



Sunol Glen Unified School District Adopted Budget Report FY 2015-16

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SB 858 Reserve Level Disclosure Requirements – Two major provisions

1. Starting with the adopted budget for 2015-16, if the combined assigned and unassigned ending fund balance is greater than the required reserve, school districts shall provide the following at the public hearing for the budget:
 - The minimum reserve level required in each year
 - The amount of assigned and unassigned ending fund balance that exceeds the minimum in each year.
 - Reasons for the reserve being greater than the minimum.
2. Because the voters approved Proposition 2 on November 2014, a second provision of SB 858 becomes effective. In the fiscal year immediately after a fiscal year in which a transfer is made to the Proposition 98 reserve, adopted local school districts budgets cannot contain a combined assigned or unassigned ending fund balance that is in excess of twice the minimum reserve. There are limited circumstances in which a COE can grant an exception to this requirement.



Component of Ending Fund Balance

Fund Balance Component	2015-16	2016-17	2017-18
Nonspendable (Revolving Fund)	4,000	4,000	4,000
Restricted	-	-	-
Committed	120,000	120,000	120,000
Required Reserve	147,799	150,244	154,711
Assigned & Unassigned	651,105	457,256	215,280
Ending Balance	922,904	731,500	493,991

Explanation why the reserve exceeds the minimum required reserve

The Sunol Glen District has assigned funds to be expensed per the needs of the school. The needs were established by a committee, known as the Sunol Glen Vision Committee, comprised of all the stakeholders including: teachers, classified, administration and community members. The committee made recommendation to the Sunol Glen Board of Trustees who then approved these improvements.



Overview

- **Education Code Section 42127 (a) states that - On or before July 1 of each year, the Governing Board of each school district shall accomplish the following:**
 - **Hold a public hearing on the budget to be adopted for the subsequent fiscal year – June 2.**
 - **Adopt the budget – June 18.**
 - **File the budget with the County Superintendent of Schools – June 30.**



All Funds

The District utilizes nine separate funds within the District's Adopted Budget, with the General Fund being the primary fund of the District.

Fund	Description
01	General fund
13	Cafeteria Fund
14	Deferred Maintenance Fund
15	Pupil Transportation Equipment Fund
21	Building Fund
25	Capital Facilities Fund
35	County School Facilities Fund
40	Special Reserve Fund for Capital Outlay Projects
51	Bond Interest and Redemption Fund



Definition of Funds

General Fund - 01

The General Fund is the primary fund of the District. It is the fund used to provide educational programs. The revenue for the General Fund is received from Local Control Funding Formula, Federal, Other State, and Other Local Sources that are further divided into unrestricted and restricted resources.

Cafeteria Fund - 13

The Cafeteria Fund is used to account separately for Federal, State, and Local Revenue to operate the food services program of the District.

Deferred Maintenance Fund - 14

The State School Deferred Maintenance Program provides state matching funds, on a dollar-for-dollar basis, to assist school districts with expenditures for major repair or replacement of existing school building components. Due to the new funding model, reporting requirements to this fund have been relaxed. Funding now goes to the general fund and is included in the LCFF base. The district will then transfer the funds to the regular deferred maintenance account via an LCFF revenue transfer.

Pupil Transportation Equipment Fund - 15

This Fund is used for major school bus repairs or bus replacement.

Building Fund - 21

The Building Fund exists primarily to account separately for proceeds from the sale of bonds. The fund can also be utilized to account for revenue from rentals and leases.

Capital Facilities Fund - 25

The Capital Facilities Fund accounts for revenue from local redevelopment agencies.

County School Facilities Fund - 35

This fund is established pursuant to Ed Code 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Prop 1A), the 2002 State School Facilities Fund (Prop 47), the 2004 State School Facilities Fund (Prop 55), or the 2006 State School Facilities Fund (Prop 1D) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998.

Special Reserve Fund for Other than Capital Outlay - 40

This fund exists primarily to provide for the accumulation of general fund moneys for capital outlay purposes.

Bond Interest and Redemption Fund - 51

This fund is used for the repayment of bonds issued for a District.



