

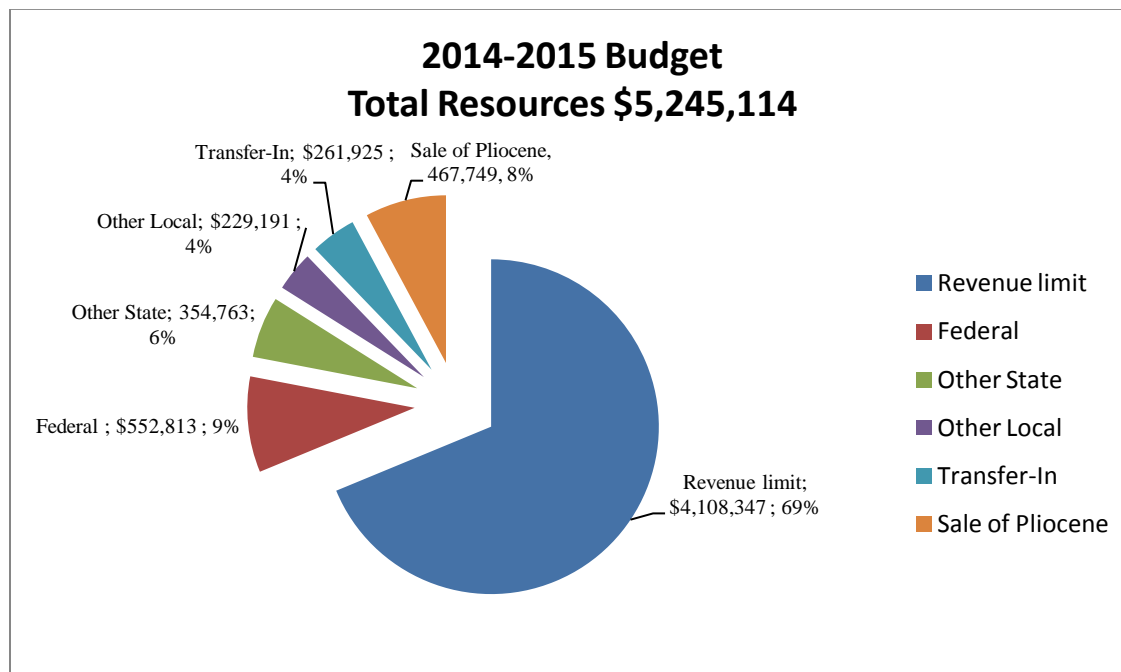
**Sierra-Plumas Joint Unified School District**  
**2014-2015 Budget Narrative**  
**Presented June 18, 2014**

Student Attendance/Enrollment

<b>Attendance:</b>	<b>2010/2011 P2</b>	<b>2011/2012 P2</b>	<b>2012/2013 P-2</b>	<b>2013/2014 P2</b>	<b>2014/2015 Proj</b>	<b>2015/2016 Proj</b>
Downieville Elementary	24.97	28.39	26.89	29.17	26.60	24.70
Downieville Jr. High	5.91	5.03	6.72	5.74	5.95	6.82
Downieville Sr. High	20.85	19.50	17.03	13.86	13.30	12.35
Loyalton Elementary	176.05	171.30	156.91	165.24	163.20	159.36
Loyalton 7-8	51.89	49.71	48.52	42.58	46.55	56.05
Loyalton High	112.82	107.73	103.16	90.97	92.15	95.95
Sierra Pass – Continuation	1.34	1.15	4.66	3.49	5.14	2.57
<b>District Total</b>	<b>393.83</b>	<b>382.81</b>	<b>363.89</b>	<b>351.05</b>	<b>352.89</b>	<b>357.80</b>
Washoe County Students				13.23	10.21	10.21
Supplemental Percent				49.34%	48.69%	48.31%
<b>CBEDS/CALPADS Enrollment</b>	<b>424</b>	<b>392</b>	<b>373</b>	<b>377</b>	<b>372</b>	<b>372</b>

