

SAUSALITO MARIN CITY SCHOOL DISTRICT

2013-2014 Second Interim Budget
Overview

March 11, 2014

Second Interim Report

What is 2nd Interim:

- ▣ State Law requiring Districts to report periodic budget certification
 - Covers the period from July 1 to January 31 of each year.
 - Formal benchmark for two-third of the year (revenue & expenditure trends contained in report usually continue for the remainder of the year)
- ▣ Board's must certify that it can meet it's financial obligations for the current and next two years.

SAUSALITO MARIN CITY SCHOOL DISTRICT 2013-2014

❖ Basic Aid Revenues		\$4,878,983
❖ (4,740,002+ 103,373+ 4,582+ 31,026)		
❖ In-Lieu Transfer	(-)	\$1,720,265
❖		
❖ Sub-Total		\$3,158,718
❖ LCFF	(-)	\$ 903,398
*Calculation: \$7,521.23 per 123.25ADA		
❖		
❖ Difference		\$2,255,320
❖		
NOTE: The District currently is approximately 46% deep into Basic Aid status		

LCFF/Revenue Limit Sources

Total Revenues

\$4,062,116

▣ LCFF/Revenue Limit Sources	\$ 5,782,381
❖ Property Taxes; 4,740,002+ 103,373+ 4,582+ 31,026	
❖ LCFF/State Aid; \$875,930+ \$ 27,468	
▣ Transfer Unrestricted (Special Ed.)	<u>\$ (-) 20,422</u>
▣ Transfer of Charter In-Lieu	<u>\$ (-) 1,720,265</u>
	\$ 4,062,116

