



San Leandro Unified School District

2014-15 Second Interim Report

Board Meeting

March 10, 2015

Presentation Items

- Key Changes/Discoveries Since First Interim Reporting
- Multi-Year Projection Update
- Next Steps

Board of Trustees

Diana J. Prola

Ron Carey

Vince J. Rosato

Lance James

Leo Sheridan

Evelyn Gonzalez

Monique Tate

Key Changes/Discoveries Since First Interim Report

- Salary Settlements Budgeted
- Special Ed. Cost Increases
- LCFF Increase in 2015-16
- 1-Time Discretionary State Funding in 2015-16
- Inter-Year Deferral To Be Paid in 2014-15
- Still no new State funding for STRS Employer % Rate Increases
- Current program costs funded with 2007-08 funding amounts





2014-15 Projected Year Changes

- **Salary Settlement Increases**
 - Total \$1.3 Million to fund 3.25% increases
 - One bargaining unit's estimated cost placed in designated reserves
 - Classified positions In Business were reduced
- **Special Ed. Encroachment**
 - Special needs kids requiring more services
 - Increase in contributions by \$833,000
 - Disproportionality Requirement - \$260,000
 - NPS – Non Public Schools - \$500,000
 - Salary Increases to Special Ed Personnel - \$63,000
- **State to Fully Payoff Deferrals**



2015-16 Projected Year Changes

- Increase LCFF Funding Gap % to 32.19% (previously was 20.68%)
 - \$1,500,000 Increase for SLUSD
 - 58% Cumulative LCFF Gap Closure by 2015-16
- One-Time Funding – Discretionary Funds
 - Common Core, Paying Off Prior Year Mandates, and other expenditures
 - \$1,500,000 Increase for SLUSD (\$180 per ADA)
 - Included in 2015-16 Revenues only



Increase in STRS Rates: Still No Additional State Funding

- **No New Funding - STRS Employer Increase**
 - 0.63%, 1.85%, 1.85%, etc. per year increases
- **STRS Employer Rates:**
 - 8.88% 2014-15
 - 10.73% 2015-16
 - 12.58% 2016-17
 - 19.10% by 2019-20
- **With 2014-15 Cert. Salary Increase:**
- **STRS Employer Increases over 1st Interim:**
 - \$136,000 in 2015-16 over 1st Interim Projection
 - \$159,000 in 2016-17 over 1st Interim Projection

