

**SAN MARINO UNIFIED SCHOOL DISTRICT
BUSINESS SERVICES**

To: Loren Kleinrock, Superintendent

Submitted by: Julie Boucher, Assistant Superintendent, Business Services

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Date: June 24, 2014

Subject: 2014-15 PROPOSED DISTRICT BUDGET AND LONG RANGE FINANCIAL PROJECTIONS FOR 2015-16 AND 2016-17 FISCAL YEARS

It is recommended that the Board of Education adopt the 2014-15 Proposed District Budget and Long-Range Financial Projections for the 2015-16 and 2016-17 fiscal years.

The 2014-15 Proposed District Budget "Proposed Budget" and Long-Range Financial Projections were developed based on the Governor's May Revise Report, and the Los Angeles County Office of Education's Projections for fiscal years 2013-14 through 2016-17 (Attachment 1), in accordance with the District's Budget Calendar (Attachment 2).

Under the new Local Control Funding Formula (LCFF), the funding formulas for K-12 Education were significantly changed. The intent of LCFF is to provide for more flexibility at the local level, transparency of the District's budget development process, and alignment of District goals, actions and services with its budget. The Proposed Budget was developed in tangent with the Local Control Accountability Plan (LCAP). The LCAP expenditures are reflected in the 2014-15 Proposed District Budget and vice versa. The Governor's plan is to reach the targeted LCFF funding levels for K-12 Education within eight years. Additional information on the Governor's May Revise is attached (Attachment 3).

Revenue Assumptions

Student Enrollment/Average Daily Attendance

Student enrollment has been relatively stable over the past few years. Projected total student enrollment for 2014-15 is projected at 3,133. For budgeting purposes, the District's average daily attendance is projected at current year P2 ADA, equal to 3060.65.

Statutory COLA's

The term "COLA" or Cost-of-Living Allowance, no longer holds the significance that it did under the old funding system of revenue limits and categorical programs. The projected statutory COLAs are now added to the target base grants. Districts are only receiving a portion of their "target" funding, which is referred to as "Gap Funding." In other words, Gap Funding is the amount of new funding received over the prior year.

Hold Harmless Provisions – LCFF Funding

The District's Local Control Funding is based on its "Hold Harmless" revenue calculation of prior year funding and average daily attendance.

Gap Funding

The District restricted its Gap Funding for 2013-14 and carried the funds forward into the 2014-15 fiscal year for budget planning purposes. Over the two years, it is projected that the District will receive \$2,476,857 in ongoing revenues. These funds were allocated based on Board-approved budget items for 2014-15 and salary and benefit negotiated agreements with the San Marino Teachers Association and California School Employees Association Chapter #120.

2014-15 Budget Augmentations/Items

Attached is a listing of the Budget Items approved for the 2014-15 fiscal year (Attachment 4). Many of the items are restorations of positions reduced in past years. The majority of items provide for the enhancement and expansion of instructional and support services at all school sites.

Augmentation Grants/Grade Span Adjustments

The District will receive funding in support of lower class sizes (24:1) in grades TK through 3 as well as funding for grades 9 – 12 to support supplemental services. These funds represent funding received previously for K-3 CSR, Grade 9 CSR and other high school categorical funding. It is anticipated that both elementary schools' average class size (per school site) will be below 24:1 in 2014-15 and will remain at this level.

Supplemental Grant and Proportionality

Under the new LCFF Funding formula, the District is receiving a pro-rata share of its entitled Supplemental Grant allocation. Supplemental Grant revenue is based on the District's "Unduplicated Count" students. The Unduplicated Count is a composite of those students who qualify for free and reduced priced meals, English learners, and foster youth. The District currently has 326 students or 1.10% of its total student population in this category.

Under the LCFF funding laws, the District must demonstrate quantitatively and qualitatively that it plans to improve services for Unduplicated Count students. The District has committed \$110,654 of former Economic Impact Aid funding and an additional \$109,979 of its Gap Funding to help serve and support these students. The additional funding is referred to as "Proportionality Funding."

Other State Funding

The District will also continue to receive the Targeted Instructional Improvement Grant (TIIG) funding and Home-to-School Transportation, used for Special Education transportation services based on 2012-13 funding levels. Other state revenues include restricted and unrestricted lottery revenues, mandated block grant funds and special education mental health funding.

Federal Funding

The District will continue to receive federal funding for Title I, Title II (Teacher Quality Improvement), and funding for immigrant education and limited English proficiency program

(Title III). The District will receive approximately \$508,154 in federal funding for special education.

San Marino Schools Foundation Contributions

The District is extremely fortunate to receive contributions and revenues from its local community. The San Marino Schools Foundation is a significant part of the District's local funding. The funding helps to employ teaching positions to maintain lower class sizes across all grade levels. It is projected that the District will receive \$2.5 million per year from the Schools Foundation's contributions in 2014-15.

Parcel Tax Revenues

The District has two parcel taxes, Measure R and Measure E. Measure R was renewed in 2013 with a six-year term and the District is planning for the renewal of Measure E in the spring of 2015. Measure R is currently \$330 per parcel and Measure E is \$850.37 per parcel. Together, the parcel taxes provide the District with \$5.70 million annually. Proceeds received from the parcel tax are used to preserve core academic and instructional programs and services. The District publishes an annual accountability report of parcel tax expenditures.

Other Local Donations and Reimbursements

Additionally, the District receives donations and reimbursements from parents, PTA's and PTSA, school-connected organizations, parents and community members as well as revenues for use of its facilities from local community athletic groups, the Chinese Club of San Marino and the City of San Marino. Donations are budgeted upon receipt of the funds throughout the year.

Expenditure Assumptions

Certificated and Classified Salaries

Certificated and classified salaries have been adjusted to reflect the recently negotiated salary and benefit agreements with the San Marino Teachers Association and CSEA Chapter #120. Positions listed on the 2014-15 Budget Items listing (Attachment 4), and step and column costs are also included in the Proposed Budget. The Budget Assumptions listing (Attachment 5) provides further details on the District's projected salary and benefit assumptions.

Health Benefits

In 2014-15, health benefit premium increases will be funded by a transfer of \$522,290 from the Health Benefits Fund, and increased employee co-pays for major medical insurance. After accounting for the contribution from the Health Benefits Fund, the District funds 90% of employee-only costs and 70% of two-party and family costs. In future years, employee co-pays will be adjusted based on negotiated agreements. The District also provides two options for dental insurance, vision, life insurance for benefit-eligible employees and an employee assistance program for all employees.

Statutory Benefits

CalSTRS employer rates are projected to increase over the next seven years, beginning July 1, 2014. CalPERS employer rates will also increase over the same time period. The District's

CalSTRS costs will increase by \$100,000 in 2014-15. A long-term funding plan will need to be developed to address the increases in CalSTRS and CalPERS contribution rates.

Table 1: CalSTRS and CalPERS Employer Rate Projections:

	CalSTRS	CalPERS
2013-14*	8.25%	11.442%
2014-15	8.88%	11.771%
2015-16	10.73%	12.60%
2016-17	12.58%	15.00%
2017-18	14.43%	16.60%
2018-19	16.28%	18.20%
2019-20	18.13%	19.90%
2020-21	19.10%	20.40%

*Actual Rates

Additionally, employees' CalSTRS rates will increase from 8.00% to 8.15% in 2014-15. Their contribution rates will also be adjusted over a period of time depending on their CalSTRS eligibility date. The changes are based on "Public Employees' Pension Reform Act" (PEPRA) enacted on September 12, 2012.

The other statutory benefits, including Medicare, OASDI, State Unemployment Insurance, and Workers Compensation have been included in the salary and benefit projections. There are no major changes in these rates.

Books and Supplies, Services and Equipment Costs

Instructional and non-instructional supplies, textbooks, operating services and equipment accounts are reflective of allocated amounts. School sites receive funding for general school site allocations, state adopted instructional materials, funding to support their Single Plans for Student Achievement (SPSA), and Targeted Instructional Improvement Grant (TIIG) funding. School Sites will develop budget plans for their SPSA and TIIG allocations in cooperation with their School Site Councils. These plans will be presented to the Board at a later date. Throughout the year, schools also receive donations from PTA's/PTSA, parents, and the community to support their instructional programs and educational support. These donations are and associated expenditures are budgeted when the donation amounts are received.

Other Financing Sources/Uses

The District is committed to maintaining its facilities in accordance with the San Marino USD community's passage of two bonds totaling \$52 million, in 1996 and 2000. Transfers of \$425,000 to the Deferred Maintenance Fund and \$15,125 to the Capital Projects Fund are included in the Proposed Budget, as well as a transfer in of \$522,290 from the Health Benefits Fund.

Indirect Support

The District collects indirect costs from state and federal categorical programs to offset General Fund operational costs. The current approved rate for the 2014-15 year is 10.95%. This results in an offset of \$48,190 to General Fund expenditures.

Ending Balance Assumptions

Reserve for Economic Uncertainties

The District maintains a 5% minimum reserve in accordance with Board Policy. The Proposed Budget reflects a 5% reserve in the budget and projection years of \$1.84 million.

Assigned Funds

In accordance with LACOE recommendations, projected Gap Funding of \$1.482 million for 2014-15, and \$767,179 for 2016-17 have been set aside or “assigned” for future year considerations.

Cash Flow

The District has an established Cash Flow Fund (Fund 17.2), which provides adequate funding to meet payroll and operational expenditures on a monthly basis throughout the fiscal year. The Cash Flow fund provides sufficient funding to meet payroll and expenditure obligations for two to three months during the fiscal year.

Future Year Projections

Proposition 30, passed by voters on November 6, 2012, increased sales tax rates through 2016 and personal income tax rates through 2018. The additional funding offsets further reductions to K-12 Education funding. It is also providing funding for the continued implementation of LCFF, funds to address the CalSTRS unfunded liability, amendments to the Rainy Day Fund, and additional funding for other state programs (i.e. Medi-Cal).

Despite the Governor’s commitment to K-12 Education and the new LCFF Funding formula, state funding for K-12 Education is still well below the national average. The District is fortunate for the generous contributions received from the San Marino Schools Foundation and the parcel taxes to support its top-quality educational programs and services.

Other Funds

As part of the Proposed Budget, information and projections for each of the District’s “Other Funds” is provided.

Food Services Fund 13.0

The District’s food services program is fully self-supporting. The Food Services Fund covers all costs associated with the program including food services salaries and benefits, food and supplies, repairs, equipment replacement. The projected beginning balance in the fund as of July 1, 2014 is \$20,786.

Deferred Maintenance Fund 14.0

The Deferred Maintenance Fund supports major maintenance and repairs throughout the District. The Proposed Budget includes a contribution of \$425,000 to the Fund in 2014-15 and in future years. The projected beginning balance in the fund as of July 1, 2014 is \$2,543,310. An update of the District’s Five-Year Deferred Maintenance Plan will be presented to the Board of Education before December, 2014.

