



 **First Interim**

San Leandro USD

9 December 2014

- \* LCFF Revenue Reduction
- \* Increase In STRS Contribution Rate
- \* Continuing Deficit Spending
- \* Increase in Special Education Costs
- \* Enrollment above Estimates
- \* Carryover not budgeted
- \* Inclusion of full LCAP planned expenditures in Multi-Year Budget Projections
- \* Other Adjustments

## \* Key Changes/Discoveries since Budget Adoption

- \*The State reduced 2015-16 Revenue projections by 10% as part of annual budget adoption. This is about \$1,400,000 reduction for San Leandro
- \*There is little prospect of restoration

## \*LCFF Revenue Reduction

## \* STRS Employer Rates

\* 8.25% 2013-14

\* 8.88% 2014-15

\* 10.73% 2015-16 (\$1,000,000 increase over adopted budget)

\* 12.58% 2016-17

\* Rises to 19.1% in 2020

\* There is no additional funding from the state

# \* Increase in STRS Rates

- \* District Spent \$2,300,000 in deficit in 2013-2104, drawing down reserves.
- \* The budget showed a deficit of \$543,000 in current year which we have now eliminated.

## \* Deficit Spending

- \* Special Education costs are \$400,000 higher than budgeted due to meeting the requirements of Special-Needs Children
- \* The district hired more para-educators

**\* Special Education  
Costs Exceed Budget**

- \* School districts are funded on prior year ADA if enrollment declines
- \* The district budgeted for a decline in enrollment and ADA; thus fewer teachers
- \* The decline did not occur; 4 teachers (\$300,000) were added with no increase in revenue
- \* Prior Year ADA was used (1 year declining enrollment/ADA protection)

**\* Enrollment Exceeded Estimates**

- \* Carry over of prior year expenses was not budgeted
- \* Schools are given the money that they do not spend in the prior year
- \* This was equal to about \$300,000

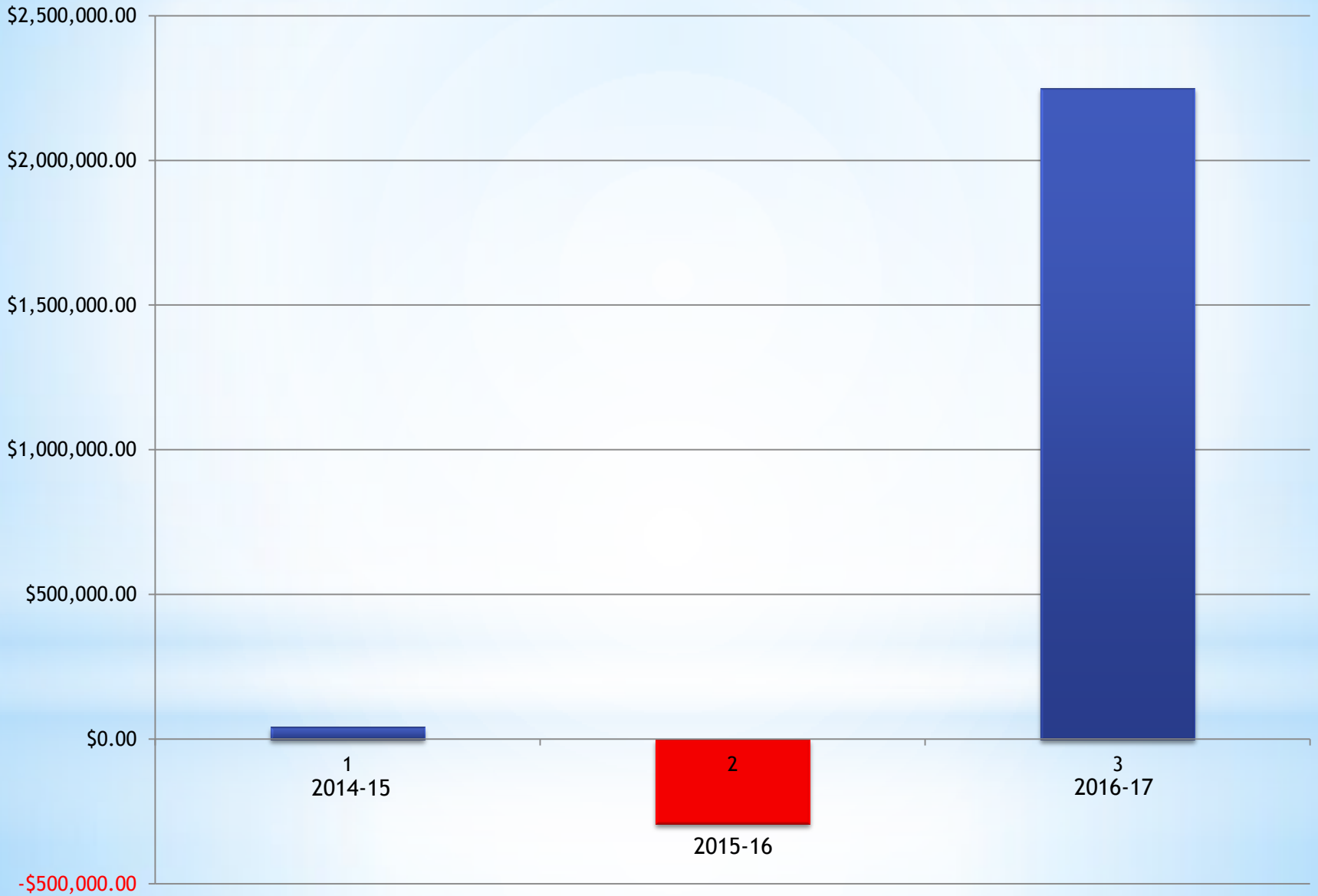
**\* Carryover was not Budgeted**



- \* Other current year budget adjustments were implemented to change the STRS current year rate, revenue enhancements, budget errors, etc.
- \* These are normal adjustments made as part of revising the budget on a regular basis

## \* Other Adjustments

# Net Increase (Decrease) in Fund Balance



<b>Description</b>	<b>Base Year 2014 - 15</b>	<b>Year 1 2015 - 16</b>	<b>Year 2 2016 - 17</b>
Total Revenues	\$63,754,300.00	\$66,810,129.00	\$70,963,529.00
Total Expense	\$54,586,964.00	\$58,139,713.00	\$59,554,824.00
Revenue - Expense	\$9,167,336.00	\$8,670,416.00	\$11,408,705.00
Contributions	-\$9,125,141.00	-\$8,962,996.00	-\$9,158,341.00
Change Fund Balance	\$42,195.00	<b>-\$292,580.00</b>	\$2,250,364.00
Beginning Fund Balance	\$2,338,338.00	\$2,380,533.00	\$2,087,953.00
Ending Fund Balance	\$2,380,533.00	\$2,087,953.00	\$4,338,317.00
Restricted Cash, etc.	<b>-140,909.00</b>	<b>-140,909.00</b>	<b>-140,909.00</b>
3% Reserve	\$2,325,041.00	\$2,436,372.00	\$2,482,822.00
Undesignated*	\$4,564,665.00	\$4,383,416.00	\$6,680,230.00
Negative Shortfall	\$0.00	\$0.00	\$0.00

\*Includes Fund 17 Reserves

- \* Parcel Tax (\$700,000)
- \* Deferred Maintenance
- \* CSR
- \* QZAB repayments

## \* Future Fiscal Issues