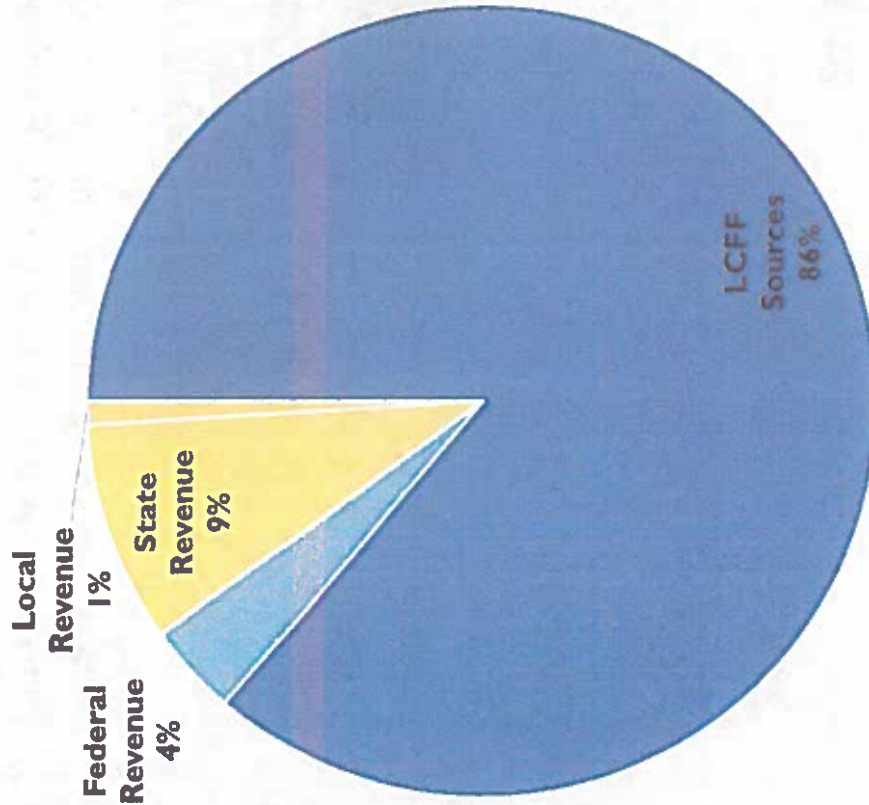
2015-2016 Budget



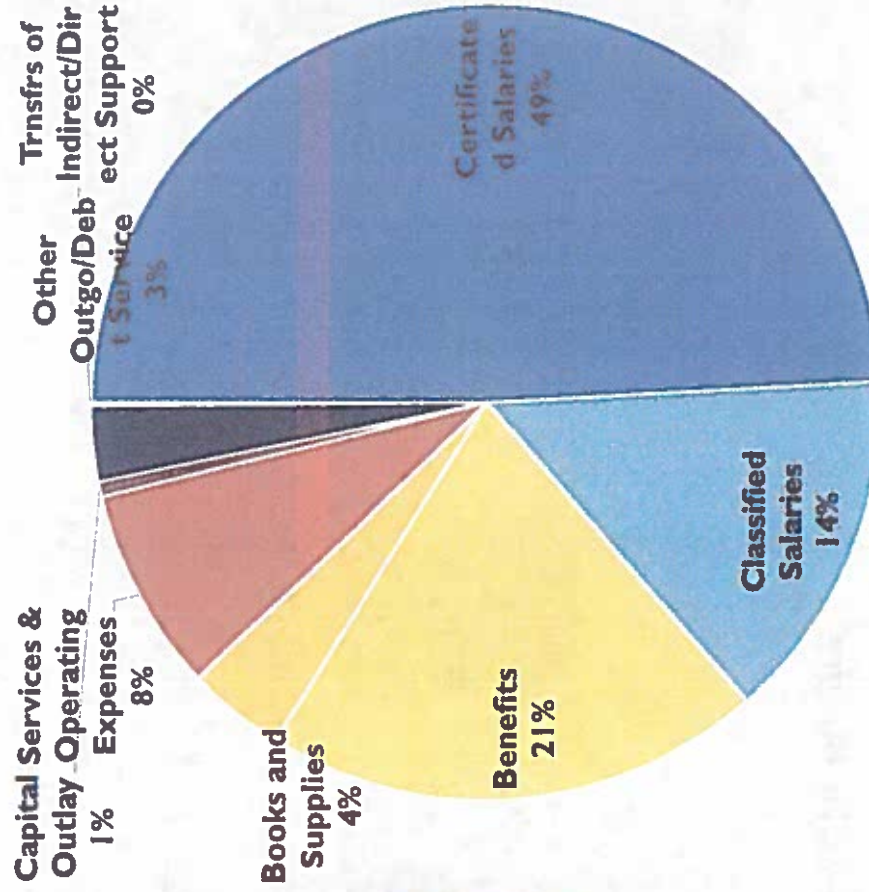
- State budget priorities can change from year to year with no guarantee that LCFF growth will be provided or that the LCFF will be fully funded
- Chart does not include reserve for economic uncertainty and locally restricted balances detailed on the SACS financial statements or Recovery Plan II as presented to the Board