Health Benefits Fund 17.0

The Proposed Budget includes a transfer of \$522,290 from the Health Benefits Fund to the General Fund to offset premium increases in 2014-15. The projected beginning balance in the fund as of July 1, 2014 is \$2,076.

Cash Flow Fund 17.2

The Cash Flow Fund was established in 2009 as a result of the state's deferral of K-12 Education revenues and the District's need to meet its monthly payroll and expenditure obligations. The Proposed State Budget includes a plan to eliminate the K-12 deferrals by the end of July 2015. That being said, the District continues to have a need for cash flow during certain months of the year. The Cash Flow Fund serves this purpose. The projected beginning balance in the fund as of July 1, 2014 is \$7,306,714.

Building Fund 21.0

All funds have been expended.

Capital Facilities Fund 25.0

The Capital Facilities Fund accounts for income and expenditures associated with the collection of developer fees. Developer Fee revenues, projected at \$70,000 per year, are restricted for capital needs associated with enrollment growth and program expansion. The projected beginning balance in the fund as of July 1, 2014 is \$407,223.

Capital Projects and Improvement Fund 40.0

The Capital Projects and Improvement Fund represents restricted donations for capital improvements, such as the alumni tiles and improvements to Titan field and track. The projected beginning balance in the fund as of July 1, 2014 is \$378,961.

Bond Interest and Redemption Fund 51.0

The Bond Interest and Redemption Fund accounts for the proceeds from tax revenues and payment of principal and interest to bondholders associated with the District's issuance of General Obligation Bonds "GO Bonds" in 1996, 1998, and 2000, and the 2001 refunding of the 1996 issuance. The fund is managed by the Los Angeles County Treasurer's Office. The projected beginning balance in the fund as of July 1, 2014 is \$3,562,599. These funds are restricted and committed to bondholders.

Next Steps – State Budget

On June 15, 2014, the State Legislature approved the 2014-15 Proposed State Budget. The Governor has indicated that he supports the budget plan as presented. We will continue to monitor the state's budget development process.

As more information is received, updates will be provided to the Board of Education.

SAN MARINO UNIFIED SCHOOL DISTRICT
2014-15 Summary by Fund

Bd Mtg: 06-24-14

	Unrestricted	Restricted	Fund 01.0 COMBINED GENERAL FUND	Fund 13.0 Food Services	Fund 14.0 Deferred Maintenance	Fund 17.0 Health & Welfare Reserve	Fund 17.2 Cash Flow	Fund 25.0 Capital Facilities	Fund 40.0 Capital Projects & Impr.	Fund 51.0 Bond Interest & Redemption	Total
Projected Balance July 1, 2014	4,569,979	15,000	4,584,979	20,786	2,543,310	523,366	7,306,714	407,223	378,961	3,562,599	19,327,938
Revenues											
State Revenues (LCFF)	20,494,306	-	20,494,306	-	-	-	-	-	-	-	20,494,306
Federal Revenue	-	764,255	764,255	95,000	-	-	-	-	-	-	859,255
Other State Revenue	512,989	275,095	788,084	6,000	-	-	-	-	-	-	794,084
Other Local Revenue	8,967,139	2,660,745	11,627,884	771,000	5,000	1,000	5,000	51,000	100,000	4,044,297	16,605,181
Total Revenues	29,974,434	3,700,095	33,674,529	872,000	5,000	1,000	5,000	51,000	100,000	4,044,297	38,752,826
Expenditures											
Certificated Salaries	13,296,658	2,386,467	15,683,325	-	-	-	-	-	-	-	15,683,325
Classified Salaries	4,666,843	3,001,227	7,668,070	449,810	-	-	-	-	-	-	8,117,880
Employee Benefits	5,535,475	1,763,435	7,298,910	130,965	-	-	-	-	-	-	7,429,875
Supplies	1,424,401	410,152	1,834,553	299,500	-	-	-	-	-	-	2,134,053
Operating Services	2,590,999	1,119,434	3,710,433	(22,150)	100,000	-	-	100,000	-	-	3,888,283
Capital Outlay/Equipment	110,000	-	110,000	15,000	700,000	-	-	100,000	115,125	-	1,040,125
Other Outgo	-	75,000	75,000	-	-	-	-	-	-	4,016,454	4,091,454
Indirect Support	(48,190)	48,190	-	-	-	-	-	-	-	-	-
Total Expenditures	27,576,386	8,803,905	36,380,291	873,125	800,000	-	-	200,000	115,125	4,016,454	42,384,995
Other Financing Sources/Uses	(5,021,645)	5,103,810	82,165	-	425,000	(522,290)	-	-	15,125	-	-
Net Incr/Decr in Fund Balance	(2,623,597)	-	(2,623,597)	(1,125)	(370,000)	(521,290)	5,000	(149,000)	-	27,843	(3,632,169)
Projected Balance June 30, 2015	1,946,382	15,000	1,961,382	19,661	2,173,310	2,076	7,311,714	258,223	378,961	3,590,442	15,695,769
Components of Ending Fund Balance:											
Revolving Cash	100,000	-	100,000	612	-	-	-	-	-	-	100,612
Talent Bank	-	15,000	15,000	-	-	-	-	-	-	-	15,000
Stores	3,164	-	3,164	13,540	-	-	-	-	-	-	16,704
Assigned for Food Svc Operations	-	-	-	5,509	-	-	-	-	-	-	5,509
Assigned for Def. Maint. Projects	-	-	-	-	-	-	-	-	-	-	-
Assigned for H&W Increase	-	-	-	-	-	2,076	-	-	-	-	2,076
Assigned for Cash Flow	-	-	-	-	-	-	7,311,714	-	-	-	7,311,714
Assigned for Capital Projects	-	-	-	-	-	-	-	258,223	378,961	-	637,184
Assigned for Econ. Uncertainties	1,843,218	-	1,843,218	-	-	-	-	-	-	-	1,843,218
Assigned for Bond Int. & Redemption	-	-	-	-	-	-	-	-	-	3,590,442	3,590,442
Unappropriated Amount	-	-	-	-	-	-	-	-	-	-	-

2014-15 LINE ITEM BUDGET SUMMARY and LONG RANGE FINANCIAL PROJECTION

	B	M	Q	U
1		Projected 2014-15	Projected 2015-16	Projected 2016-17
6	Total Projected Revenue Limit ADA	3,060.65	3,060.65	3,060.65
13	Total CBEDS Enrollment Projection	3,133	3,133	3,133
15	Unduplicated Count	326	326	326
17				
18	Projected Funded Average Daily Attendance (ADA)			
19	Grades K - 3	700.07	700.07	700.07
20	Grades 4 - 6	694.46	694.46	694.46
21	Grades 7 - 8	530.89	530.89	530.89
22	Grades 9 - 12	1,135.23	1,135.23	1,135.23
23	Total Funded ADA Projection	3,060.65	3,060.65	3,060.65
24				
25	Projected COLA	0.850%	2.190%	2.140%
26				
27	Target Base Grant by Grade Span			
28	Grades K - 3	7,011.09	7,164.63	7,317.95
29	Grades 4 - 6	7,115.98	7,271.82	7,427.44
30	Grades 7 - 8	7,327.76	7,488.24	7,648.49
31	Grades 9 - 12	8,490.56	8,676.50	8,862.18
32				
38	TARGET - Base Grant	23,378,990	23,890,986	24,402,257
43	TARGET - Augmentation Grants	761,065	777,732	794,376
48	TARGET - Supplemental Grant	502,596	513,603	524,594
53	TARGET - Transportation/TIIG Grants	189,651	189,651	189,651
54	TARGET - LCFF FUNDING	24,832,302	25,371,972	25,910,878
70				
71	ACTUAL LCFF Funding			
72	Hold Harmless - PY Funded RL/ADA x CY ADA	17,004,397	18,696,421	20,178,747
73	Hold Harmless - 12/13 Categorical Programs	1,797,885	1,797,885	1,797,885
74	GAP Funding (Target LCFF less Hold Harmless x %)	1,692,024	1,482,326	767,179
75	TOTAL LCFF FUNDING	20,494,306	21,976,632	22,743,811
76				
83	LCAP Proportionality			
89	Funded portion of Increase in Supplemental Grant	109,979	122,456	80,718
90	Total Funding for Unduplicated Students	220,633	233,110	191,372
92	Proportionality Percentage for Unduplicated Students	1.10%	1.08%	0.86%
93				
94	Projected Federal Income			
95	Title I	159,875	159,875	159,875
98	Special Ed - Local Assistance	460,709	460,709	460,709
99	Special Ed - Federal Preschool	5,090	5,090	5,090
100	Special Ed - Preschool Local Entitlement	9,532	9,532	9,532
101	Special Ed - Mental Health Funding	32,768	32,768	32,768
102	Special Ed - Preschool Staff Development	55	55	55
103	Title II - Teacher Quality	61,604	61,604	61,604
104	Title III - Immigrant Education Program	21,184	21,184	21,184

2014-15 LINE ITEM BUDGET SUMMARY and LONG RANGE FINANCIAL PROJECTION

	B	M	Q	U
1		Projected 2014-15	Projected 2015-16	Projected 2016-17
105	Title III - Limited English Proficiency Program	13,438	13,438	13,438
106	TOTAL PROJECTED FEDERAL REVENUE	764,255	764,255	764,255
107				
108	Projected Other State Revenue			
109	Lottery Revenue	488,807	457,578	457,578
110	Mandate Block Grant	118,183	118,183	118,183
114	Special Ed - Mental Health Funding	181,094	181,094	181,094
116	TOTAL PROJECTED OTHER STATE REVENUE	788,084	756,855	756,855
118	Projected Other Local Revenue			
122	Special Education SELPA Funds	1,966,008	1,966,008	1,966,008
128	ROP Funds	387,139	387,139	387,139
132	Parcel Tax Funds	5,700,000	5,750,000	5,750,000
136	SMSF Contributions	2,500,000	2,500,000	2,500,000
156	Donations, Reimb. Interest, Use of Facilities	1,074,737	1,074,737	1,074,737
157	TOTAL PROJECTED OTHER LOCAL REVENUE	11,627,884	11,677,884	11,677,884
158	TOTAL PROJECTED REVENUE	33,674,529	35,175,626	35,942,805
160	Projected Expenditures			
161	Certificated Salaries	15,683,325	14,423,325	14,428,325
163	Classified Salaries	7,668,070	7,003,070	6,941,070
165	Employee Benefits	7,298,910	6,593,647	6,500,143
167	Book and Supplies	1,834,553	1,366,553	1,356,553
168	Operating Services	3,710,433	3,360,433	3,335,433
169	Equipment	110,000	110,000	110,000
170	Other Outgo	75,000	75,000	75,000
172	TOTAL EXPENDITURES	36,380,291	33,332,028	33,146,524
173				
183	TOTAL OTHER SOURCES/(USES)	82,165	(440,500)	(440,500)
184				
187	Projected Beginning Balance July 1	4,584,979	1,961,382	3,364,480
189				
190	Projected Ending Balance June 30	1,961,382	3,364,480	5,720,261
191				
192	Components of Ending Fund Balance			
193	Designated for Economic Uncertainties Percentage	5.00%	5.00%	5.00%
194	Designated for Economic Uncertainties - 5%	1,843,218	1,763,990	1,870,266
195	Assigned for Carryover - Future Year	-	-	-
196	Assigned Balance - Gap Funding 13/14	-	-	-
197	Assigned Balance - Gap Funding 15/16	-	1,482,326	2,964,652
198	Assigned Balance - Gap Funding 16/17	-	-	767,179
199	Revolving Fund	100,000	100,000	100,000
200	Talent Bank Revolving Fund	15,000	15,000	15,000
201	Warehouse Stores	3,164	3,164	3,164
202				
203	Unappropriated Amount	-	-	-

