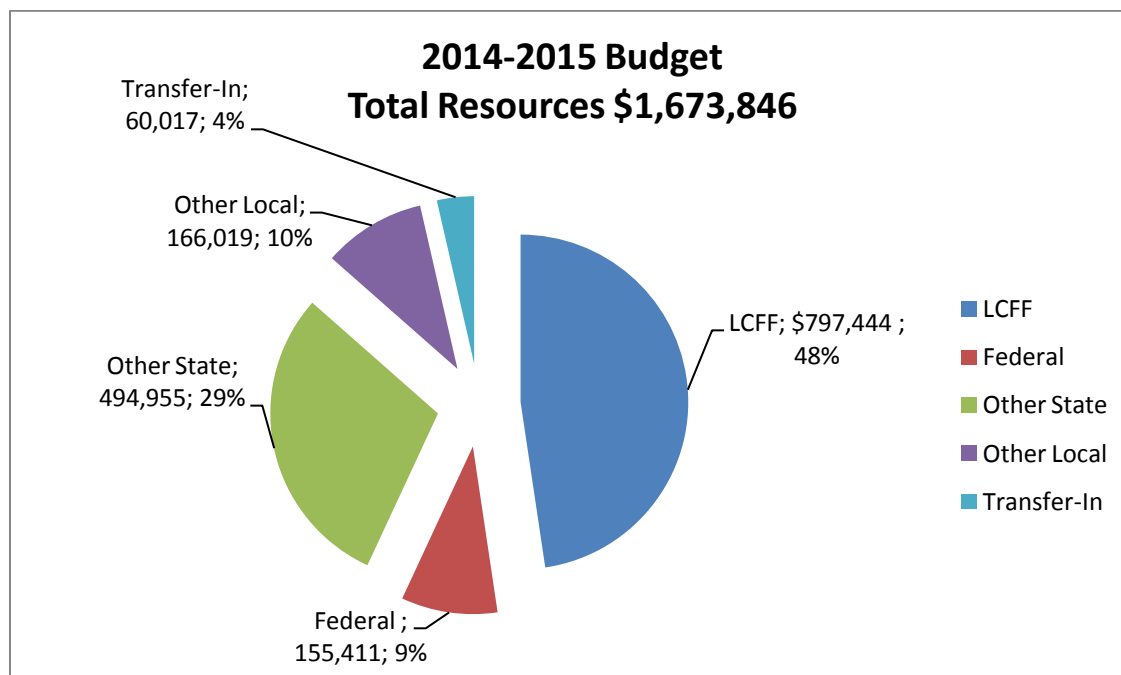


Sierra County Office of Education
2014-2015 Budget Narrative
Presented June 18, 2014

REVENUE

Description	2011-2012 Actuals	2012-2013 Actuals	2013-2014 Adopted Budget	2014-2015 Budget
LCFF/Revenue Limit	\$405,055	\$487,588	\$407,491	\$797,444
Federal	635,847	138,711	166,294	155,411
Other State	471,857	517,574	470,484	494,955
Local	244,023	283,919	260,550	166,019
Transfer-In	160,830	63,176	0.00	60,017
Total	\$1,917,612	\$1,490,968	\$1,304,819	\$1,673,846



Local Control Funding Formula (LCFF)

The LCFF changed the way counties are funded by providing all county offices with 1) base amount of \$661,000; 2) \$110,000 per school district; and 3) \$70 per District and County P2 ADA and then eliminating most state categorical programs. County Offices are expected to be fully funded in 2014-2015. In 2014-15 the LCFF revenue provides about \$358,000 more revenue than what would have been provided under the Revenue Limit.