**REVENUE**

Description	2011-2012 Actuals	2012-2013 Actuals	2013-2014 Adopted Budget	2013-2014 Estimated Actuals	2014-2015 Budget
LCFF/Revenue Limit	\$3,067,795	\$2,997,031	\$2,983,765	\$3,983,098	\$4,108,347
Federal	742,003	\$607,442	94,371	\$615,733	\$552,813
Other State	1,074,867	\$1,126,226	1,079,588	\$268,937	354,763
Local	255,443	\$226,561	244,018	\$228,777	\$229,191
Transfer-In				729,674	1
Sale of Pliocene				467,749	
<b>Total</b>	<b>\$5,140,108</b>	<b>\$4,957,260</b>	<b>\$4,401,742</b>	<b>\$6,293,968</b>	<b>\$5,245,114</b>



**Local Control Funding Formula**

***Transitioning to the LCFF***

During the transition period the district’s LCFF grant starts with historical funding for state aid, as amended for change in ADA and for most state categorical programs. This total is then subtracted from the district’s target LCFF grant amount to measure the funding gap. The percentage of gap funding provided in this year’s budget is then added to the historical base to arrive at the LCFF transition grant for 2013-14. Beginning in 2014-15, the prior year’s gap funding is added to the historical 2012-13 base after adjusting for change in ADA. This cycle continues, adding gap funding to the base as ongoing revenues, until the LCFF is fully funded. The LCFF relies on year-to-year growth in Prop. 98 revenues to fund the gap each year until the LCFF is fully funded. The enacted budget provided \$2.1 billion toward first-year implementation. The Governor’s 2014-15 May Revision proposal continues to pledge \$4.5 billion for LCFF implementation, which would be sufficient to fund an estimated 28.06% of the remaining gap. Further, the Governor’s 2014-15 budget proposal includes continuous appropriation language intended to provide further funding certainty for the LCFF to ensure the formula continues to be implemented in future years.

Unduplicated as % of Enrollment		Base Grade Span	Grade Span Adjust	Supplemental
Grades K-3	ADA	6,952	723	20% of BGS X Undup Count of 49.34%
Grades 4-6	ADA	7,056		
Grades 7-8	ADA	7,266		
Grades 9-12	ADA	8,419	219	
Transportation Add-on of \$488,250				
GAP funding 28.06%				

**Federal Revenue**

Federal Revenue is expected to be \$62,920 less than 2013-2014 estimated actuals per the reduction of revenue to the following programs:

<u>Funding Description</u>	Favorable (Unfavorable)
• Forest Reserve	(\$50,000)
• NCLB, Title I	(\$ 4,098)
• NCLB, Title II	(\$ 3,219)
• Perkins	(\$ 87)
• Rural Education Achievement Program (REAP)	(\$ 5,516)

**Other State**

Other State Revenue is expected to be \$85,826 more than 2013-2014 estimated actuals per the following:

<u>Funding Description</u>	Favorable (Unfavorable)
• Non-Prop20, Lottery	(\$ 5,302)
• Prop20, Lottery	(\$ 730)
• Prop39, Clean Energy Act	\$105,450
• Agriculture Incentive	(\$ 13,592)