**SAN MARINO UNIFIED SCHOOL DISTRICT
2014-15 LINE ITEM BUDGET SUMMARY and LONG RANGE FINANCIAL PROJECTION**

Bd Mtg 06-24-14

	B	I	J	K	L	M	N	O	P	Q	R	S	T	U
		Projected 2013-14	Unrestricted	Special Education	Restricted	Projected 2014-15	Unrestricted	Special Education	Restricted	Projected 2015-16	Unrestricted	Special Education	Restricted	Projected 2016-17
1														
2														
3	Projected P2 Average Daily Attendance (ADA)	3,068.00	2,965.14	88.07		3,063.21	2,965.14	88.07		3,053.21	2,965.14	88.07		3,053.21
4	Plus Annual Non-Public School (NPS) ADA	5.74		7.44		7.44		7.44		7.44		7.44		7.44
5	Plus Los Angeles County Sp. Ed. ADA													
6	Total Projected Revenue Limit ADA	3,073.74	2,965.14	95.51		3,060.65	2,965.14	95.51		3,060.65	2,965.14	95.51		3,060.65
7														
8	CBEDS Enrollment Projection													
9	Grades K - 3	714	714			714	714			714	714			714
10	Grades 4 - 6	709	709			709	709			709	709			709
11	Grades 7 - 8	543	543			543	543			543	543			543
12	Grades 9 - 12	1,167	1,167			1,167	1,167			1,167	1,167			1,167
13	Total CBEDS Enrollment Projection	3,133	3,133			3,133	3,133			3,133	3,133			3,133
14														
15	Unduplicated Count	326	326			326	326			326	326			326
16	CBEDS Percentage	10.41%	10.41%			10.41%	10.41%			10.41%	10.41%			10.41%
17														
18	Projected Funded Average Daily Attendance (ADA)													
19	Grades K - 3	722.90	680.03	20.04		700.07	680.03	20.04		700.07	680.03	20.04		700.07
20	Grades 4 - 6	697.86	669.88	24.58		694.46	669.88	24.58		694.46	669.88	24.58		694.46
21	Grades 7 - 8	506.01	512.89	18.00		530.89	512.89	18.00		530.89	512.89	18.00		530.89
22	Grades 9 - 12	1,148.70	1,102.34	32.89		1,135.23	1,102.34	32.89		1,135.23	1,102.34	32.89		1,135.23
23	Total Funded ADA Projection	3,075.47	2,965.14	95.51		3,060.65	2,965.14	95.51		3,060.65	2,965.14	95.51		3,060.65
24														
25	Projected COLA	1.565%	0.850%			0.850%	2.190%			2.190%	2.140%			2.140%
26														
27	Target Base Grant by Grade Span													
28	Grades K - 3	6,952.00	7,011.09			7,011.09	7,164.63			7,164.63	7,317.95			7,317.95
29	Grades 4 - 6	7,056.00	7,115.98			7,115.98	7,271.82			7,271.82	7,427.44			7,427.44
30	Grades 7 - 8	7,266.00	7,327.76			7,327.76	7,488.24			7,488.24	7,648.49			7,648.49
31	Grades 9 - 12	8,419.00	8,490.56			8,490.56	8,676.50			8,676.50	8,862.18			8,862.18
32														
33	TARGET BASE GRANT													
34	Grades K - 3 (Line 19 x Line 28)	5,025,601	4,909,254			4,908,254	5,015,743			5,015,743	5,123,077			5,123,077
35	Grades 4 - 6 (Line 20 x Line 29)	4,924,100	4,941,763			4,941,763	5,049,988			5,049,988	5,158,060			5,158,060
36	Grades 7 - 8 (Line 21 x Line 30)	3,676,669	3,890,235			3,890,235	3,975,432			3,975,432	4,060,507			4,060,507
37	Grades 9 - 12 (Line 22 x Line 31)	9,670,905	9,638,738			9,638,738	9,849,823			9,849,823	10,060,613			10,060,613
38	TARGET - Base Grant	23,297,275	23,378,990			23,378,990	23,890,986			23,890,986	24,402,257			24,402,257
39														
40	TARGET AUGMENTATION GRANTS													
41	K - 3 Augmentation (Line 34 x 10.4%) (\$729/ADA)	522,663	510,458			510,458	521,637			521,637	532,800			532,800
42	9 - 12 Augmentation (Line 37 x 2.60%) (\$221/ADA)	251,444	250,607			250,607	256,095			256,095	261,576			261,576
43	TARGET - Augmentation Grants	774,107	761,065			761,065	777,732			777,732	794,376			794,376
44														
45	TARGET SUPPLEMENTAL GRANT													
46	Target Base + Target Augmentation Grant x 20%	4,814,276	4,828,011			4,828,011	4,933,744			4,933,744	5,039,327			5,039,327
47	Unduplicated Count Percentage	10.41%	10.41%			10.41%	10.41%			10.41%	10.41%			10.41%
48	TARGET - Supplemental Grant	501,166	502,596			502,596	513,603			513,603	524,594			524,594
49														

**SAN MARINO UNIFIED SCHOOL DISTRICT
2014-15 LINE ITEM BUDGET SUMMARY and LONG RANGE FINANCIAL PROJECTION**

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	B	I	J	K	L	M	N	O	P	Q	R	S	T	U
		Projected 2013-14	Unrestricted	Special Education	Restricted	Projected 2014-15	Unrestricted	Special Education	Restricted	Projected 2015-16	Unrestricted	Special Education	Restricted	Projected 2016-17
1														
2														
50	TARGET TRANSPORTATION & TIIG GRANTS													
51	Transportation Grant	27,727	27,727			27,727	27,727			27,727	27,727			27,727
52	TIIG Grant	161,924	161,924			161,924	161,924			161,924	161,924			161,924
53	TARGET - Transportation/TIIG Grants	189,651	189,651			189,651	189,651			189,651	189,651			189,651
54	TARGET - LCFF FUNDING	24,762,199	24,832,302			24,832,302	25,371,972			25,371,972	25,910,878			25,910,878
55														
56	HOLD HARMLESS CALCULATION													
57	Prior Year Revenue Limit/LCFF Funding	16,301,898	17,086,731			17,086,731	18,696,421			18,696,421	20,178,747			20,178,747
58	Prior Year Funded ADA	3,075.47	3,075.47			3,075.47	3,060.65			3,060.65	3,060.65			3,060.65
59	Hold Harmless Revenue Limit per ADA	5,300.62	5,555.81			5,555.81	6,108.64			6,108.64	6,592.96			6,592.96
60	Current Year Funded ADA	3,075.47	3,060.65			3,060.65	3,060.65			3,060.65	3,060.65			3,060.65
61	Hold Harmless Revenue Limit/LCFF Funding	16,301,898	17,004,397			17,004,397	18,696,409			18,696,409	20,178,743			20,178,743
62														
63	GAP FUNDING													
64	TARGET - LCFF FUNDING	24,762,199	24,832,302			24,832,302	25,371,972			25,371,972	25,910,878			25,910,878
65	Hold Harmless - Revenue Limit/LCFF Funding	(16,301,898)	(17,004,397)			(17,004,397)	(18,696,409)			(18,696,409)	(20,178,743)			(20,178,743)
66	Hold Harmless - Categorical Funding	(1,797,885)	(1,797,885)			(1,797,885)	(1,797,885)			(1,797,885)	(1,797,885)			(1,797,885)
67	Difference	6,662,416	6,030,020			6,030,020	4,877,678			4,877,678	3,934,250			3,934,250
68	Gap Funding Percentage	11.78%	28.06%			28.06%	30.39%			30.39%	19.50%			19.50%
69	GAP FUNDING	784,833	1,692,024			1,692,024	1,482,326			1,482,326	767,179			767,179
70														
71	LCFF Funding													
72	Hold Harmless - PY Funded RUADA x CY ADA	16,301,898	17,004,397			17,004,397	18,696,421			18,696,421	20,178,747			20,178,747
73	Hold Harmless - 12/13 Categorical Programs	1,797,885	1,797,885			1,797,885	1,797,885			1,797,885	1,797,885			1,797,885
74	GAP Funding (Target/LCFF less Hold Harmless x %)	784,833	1,692,024			1,692,024	1,482,326			1,482,326	767,179			767,179
75	TOTAL LCFF FUNDING	18,884,616	20,494,306			20,494,306	21,976,632			21,976,632	22,743,811			22,743,811
76														
77	Informational Only													
78	Property Taxes	9,861,417	9,861,417			9,861,417	9,861,417			9,861,417	9,861,417			9,861,417
79	EPA (Educational Protection Account)	2,965,639	3,727,976			3,727,976	3,997,631			3,997,631	4,137,199			4,137,199
80	State Aid	6,057,560	6,904,913			6,904,913	8,117,584			8,117,584	8,745,195			8,745,195
81	Total Funded Revenue Limit/LCFF	18,884,616	20,494,306			20,494,306	21,976,632			21,976,632	22,743,811			22,743,811
82														
83	LCAP Proportionality Percentage Calculation (Informational Only)													
84	Current Year LCFF Funding					20,494,306				21,976,632				22,743,811
85	Transportation and TIIG Funding					189,651				189,651				189,651
86	Supplemental Concentration Grant at Target					502,596				513,603				524,594
87	Prior Year Funds spent on Unduplicated Students (12/13 EIA Grant)					110,654				110,654				110,654
88	Difference					391,942				402,949				413,940
89	Funded portion of Increase in Supplemental Grant					109,979				122,456				80,718
90	Total Funding for Unduplicated Students					220,633				233,110				191,372
91	Current Year Funding Available for all Students					20,084,022				21,553,871				22,362,788
92	Proportionality Percentage for Unduplicated Students					1.10%				1.08%				0.86%
93														