SAUSALITO MARIN CITY SCHOOL DISTRICT

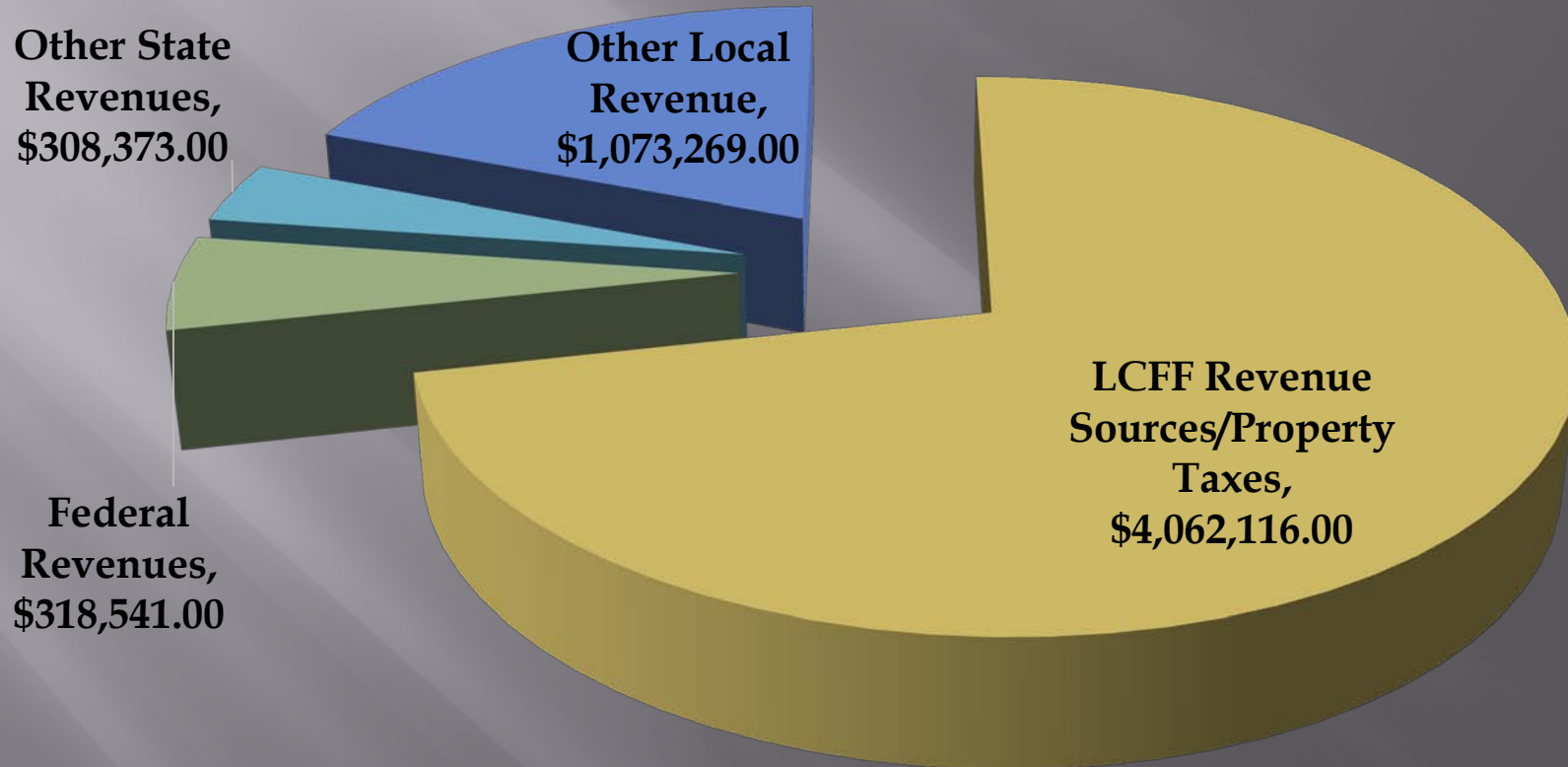
Revenue Detail


2013-2014

Revenue Source: Combined Unrestricted & Restricted	Budget Adoption	First Interim	Second Interim
Property Tax/LCFF Limit Sources	\$ 3,197,027	\$ 4,022,170	\$ 4,062,116
Federal Revenues (Special Ed., Title I-III)	\$ 326,356	\$ 318,541	\$ 318,541
Other State Revenues (EIA, CSR, Lottery)	\$ 900,344	\$ 205,026	\$ 308,373
Other Local Income (Leases/Rentals, Fees, County Special Ed., Grants)	\$ 1,073,374	\$1,073,269	\$1,073,269
Total Revenues	\$5,497,101	\$5,639,428	\$5,762,299

SAUSALITO MARIN CITY SCHOOL DISTRICT

Total Revenues : Unrestricted & Restricted 2013-2014





Federal Total Revenues

2013-2014

\$318,541

Revenue Source: Unrestricted & Restricted	Budget Adoption	First Interim	Second Interim
Maintenance and Operations	\$ 14,187	\$ 14,187	\$ 14,187
Special Education Entitlement	\$ 85,054	\$ 85,054	\$ 85,054
NCLB (Title I; Low-Income)	\$ 199,139	\$ 193,078	\$ 193,078
NCLB (Title II; Teacher Quality)	\$ 24,926	\$ 23,172	\$ 23,172
NCLB (Title III; Limited English)	\$ 2,650	\$ 2,650	\$ 2,650
Total Revenues	\$ 326,356	\$ 318,541	\$ 318,541

State Total Revenues

2013-2014

\$308,373

Revenue Source: Unrestricted & Restricted	Budget Adoption	First Interim	Second Interim
Mandated Cost Reimbursement	\$ 0	\$ 3,329	\$ 3,329
Transportation	\$ 455	\$ 455	\$ 455
Class Size Reduction, K-3	\$ 63,617	\$ 0	\$ 0
Economic Impact Aid	\$ 174,428	\$ 0	\$ 0
State Lottery - Instructional Materials	\$ 16,324	\$ 17,339	\$ 17,339
After School Education and Safety (ASES)	\$ 124,234	\$ 124,234	\$ 124,234
All Other State Rev. (State Special Ed., Common Core, Prop 39)	\$ 521,286	\$ 59,669	\$ 163,471
Total Revenues	\$ 900,344	\$ 205,026	\$ 308,373

