

Mt. Diablo Unified School District

2013-14 Proposed Budget

June 24, 2013

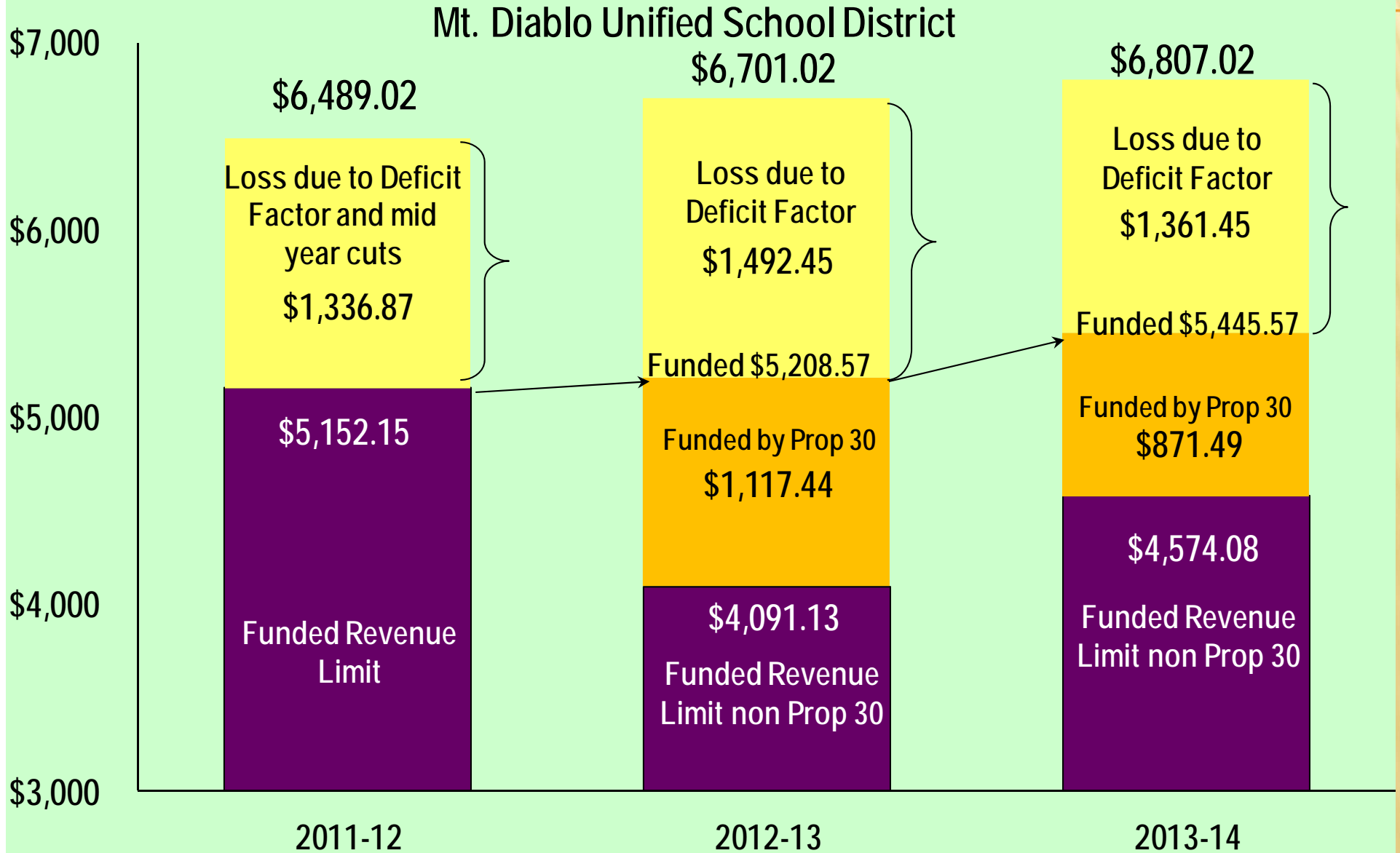
John Bernard, Ed.D., Interim Superintendent