General Fund Budget Assumptions

DESCRIPTION		Estimated Actuals	Adopted Budget	MYP	
		FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Revenue Assumptions					
Enrollment		273	280	280	280
ADA		267	269	268	268
Ratio of ADA to Enrollment		98%	96%	96%	96%
Unduplicated Count		33	33	33	33
Unduplicated %		12.36%	12.04%	11.88%	11.79%
COLA		0.85%	1.02%	1.60%	2.48%
GAP Funding Rate		28.06%	53.08%	37.40%	36.70%
Base Grade Span (BGS)	Base Grant				
	Grades K-3	7,012	7,083	7,196	7,374
	Grades 4-6	7,116	7,189	7,304	7,485
	Grades 7-8	7,328	7,403	7,521	7,708
	Grade Span Adjustment				
	Grades K-3	729	737	748	767
Supplemental Grant		20% of BGS X Unduplicated %			
Concentration Grant		50% of BGS X Unduplicated % > 55%			
Unrestricted Lottery		\$128	\$128	\$128	\$128
Restricted Lottery Prop 20		\$34	\$34	\$34	\$34
Expenditure Assumptions					
FTE					
Certificated		14.12	14.12	14.12	14.12
Classified (General Fund)		10.602	10.602	10.602	10.602
Classified (Cafeteria Fund)		0.373	0.373	0.373	0.373
Statutory Benefits					
STRS		8.88%	10.73%	12.58%	14.43%
PERS		11.771%	11.847%	15.00%	16.60%
Social Security		6.20%	6.20%	6.20%	6.20%
Medicare		1.45%	1.45%	1.45%	1.45%
Unemployment Insurance		0.05%	0.05%	0.05%	0.05%
Workers' Compensation		1.88%	2.21%	2.21%	2.21%