Local Total Revenues

2013-2014

\$1,073,269

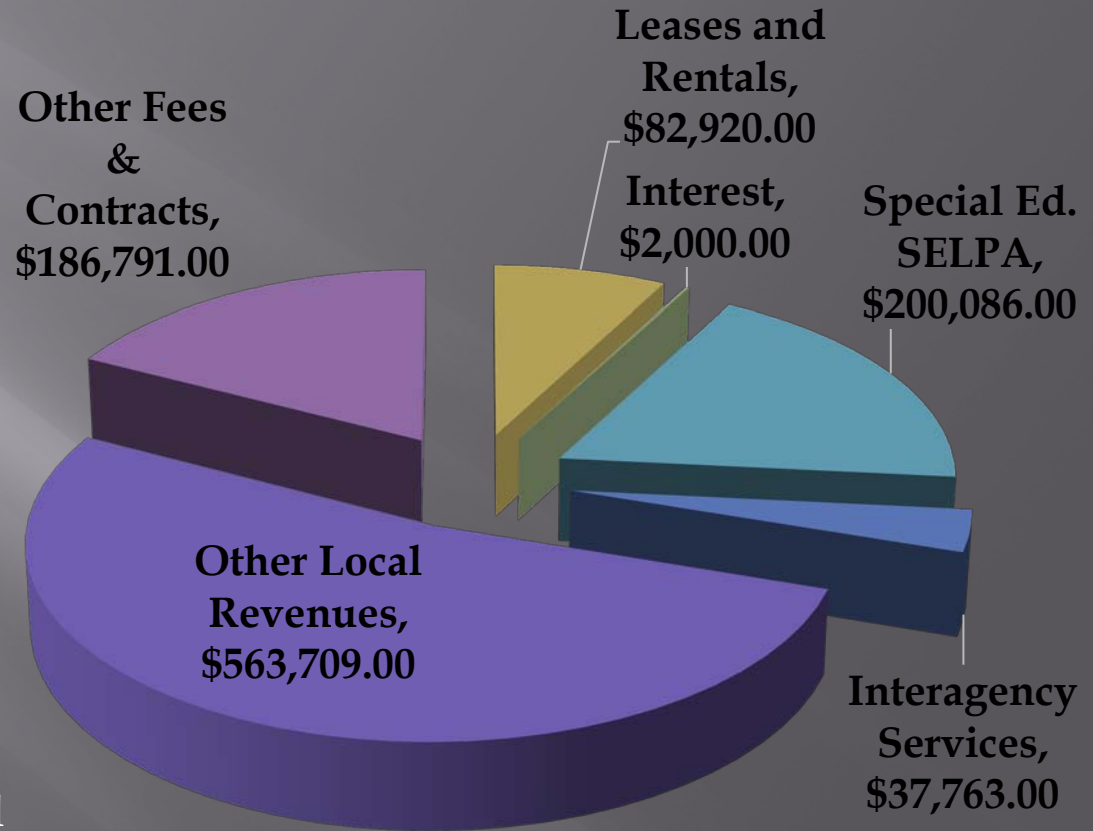
Revenue Source: Unrestricted & Restricted	Budget Adoption	First Interim	Second Interim
Lease and Rentals	\$ 82,920	\$ 82,920	\$ 82,920
Interest	\$ 2,000	\$ 2,000	\$ 2,000
Interagency Services	\$ 62,597	\$ 37,763	\$ 37,763
All Other Fees and Contracts	\$ 169,157	\$ 186,791	\$ 186,791
All Other Local Revenues: Marin Community Foundation Grants (Pre K to 3, VAPA, TSG) , Donations, Garden Program, etc	\$ 556,614	\$ 563,709	\$ 563,709
County Offices; SELPA/Special Education Transfer	\$ 200,086	\$ 200,086	\$ 200,086
Total Revenues	\$ 1,073,374	\$1,073,269	\$ 1,073,269

LOCAL TOTAL REVENUE :Unrestricted & Restricted 2013-2014 \$1,073,269

❑ Leases and Rentals	\$ 82,920
❑ Interest	\$ 2,000
❑ Special Ed. SELPA	\$ 200,086
❑ *Interagency Services	\$ 37,763
❑ *Other Local Revenue	\$ 563,709
❑ Other Fees & Contracts	\$ 186,791

*Interagency Services Revenues (Shared Services of CBO)

*Other Local Revenues include restricted monies (Donations; School site, garden program, MCF Grants: Pre K to 3, VAPA, TSG)




Special Education Program Costs, 2013-2014

Special Education Expenses	\$ 1,026,716
<u>Less: Funded Special Ed.</u>	<u>\$ 309,882</u>
Special Ed. Encroachment	\$ 716,834

Total District Expenditures: Special Ed.