Bryan Richards, Chief Financial Officer

COLA AND LCFF

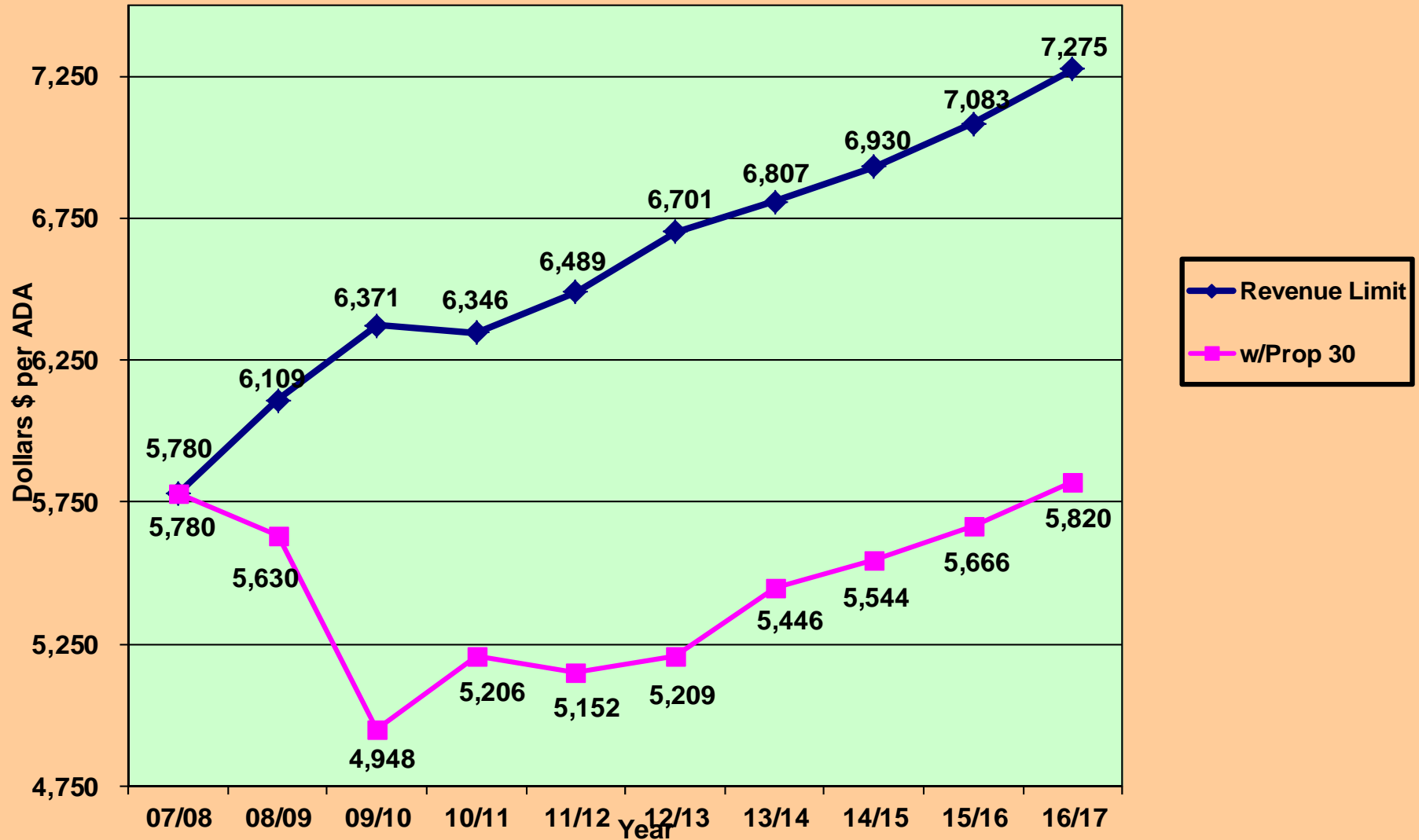
- ✘ Using May Revise Estimates translated back into Revenue Limit format until State issues new calculation methodology and codes
- ✘ A 1.565% COLA; \$106 per ADA
 - + LCFF estimated reduction of deficit factor to 79.99%
- ✘ Equates to equivalent of \$5,445.57 out of \$6,807.02 that it should be per ADA
- ✘ Note: The revised factors for the legislature's version of LCFF not yet available – we will bring back in August after Governor signs budget