General Fund Summary

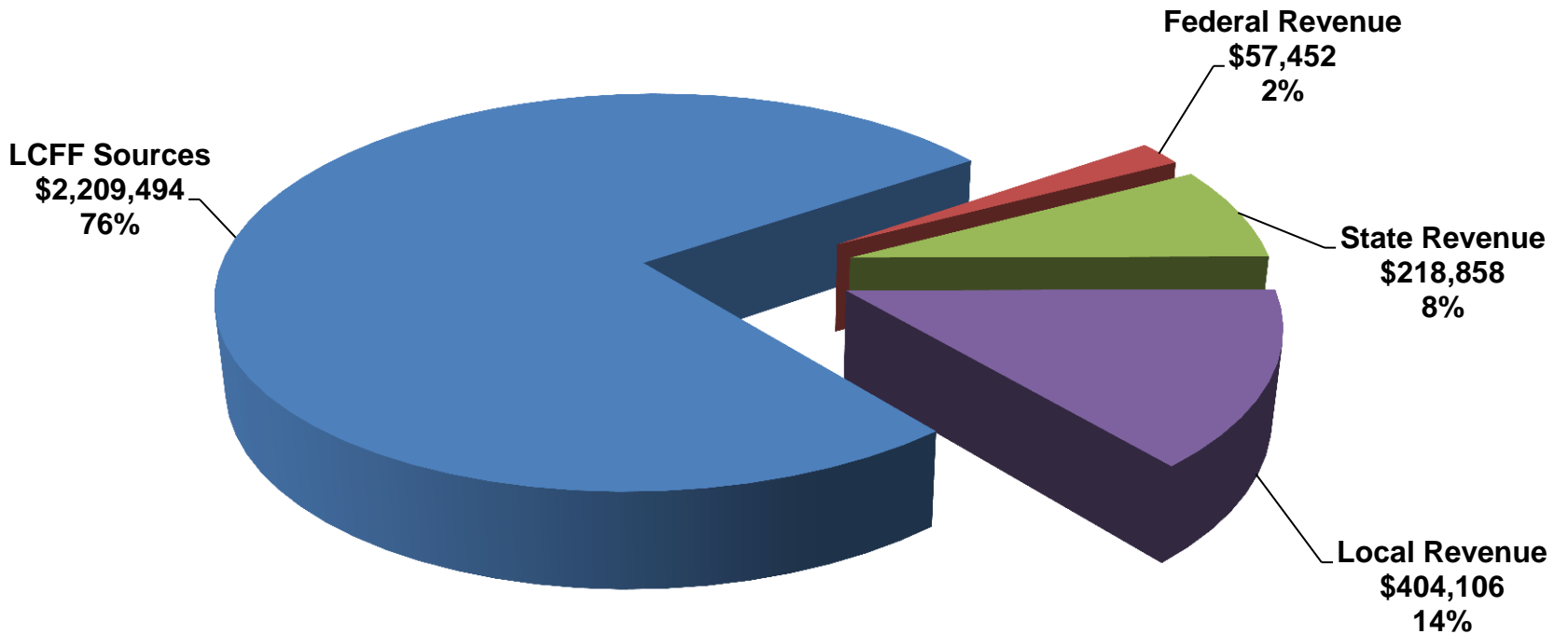
FY 2015-16 Adopted Budget

DESCRIPTION	UNRESTRICTED	RESTRICTED	TOTAL
REVENUES AND OTHER FINANCING SOURCES			
LCFF Sources	2,204,946	4,548	2,209,494
Federal Revenue	-	57,452	57,452
State Revenue	202,651	16,207	218,858
Local Revenue	5,500	398,606	404,106
Other Financing Sources - Contributions	(183,114)	183,114	-
TOTAL REVENUES	2,229,983	659,927	2,889,910
EXPENDITURES AND OTHER FINANCING USES			
Certificated Salaries	1,108,972	71,750	1,180,722
Classified Salaries	370,983	288,160	659,143
Employee Benefits	282,333	95,931	378,264
Books & Supplies	158,376	66,363	224,739
Services & Other Operating Expenditures	301,174	112,204	413,378
Capital Outlay	80,000	-	80,000
Other Outgo (excluding Transfers of Indirect Costs)	-	-	-
Other Outgo - Transfers of Indirect Costs	(25,519)	25,519	-
Other Financing Uses - Transfer Out	19,733	-	19,733
TOTAL EXPENDITURES	2,296,052	659,927	2,955,979
NET INCREASE (DECREASE) IN FUND BALANCE	(66,069)	-	(66,069)
BEGINNING BALANCE	988,973	-	988,973
ENDING BALANCE	922,904	-	922,904
<i>Components of Ending Fund Balance:</i>			
Nonspendable (Revolving Fund)	4,000	-	4,000
Committed (by Governing Board)	120,000	-	120,000
Assigned (by District)	70,000	-	70,000
Required Reserve	147,799	-	147,799
Undesignated/Unappropriated	581,105	-	581,105



General Fund Revenue Summary Unrestricted & Restricted Funds FY 2015-16 Adopted Budget