- 15% - Special Education Encroachment
- 4% - Funded Special Education
- 19%

- ▣ School districts throughout the state face a continuing challenge in funding the costs for serving Special Education students. SMCS D is proud of the Special Education support provided to our students, but the District is also faced with mounting increases in the difference between the federal and state governments' funding and the mandated costs for these vital student services.
- ▣ Unfortunately, the federal government has not provided the funding that was envisioned when the laws mandating programs for Special Education students were adopted.
- ▣ This shortfall in dedicated funding has led to very significant encroachment into the District's Unrestricted General Fund. Encroachment—the difference between Special Education income and expense—has forced the District into making cuts in other District programs in order to make up for the funding shortfall by federal and state governments



SAUSALIT MARIN CITY SCHOOL DISTRICT

2013-2014

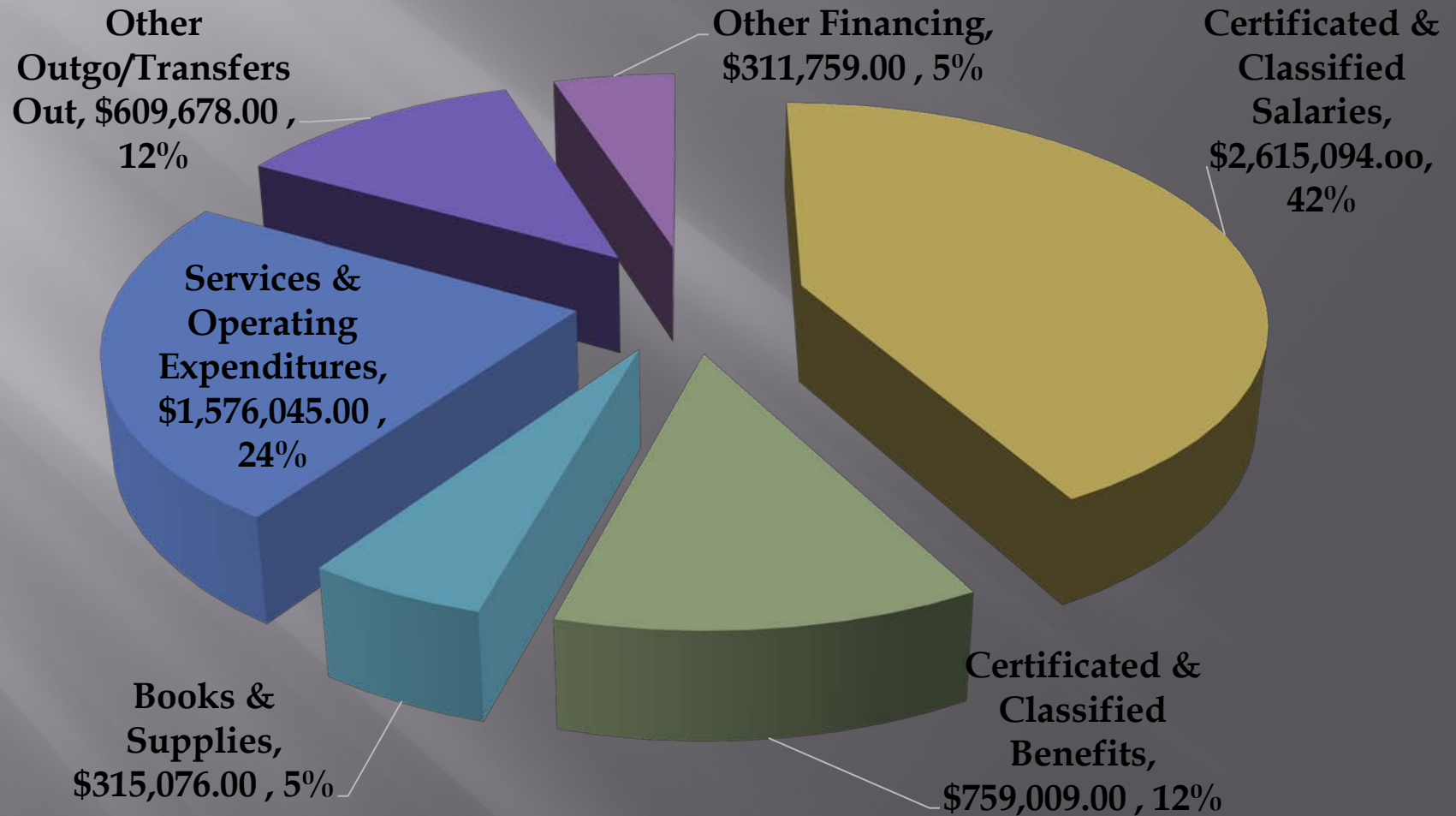
Total Expenditure Details

Expenditure Type: Unrestricted & Restricted	Budget Adoption	First Interim	Second Interim
Certificated Salaries	\$ 1,626,872	\$ 1,820,030	\$ 1,819,330
Classified Salaries	\$ 824,394	\$ 792,969	\$ 795,764
Employee Benefits	\$ 726,420	\$ 758,636	\$ 759,009
Books & Supplies	\$ 163,935	\$ 325,681	\$ 315,076
Services & Operating Expenses	\$ 1,591,276	\$ 1,463,133	\$ 1,576,045
Capital Outlay	\$ 0	\$ 0	\$ 0
Other Outgo/Transfers Out	\$ 735,678	\$ 735,678	\$ 609,678
Other Financing; Def Mnt., Caf.	\$ 283,600	\$ 311,759	\$ 311,759
Total Expenditures	\$ 5,952,175	\$ 6,207,886	\$ 6,186,661

SAUSALITO MARIN CITY SCHOOL DISTRICT

Expenditures 2013-14