FUNDED REVENUE LIMIT



13/14 REVENUE LIMIT DEFICIT NARROWS TO \$1,361.45/ADA

MDUSD Revenue Limit Funding per ADA

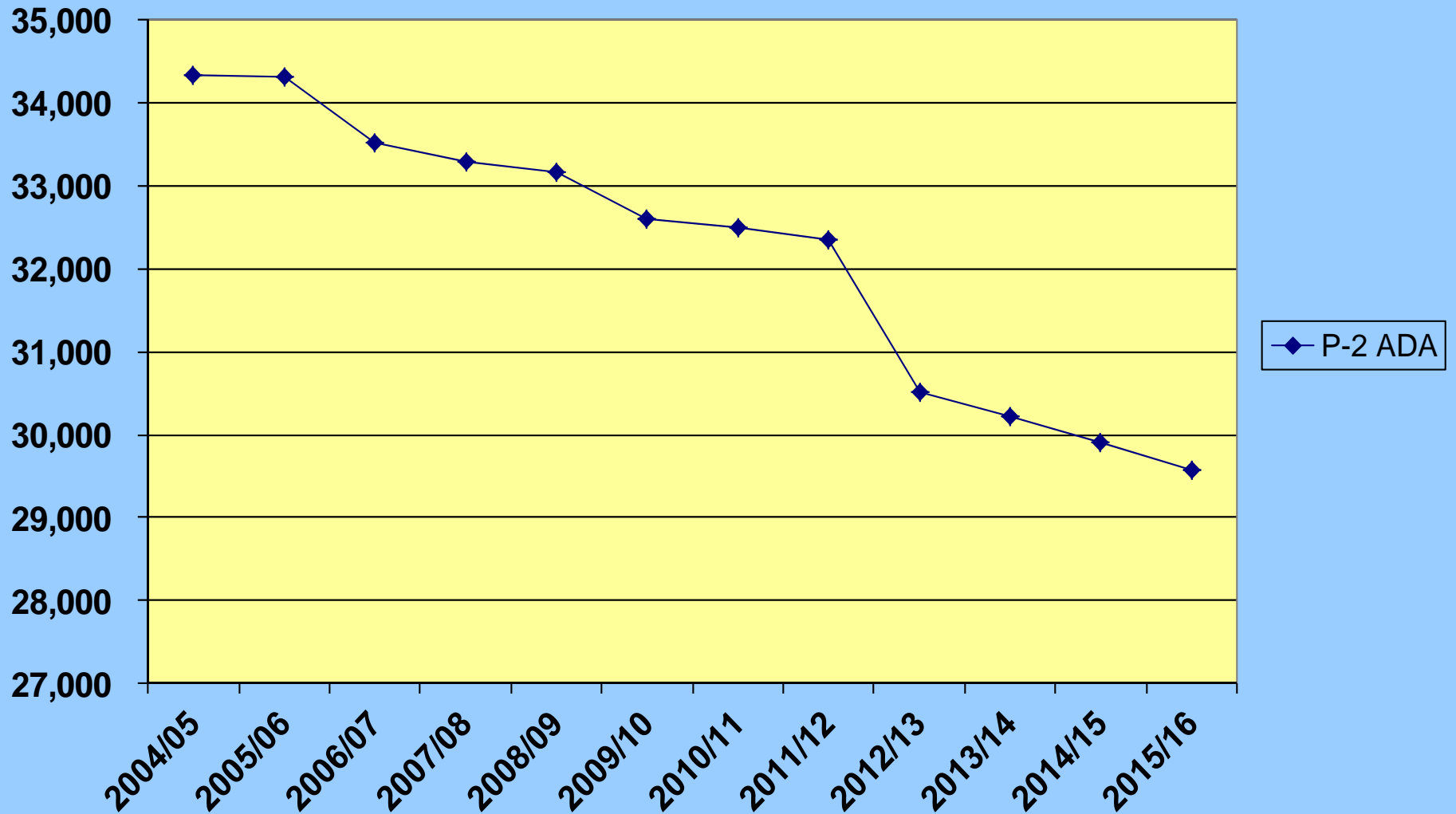


DECLINING ENROLLMENT

- ◉ We declined 216.73 ADA in 2012/13 from 2011/12 (not counting CVCHS conversion)
- ◉ We project we will decline 287.32 ADA in 2013/14