**SAN MARINO UNIFIED SCHOOL DISTRICT
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	B	I	J	K	L	M	N	O	P	Q	R	S	T	U
		Projected 2013-14	Unrestricted	Special Education	Restricted	Projected 2014-15	Unrestricted	Special Education	Restricted	Projected 2015-16	Unrestricted	Special Education	Restricted	Projected 2016-17
1														
2														
94	Projected Federal Income													
95	Title I	159,875			159,875	159,875			159,875	159,875			159,875	159,875
96	Title I - PY Carryover	97,578												
98	Special Ed - Local Assistance	456,574		460,709		460,709		460,709		460,709		460,709		460,709
99	Special Ed - Federal Preschool	8,895		5,090		5,090		5,090		5,090		5,090		5,090
100	Special Ed - Preschool Local Entitlement	16,657		9,532		9,532		9,532		9,532		9,532		9,532
101	Special Ed - Mental Health Funding	35,193		32,768		32,768		32,768		32,768		32,768		32,768
102	Special Ed - Preschool Staff Development	107		55		55		55		55		55		55
103	Title II - Teacher Quality	61,604			61,604	61,604			61,604	61,604			61,604	61,604
104	Title III - Immigrant Education Program	21,184			21,184	21,184			21,184	21,184			21,184	21,184
105	Title III - Limited English Proficiency Program	13,438			13,438	13,438			13,438	13,438			13,438	13,438
106	TOTAL PROJECTED FEDERAL REVENUE	871,105		508,154	256,101	764,255		508,154	256,101	764,255		508,154	256,101	764,255
107														
108	Projected Other State Revenue													
109	Lottery Revenue	436,754	394,806		94,001	488,807	363,577		94,001	457,578	363,577		94,001	457,578
110	Mandate Block Grant	118,183	118,183			118,183	118,183			118,183	118,183			118,183
111	Misc. State Income	780												
112	Prop 39 - Clean Energy Act	122,734												
113	Special Ed - Local Staff Development	1,708												
114	Special Ed - Mental Health Funding	135,150		181,094		181,094		181,094		181,094		181,094		181,094
115	Common Core Implementation Funding (one-time)	632,229												
116	TOTAL PROJECTED OTHER STATE REVENUE	1,447,538	512,989	181,094	94,001	788,084	481,760	181,094	94,001	756,855	481,760	181,094	94,001	756,855
117														
118	Projected Other Local Revenue													
119	Special Education - Master Plan	1,576,132		1,566,008		1,566,008		1,566,008		1,566,008		1,566,008		1,566,008
120	SELPA Reimbursement (Regional Programs)	335,124		400,000		400,000		400,000		400,000		400,000		400,000
122	Subtotal - Special Education Funds	1,911,256		1,966,008		1,966,008		1,966,008		1,966,008		1,966,008		1,966,008
123														
124	ROP Classroom Allocation	251,250	251,250			251,250	251,250			251,250	251,250			251,250
125	ROP Counselor Allocation	51,762	51,762			51,762	51,762			51,762	51,762			51,762
126	ROP Lottery Allocation	31,258	15,629			15,629	15,629			15,629	15,629			15,629
127	ROP Support Allocation	75,726	68,498			68,498	68,498			68,498	68,498			68,498
128	Subtotal - ROP Funds	409,996	387,139			387,139	387,139			387,139	387,139			387,139
129														
130	Parcel Tax Revenue - Measure E (anticipated renewal 2015)	4,000,000	4,000,000			4,000,000	4,000,000			4,000,000	4,000,000			4,000,000
131	Parcel Tax Revenue - Measure R (2019)	1,600,000	1,700,000			1,700,000	1,750,000			1,750,000	1,750,000			1,750,000
132	Subtotal - Parcel Tax Funds	5,600,000	5,700,000			5,700,000	5,750,000			5,750,000	5,750,000			5,750,000
133														
134	SMSF Annual Campaign	1,000,000	1,000,000			1,000,000	1,000,000			1,000,000	1,000,000			1,000,000
135	SMSF Excess Funds	1,783,851	1,500,000			1,500,000	1,500,000			1,500,000	1,500,000			1,500,000
136	Subtotal - Special Education Funds	2,783,851	2,500,000			2,500,000	2,500,000			2,500,000	2,500,000			2,500,000
137														
138	Use of Facilities Rental Income	300,000	300,000			300,000	300,000			300,000	300,000			300,000
139	Interest Earnings	80,000	80,000			80,000	80,000			80,000	80,000			80,000
140	Misc. Local Income - Donations	669,178												
141	Misc. Local Income - PT Affiliates													
142	Misc. Local Income - ASB Transfers	922,870												

**SAN MARINO UNIFIED SCHOOL DISTRICT
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	B	I	J	K	L	M	N	O	P	Q	R	S	T	U
		Projected 2013-14	Unrestricted	Special Education	Restricted	Projected 2014-15	Unrestricted	Special Education	Restricted	Projected 2015-16	Unrestricted	Special Education	Restricted	Projected 2016-17
1														
2														
143	Reimbursements - Curriculum Lab	12,493			15,000	15,000			15,000	15,000			15,000	15,000
145	Reimbursements - Talent Bank	18,438			20,098	20,098			20,098	20,098			20,098	20,098
146	Reimbursements - PTA Council (Curriculum Lab)	21,817			23,947	23,947			23,947	23,947			23,947	23,947
147	Reimbursements - Foundation Salary/Benefits	175,857			177,171	177,171			177,171	177,171			177,171	177,171
148	Reimbursements - Carver PTA	296,070			231,972	231,972			231,972	231,972			231,972	231,972
149	Reimbursements - Carver Enrichment	852			-	-			-	-			-	-
150	Reimbursements - Valentine PTA	264,572			173,746	173,746			173,746	173,746			173,746	173,746
151	Reimbursements - Huntington PTA	116,317			52,803	52,803			52,803	52,803			52,803	52,803
152	Reimbursements - Huntington ASB	11,884			-	-			-	-			-	-
153	Reimbursements - SMHS PTA	72,239			-	-			-	-			-	-
154	Reimbursements - SMHS ASB	24,698			-	-			-	-			-	-
155	Reimbursements - SMSF Major Gifts	-			-	-			-	-			-	-
156	Subtotal - Donations, Reimb., Interest, and Use of Facilities	2,987,285	380,000	-	694,737	1,074,737	380,000	-	694,737	1,074,737	380,000	-	694,737	1,074,737
157	TOTAL PROJECTED OTHER LOCAL REVENUE	13,692,388	8,987,139	1,966,008	694,737	11,627,884	9,017,439	1,966,008	694,737	11,627,884	9,017,439	1,966,008	694,737	11,627,884
158	TOTAL PROJECTED REVENUE	34,895,847	29,974,434	2,655,256	1,044,839	33,674,529	31,475,531	2,655,256	1,044,839	35,175,626	32,242,710	2,655,256	1,044,839	35,942,805
159														
160	Projected Expenditures													
161	Certificated Salaries	14,925,993	13,296,858	2,228,794	157,673	15,683,325	12,036,858	2,228,794	157,673	14,423,325	12,026,858	2,243,794	157,673	14,428,325
162	Certificated Step/Column	-	-	-	-	-	200,000	15,000	-	215,000	200,000	15,000	-	215,000
163	Classified Salaries	7,234,783	4,666,843	1,756,110	1,245,117	7,688,070	4,001,843	1,756,110	1,245,117	7,003,070	3,921,843	1,766,110	1,253,117	6,941,070
164	Classified Step/Column	-	-	-	-	-	110,000	10,000	8,000	128,000	110,000	10,000	8,000	128,000
165	Employee Benefits	6,314,648	5,535,475	1,334,517	428,918	7,298,910	4,830,212	1,334,517	428,918	6,593,647	4,729,708	1,339,517	430,918	6,500,143
166	Employee Benefits related to Step/Column	-	-	-	-	-	50,000	5,000	2,000	57,000	50,000	5,000	2,000	57,000
167	Book and Supplies	4,645,835	1,424,401	31,677	378,475	1,834,553	956,401	31,677	378,475	1,366,553	946,401	31,677	378,475	1,356,553
168	Operating Services	5,711,219	2,590,999	682,777	436,657	3,710,433	2,240,999	682,777	436,657	3,360,433	2,215,999	682,777	436,657	3,335,433
169	Equipment	1,632,975	110,000	-	-	110,000	110,000	-	-	110,000	110,000	-	-	110,000
170	Other Outgo	75,000	-	75,000	-	75,000	-	75,000	-	75,000	-	75,000	-	75,000
171	Indirect Support	(42,618)	(48,190)	32,846	15,344	-	(48,190)	32,846	15,344	-	(48,190)	32,846	15,344	-
172	TOTAL EXPENDITURES	40,497,835	27,576,386	6,141,721	2,662,184	36,380,291	24,488,123	6,171,721	2,672,184	33,332,028	24,262,619	6,201,721	2,682,184	33,146,524
173														
174	Excess(Deficiency) of Revenue over Expenditures	(5,602,188)	2,398,048	(3,486,465)	(1,617,345)	(2,705,762)	6,987,408	(3,516,465)	(1,627,345)	1,843,598	7,980,091	(3,546,465)	(1,637,345)	2,796,281
175														
176	Other Financing Sources/Uses													
177	Transfer in from Health & Welfare Fund	295,043	522,290	-	-	522,290	-	-	-	-	-	-	-	-
178	Transfer to Health & Welfare Fund	(221,274)	-	-	-	-	-	-	-	-	-	-	-	-
179	Transfer to Capital Projects Fund	(47,385)	(15,125)	-	-	(15,125)	(15,500)	-	-	(15,500)	(15,500)	-	-	(15,500)
180	Transfer to Deferred Maintenance Fund	(572,593)	(425,000)	-	-	(425,000)	(425,000)	-	-	(425,000)	(425,000)	-	-	(425,000)
181	Contribution to Special Education	-	(3,486,465)	3,486,465	-	-	(3,516,465)	3,516,465	-	-	(3,546,465)	3,546,465	-	-
182	Contribution to Maintenance & Operations	-	(1,617,345)	-	-	-	(1,627,345)	-	-	-	(1,637,345)	-	-	-
183	TOTAL OTHER SOURCES(USES)	(546,209)	(5,021,645)	3,486,465	1,617,345	82,165	(5,584,310)	3,516,465	1,627,345	(440,500)	(5,624,310)	3,546,465	1,637,345	(440,500)
184														
185	Net Increase(Decrease) in Fund Balance	(6,148,397)	(2,623,597)	-	-	(2,623,597)	1,403,098	-	-	1,403,098	2,355,781	-	-	2,355,781
186														
187	Projected Beginning Balance July 1	10,733,376	4,569,979	-	15,000	4,584,979	1,946,382	-	15,000	1,961,382	3,349,480	-	15,000	3,364,480
188	Restatement	-	-	-	-	-	-	-	-	-	-	-	-	-
189														
190	Projected Ending Balance June 30	4,584,979	1,946,382	-	15,000	1,961,382	3,349,480	-	15,000	3,364,480	5,705,261	-	15,000	5,720,261