Federal Revenue

Federal Revenue is expected to be \$30,740 less than 2013-2014 estimated actuals per the reduction of revenue to the following programs:

<u>Funding Description</u>	<u>Favorable (Unfavorable)</u>
• NCLB, Basic Support	(\$ 2,599)
• Mental Health	(\$ 908)
• Preschool Special Education	\$ 69
• Rural Education Achievement Program (REAP)	(\$ 27,230)

Other State

Other State Revenue is expected to be \$7,940 more than 2013-2014 estimated actuals per the following:

<u>Funding Description</u>	<u>Favorable (Unfavorable)</u>
• Special Ed, Prof Development	(\$ 2,180)
• Prop39, Clean Energy Act	(\$ 400)
• Tobacco Use Prevention Education/TUPE (due to carryover amount)	\$10,520

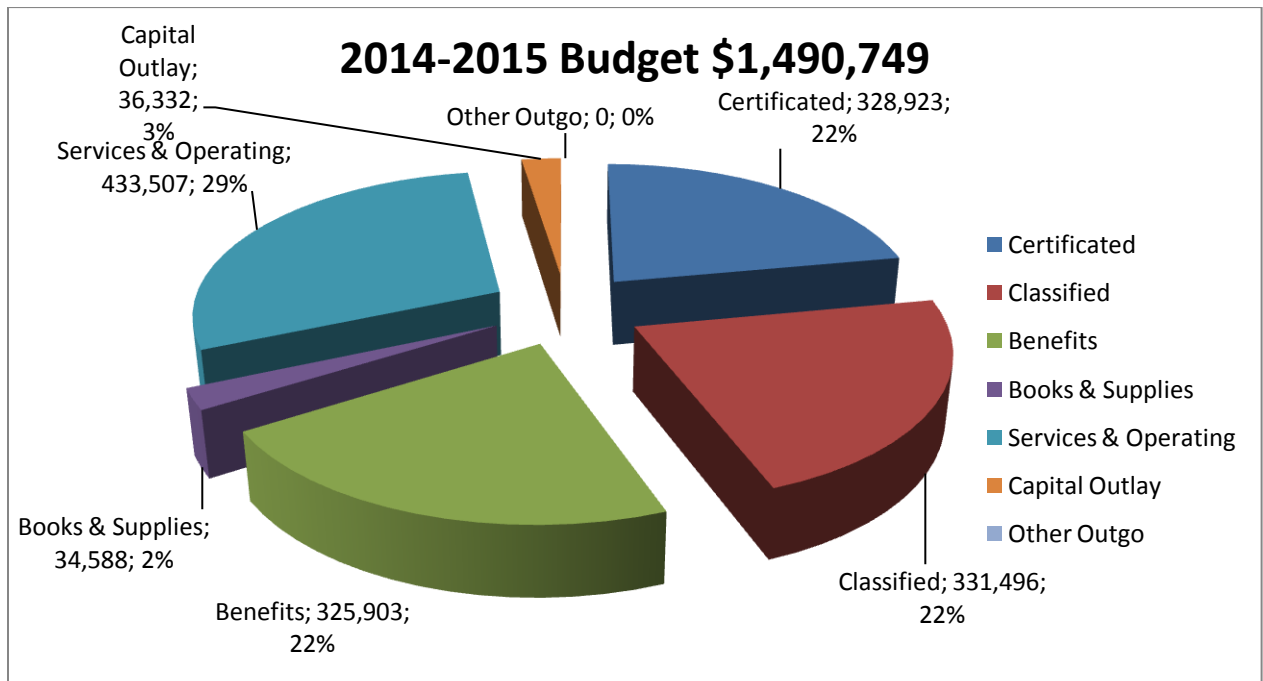
Local Revenue

Local Revenue is projected to decrease by \$43,709 per the following reasons:

<u>Funding Description</u>	<u>Favorable (Unfavorable)</u>
• Interagency Services	(\$40,307)
• Microsoft Technology Settlement	\$ 3,598
• Regional Mental Health	(\$ 7,000)

GENERAL FUND EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actuals	2013-2014 Adopted Budget	2013-2014 Estimated Actuals	2014-2015 Budget
Certificated	\$315,493	\$293,901	\$288,561	\$332,241	328,923
Classified	323,108	336,223	330,518	327,789	331,496
Benefits	325,197	307,122	308,145	308,059	325,903
Books & Supplies	18,131	21,440	35,388	29,574	34,588
Services & Operating	272,146	223,457	336,007	463,069	433,507
Capital Outlay	28,941			58,557	36,332
Other Outgo	217,511	260,231	356,594	261,250	0.00
Total	\$1,500,527	\$1,442,374	\$1,655,213	\$1,780,539	\$1,490,749