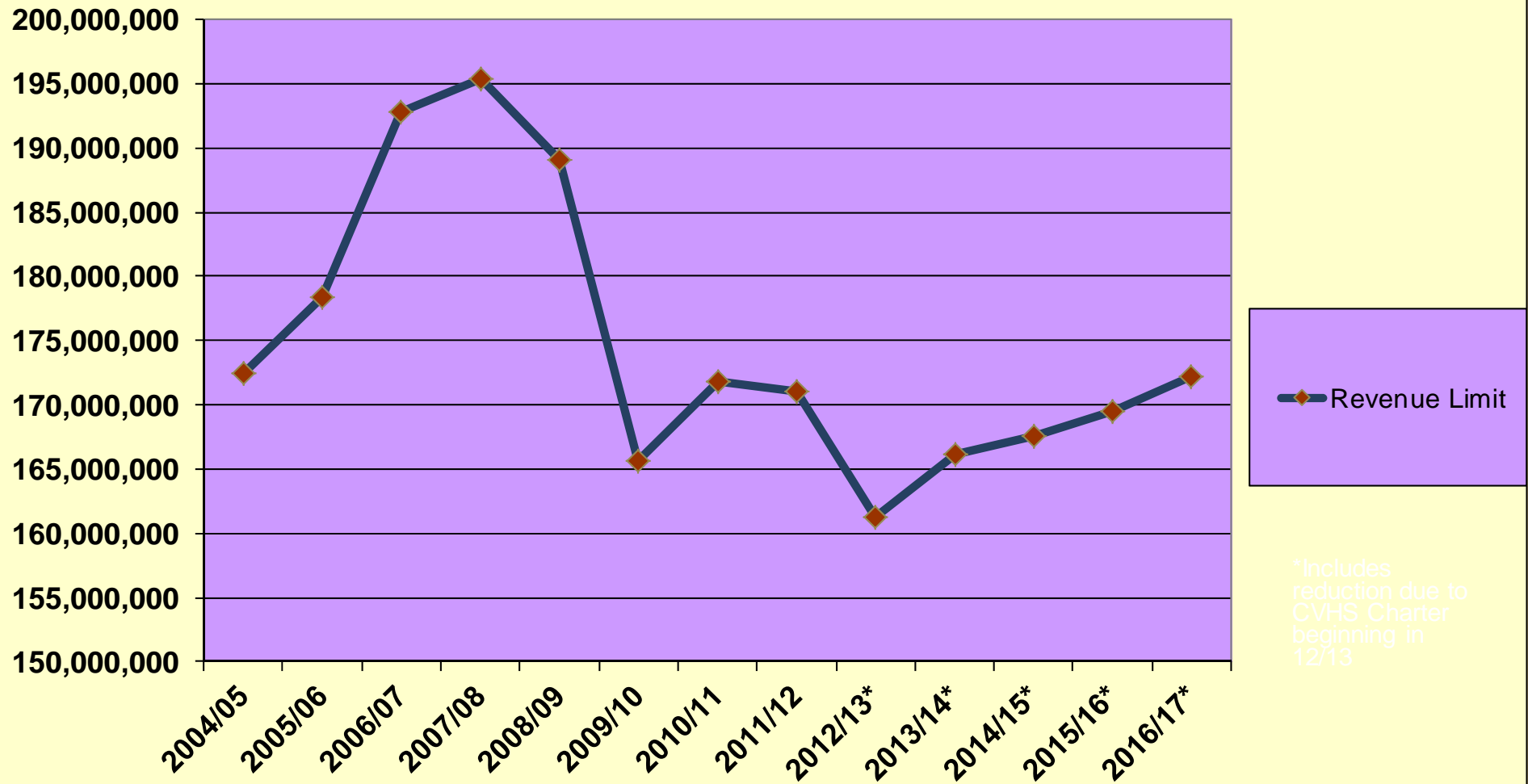
MDUSD ENROLLMENT DECLINING!

P-2 ADA



HOW DOES REVENUE LIMIT FUNDING LOOK?

