

# SAUSALITO MARIN CITY SCHOOL DISTRICT

2013-2014 First Interim Budget  
Overview

December 11, 2013

# First Interim Report

## What is 1<sup>st</sup> Interim:

- ▣ State Law requiring Districts to report periodic budget certification
  - Covers the period from July 1 to October 31 of each year.
  - Formal benchmark for one-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		\$4,865,492
❖ (4,727,637+ 102,557+ 4,582+ 30,716)		
❖ In-Lieu Transfer	(-)	\$1,749,892
❖		
❖ Sub-Total		\$3,115,600
❖ LCFF	(-)	\$ 926,992
*Calculation: \$7,521.23 per 123.25ADA		
❖		
❖ Difference		\$2,188,608
❖		
NOTE: The District currently is approximately 44% deep into Basic Aid status		

# LCFF/Revenue Limit Sources

## Total Revenues

### \$4,022,170

▣ LCFF/Revenue Limit Sources	\$ 5,772,062
❖ Property Taxes; \$4,727,637+ \$102,557+ \$4,582+ \$30,716)	
❖ LCFF/State Aid; \$899,524 + \$ 27,468	
▣ Transfer Unrestricted (Special Ed.)	<u>\$ (-) 20,422</u>
▣ Transfer of Charter In-Lieu	<u>\$ (-) 1,749,892</u>
	\$ 4,022,170