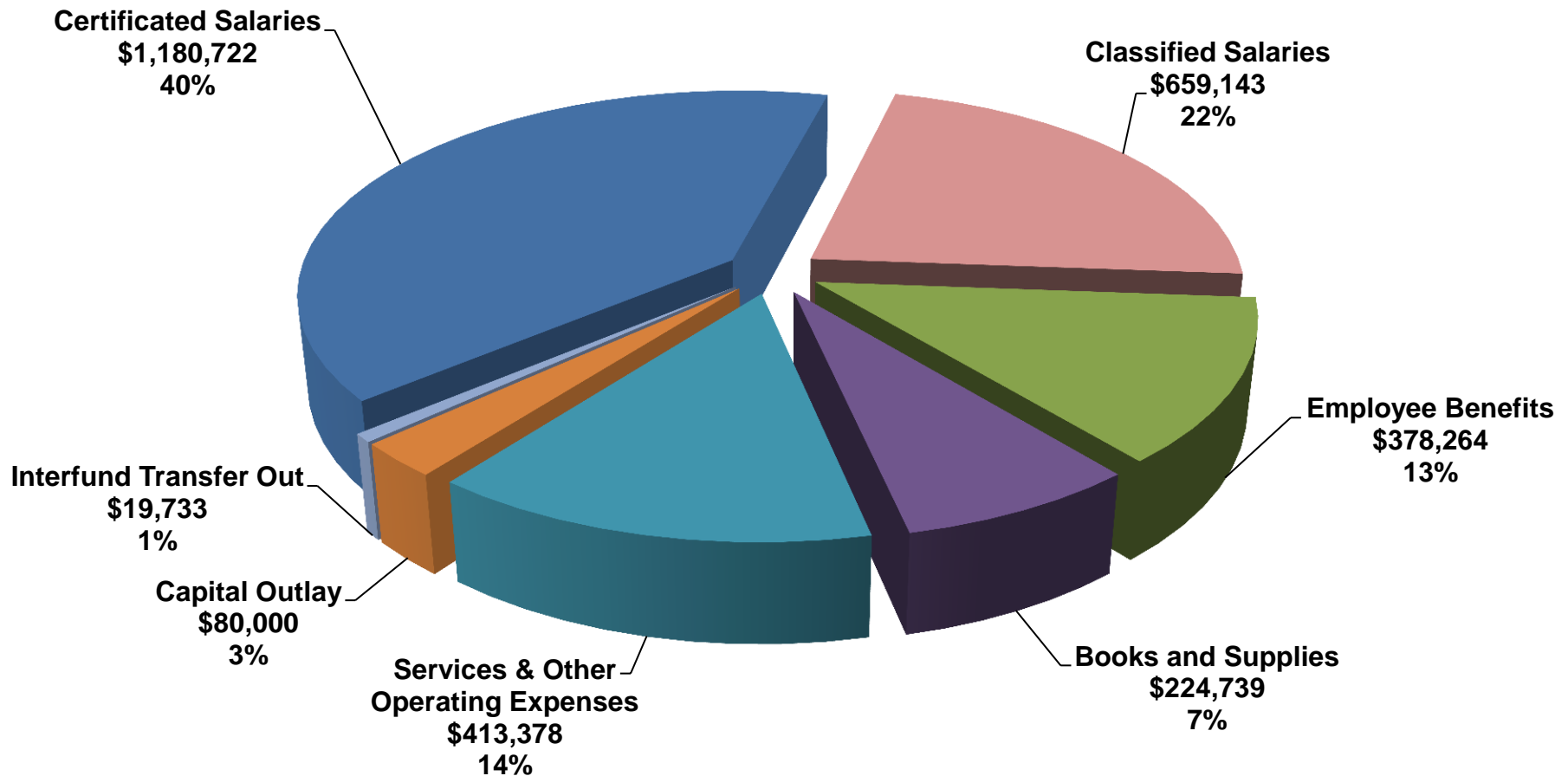
Total = \$2,889,910





General Fund Expenditure Summary Unrestricted & Restricted Funds FY 2015-16 Adopted Budget