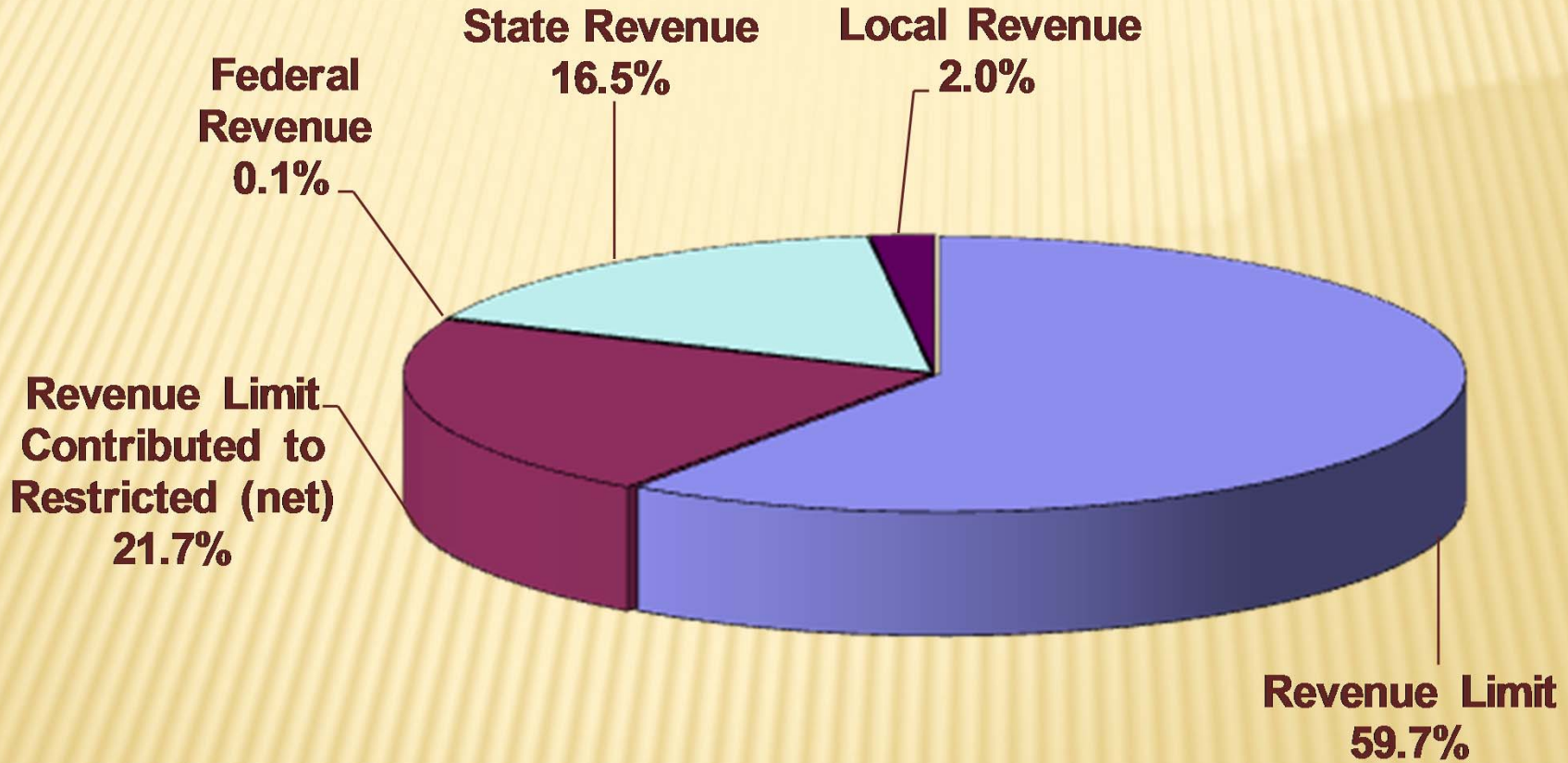
Revenue Limit



UNRESTRICTED GENERAL FUND REVENUES

	<u>2013-14 Budget</u>
⦿ Revenue Limit Sources	\$ 158,822,149
⦿ Federal Revenue	238,982
⦿ Other State Revenue	32,233,581
⦿ Other Local Revenue	<u>3,821,340</u>
⦿ Total Revenue	195,116,052
⦿ Less: Contribution to RGF	<u>(44,287,900)</u>
⦿ Net Available Revenue	\$ 150,828,152

**Mt. Diablo Unified School District
Unrestricted General Fund Revenues Before Contributions
2013-14 Total = \$195,116,052**