**SAN MARINO UNIFIED SCHOOL DISTRICT
2014-15 LINE ITEM BUDGET SUMMARY and LONG RANGE FINANCIAL PROJECTION**

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	B	I	J	K	L	M	N	O	P	Q	R	S	T	U
		Projected 2013-14	Unrestricted	Special Education	Restricted	Projected 2014-15	Unrestricted	Special Education	Restricted	Projected 2015-16	Unrestricted	Special Education	Restricted	Projected 2016-17
1														
2														
191														
192	Components of Ending Fund Balance													
193	Designated for Economic Uncertainties Percentage	5.00%	5.00%			5.00%	5.00%			5.00%	5.00%			5.00%
194	Designated for Economic Uncertainties - 5%	2,181,234	1,843,218			1,843,218	1,763,990			1,763,990	1,870,266			1,870,266
195	Assigned for Carryover - Future Year	1,500,748	-			-	-			-	-			-
196	Assigned Balance - Gap Funding 13/14	784,833	-			-	1,482,326			1,482,326	2,964,652			2,964,652
197	Assigned Balance - Gap Funding 15/16	-	-			-	-			-	767,179			767,179
198	Assigned Balance - Gap Funding 16/17	-	-			-	-			-	100,000			100,000
199	Revolving Fund	100,000	100,000			100,000	100,000			100,000	100,000			100,000
200	Talent Bank Revolving Fund	15,000	-		15,000	15,000	-		15,000	15,000	-		15,000	15,000
201	Warehouse Stores	3,164	3,164			3,164	3,164			3,164	3,164			3,164
202														
203	Unappropriated Amount	-	-		-	-	-		-	-	-		-	-

**SAN MARINO UNIFIED SCHOOL DISTRICT
2014-15 PROPOSED BUDGET ASSUMPTIONS**

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KEY BUDGET ASSUMPTION	2014-15	2015-16	2016-17
REVENUES			
Projected Total Student Enrollment	3,133	3,133	3,133
Projected Revenue Limit ADA (Prior Yr ADA)	3,060.65	3,060.65	3,060.65
COLA (%)	0.85%	2.19%	2.14%
LCFF Gap Funding Percentage	28.06%	30.39%	19.50%
LCFF Funding (Hold Harmless)	\$18,802,282	\$20,494,306	\$21,976,632
LCFF Gap Funding	\$1,692,024	\$1,482,326	\$767,179
Total LCFF Funding	\$20,494,306	\$21,976,632	\$22,743,811
Augmentation Grants/Grade Span Adjustment K-3	\$729	\$729	\$729
Augmentation Grants/Grade Span Adjustment 9-12	\$221	\$221	\$221
Unduplicated Student Count	326	326	326
Unduplicated Student Percentage	10.40%	10.40%	10.40%
Proportionality Funding for Unduplicated Count Students	\$220,633	\$233,110	\$191,372
Education Protection Account (EPA)	\$3,727,976	\$3,997,631	\$4,137,199
Lottery Revenues	\$126 per student	\$126 per student	\$126 per student
Restricted Lottery Revenues (Instr. Materials) \$30 per student	\$30 per student	\$30 per student	\$30 per student
Mandated Block Grant	\$118,183	\$118,183	\$118,183
Targeted Instructional Improvement Grant (Target)	\$161,924	\$161,924	\$161,924
Home-to-School Transportation (Target)	\$27,727	\$27,727	\$27,727
ROP Funding (all sources)	\$387,139	\$387,139	\$387,139
Special Education Revenues (all sources)	\$2,655,256	\$2,655,256	\$2,655,256
Parcel Tax Revenues (Measure R) \$330.00 per parcel (2019)	\$1,700,000	\$1,750,000	\$1,750,000

**SAN MARINO UNIFIED SCHOOL DISTRICT
2014-15 PROPOSED BUDGET ASSUMPTIONS**

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KEY BUDGET ASSUMPTION	2014-15	2015-16	2016-17
Parcel Tax Revenues (Measure E) \$850.37 per parcel (2015)	\$4,000,000	\$4,000,000	\$4,000,000
San Marino Schools Foundation	\$1,000,000	\$1,000,000	\$1,000,000
San Marino Schools Foundation Excess Contribution	\$1,500,000	\$1,500,000	\$1,500,000
Use of District Facilities Revenues	\$300,000	\$300,000	\$300,000
Interest Revenues	\$80,000	\$80,000	\$80,000
EXPENDITURES			
Certificated SMTA Salaries	3.25% Schedule Increase; Realignment of Steps 14, 15, 17, and 19 by .75%	TBD	TBD
Classified CSEA Chapter #120 Salaries	3.25% Schedule Increase; Realignment of Steps 7 and 8 by 1%, and Years 10, 15, 20 by 1%	TBD	TBD
Management & Administrative Salaries	TBD	TBD	TBD
Major Medical Benefits	District Contributes 90% for Employee Only and 70% Two Party and Family Coverage (after contribution from Health Benefits Fund)	District Contributes 90% for Employee Only and 70% Two Party and Family Coverage (after contribution from Health Benefits Fund)	District Contributes 90% for Employee Only and 70% Two Party and Family Coverage (after contribution from Health Benefits Fund)
Other Medical Benefits	District funds Delta Dental Employee Only, Vision, Life and Employee Assistance Program	District funds Delta Dental Employee Only, Vision, Life and Employee Assistance Program	District funds Delta Dental Employee Only, Vision, Life and Employee Assistance Program
State Teachers Retirement System (CalSTRS) Employer Contributions	8.88%	10.73%	12.58%
Public Employees Retirement System (CalPERS) Employer Contributions	11.771%	12.60%	15.00%
Social Security (OASDI)	6.20%	6.20%	6.20%
Medicare	1.45%	1.45%	1.45%
State Unemployment Insurance	0.05%	0.05%	0.05%

**SAN MARINO UNIFIED SCHOOL DISTRICT
2014-15 PROPOSED BUDGET ASSUMPTIONS**

Bd Mtg 6-24-14

KEY BUDGET ASSUMPTION	2014-15	2015-16	2016-17
Workers Compensation	3.00%	3.00%	3.00%
Support Allocations (School Sites)	\$200 per student	\$200 per student	\$200 per student
SPSA Support Allocations (School Sites)	\$75 per student	\$75 per student	\$75 per student
Textbook/State Aligned Materials Allocation (School Sites)	\$45 per student	\$45 per student	\$45 per student
Restricted Lottery Allocation (School Sites)	\$30 per student	\$30 per student	\$30 per student
Targeted Instructional Improvement Grant Allocations (Sites)	\$40,000 per site	\$40,000 per site	\$40,000 per site
OTHER FINANCING SOURCES/USES			
Transfer in from Health Benefits Fund	\$522,290	TBD	TBD
Transfer to Capital Projects Fund	\$15,125	\$15,500	\$15,500
Transfer to Deferred Maintenance Fund	\$425,000	\$425,000	\$425,000
Contribution to Special Education	\$3,486,465	\$3,516,465	\$3,546,465
Contribution to Maintenance & Operations	\$1,617,345	\$1,627,345	\$1,637,345
COMPONENTS OF ENDING BALANCE			
Reserve for Economic Uncertainties Percentage	5.00%	5.00%	5.00%
Reserve for Economic Uncertainties	\$1,843,218	\$1,763,990	\$1,870,266
Assigned Balance - LCFF Gap Funding (cumulative)		\$1,482,326	\$3,731,831
Revolving Fund (including Talent Bank)	\$115,000	\$115,000	\$115,000
Unappropriated Amount	\$0	\$0	\$0

**2014-15 BUDGET ASSUMPTION GUIDELINES
PROJECTIONS FOR FISCAL YEARS 2013-14 THROUGH 2016-17**

Assumptions must be submitted to support data for the 2014-15 and 2015-16 Budget and two subsequent years. The guidelines indicated below are provided to assist you with projections for fiscal years 2014-15, 2015-16, and 2016-17.

REVENUE LIMITS	2013-14	2014-15	2015-16	2016-17
Statutory COLA / Net Funded COLA	1.565%	0.85%	2.19%	2.14%
Gap Funding	11.78%	28.06%	30.39%	19.50%
SPECIAL EDUCATION AND CATEGORICAL PROGRAMS				
CATEGORICAL PROGRAMS	2013-14	2014-15	2015-16	2016-17
Special Ed COLA (on state and local share only)	1.565%	0.85%	2.19%	2.14%
Categorical COLA – Tier I Programs	-0-	-0-	-0-	-0-
Categorical COLA – Tier II and III Programs	-0-	-0-	-0-	-0-
LOTTERY REVENUE¹				
Unrestricted	\$126.00/ADA	\$126.00/ADA	\$126.00/ADA	\$126.00/ADA
Restricted for Instructional Materials	31.00/ADA	30.00/ADA	30.00/ADA	30.00/ADA
Total Lottery Revenue	\$157.00/ADA	\$156.00/ADA	\$156.00/ADA	\$156.00/ADA
OTHER FACTORS				
CalSTRS Rates	8.25%	9.50%	11.10%	12.70%
CalPERS Rates	11.442%	11.771%	12.60%	15.00%
Interest Rate for 10-year Treasuries	2.80%	3.10%	3.50%	3.60%
California Consumer Price Index (CPI)	1.40%	2.10%	2.30%	2.50%
Other Expenses (4000s – 6000s)	2012-13+CPI	2013-14+CPI	2014-15+CPI	2015-16+CPI

¹ There is no statutory requirement to provide Gap funding in any year; when projecting LCFF increases in the “out years” districts should assign, reserve or otherwise set-aside any projected increase in LCFF revenues as a result of Gap funding

² Lottery funding is based on actual ADA (e.g., excluding excused absences), multiplied by a statewide excused absence rate of 1.04446. For 2009-10 through 2014-15, 2007-08 ADA is used for Adult Education and ROC/PS.

Attachment No. 2 to:

Informational Bulletin No. 3847

BAS-92-2013-14

San Marino Unified School District
2014-15 Budget Development Calendar

January 2014

Governor's Proposed Budget 2014-15
Board Meeting to discuss impact of Governor's Proposed Budget
Cabinet/Principals Budget Meetings
Formation of LCAP Parent Advisory Committee

February 2014

LCAP Parent Advisory Committee Meeting
District Meetings with SMTA and CSEA Chapter #120
Cabinet/Principals Budget Meeting
School Sites' Single Plans for Student Achievement

March 2014

2013-14 Second Interim Financial Report and Projections
Board Meeting to discuss Interim Financial Report and Projections
LCAP Parent Advisory Committee Meeting and DELAC Meeting
District Meetings with SMTA and CSEA Chapter #120
Cabinet Budget Meetings

April 2014

LCAP Parent Advisory Committee Meeting and
District Meetings with SMTA and CSEA Chapter #120
Cabinet Budget Meetings
2014-15 Registration Sessions
2014-15 Preliminary Enrollment Projections for Budget Planning
Board Meeting to Review Enrollment Projections

May 2014

Governor's May Revise Report 2014
Board Meeting to Discuss Impact of Governor's May Revise Report
LCAP Parent Advisory Committee Meeting and DELAC Meeting
District Meetings with SMTA and CSEA
Cabinet Budget Meetings
Board Meeting to Review Proposed 2014-15 LCAP

June 2014

Public Hearing Local Control Accountability Plan
Public Hearing 2014-15 Proposed Budget
Board Meeting to Consider Adoption of 2014-15 LCAP and
Adoption of 2014-15 Proposed Budget

July 2014

Submittal of 2014-15 LCAP and 2014-15 District Budget to LACOE

**LOS ANGELES COUNTY OFFICE OF EDUCATION
Division of Business Advisory Services
Financial Management Services**

County Office 2014-15 Budget Assumptions and Recommendations

These assumptions are recommended for use by districts in developing their 2014-15 Budget and multi-year projections.