Total = \$2,955,979



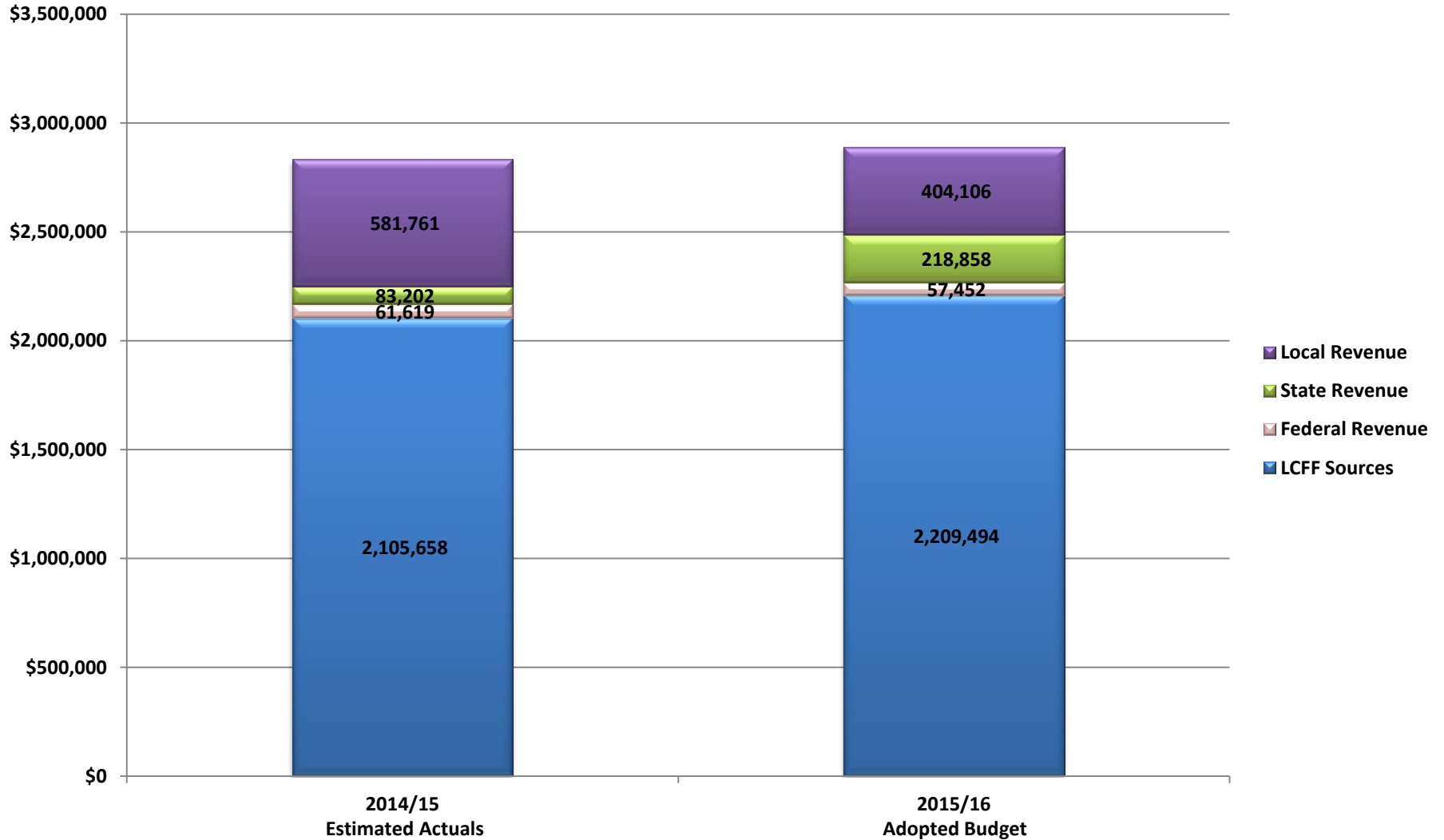


General Fund Budget Comparison

DESCRIPTION	ESTIMATED ACTUALS 2014-15	ADOPTED BUDGET 2015-16	Difference EA to AB Incr. / (Decr.)	EXPLANATION OF MATERIAL VARIANCES
REVENUE AND OTHER FINANCING SOURCES				
LCFF Sources	2,105,658	2,209,494	103,836	GAP funding increase.
Federal Revenue	61,619	57,452	(4,167)	Removal of prior year carryover.
State Revenue	83,202	218,858	135,656	One-time discretionary funding (\$601 per ADA)
Local Revenue	581,761	404,106	(177,655)	Conservatively projected revenue in local grants. These budgets will be adjusted during the year should a further increase materialize. Removal of one time funding - sale of bus.
Other Financing Sources	-	-	-	
TOTAL REVENUES	2,832,240	2,889,910	57,670	
EXPENDITURES AND OTHER FINANCING USES				
Certificated Salaries	1,182,157	1,180,722	(1,435)	Reduce one-time stipend and plus step increase.
Classified Salaries	618,015	659,143	41,128	Science lab coordinator & tech supervisor.
Employee Benefits	338,483	378,264	39,781	Salary & STRS/PERS employer rates increases.
Books & Supplies	269,872	224,739	(45,133)	Reduction of fundings for local grants and common core.
Services and Other Operating Expenditures	614,550	413,378	(201,172)	Reduction of fundings for local grants, transportation, common core and prop 39.
Capital Outlay	359,545	80,000	(279,545)	
Other Outgo (excluding Transfers of Indirect Costs)	-	-	-	
Other Outgo - Transfers of Indirect Costs	-	-	-	
Other Financing Uses	17,152	19,733	2,581	
TOTAL EXPENDITURES	3,399,774	2,955,979	443,795	
NET INCREASE (DECREASE) IN FUND BALANCE	(567,534)	(66,069)	(501,465)	
BEGINNING FUND BALANCE	1,556,507	988,973	567,534	
ENDING FUND BALANCE	988,973	922,904	66,069	
Components of Ending Fund Balance:				
Nonspendable (Revolving Fund)	4,000	4,000	-	
Prepaid Expenditures	-	-	-	
Restricted	-	-	-	
Committed (by Governing Board)	50,000	120,000	(70,000)	
Assigned (by District)	-	70,000	(70,000)	Board vision committee for other projects.
Required Reserve	169,989	147,799	22,190	
Undesignated/Unappropriated	764,984	581,105	183,879	