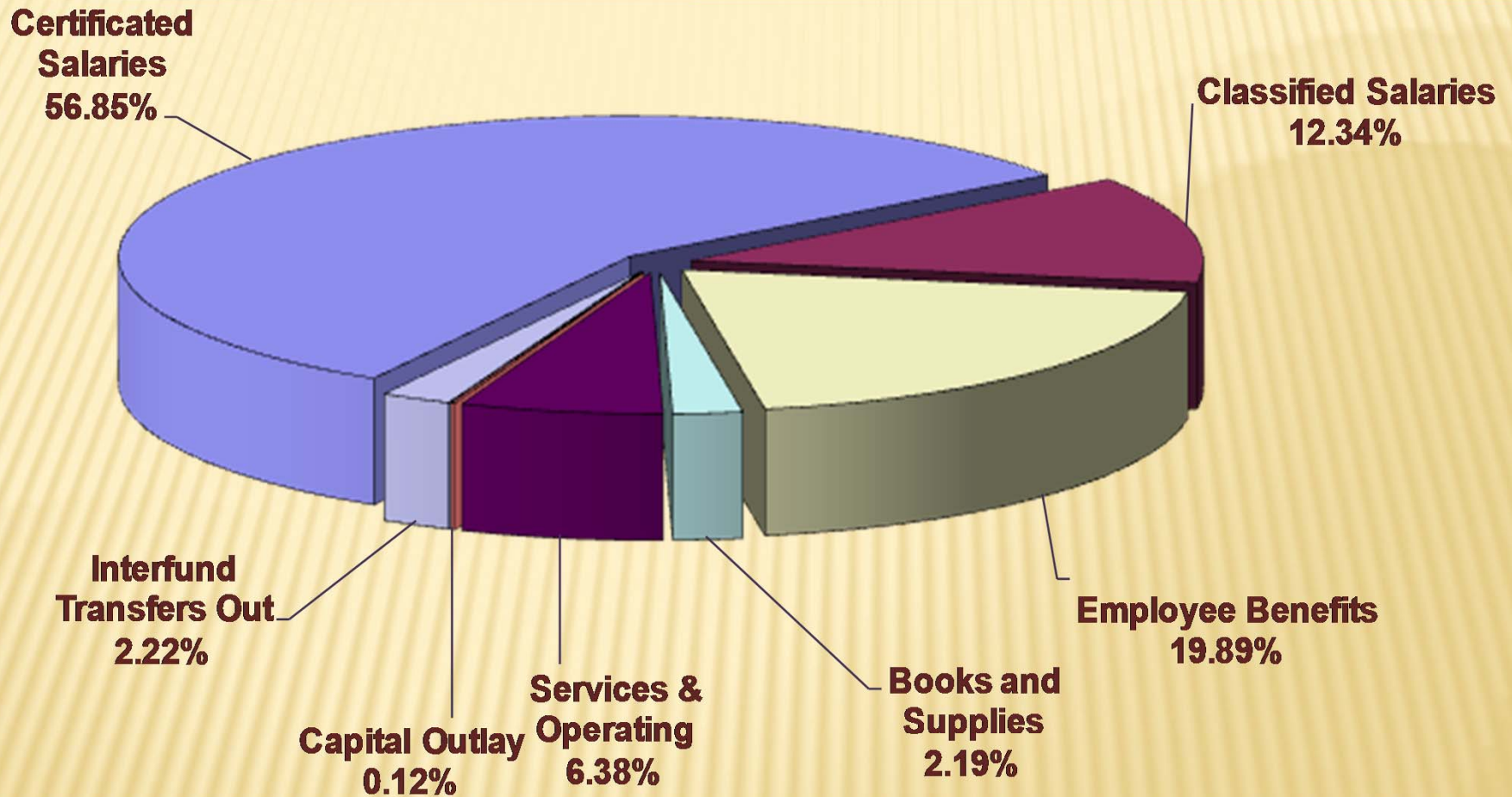


UNRESTRICTED EXPENDITURES

2013/14 Budget

○ Certificated Salaries	\$ 89,936,356
○ Classified Salaries	19,524,456
○ Employee Benefits	31,471,392
○ Books & Supplies	3,463,186
○ Services & Operating	10,091,547
○ Capital Outlay	196,600
○ Other Outgo	0
○ Interfund Transfers Out	<u>3,519,751</u>
○ Total Expenditures	158,203,288
○ Less: Indirect Cost Xfrs In	<u>(1,982,807)</u>
○ Net Expenditures	\$ 156,220,481

**Mt. Diablo Unified School District
Unrestricted General Fund Expenditures and Transfers Out
2013-14 Total = \$158,203,288**



Note: Salaries & Benefits = 89.08% of the Unrestricted General Fund Budget

UNRESTRICTED BOTTOM LINE

2013/14 Budget

○ Net Available Revenue	\$ 150,828,152
○ Net Expenditures	<u>156,220,481</u>
○ Net (decrease) fund bal.	(5,392,329)
○ Beginning Balance, July 1	<u>36,531,400</u>
○ Projected Ending Balance	\$ 31,139,071

COMPONENTS OF ENDING BALANCE

	<u>2013/14 Budget</u>
⦿ Revolving Cash	\$ 305,000
⦿ Stores Inventory	422,007
⦿ Economic Uncertainties (3%)	8,165,723
⦿ Tier 3 & Site Carryovers	5,755,487
⦿ Undesignated Balance	<u>16,490,854</u>
⦿ Ending Balance	\$ 31,139,071

To prepare for our crossing under 30,000 ADA in 2014-15, this budget increases the 2% Reserve for Economic Uncertainties to 3%.

RESTRICTED REVENUE

2013/14 Budget

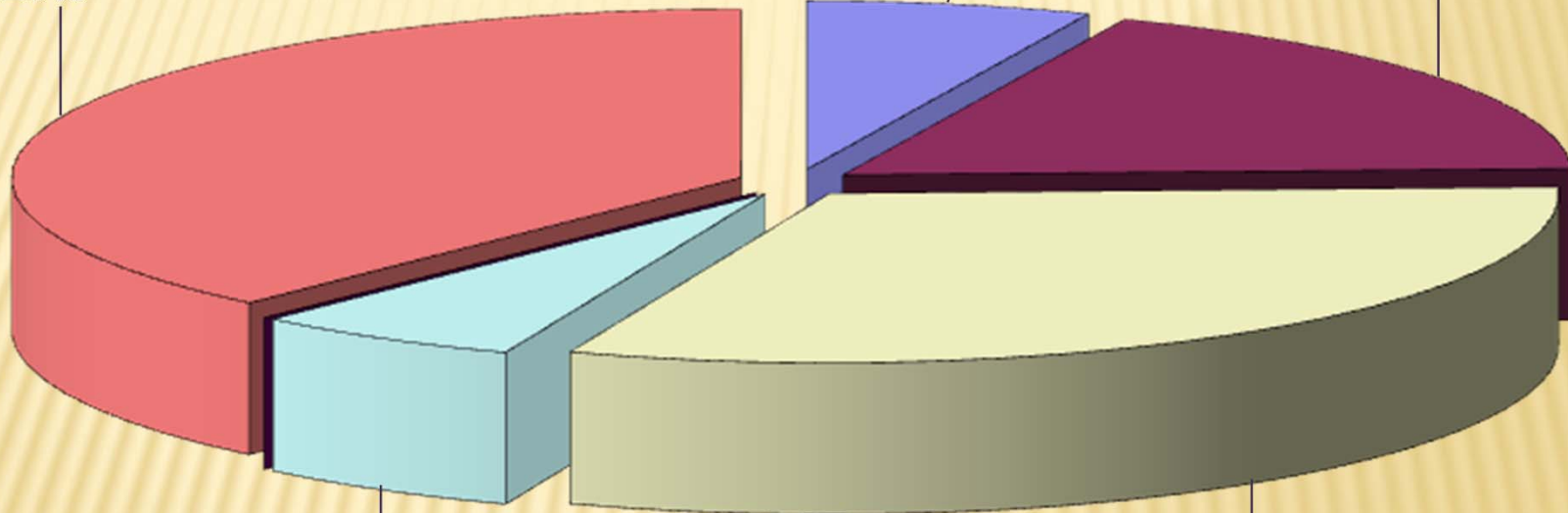
⦿ Revenue Limit Sources	\$ 7,317,768
⦿ Federal Revenue	20,934,138
⦿ Other State Revenue	36,325,150
⦿ Other Local Revenue	6,927,419
⦿ Contribution from UGF	<u>44,287,900</u>
⦿ Total Revenue	\$ 115,792,375