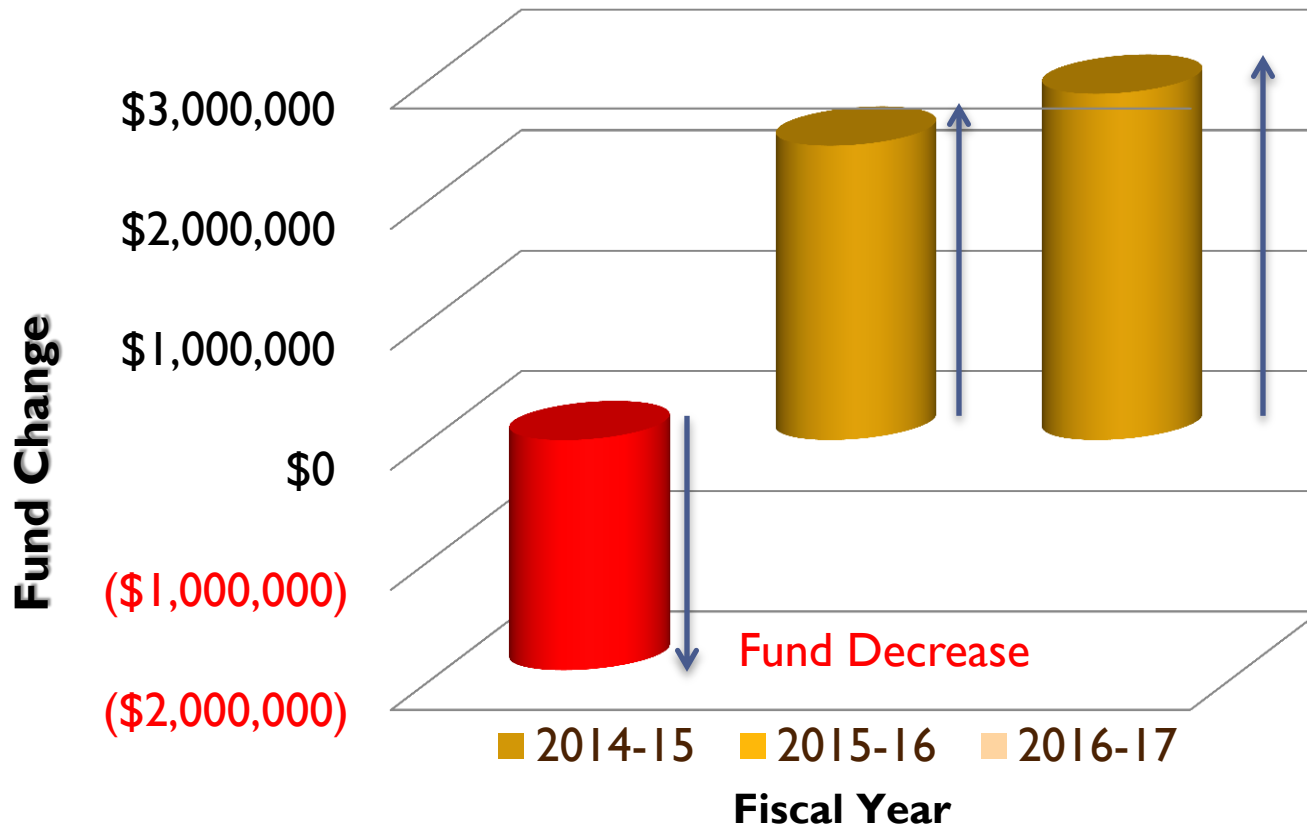


Deficit Spending

- District's deficit spending increases in 2014-15 from 1st Interim Report with bargaining unit settlements now budgeted
- For 2015-16: surplus spending now projected with anticipated additional LCFF gap funding % increase
- For 2016-17: surplus spending continues



Net Increase (Decrease) in Fund Balance



Multi-Year Projection at Second Interim



Description	2014-15	2015-16	2016-17
Total Revenues	\$64,411,288	\$70,230,422	\$71,506,861
Total Expenses includes <i>(Contributions)</i>	\$66,327,015	\$67,785,478	\$68,630,850
Revenues – Expense <i>(Deficit)</i>	-\$1,915,727	\$2,454,944	\$2,876,011
Contributions	-\$9,940,348	-\$10,524,025	-\$10,620,330
Fund Balance Change <i>(Deficit)</i>	-\$1,915,727	\$2,454,944	\$2,876,011
Beginning General Fund Balance	\$2,338,340	\$422,613	\$2,867,557
Ending General Fund Balance	\$422,613	\$2,867,557	\$5,743,568
Fund 17 Fund Balance	\$2,386,982	\$2,386,982	\$2,386,982
Designated Balances	\$145,158	\$145,158	\$145,158
3% Minimum Reserve Req.*	\$2,386,982	\$2,369,332	\$2,395,033
Undesignated General Fund Reserves	\$277,455	\$2,722,399	\$5,598,410
Total Un-Restricted Reserves**	\$2,664,437	\$5,109,381	\$7,985,392
* = Reserves equal to 3% of the total General Fund Expenditures per Year	**3.35%	6.47%	10.00%
** = Fund 17 Fund + Undesignated Gen. Fund			



LCFF Funding Caution

- Current LCFF Transitional Funding does not fully fund district at 2007-08 funding levels
 - Estimated fully funded LCFF will not be realized until 2020-21
- **Word of Caution:**
 - Fully funded 2007-08 rates do not equal 2014-15 Expenditure Consumption Rates
 - District did not receive funded COLAs during the “Great Recession” period

Next Steps

- 2nd Interim Report Due to County Office
 - March 15, 2015
- Prior Year Audit Report Due to State
 - March 31, 2015
- 2015-16 State May Revise to the Board
 - May 19, 2015
- 2015-16 LCAP to the Board
 - May 19, 2015
- 2015-16 LCAP & Adopted Budget to the Board
 - June 23, 2015