Net Increase (Decrease) in Fund Balance

Fiscal Year	Amount
2012-13 actuals	48,594
2013-14 projected	(\$222,222)
2014-15 projected	183,097
2015-16 projected	166,742
2016-17 projected	162,151

Projected Ending Fund Balance

2012-13	\$1,974,524 actual
2013-14	\$1,752,302 estimated
2014-15	\$1,935,399 estimated
2015-16	\$2,102,141 estimated
2016-17	\$2,264,292 estimated

Other Funds

Forest Reserve Fund	Transfer to General Fund: \$60,017
	Pass-through to Sierra-Plumas JUSD \$340,100
	Ending Fund Balance 0.00

Other Comments

- The County has no students, eliminating Lottery and any other revenue sources funded per ADA. LCFF regulations changed the way Out-of-State (Washoe) students will be reported and funded. Washoe students will be reported and funded under the District. In addition, revenue for Opportunity Classes were folded into the LCFF. The Superintendent eliminated the Opportunity classes and those few students were streamlined into District programs. Finally, the County does not have any special day class students.
- The Education Protection Account (EPA) provides local educational agencies (LEAs) with general purpose state aid funding pursuant to Prop. 30, the Schools and Local Public Safety Protection Act of 2012, approved by the voters on November 6, 2012. These temporary taxes are set to expire as follows:
 - 2016, additional ¼ cent sales tax expires.
 - 2018, increase to personal income tax for high income earners expires

The language in the constitutional amendment requires that funds shall not be used for the salaries and benefits of administrators or any other administrative costs. Annually, during an open session at a public meeting the Board must 1) make annual spending determinations 2) provide how much money was received and 3) how that money was spent. This must also be posted on the website. The Board approved the EPA funds to be spent for teacher and instructional aide salaries.

The EPA funding is a component of the total LCFF revenue general purpose entitlement.

- SB 73 (Chapter 29/Statutes 2013) is the implementation bill for Proposition 39, the California Clean Energy Jobs Act. Proposition 39 provides for the creation of clean energy jobs including funding energy efficiency projects and renewable energy installations in public schools, universities, and other public facilities. For five fiscal years, 2013-14 through 2017-18,

Proposition 39 funds will be provided. The County's estimated annual amount is approximately \$30,000.

- At the December 2013 board meeting the board approved revised agreements with Sierra COE for business services. The agreements changed the percentage charged for district/county office positions. The end result is that the district will pay less for business services offered by the County and the County will pay more for services offered by the district. The agreement was effective January 1, 2014.
- A positive cash flow for fiscal year 2013-2014 with an ending cash balance of \$1.9million.
- Reserve requirement is met for all three years. Positive Certification.
- Represented and unrepresented bargaining groups completed negotiations for fiscal year 2013-2014 in January and February 2014, resulting with a 4.5% and 2% salary increase for fiscal years 2013-14 and 2014-15, respectively.
- The TCSIG JPA Board approved different rate increases for their Medical plans, ranging from 12.5% to 17.5%; Dental premium increased by 6.5% and there was no increase to the vision plans. Sierra-Plumas Teachers Association employees do not have capped benefits and the additional liability to the district per teacher is \$1,240.

Personnel	FTE
Certificated	3.60
Cert Mgmt	1.15
Classified	4.70
Confidential	2.90

Multi-Year

<i>Planning Factor</i>	<i>Fiscal Year</i>		
	2014-15	2015-16	2016-17
COLA (DOF)	0.85%	2.19%	2.14%
LCFF Gap Funding Percentage (DOF)	28.06%	30.39%	19.50%
STRS Employer Rates (May Revision)	9.50%	11.10%	12.70%
PERS Employer Rates (PERS Board / Actuary)	11.77%	12.60%	15.00%
Lottery - unrestricted per ADA*	\$126	\$126	\$126
Lottery - Prop 20 per ADA*	\$30	\$30	\$30

*** Government Code 8880.5(a)(2) extended lottery funding based on the 2007-08 ROP ADA and Adult Education ADA through 2014-15. Under current law these two ADA counts will no longer be part of the lottery calculation for 2015-16 and beyond.**