**Mt. Diablo Unified School District
Restricted General Fund Revenue
2013/14 Total = \$115,792,375**

**Contribution
from
Unrestricted
38.25%**

**Revenue Limit
6.32%**

**Federal Revenue
18.08%**



**Local Revenue
5.98%**

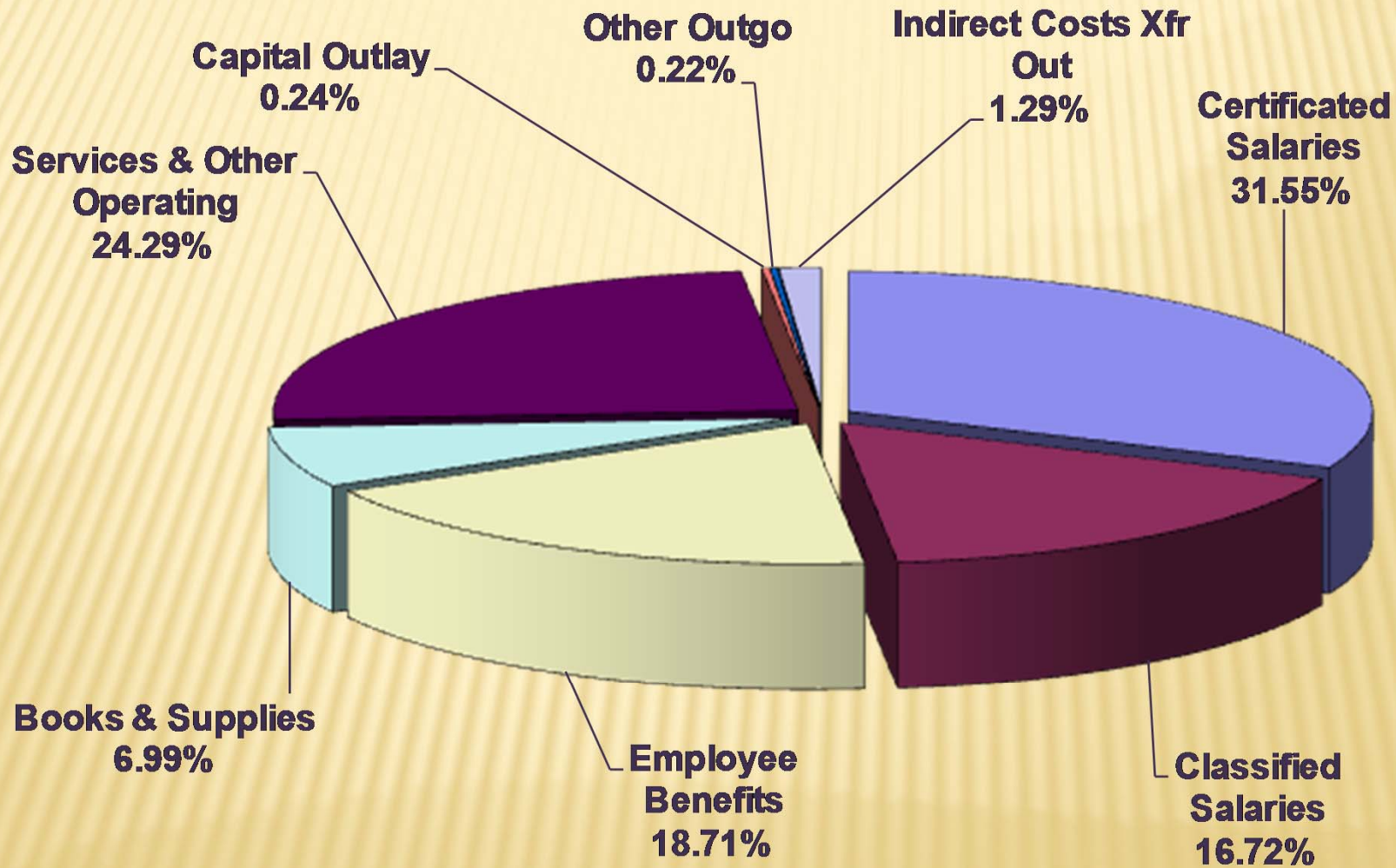
**State Revenue
31.37%**

RESTRICTED EXPENDITURES

2013/14 Budget

○ Certificated Salaries	\$ 36,588,065
○ Classified Salaries	19,386,792
○ Employee Benefits	21,701,824
○ Books & Supplies	8,102,803
○ Services & Other Operating	28,170,158
○ Capital Outlay	275,000
○ Other Outgo	254,994
○ Indirect Costs Xfr Out	<u>1,490,589</u>
○ Total Expenditures	\$ 115,970,225

**Mt. Diablo Unified School District
Restricted General Fund Expenditures
2013-14 Total = \$115,970,225**



RESTRICTED BOTTOM LINE

	<u>2013/14 Budget</u>
⦿ Total Revenue	\$ 115,792,375
⦿ Total Expenditures	<u>115,970,225</u>
⦿ Net (decrease) in fund bal.	(177,850)
⦿ Beginning Balance, July 1	<u>10,326,670</u>
⦿ Projected Ending Balance	\$ 10,148,820

MULTI YEAR PROJECTION – COLA EVERY YEAR, BUT DEFICIT SPENDING CONTINUES

	<u>2013/14 Budget</u>
○ Undesignated @ 6/14	\$ 16,490,854
○ Operating Deficit 2014/15	(6,197,720)
○ Adjustment in 3% reserve	88,373
○ Adjustment in assignments	<u>0</u>
○ Unappropriated Balance 6/15	10,381,507
○ Operating Deficit 2015/16	(11,310,586)
○ Adjustment to 3% reserve	(311,943)
○ Adjustment in assignments	<u>1,400,000</u>
○ Unappropriated Balance 6/16	\$ 158,978

Note: 2015-16 includes K-3 CSR coming back under current rules. This is slated to change when LCFF is implemented to a more gradual return of the program.

WHERE ARE WE NOW?

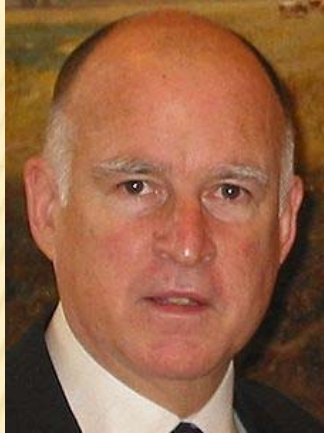
- ◎ The Board will have new parameters under the Local Control Funding Formula through which to evaluate various programs as funding becomes more flexible.