MAY REVISION HIGHLIGHTS

For 2014-15, State revenues are projected to climb by \$2.4 billion, as compared to the January budget proposal, primarily because of higher personal income taxes. However, the Proposition 98 guarantee is projected to provide an increase of only \$242 million in educational funding.

Major components of the Governor's May Revision are:

- \$4.5 billion to continue implementation of the Local Control Funding Formula (LCFF);
- A 32-year plan, beginning in 2014-15, to address the \$74.4 billion State Teachers Retirement System (STRS) liability, with significant increases in employer rates, 8.25 percent - 19.1 percent over seven years and employee contribution rates 8.0 percent -10.25 percent over three years;
- \$5.8 billion to eliminate all deferrals in 2014-15;
- \$1.6 billion to create a revised "Rainy Day" fund;
- \$26.7 million, on a one-time basis, for the K-12 High Speed Network to study connectivity and provide grants to the most needy schools in support of the implementation of Common Core State Standards (CCSS);
- \$1.6 million increase in the Mandated Block Grant (MBG) to align with revised Average Daily Attendance (ADA) estimates.

REVENUE LIMIT / LCFF FUNDING

The Governor proposed \$4.5 billion to continue the implementation of the LCFF. Districts should continue to project funding based on the May Revision LCFF revenue projections as follows:

- The statutory COLA is 0.85 percent for 2014-15, and is projected at 2.19 percent for 2015-16, and 2.14 percent for 2016-17.

LCFF Funding Projections

The County Office LCFF revenue projections are used to validate district budget revenue projections. These formulas used in these projections have been synced with the FCMAT Calculator's formulas. ***It is strongly recommended that districts utilize these updated County Office LCFF revenue runs to project estimated revenues for the 2014-15 Budget and multi-year projections. Our review of the districts' projections will be using that data.***

These projections have been updated to reflect the new Proportionality Percentage calculation, as well as provide districts with the ability to project revenues using alternate Gap Funding amounts if desired. This will be found in the analysis tab in the LCFF revenue projection system.

Augmentation Grant

The Augmentation Grant provides additional funding for grades K-3 (CSR) and 9-12 (CTE). The CSR augmentation is 10.4 percent of the K-3 Base Grant, estimated at \$729 per ADA for 2014-15. When the LCFF is fully funded, and as a condition of receipt, districts shall maintain average class sizes of 24:1, unless a locally bargained alternative ratio is agreed on. The class size requirement is not subject to waiver by the State Board of Education.

The CTE augmentation is 2.6 percent of the 9-12 Base Grant, estimated at \$221 per ADA. While commonly referred to as CTE, no specific requirement is made to allocate these funds for CTE purposes. However, the District Plan must include a CTE component.

Supplemental and Concentration Grants

The Supplemental and Concentration Grants provide additional funding to students identified as qualifying for free and reduced price meals, EL, and foster youth. Each district will determine the unduplicated count of these students. A three-year rolling average of this count will be the basis for funding. This count is expressed as a percentage of total enrollment.

The Supplemental Grant provides an additional 35 percent of the Base Grant multiplied by the unduplicated count percentage. The Concentration Grants provides additional funding for districts with unduplicated counts greater than 50 percent, with an additional 35 percent of the Base Grant multiplied by the unduplicated count in excess of 50 percent.

Home-to-School Transportation and TIIG Grant

The Home-to-School Transportation Grant and Targeted Instructional Improvement Grant (TIIG) provide funding equal to the amounts districts received from these programs in 2012-13. These amounts are fixed at the 2012-13 amounts for all future years' calculations.

The May Revision proposes to provide home-to-school transportation joint powers authorities (JPAs) with continued direct funding through 2014-15. Member school districts would be required to forward funding equal to the 2012-13 allocation to the JPAs unless both parties agree to an alternative arrangement.

The proposed Base Grant rates for 2014-15, 2015-16 and 2016-17 are as follows:

<u>Grade Level</u>	<u>Base Grant per ADA</u>	<u>COLA 0.85%</u>	<u>2014-15 Base Grant</u>	<u>2015-16 COLA 2.19%</u>	<u>Base Grant per ADA</u>
K-3	\$ 6,952	\$ 60	\$7,011	\$154	\$7,165
4-6	\$ 7,056	\$ 61	\$7,116	\$156	\$7,272
7-8	\$ 7,266	\$ 62	\$7,328	\$160	\$7,488
9-12	\$ 8,419	\$ 72	\$8,491	\$184	\$8,675

LCFF Funding Increases

The Base Grant rates are increased annually by the statutory COLA. The statutory COLA for 2014-15 is 0.85 percent. The estimated COLAs for 2015-16 are 2.19 percent, and 2.14 percent for 2016-17. It is important to note that the *COLA affects only the calculation of the LCFF Target, and does not describe the net increase in funding for each district.*

The Governor proposes \$4.5 billion to increase LCFF funding in 2014-15. This would further implement the LCFF and would fund each district's Gap by an estimated 28.06 percent. The Department of Finance projects that enough additional funds will be provided to fund the Gap by 30.39 percent in 2015-16 and by 19.50 percent in 2016-17. This does not mean that each district will receive increases equal to these amounts, but rather that each district's Gap (the difference between their minimum State funding and their Target amounts) would be funded by those percentages.

Based on our calculations of Los Angeles County school districts' LCFF revenues, the increases from 2013-14 to 2014-15 range from under 5.35 percent to just over 20.68 percent per ADA. This wide range is a clear indication that each district must understand the unique impact of the LCFF funding on their district.

The Administration anticipates the transition to fully fund LCFF will take eight years, with full funding occurring in 2020-21. Until then, increases in funding will be as the State budget appropriates funding for that purpose. There is no statutory guaranteed increase in any given year until full implementation is reached. Furthermore, expiration of some temporary tax increases in 2016 and 2018, as well as uncertainty regarding the continued recovery of the State's economy, results in uncertainty regarding future years' increases in LCFF funding. Therefore, *we recommend that districts assign, reserve, or otherwise set aside any projected increase in LCFF revenue as a result of Gap Funding in 2015-16, and subsequent years.* However, we do recognize that the Governor has proposed significant funding to increase LCFF funding for 2014-15, and do recommend that districts budget revenues at that level.

Local Control and Accountability Plans (LCAP)

Careful alignment of the district LCAP and budget is essential. The LCAP review by COEs must address the sufficiency of the budget to fund services and actions outlined in the LCAP. The County Superintendent of Schools must determine that both: (1) the LCAP adheres to the

template adopted by the SBE, and (2) the budget adopted by the governing board of the school district includes sufficient expenditures to provide the services and actions included in the LCAP adopted by the governing board of the school district.

LCAPs are to be adopted by the local governing board on or before July 1, 2014, and within five days transmit the adopted LCAP to the County Superintendent of Schools.

Refer to Information Bulletin No. 3747 dated January 10, 2014 for additional information.

Maintenance of Effort (MOE)

Regional Occupational Centers/Programs (ROC/P's) is absorbed into the LCFF base for districts and county offices. While the grade 9-12 augmentation is not specifically identified as a Career Technical Education (CTE) grant, it does represent the funding allocated to these programs in prior years. Beginning in 2014-15, a CTE component will be required in the LCAP.

A two-year MOE provision was enacted as part of the 2013 Budget Act and requires that LEAs spend at least the same amount on ROC/Ps in 2013-14 and 2014-15 as was spent in 2012-13. In addition, districts that are members of an ROC/P JPA, must continue to forward the same amount to the JPA as they did in 2012-13 unless otherwise agreed upon by both parties.

Federal CTE funds, including Perkins funding, are not part of LCFF and continue to be subject to all existing compliance and reporting requirements.

Adult Education and ROP/C's

For 2014-15, of the funds a district receives for the purposes of ROP/C and Adult Education, the district shall expend no less than the district expended in 2012-13.

ADULT EDUCATION

The May Revision contains no changes to Adult Education as funds continue to be folded into the LCFF and are intended to be flexible for any educational purpose. The existing apportionment structure and funding would remain in place through 2014-15, and LEAs could independently continue existing Adult Education programs or use the funds for other educational activities. However, by 2015-16, Adult Education providers would be expected to join a regional Adult Education consortium consisting of at least one community college district and one school district within the boundaries of the community college district. The community college district would serve as the consortium fiscal agent. The consortium could include other entities including but not limited to correctional facilities, workforce investment boards, other local public entities and community-based organizations.

In 2013-14, \$25 million in Proposition 98 funds was appropriated for two-year planning and implementation grants. The Governor also intends to create a new categorical program in 2015-16 to fund regional consortiums, which would be prioritized and allocated to critical areas of instruction. Only ESL, citizenship, high school diploma, GED and workplace education classes would be eligible for funding through the new program.

By 2016-17, consortiums would need to develop full articulation agreements between Adult Education coursework and Career Technical Education coursework or collegiate coursework. The intent is to coordinate curriculum to affect a seamless entry and exit for students from K-12 to community college and to prevent students from needing to repeat any coursework.

EDUCATION PROTECTION ACCOUNT (EPA)

Proposition 30 provided for the following temporary tax increases.

- Temporary increase in the State sales tax of 0.25 percent through 2016
- Temporary increase in the income tax rate for the State's wealthiest taxpayers of up to 3.0 percent through 2018

It is projected that these tax increases will generate up to \$7.6 billion per year through 2018. The EPA was established as the vehicle to collect and disburse funds generated by the temporary tax increases. School districts, charter schools, county offices of education, and community colleges will receive revenues from the EPA on a quarterly basis.

EPA funds should be accounted for in Resource Code 1400 - Education Protection Account, and Object Code 8012 - Education Protection Account Entitlement. Districts may not use EPA funds for administrative costs. A complete list of function codes that are prohibited for EPA expenditures can be found on the CDE's website at:

<http://www.cde.ca.gov/fg/ac/ac/sacsfaq.asp>

Similar to local property taxes, districts' State Aid is reduced by one dollar for each dollar received from the EPA. The EPA becomes, in essence, a third revenue source in addition to local property tax revenue and State Aid.