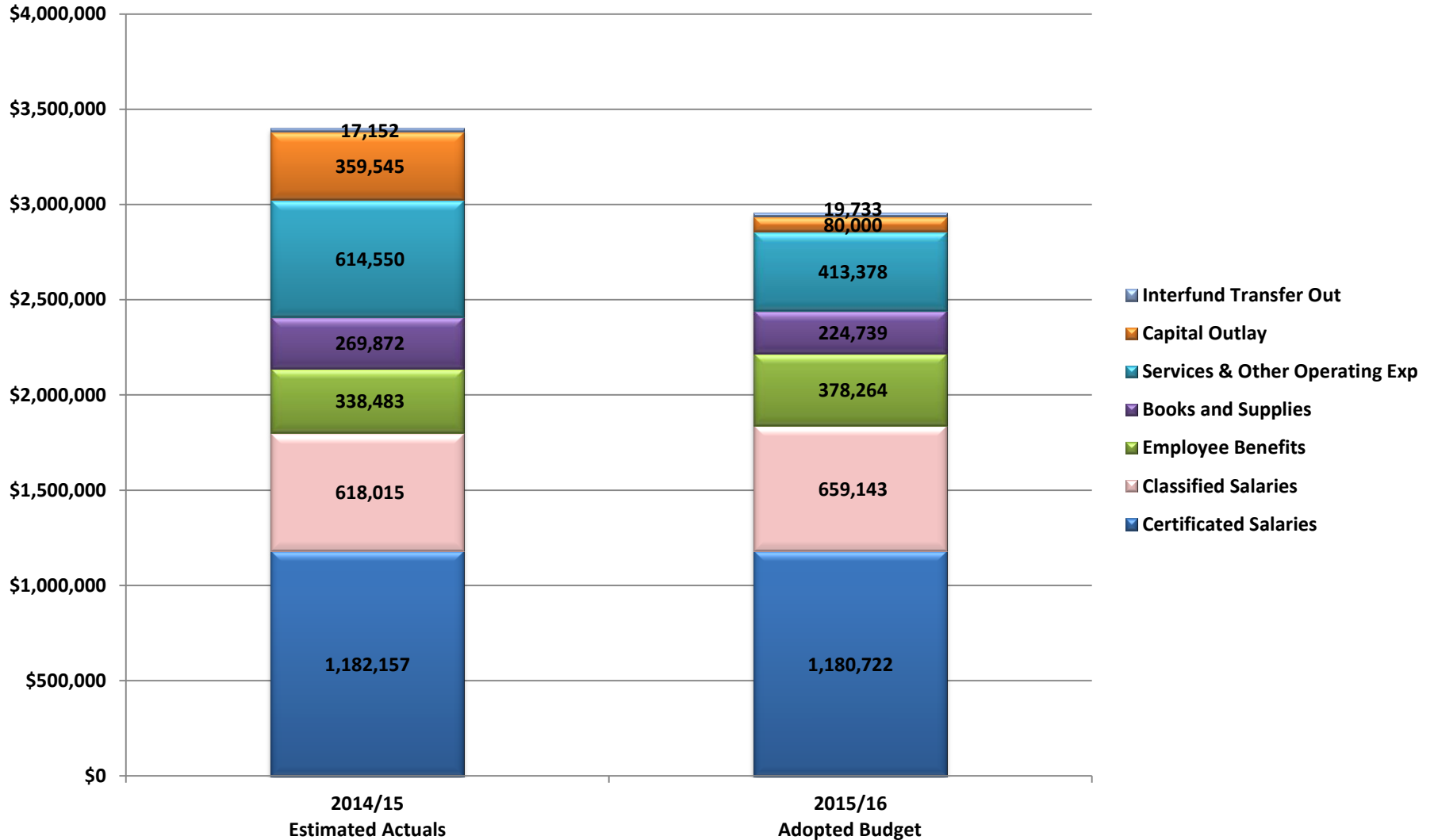


Revenue Source Comparison



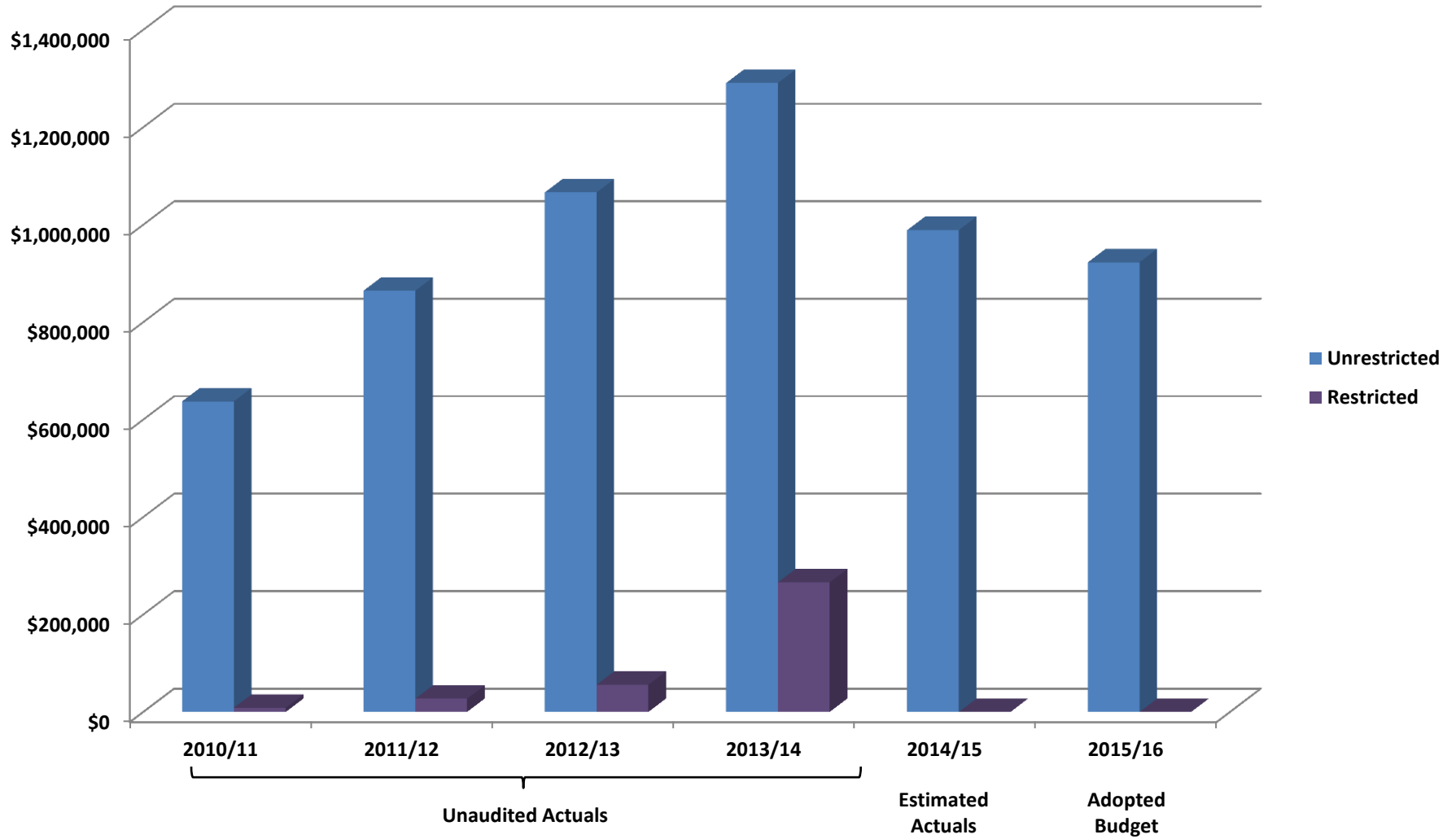


Expenditure Comparison





Ending Fund Balance History





Contribution Programs

DESCRIPTION	EAGLE'S NEST (Res 9040)	PRESCHOOL (Res 9050)	HEALTH & WELLNESS (Res 9080)	SPECIAL EDUCATION (Res 6500)	RESTRICTED ROUTINE MAINTENANCE (Res 8150)	TOTAL CONTRIBUTION
Total Estimated Revenue	90,000	75,000	50,000	153,154	-	-
Expense						
Payroll & Benefits	88,911	104,341	60,879	127,510	42,779	
Supplies	5,000	4,000	-	2,000	20,221	
Other Expenses	5,650	2,200	-	38,000	25,800	
Total Estimated Expenses	99,561	110,541	60,879	167,510	88,800	
Excess of Revenue over Expense	(9,561)	(35,541)	(10,879)	(14,356)	(88,800)	
Direct Cost at CDE Rate: 6.35%	6,322	7,019	-	10,636	-	-
Excess / (Encroachment)	(15,883)	(42,560)	(10,879)	(24,992)	(88,800)	(183,114)