- ◎ Although we have a COLA funding equivalent for the first time in six years, we are still deficit spending due to our declining size and must address it. However, the size of the deficit may change somewhat once the final LCFF funding model is implemented.

BUDGET DILEMMA

- Amount of budget adjustments needed to address the deficit in the future depends on the answers to the following questions:
 - What will the District's final numbers under the new funding formula be?
 - How will the changes to the Special Education Funding Formula affect our single district SELPA?
 - What restrictions (if any) will follow the new supplemental grant?
 - Will the District eventually cross into eligibility for the concentration grant? (We are 6% away now.)

LOCAL CONTROL FUNDING FORMULA

- ✘ Base Grant Funding Targets
 - + K-3 \$6,845 + CSR 10.4%
 - + 4-6 \$6,947
 - + 7-8 \$7,154
 - + 9-12 \$8,289 + CTE 2.6%
- ✘ Supplemental Grant = 20% of Base for each EL, FRL, FY student at CBEDS
- ✘ Concentration Grant = 50% of Base for each EL, FRL, FY student over 55% of students
- ✘ 8 year transition plan to 2020-21
- ✘ Preliminary calculations look similar to the May revise numbers on which this budget is based
- ✘ We will bring adjustments in August



WHAT NEXT? MORE FROM SACRAMENTO



- ✓ Governor Brown and leadership in legislature have agreed to the compromise budget.
- ✓ Legislature passed budget on June 15th.
- ✓ It now awaits the Governor's Blue Pencil adjustments or signature.
- ✓ Budget implements new funding formula.



School Services update coming July 16th. 45 day budget revision will come to board in August.



THANK YOU!

- ✘ Nance Juner, Chief Accountant
 - ✘ Marianne Lejano, Fiscal Analyst II
 - ✘ Michelle McAvoy, Position Budgeting Manager
 - ✘ Mika Arbelbide, Accounting Supervisor
 - ✘ Janet Takahashi, Administrative Assistant
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- ✘ HAVE A SAFE AND WONDERFUL SUMMER!
 - ✘ We'll see you back in the fall with the 45 day revision and the closing of the books.