Districts will also need to consider the impact of the ongoing quarterly payments of EPA, as EPA revenues will be distributed at the end of each quarter in September, December, March and June.

Reporting Requirements

Proposition 30 required that each agency use the new revenues for any purpose excluding administration. **The Governing Board shall make the spending determination of these funds annually in an open session of a public meeting.** Furthermore, each agency must annually publish on its website an accounting of how much money was received from the EPA and how that money was spent.

CASH FLOW PROJECTIONS

Principal Apportionment Deferrals

The Governor proposes to eliminate all cross-year deferrals in 2014-15. The Budget, and legislation enacting the elimination of the deferrals, would not likely be enacted until late June 2014, after the last of the 2013-14 deferrals has already been made. If successful, the deferred payments would be repaid with the July Principal Apportionment payment, to be made in late July. Therefore, we recommend districts continue to project deferrals of 2013-14 payments. Below is a chart reflecting the current estimates of 2013-14 inter-year deferrals.

2013-14 Inter-year Deferrals			
Timeframe	Exemption Available?	Amount	Principal Apportionment Payment Impact
April 2014 to July 2014	No	\$917.54 million	42%
May 2014 to July 2014	No	\$2.352 billion	100%
June 2014 to July 2014	Yes	\$2.301 billion	100%
Deferred across fiscal years		\$5.57 billion	

Remember, deferral buy-downs constitute one-time cash and not additional revenues. Attached is a Principal Apportionment Payment Schedule that reflects the adjustments to the “5-5-9” schedule resulting from the above deferrals (Attachment No. 5).

Cash Management Planning

Increased emphasis must be put on cash flow analysis and monitoring. Districts must incorporate the updated payment schedule in their cash flow projection. In addition, in order to identify and assist those districts that will experience cash deficiencies, **districts should project the cash flow for a two-year period** to reflect 2014-15 and 2015-16.

It is important to plan ahead and establish a cash management plan that ensures sufficient cash. **Districts’ cash flows should reflect implementation of their cash management plan (e.g., short-term borrowing).**

Districts should ensure they have appropriate Board resolutions to authorize interfund and County Treasurer borrowing, and that the borrowing caps are appropriately set (i.e., are high enough to meet identified cash needs). For additional information regarding cash borrowing, please refer to Informational Bulletin No. 3835, dated May 29, 2014, issued by the Division of School Financial Services, which is available on our website.

These cash management challenges make it even more imperative that districts consider reserve levels greater than the minimums required within the State's Criteria

and Standards. Reserves are especially critical in order to have sufficient cash to meet payroll and other obligations.

CATEGORICAL PROGRAMS

Most State categorical programs have been incorporated into the 2014-15 LCFF. However, some State categorical programs remain. Federal programs are entirely outside the LCFF and remain with their own program descriptions and restrictions.

Categorical Flexibility

- The Routine Restricted Maintenance contribution, per Education Code (EC) Section 17070.75, continues under the LCFF. Districts receiving general obligation bond funding must continue to set aside three percent of general fund expenditures in a Routine Restricted Maintenance Account (RRMA). This requirement continues for 20 years from receipt of School Facility Program funds. The flexible reduction of required contributions into the restricted routine maintenance accounts from three percent to one percent of a district's General Fund expenditures is continued through 2014-15. **The three percent minimum contribution requirement returns for 2015-16.**
- For 2014-15, the deferred maintenance funding has been folded into the LCFF base grant with no restrictions; funds that were previously specifically ear-marked for deferred maintenance are now included in the LCFF allocation. However, districts must still maintain safe, clean and functional environments for student success and comply with Williams requirements. *Districts should seriously consider setting aside funds in their budget for deferred maintenance activity.*
- The reduction of instructional days from 180 to 175 continues under the LCFF. However, this flexibility sunsets on June 30, 2015.

Common Core Implementation Grant

The 2013-14 Budget Act provided \$1.25 billion in one-time restricted monies to assist school districts, county offices and charter schools in implementing the new Common Core State Standards (CCSS). Funds were distributed to all schools on a per ADA basis outside the LCFF calculation.

Funding for Common Core implementation was estimated to be \$200 per ADA for all school districts, county offices and charter schools. Districts may encumber funds any time during the 2013-14 and 2014-15. Funds can be used for professional development, instructional materials, and investments in technology to support Common Core implementation and must be used by June 30, 2015.

The adoption of a two-year spending plan is required prior to the expenditure of the Common Core funding. Per Assembly Bill (AB) 86, Section 85, LEAs are required to "Develop and adopt a plan delineating how funds ... shall be spent. The plan shall be explained in a public meeting of the governing board ... before its adoption in a subsequent public meeting." In addition, LEAs

will be required to submit detailed expenditure reports on the use of the funds to the CDE on or before July 1, 2015. For information concerning the implementation of CCSS please contact:

Yolanda Benitez
Assistant Superintendent Education Services
Benitez_Yolanda@laoe.ed
562-922-6129

There was no additional Common Core funding in the May Revision. However, the May Revision provides \$26.7 million in one-time dollars for K-12 High Speed Network to conduct a comprehensive network connectivity assessment. Grant funding will then be allocated to those school districts with the greatest requirements need in order to implement the Common Core assessments in 2015.

Mandated Costs

There is no change in the per ADA rate from 2013-14 to 2014-15 as indicated in the chart below. The rates are now separated into grade span-specific rates with grades 9-12 receiving higher amounts based on the inclusion of the Graduation Mandate.

Grade Span	School District Rates	Charter School Rates	COE Rates
K-8	\$28	\$14	\$29
9-12	\$56	\$42	\$57

The MBG is optional and replaces the claiming process for districts that elect to participate. However, agencies must continue to perform mandated activities regardless of their participation in the MBG. Participating agencies will be subject to compliance audits as part of their annual audits.

A complete list of programs covered under the block grant can be found on the Mandate Block Grant Request for Application Web page at:

<http://www.cde.ca.gov/fg/fo/r14/mandatebg12rfa.asp>.

School districts have the option to decline participation in the block grant and continue to claim reimbursements under the existing mandate claims process with the same mandate requirements. However, payment of current-year claims is again deferred. Although the Governor intends to pay down the obligation over the next few years, and completely by 2017-18, there are no funds included in the 2014-15 May Revision. Districts opting to receive block grant funding will need to elect to participate in the block grant by August 30 of each year. Funds are typically received in November.

Proposition 39: California Clean Energy Jobs Act

The California Clean Energy Jobs Act was approved by voters in 2012. For years 2013-14 through 2017-18, the measure requires half of the increased revenues, up to \$550 million per year, be used to support energy efficient projects. As a result of reduced revenue estimates, the

May Revision decreases the amount of energy efficient funds available to \$307 million, a decrease of \$9 million from the January Proposal.

The California Energy Commission (CEC) released guidelines in December 2013 outlining an eight-step process for participating in the Proposition 39 program, which includes an audit step. These guidelines are available at:

<http://www.energy.ca.gov/2013publications/CEC-400-2013-010/CEC-400-2013-010-CMF.pdf>

LEAs should not commit the anticipated funds until they are familiar with the final guidelines and the criteria to enable them to apply for and collect the funds.

Lottery

Please note that Lottery funding will be calculated in the same manner as prior years. Through 2014-15, Adult Education and ROC/P's will be funded based on 2007-08 ADA rather than the prior year ADA.

The CDE recently revised its projection of lottery revenues for 2013-14 to reflect the Lottery Commission's updated lottery sales projection of \$5.1 billion. The projected rates for 2013-14 are now \$126 per ADA unrestricted and \$30 per ADA restricted. The projected rates for 2014-15 and 2015-16 are also \$126 per ADA unrestricted and \$30 per ADA restricted.

CALPADS

CALPADS data have become critical to funding, accountability, and assessment functions. The unduplicated count of disadvantaged students produced by *CALPADS feeds the supplemental and concentration grant portions of the LCFF. Therefore it is extremely important that Districts ensure that this data is up-to-date and accurate.*

Beginning in 2013-14, AB 97 (Chapter 47/Statutes 2013) requires County Offices of Education (COEs) to "review and validate reported English Learner, foster youth, and free or reduced-price meal eligible pupil data for school districts and charter schools under its jurisdiction to ensure the data is reported accurately." To assist COE's, CALPADS have made available school-level reports that display the aggregate unduplicated counts of disadvantaged students for each LEA and charter school within the county. Additional information regarding the data collection system can be found on the following CDE website:

<http://www.cde.ca.gov/ds/sp/cl/index.asp>

SPECIAL EDUCATION

At the release of the First Principal Apportionment in February 2014, a 4.1 percent proration factor (estimated at \$108 million) was applied to the Assembly Bill 602 state apportionment due to lower property taxes and the impact of federal sequestration cuts.

The Governor continues to propose changes to the AB 602 funding formula by allocating Federal local assistance funds outside the formula. This is intended to streamline the calculation and correct inequities in the funding that SELPAs receive for growth ADA versus the amount they are penalized when they decline. The proposal also includes a 0.85 percent COLA, which is estimated to be \$4.39 per ADA.

The State has convened a Special Education Task Force to focus on identifying the vision and mission for students with disabilities, and to propose possible reforms. The task force is expected to issue recommendations in late 2014.

BASIC AID SCHOOL DISTRICTS

Basic aid districts are defined as districts having property taxes in excess of their revenue limit entitlement. The LCFF language states the determination of a basic aid district is made exclusive of funds received through EPA and further excludes revenues received through the LCFF hold harmless calculation. Under the LCFF, a basic aid district is defined as a district that does not receive state aid to fund the base entitlement for transition to the LCFF or any portion of the LCFF at full implementation.

Under LCFF, basic aid districts will receive minimum state funding of no less than the amount received in 2013-14. The minimum State funding amount will be calculated based on the categorical allocation net of 8.92 percent fair share reduction.

Basic Aid Districts Reserves

It is important for basic aid districts to carry higher-than-minimum reserves. Dependency on property taxes means dependency on assessed property values. Greater-than-minimum reserves provide a buffer in the event that assessed values fall short of projections. Due to the continuing economic uncertainties and their impact on assessed values, reserves are more critical than ever before. Moreover, basic aid districts whose student population is growing do not receive additional funding. For these reasons and the growing loss from "fair share" reductions, higher-than-minimum reserves are important.

Proposition 30 Impact on Basic Aid Districts

Proposition 30 guarantees a minimum of \$200 per ADA in revenue from the EPA. The EPA is the vehicle for collecting and distributed revenues from the temporary tax increases authorized by Proposition 30. This means that basic aid districts will receive at least \$200 per ADA in revenue from the EPA. However, some districts may become basic aid and receive no State Aid as a result of the implementation of the EPA. In this case, the \$200 per ADA minimum may simply replace State Aid and not represent additional funding.