**Local Revenue**

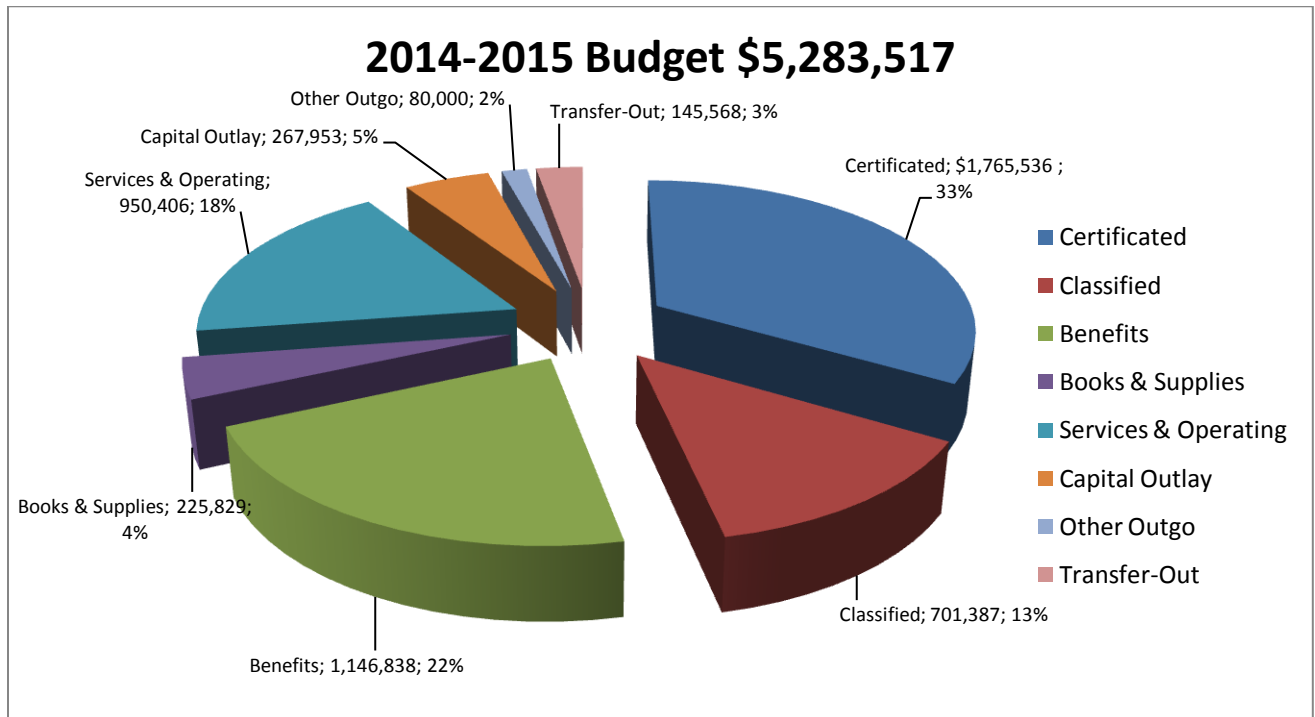
Local Revenue is projected to increase by \$414 per the following reasons:

<u>Funding Description</u>	<u>Favorable (Unfavorable)</u>
• Interagency Services	\$ 9,420
• Microsoft Technology Settlement	\$23,245
• AG Barn Insurance Payment	(\$15,707)
• Feather River College	(\$16,544)

**GENERAL FUND EXPENDITURES**

Description	2011-2012 Actual	2012-2013 Actuals	2013-2014 Adopted Budget	2013-2014 Estimated Actuals	2014-2015 Budget
Certificated	\$1,755,715	\$1,719,914	\$1,690,042	\$1,708,750	\$1,765,536
Classified	748,132	722,908	659,674	664,728	701,387
Benefits	1,193,045	1,144,013	1,108,359	1,068,051	1,146,838
Books & Supplies	207,405	184,338	116,473	251,764	225,829
Services & Operating	1,334,542	1,353,515	1,438,695	1,392,877	950,406
Capital Outlay	76,215	47,280	121,000	176,650	267,953
Other Outgo	42,085	863,829	27,125	0	80,000
Transfer-Out					145,568
<b>Total</b>	<b>\$5,357,139</b>	<b>\$6,035,797</b>	<b>5,161,368</b>	<b>\$5,262,820</b>	<b>\$5,283,517</b>

The table compares restricted & unrestricted expenditures from the 2011-2012, 2012-2013 Actuals, 2013-14 Adopted Budget, First and Second Interim.



### **Other Financing Sources/Uses**

The District is waiting for the Office of Public School Construction to review the Release of Funds paperwork before the reimburse payment from the State Facility Fund for the Loylton High Reroof Hardship Project is to be issued

Cafeteria Enterprise Fund estimated encroachment to the General Fund is \$82,273. In addition, \$87,600 was transferred in 2013-14 to the Special Reserve Fund for Capital Outlay Projects (Fund 40) to fund the Loylton High Parking Lot Resurfacing Project.