# SAUSALITO MARIN CITY SCHOOL DISTRICT

## Revenue Detail

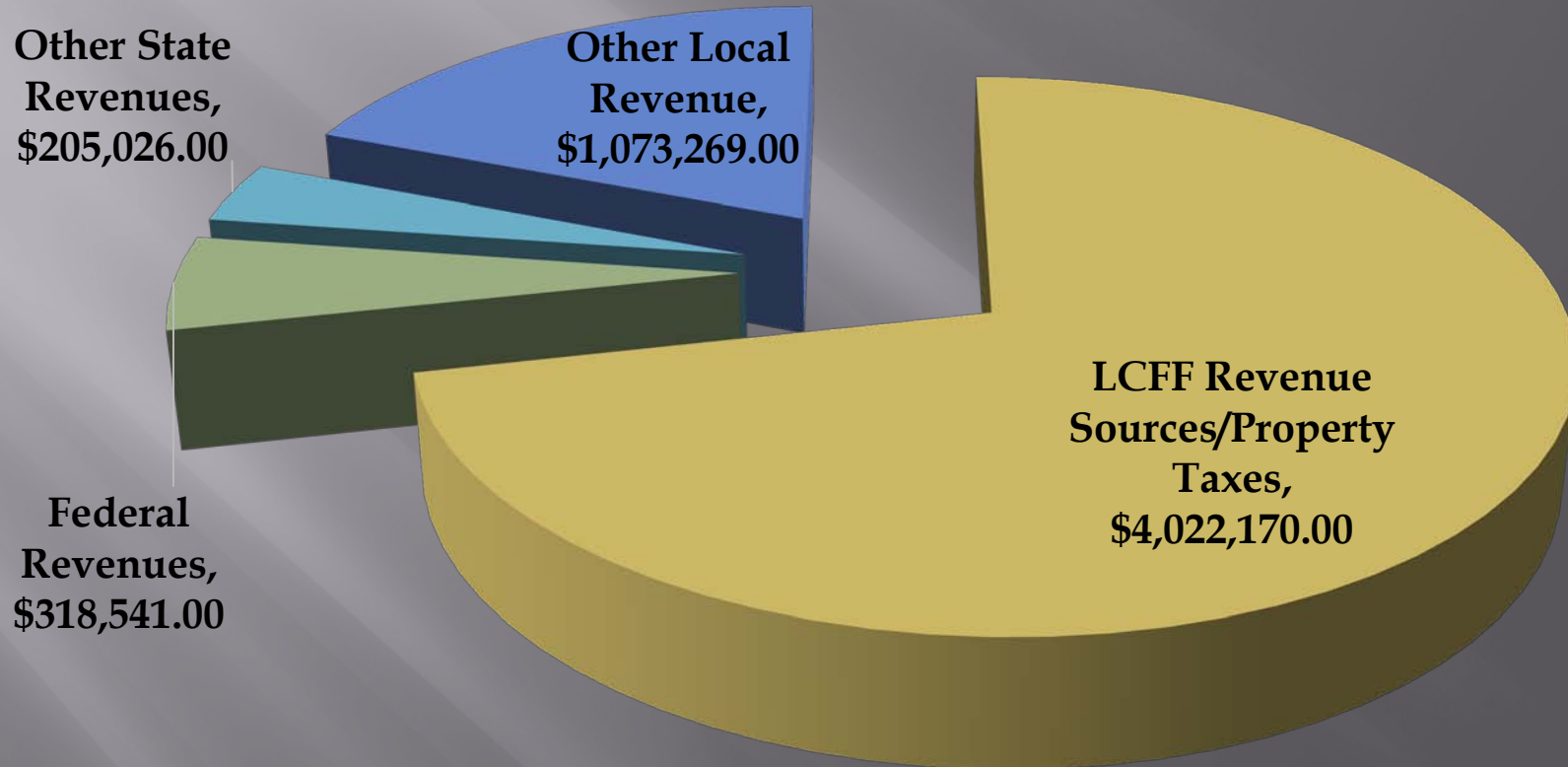
### 2013-2014


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



# 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
Maintenance and Operations	\$ 14,187	\$ 14,187
Special Education Entitlement	\$ 85,054	\$ 85,054
NCLB (Title I; Low-Income)	\$ 199,139	\$ 193,078
NCLB (Title II; Teacher Quality)	\$ 24,926	\$ 23,172
NCLB (Title III; Limited English)	\$ 2,650	\$ 2,650
Total Revenues	\$ 326,356	\$ 318,541

# State Total Revenues

## 2013-2014

### \$205,026

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

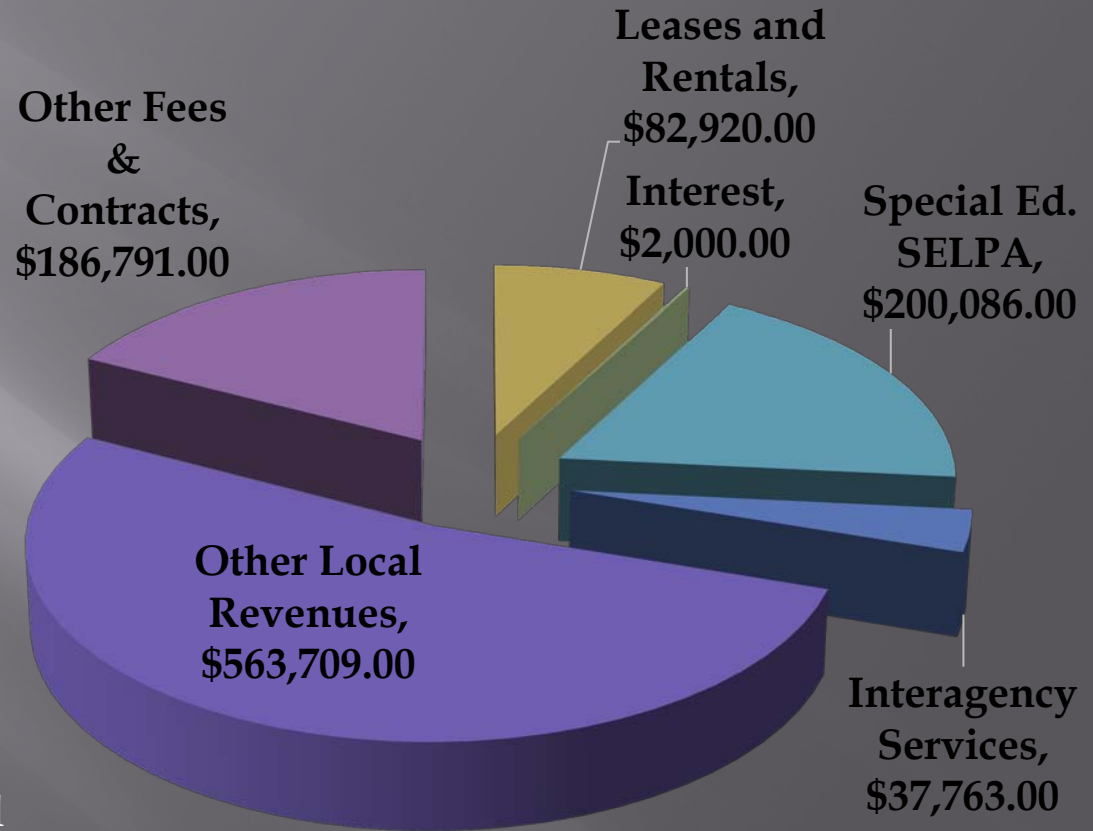


# LOCAL TOTAL REVENUE :Unrestricted & Restricted 2013-2014 \$1,073,269

❑ 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	\$ 1,137,693
<u>Less: Funded Special Ed.</u>	<u>\$ 259,299</u>
Special Ed. Encroachment	\$ 878,394