CALIFORNIA SCHOOL-BASED MEDI-CAL ADMINISTRATIVE ACTIVITIES

The California School-Based Medi-Cal Administrative Activities (SMAA) program provides Federal reimbursement of specific activities performed by school districts serving Medi-Cal eligible students. The Federal oversight agency, Centers for Medicare and Medicaid Services

(CMS), conducted a review of school MAA claiming units in California and found them to out of compliance with Federal regulations, guidelines and standards. CMS notifies the California Department of Health Care Services (DHCS) of the non-compliance CMS's determination that payments for other California MAA claiming districts would be deferred until the California MAA plan was revised and additional documentation was received.

On February 21, 2014, DHCS posted the following announcement regarding the SMAA Implementation Plan for 2014-15 and a request for one additional year of interim claiming:

Due to concerns raised by school districts and other organizations, the California Health and Human Services Agency and the Department of Health Care Services (DHCS) have made a request to the federal Centers for Medicare and Medicaid Services (CMS) to delay the implementation of the revised School-Based Medi-Cal Administrative Activities (SMAA) program implementation plan effective date, from July 1, 2014 to July 1, 2015 and allow for one additional year of interim claiming. DHCS will inform you of the outcome of such request as soon as we hear back.

As of this writing, the DHCS has not informed LEAs, LECs, and LGAs of the 2014-15 SMAA program status. LECs and LGAs have completed their respective RFP processes for RMTS. LEAs and their SMAA program consultants/vendors continue to work diligently with LECs and LGAs to meet all DHCS and CMS requirements to release LEAs from the deferral status and to prepare for 2014-15. **Please contact Octavio Castelo, SMAA Coordinator, at (562) 922-6144, with any questions.**

TRANSITIONAL KINDERGARTEN

The May Revision does not include a proposal for Universal Transitional Kindergarten (TK). Under current law, the eligibility birth date for enrollment in kindergarten in 2014-15 is September 1.

School districts are currently eligible to collect ADA for these transitional kindergarten students. The TK program is not required to be operated at every school site, just by the school district so that it meets the needs of the school district.

PROGRAMS FUNDED OUTSIDE OF THE LCFF

The May Revision proposes categorical programs outside of the LCFF will receive an increase of \$15.3 million based on ADA growth and a 0.85 percent COLA.

- Federally funded programs
- Quality Education Investment Act (QEIA) - through 2014-15 only
- Special Education
- After School Education and Safety (ASES)

- Child Nutrition
- State Testing
- State Preschool
- Emergency Repair
- Mandate Block Grant (MBG)
- District of Choice credit
- Charter school basic aid supplement
- Court-ordered credit (current language does not include court-ordered, although discussions with the DOF have indicated their intent to preserve current court-ordered funding under LCFF)

**SAN MARINO UNIFIED SCHOOL DISTRICT
2014-15 APPROVED BUDGET ITEMS**

ATTACHMENT 4

A	B	C	D	E	L	Q
1		State Priorities:	1 - Williams Compliance (Materials, Facilities and Credentialing)			
2			2 - Academic Content and Performance Standards			
3			3 - Parental Involvement			
4			4 - Pupil Achievement			
5			5 - Pupil Engagement			
6			6 - School Climate			
7			7 - Access and Enrollment			
8			8 - Pupil Outcomes			
10	Level/Dept.	Description	Rationale	State Priority	FTE	Projected Sal/Ben
	Elementary	Lower class sizes in Elementary Grade Levels K-3 to 24:1. Number of teachers needed is contingent upon enrollment and staffing numbers	Site average for K-3 enrollment must be no greater than 24:1 at LCFF's full implementation. Also aligned with the SMSF campaign and parcel tax commitments. Most importantly, it provides more time for teachers to work with students	4,5,6,7,8	1.00	\$73,700
11	Elementary	Lower class sizes in Elementary Grade Levels 4-5 to 25-26:1 from 28-31:1. Number of teachers needed is contingent upon enrollment and staffing numbers	Aligned with the SMSF campaign and parcel tax commitments. Most importantly, it provides more time for teachers to work with students.	4,5,6,7,8	2.00	\$147,400
12	Elementary	Provide each school with a full-time Elementary Counselor	To provide each school with full-time counseling support.	3,4,5,6,7,8	1.00	\$90,800
13	Elementary	Elementary Adm Assts and School Secretaries	With expanded teacher work days and additional instructional days planning and preparation time is needed prior to school and after school is done at year-end.	1, 3,4,5,6,7,8	N/A	\$8,600
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**SAN MARINO UNIFIED SCHOOL DISTRICT
2014-15 APPROVED BUDGET ITEMS**

	A	B	C	D	E	L	Q
1			State Priorities:	1 - Williams Compliance (Materials, Facilities and Credentialing)			
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10	Level/Dept.	Position	Description	Rationale	State Priority	FTE	Projected Sal/Ben
	Elementary	Additional ELD Instructional Support	Provide for additional instructional support staff for Elementary EL classes.	To align with the schools' and District goals to enhance services for Unduplicated Count students (EL, FRPM, and FY). To support regular instructional classes. Use Proportionality Funding	3,4,5,6,7,8	TBD	\$77,000
15	Elementary	Elementary Assistant Principal	Provide for a full-time shared Elementary Assistant Principal.	Consistent and constant presence on site. Restore Elementary Assistant Principal Position. Position not filled in 2003 as a budget reduction. Need for consistent on-site full time administration on a daily basis. Provide support for students, instructional program, allow principals to focus on Common Core and instructional planning and strategies, etc.	2,3,4,5,6,7,8	1.00	\$136,400
16	Middle	Teacher, 7th Grade Science	Offer a full year of science for 7th graders.	Collaboration, STEM (Science, Technology, Engineering, Math) and Common Core based instruction, problem-solving model. Provides for a Technology Teacher on Special Assignment	2,4,5,6,7,8	1.00	\$73,700
17	Middle	Teacher, English and Drama ~ District Orchestra Program (3 sections HMS, 1 section HS and Elementary programs)	Provide for additional English Sections to allow for a full-time Orchestra program. English Teacher would also teach Drama and coordinate Musical	To provide for team teaching in English, Math and Social Sciences. Builds arts program, enhance enrollment and access to orchestra classes, and provides time for Elementary orchestra instruction.	2,4,5,6,7,8	1.00	\$73,700
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**SAN MARINO UNIFIED SCHOOL DISTRICT
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2							
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	Level/Dept.	Position	Description	Rationale	State Priority	FTE	Projected Sal/Ben
	Middle	Teacher on Special Assignment, Technology	Provide for in-classroom support and team teaching with a Technology Teacher on Special Assignment (TOSA)	Implementation of Common Core use of technology, team teaching model. Outreach to all schools, teachers, and classes.	2,4,5,7,8	1.00	See 7th Grade Science Teacher position
19	Middle	Increase ASB Site Technician Hours from 6 hours to 8 hours per day and request that job title be changed to School Site Accounting Technician	To support the principals in accounting for all if their site funds including ASB funds, donations, categorical and General Funds.	Middle School technician Increased in 2013-14 on a temporary basis with site funds	3,6	0.25	\$15,000
20	Middle	Instructional Assistants, Physical Education	Add two 6-hour PE Aides	Current student-teacher ratios are 60+:1. With additional PE Aides provide for supervision and expand advanced fitness instruction	2,4,5,7,8	1.50	\$70,000
21	Middle	Middle School Extra-Curricular Activities and Athletic Programs - Schedule B	Middle School Athletics/extra-curricular school activities (Schedule B) are required to be funded by the school/District.	To comply with state laws governing the obligation for school districts to fund school-sponsored extra-curricular activities and athletics.	2,4,5,7,8	N/A	\$28,500
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10	Level/Dept.	Position	Description	Rationale	State Priority	FTE	Projected Sal/Ben
	High School	Counselor, High School	Provide for an additional School Site Counselor to support lower caseload numbers and for all Counselors to provide for more one-on-one student support, particularly as it relates to college and career readiness and preparation.	Need based on current trends and evident need for more one-on-one student support services as well as to address LCFF and LCAP requirements as they pertain to providing more support for college and career readiness. HS to reconsider including parents in Senior student meetings and counseling sessions, provide support for students in selecting colleges	3,4,5,6,7,8	1.00	\$90,800
23	High School	Teacher, Math	Provide for an additional Math Teacher	Hire another math teacher in order to provide students with the opportunity to take two math courses and two science classes at the same time. Would also help to lower class sizes - currently at 34:1 with AP classes reaching 28:1. Facilities issue could be accommodated in 2014-15	2,4,5,7,8	1.00	\$73,700
24	High School	Teacher, Spanish	Increase part-time Spanish Teacher to full-time	To support lower class sizes in foreign language classes and provide for AP Spanish Class	2,4,5,6,7,8	0.60	\$48,620
25	High School	Teacher, Social Science (Extra Period Assignment)	Provide for an additional .40 FTE Social Science	Would meet in part the AAC's request that SMHS consider a 7-period day and would provide students with the opportunity to take a zero period social science classes.	2,4,5,7,8	0.40	\$31,920
26	High School	Health Clerk	Provide for a full-time Health Clerk for the High School	To provide health services for students and staff on campus. For the safety and security of students and staff on campus.	2,4,5,7,8	1.00	\$54,750
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10	Level/Dept.	Position	Rationale	State Priority	FTE	Projected Sal/Ben
	High School	ROP/CTE Program Funding	MOE expires at the end of 2014-15. Application of ongoing funding to support SMHS Elective programs.	2,4,5,7,8	N/A	\$157,324
28	District	English Learner Coordinator	Increase Middle School Social Science Teacher from .80 to 1.00 FTE to provide EL Coordinator with two periods per day for EL Coordination	2,3,4,5,7,8	0.20	\$19,836
29	M&O	Custodians	Hire two additional custodians to provide for support of day and night operations	1,6	2.00	\$104,000
30	Purchasing	Purchasing Assistant	Increase Purchasing Assistant from 3.5 hours per day to 8 hours per day	1,2,8	0.53	\$25,750
31	Accounting	Accounts Payable Accounting Technician	Restore position from part-time to full-time	1,2,8	0.25	\$12,500
32			Increase accounts payable workload with donations and ASB funds transferred to District along with increase in orders for all sites.			

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	Level/Dept.	Position	Description	Rationale	State Priority	FTE
	Accounting	Business/Accounting Analyst	Provide for an management level accounting analyst to support General Ledger, Internal Auditing and Compliance Reporting.	Based on increased need for support in General ledger accounting, auditing of internal reporting and compliance reports, benefits monitoring, pensions, etc. Will allow Budget Analyst to devote time to ongoing budget, income and expenditure reporting, direct work with principals and site staff on accounting for funds, projections, cost information, reporting of budget information to federal, state and local agencies for Sp Ed/SELPA, federal funds, LCFF funding, parcel taxes, SMSF and other local funding, prepare reports and analysis as requested and needed.	1,2,8	1.00
33						\$86,000
34	TOTAL					\$1,500,000