Multiyear Projections

DESCRIPTION	2015-16	Difference	2016-17	Difference	2017-18	EXPLANATION OF MATERIAL VARIANCES
REVENUES AND OTHER FINANCING SOURCES						
LCFF Sources	2,209,494	81,802	2,291,296	89,319	2,380,615	GAP funding.
Federal Revenue	57,452	-	57,452	-	57,452	
Other State Revenue	218,858	(160,618)	58,240	178	58,418	Removal of one-time discretionary grant.
Local Revenue	404,106	2,378	406,484	(46,256)	360,228	Removal of one-time revenue. Health & wellness grant is set to expire at the end of 2017.
Other Financing Sources	-	-	-	-	-	
TOTAL REVENUES	2,889,910	(76,438)	2,813,472	43,241	2,856,713	
EXPENDITURES AND OTHER FINANCING USES						
Certificated Salaries	1,180,722	-	1,180,722	33,115	1,213,837	Step and Column increase.
Step/Column	(included above)		31,115	803	31,918	Step and Column increase.
Other Adjustment			2,000	(1,000)	1,000	Stipend Increase.
Classified Salaries	659,143	-	659,143	26,857	686,000	Step and Column increase.
Step/Column	(included above)		26,857	1,343	28,200	Step and Column increase.
Other Adjustment			-	(50,000)	(50,000)	Health & wellness grant is set to expire at the end of 2017.
Employee Benefits	378,264	48,351	426,615	57,159	483,774	STRS and PERS employer rates increase.
Books & Supplies	224,739	10,394	235,133	10,643	245,776	Carryover is excluded.
Services and Other Operating Expenditures	413,378	10,180	423,558	10,426	433,984	Carryover is excluded.
Capital Outlay	80,000	(80,000)	-	-	-	No projects budgeted.
Other Outgo (excluding Transfers of Indirect costs)	-	-	-	-	-	
Other Outgo - Transfers of Indirect Costs	-	-	-	-	-	
Other Financing Uses - Transfers Out	19,733	-	19,733	-	19,733	
TOTAL EXPENDITURES	2,955,979	48,897	3,004,876	89,346	3,094,222	
NET INCREASE (DECREASE) IN FUND BALANCE	(66,069)	(125,335)	(191,404)	(46,105)	(237,509)	
BEGINNING BALANCE	988,973	(66,069)	922,904	(191,404)	731,500	
ENDING BALANCE	922,904	(191,404)	731,500	(237,509)	493,991	
Components of Ending Fund Balance:						
Nonspendable (Revolving Fund)	4,000	-	4,000	-	4,000	
Restricted	-	-	-	-	-	
Committed	120,000	-	120,000	-	120,000	
Assigned	70,000	-	89,692	-	104,831	
Required Reserve	147,799	-	150,244	-	154,711	
Undesignated/Unappropriated	581,105	(213,541)	367,564	(257,115)	110,449	

Note: As is customary, this projection does not attempt to predict potential salary increases beyond step & column in future years. Any future settlements are at the discretion of the district's governing board.



Other Funds

Description	Beginning Balance	Revenues & Transfers	Expenditures	Ending Balance
Cafeteria Fund	3	28,235	28,233	5
Deferred Maintenance Fund	458,524	28,074	156,774	329,824
Pupil Transportation Equipment Fund	28,120	100	-	28,220
Building Fund	5	-	-	5
Capital Facilities Fund	7,184	150	-	7,334
County School Facilities Fund	34	-	-	34
Special Reserve Fund for Capital Outlay Projects	222	-	-	222
Bond Interest and Redemption Fund	199,950	200,300	200,300	199,950



Other Budget Considerations

- **No new funding proposal for State Teachers' Retirement system (STRS) or Public Employees' Retirement System (PERS) increased contribution. Employer costs for retirement benefits for both STRS & PERS are projected to nearly double over the next several years.**
- **No proposal for a statewide school facilities bond.**
- **Proposes increase to address California Statewide Special Education Task Force report.**
- **Impact of Proposition 30 expiration – impact still uncertain.**
- **Funding growth will slow down once Maintenance factor is fully paid – back to 40%.**
- **State funding growth is mainly coming from capital gains – most volatile source of revenue.**
- **May Revise is not the final budget.**



Questions or Comments?