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

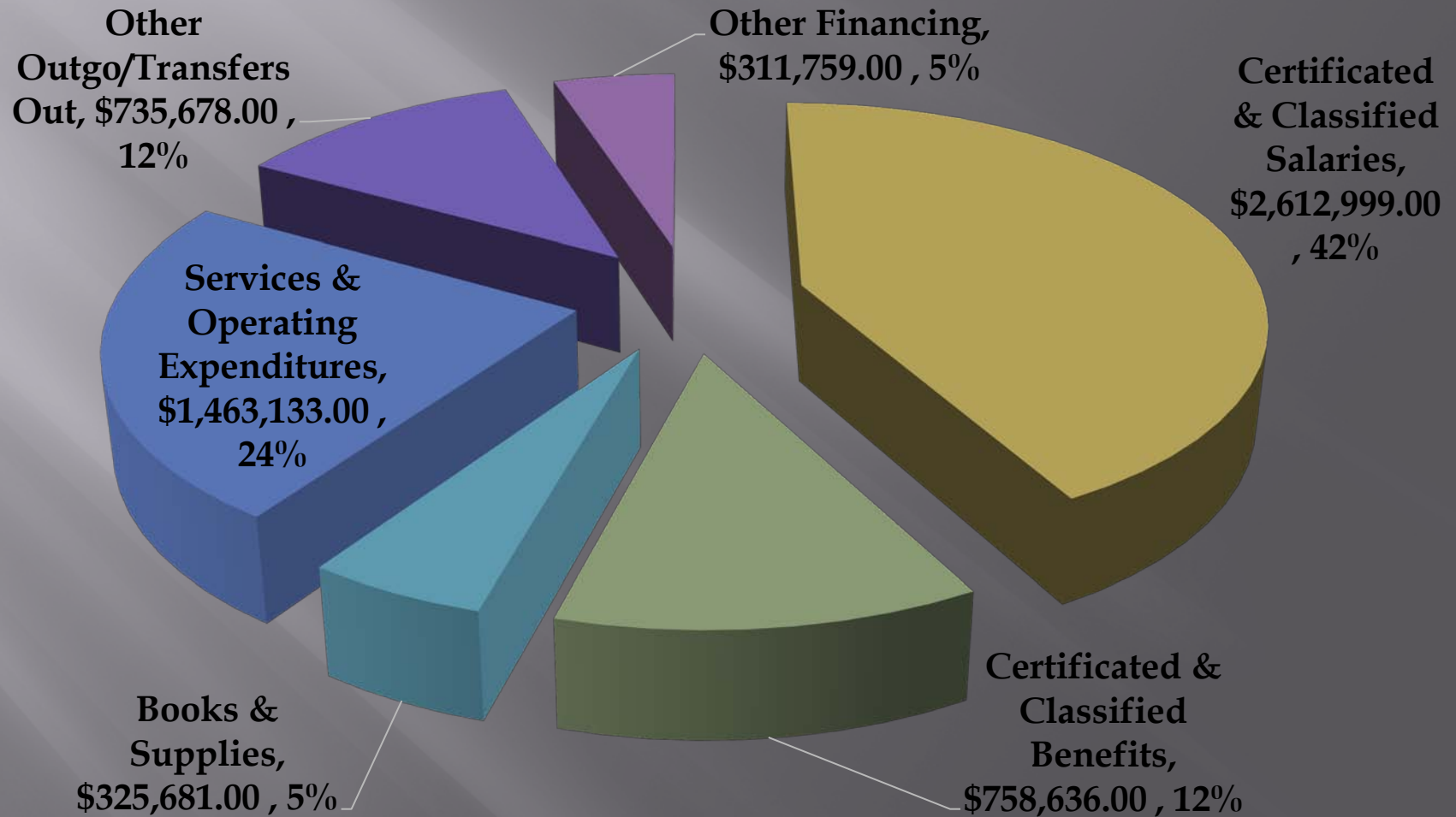
### Total Expenditure Details

Expenditure Type: Unrestricted & Restricted	Budget Adoption	First Interim
Certificated Salaries	\$ 1,626,872	\$ 1,820,030
Classified Salaries	\$ 824,394	\$ 792,969
Employee Benefits	\$ 726,420	\$ 758,636
Books & Supplies	\$ 163,935	\$ 325,681
Services & Operating Expenses	\$ 1,591,276	\$ 1,463,133
Capital Outlay	\$ 0	\$ 0
Other Outgo/Transfers Out	\$ 735,678	\$ 735,678
Other Financing; Def Mnt., Caf.	\$ 283,600	\$ 311,759
Total Expenditures	\$ 3,454,271	\$ 3,600,080

# 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            | \$ 5,639,428        |
| ▣ <u>Total Expenditures</u> | <u>\$ 5,896,127</u> |
| ▣ Net Increase (Decrease)   | \$ - 568,458        |
| ▪ In Fund Balance           |                     |
- 
- ▣ NOTE: Breakdown of Net Decrease:
    - Budget Adoption                      First Interim:
      - ▣ Unrestricted: \$-446,968              Unrestricted: \$-398,962
      - ▣ Restricted:        \$- 8,106              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 (on-going for next 10 years)
  - 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 and will continue for the next 10 years)
- ▣ Special Education Encroachment; Costs are unpredictable and growing
- ▣ Cafeteria Program Encroachment
- ▣ Monitor 5-Year Deferred Maintenance Plan
- ▣ District is Deficit Spending