### **Excess (Deficiency) of Revenues over Expenditures before Other Financing Sources and Uses**

Fiscal Year	Amount
2011-12 actuals	(174,947)
2012-13 actuals	(243,472)
2013-14 estimated actuals	(166,275)
2014-15 projected	107,165
2015-16 projected	155,870
2016-17 projected	49,639

### **Net Increase (Decrease) in Fund Balance**

Fiscal Year	Amount
2011-12 actual	(217,031)
2012-13 actuals	(1,078,539)
2013-14 estimated actuals	393,526
2014-15 projected	(38,403)
2015-16 projected	155,870
2016-17 projected	49,639

### **Projected Ending Fund Balance**

2012-13	\$2,496,090 actual
2013-14	\$2,889,616 actual
2014-15	\$2,851,213 estimated
2015-16	\$3,007,083 estimated
2016-17	\$3,056,722 estimated

### **Other Funds**

#### **Cafeteria Special Revenue Fund:**

The estimated encroachment to the Cafeteria fund for 2013-2014 is \$82,273 and is expected decrease to \$64,218 for next fiscal year. The reason for the decrease is due to lower salary and benefits caused by a retirement and reduction of a partial full time equivalent position.

#### **County School Facilities Fund:**

The budget does not include any new capital projects for fiscal year 2014-15. The District is waiting for their Loylton High Reroof Fund Release to be approved by the Office of Public School Construction (OPSC).

#### **Special Reserve Fund for Capital Outlay:**

There are two improvement projects budgeted. The first is for resurfacing the LHS parking lot and \$100,000 from funded by Sierra COE and \$98,350 from the General Fund of which \$11,350 is additional request of funds to be transferred in from the General Fund in 2014-2015.

The second project is for the exterior painting of Downieville School in the amount of \$70,000.

### **Foundation, Bechen:**

The Scholarship Fund offers three \$1,000 scholarships. Ending fund balance at June 30, 2014, which includes the Fair Market Value of Exelon Stock is 51,138. However, Mr. Peter Bechen is in the process of donating 2,000 shares of AT&T Stock and is currently trading at \$35 a share and yielding a 5% dividend.

### **Other Comments**

- 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 LCFE revenue general purpose entitlement.

- SB 73 (Chapter 29/Statutes 2013) is the implementation bill for Prop. 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, Prop. 39 funds will be provided. The District estimated amount annually is approximately \$100,000.
- 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 \$2,2 million.
- 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.

- The District entered into a MOU with Plumas County to lease buses, provide bus maintenance and bus drivers training. The agreement is expected to save the district \$175,000 while providing the same level of Home-to-School Transportation. The enacted budget maintained the Home-to-School Transportation as permanent add-ons to LCFF target entitlements at 2012-13 funding level of \$488,250 and the budget contains transportation maintenance of effort language.
- The District received \$75,800 to assist implementing the Common Core Mandate. Funds can be used for professional development, instructional materials, and/or integration of the academic content standards through technology-based instruction for purposes of improving the academic performance of pupils. As a condition of receiving these funds, the LEA must develop and adopt a plan delineating how funds shall be spent.
- The base grant for the K-3 grade span increases by an add-on of 10.4%. The intent of this adjustment is to cover the costs associated with smaller class sizes in grades K-3, including transitional kindergarten, to an average by school site of no more than 24:1. As a condition of receipt of this adjustment, the district will be required to:
  - have a class size ratio of 24:1 or less at each school site in 2013-14 and maintain

<b>Personnel</b>	<b>2014-15 FTE</b>
Certificated	23.60
Cert Mgmt	1.85
Classified Mgmt	1.00
Classified	22.10
Confidential	2.00

**Multi-Year**

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

The current DOF estimates for LCFF gap funding for 2014-15, 2015-16 and 2016-17 are as follows:

<b>Year</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
<b>Gap Funding</b>	28.06%	30.39%	19.50%