(Combined restricted and unrestricted)



2013–2014 Budget Adoption Revenue and Expenditure Summary; Unrestricted & Restricted Combined

▣ Total Revenues	\$ 5,763,299
▣ <u>Total Expenditures</u>	<u>\$ 6,186,661</u>
▣ Net Increase (Decrease)	\$ - 424,362
▪ In Fund Balance	

▣ **NOTE: Breakdown of Net Decrease:**

▣ Budget Adoption	First Interim:	First Interim:
▣ Unrestricted: \$-446,968	Unrestricted: \$-398,962	Unrestricted: \$-254,866
▣ Restricted: \$- 8,106	Restricted: \$-169,496	Restricted: \$-169,496
▪ Restricted negatives are due to the budgeting of the carryover balances within the category "Books & Supplies" (4xxx object code)		

COMMON MESSAGE

- ▣ Shrinking revenue environment and decreased ADA (increase in-lieu)
- ▣ Economic Recovery (slight increase in Property Taxes)
- ▣ Prepare for worst case scenario:
 - Federal Funding Cuts; between 8-10% cuts in the 2013 fiscal year
 - Implementation of Local Control Formula Funding (LCFF) = charter in-lieu funding increase; decrease in district revenues \$95K-\$300K – local grants)
- ▣ Plan for MYP; 2 years out, continue to be cautious and focus on reduction strategies, develop financial projections and contingency plans accordingly
- ▣ Build Reserves: Community Funded Districts are advised to maintain reserves much greater than the State required minimum (School Services of California advises school districts to try and maintain a 16-18% reserve)

CHALLENGES

- ▣ State and Federal economic uncertainties
- ▣ Federal Impact Aid Fund Reductions (cuts are currently in the 2013 Federal Budget, but cuts might be restored)
- ▣ Special Education Encroachment; Costs are unpredictable and growing
- ▣ Cafeteria Program Encroachment
- ▣ Monitor 5-Year Deferred Maintenance Plan
- ▣ District is Deficit Spending