# 2015-2016

## Revenues



## Expenditures



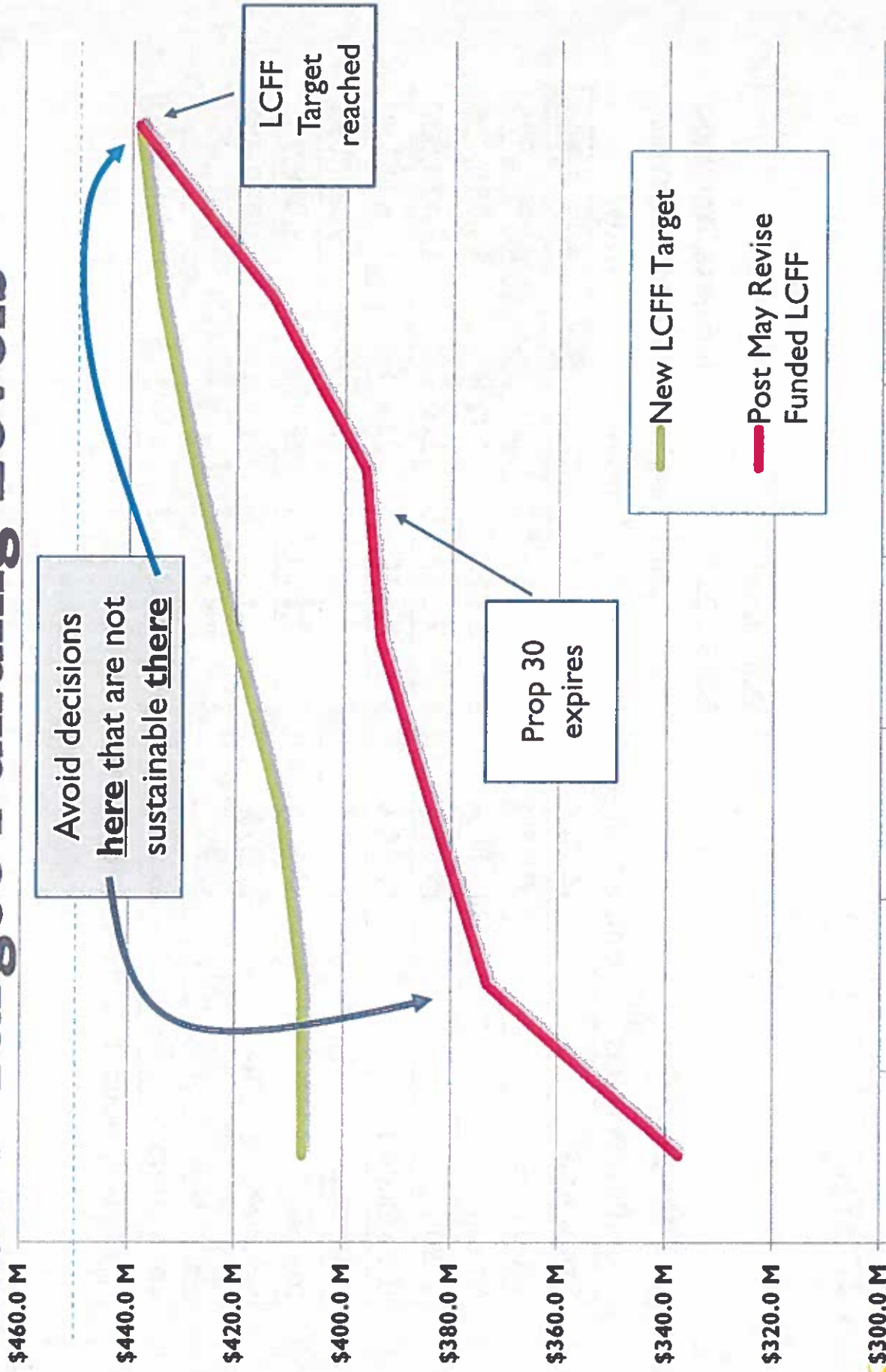
# CUSD Compared to Unified Districts In Orange County

Orange County Unified Districts <sup>[1]</sup>	Unduplicated %	Estimated 2015-2016 funding per ADA	Funding Variance	Increase/Decrease if funded at this \$/ADA
Santa Ana	94.24%	\$ 9,483	\$ 1,856	89,746,880
Garden Grove	80.36%	\$ 9,012	\$ 1,385	66,971,675
Orange	49.88%	\$ 8,028	\$ 401	19,390,355
Tustin	45.01%	\$ 7,947	\$ 320	15,473,600
Brea Olinda	31.68%	\$ 7,845	\$ 218	10,541,390
Placentia-Yorba Linda	36.97%	\$ 7,816	\$ 189	9,139,095
Irvine	27.60%	\$ 7,810	\$ 183	8,848,965
Saddleback Valley	31.37%	\$ 7,694	\$ 67	3,239,785
Capistrano	23.87%	\$ 7,627	\$ -	-
Los Alamitos	15.02%	\$ 7,603	\$ (24)	(1,160,520)

[1] Does not include basic aid districts



# LCFF Target Funding Levels



2014-2015 2015-2016 2016-2017 2017-2018 2018-2019 2019-2020 2020-2021 12  
 LCFF Target based on 2007-2008 funding levels plus inflation. State expects to hit target in 2021



# 2015-2016 Budget Adoption

Staff recommends approval of the 2015-2016 Budget

# QUESTIONS?