

**SAN MARINO UNIFIED SCHOOL DISTRICT
BUSINESS SERVICES**

To: Dr. Alex Cherniss, Superintendent

Submitted by: Julie Boucher, Assistant Superintendent, Business Services

Prepared by: Vangie Lingat, Director of Accounting

Date: March 10, 2015

**Subject: 2014-15 SECOND INTERIM FINANCIAL REPORT AND
LONG RANGE FINANCIAL PROJECTION**

The 2014-15 Second Interim Financial Report and the Long Range Financial Projection "Second Interim" are presented to the Board of Education for approval. It is recommended that the Board of Education approve a "Positive Certification," that the District will be able to meet its financial obligations for the current 2014-15 fiscal year as well as the subsequent two fiscal years (2015-16 and 2016-17) based on the District's financial assumptions.

AB 1200 Reporting Requirements

The District is required under AB 1200 (Chapter 1213/1991) and Education Code Section 35035 to submit two interim financial reports during each fiscal year to the Los Angeles County Office of Education and to the California Department of Education (CDE). These laws require county offices and the CDE to closely monitor and review school district budgets and financial projections.

Second Interim Assumptions

The information presented in the Second Interim Financial Report includes actual and projected financial information for the General Fund as of January 31, 2015.

Revenue Assumptions

- Student Enrollment
- Average Daily Attendance
- Local Control Funding Formula
- Other State, Federal and Local Funding
- San Marino Schools Foundation Annual Campaign
- Parcel Tax Revenues
- Use of Facilities Revenues

Expenditure Assumptions

- Certificated and Classified Salaries
- Employee Health Benefits
- Statutory Benefits
- Books and Supplies, Services, and Equipment Costs
- Transfers In/Out
- Indirect Costs

Ending Balance Assumptions

- 5% Reserve for Economic Uncertainties
- Assigned Gap Funding

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

Assumptions must be submitted to support data for the 2014-15 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	2014-15	2015-16	2016-17
Statutory COLA / Net Funded COLA	0.85%	1.58%	2.17%
Gap Funding ¹	29.56%	32.19%	23.71%
SPECIAL EDUCATION AND CATEGORICAL PROGRAMS	2014-15	2015-16	2016-17
Special Ed COLA (on state and local share only)	0.85%	1.58%	2.17%
Categorical COLA – Tier I Programs	-0-	-0-	-0-
Categorical COLA – Tier II and III Programs	-0-	-0-	-0-
LOTTERY REVENUE²	2014-15	2015-16	2016-17
Unrestricted	\$128.00/ADA	\$128.00/ADA	\$128.00/ADA
Restricted for Instructional Materials	<u>34.00/ADA</u>	<u>34.00/ADA</u>	<u>34.00/ADA</u>
Total Lottery Revenue	\$162.00/ADA	\$162.00/ADA	\$162.00/ADA
OTHER FACTORS	2014-15	2015-16	2016-17
CalSTRS Employer Rates	8.88%	10.73%	12.58%
CalPERS Employer Rates	11.771%	12.60%	15.00%
Interest Rate for 10-year Treasuries	2.20%	2.50%	2.80%
California Consumer Price Index (CPI)	2.10%	2.30%	2.50%
Other Expenses (4000s – 6000s)	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” it is recommended that districts assign, reserve or otherwise set-aside any projected increase in LCFF revenues as a result of Gap funding or at least have a contingency plan in place if anticipated revenues do not materialize

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. 4043



February 25, 2015

TO: Business Administrators
Los Angeles County School Districts
Regional Occupational Centers/Programs (ROC/Ps), and
Joint Powers Authorities (JPAs)

FROM: Scott Price, Ph.D., Chief Financial Officer
Business Services

SUBJECT: 2014-15 Second Interim Financial Reporting

Education Code (EC) Sections 35035(g), 42130 and 42131 require the Governing Board of each school district to certify at least twice a year to the district's ability to meet its financial obligations for the remainder of that fiscal year and for the subsequent two fiscal years. This is referred to as the Interim Report Process.

The Second Interim Report for 2014-15 is due to the Los Angeles County Office of Education (County Office) by **March 16, 2015**. This year since March 15 falls on a Sunday, the report is due by Monday, March 16, 2015, and should be sent via JET mail to:

Los Angeles County Office of Education
Division of Business Advisory Services
Attention: Ms. Joanne Joe

GOVERNOR'S PROPOSED 2015-16 BUDGET

On January 9, 2015, Governor Brown introduced his Proposed 2015-16 State Budget (Budget). This Budget proposal includes Proposition 98 funding of \$65.7 billion for 2015-16, an increase of \$4.1 billion over the 2014-15 Budget. This represents a total increase in Proposition 98 funding of \$13.8 billion since 2012-13. The increased revenues are primarily projected to be used to increase the Local Control Funding Formula (LCFF) funding \$4.0 billion and fully eliminate K-12 inter-year apportionment deferrals of \$897 million.

We continue to remind Districts that there is no statutory requirement for an increase in LCFF funding in future years. Any increase is dependent upon the appropriation, by the Legislature and approval by the Governor, of available State funds to provide an increase in LCFF funding. *Therefore, we continue to recommend that districts that project an increase in LCFF revenues in 2015-16 and beyond, assign, reserve or otherwise set-aside the increase.* If districts choose to budget this increased revenue they must have a contingency or alternative plan in place should these funds fail to materialize.

SECOND INTERIM REPORT ASSUMPTIONS

The 2014-15 Budget Act, Senate Bill (SB) 852 (Chapter 25/Statutes 2014), and subsequently signed Education Omnibus Trailer Bills including: SB 858 (Chapter 32/Statutes 2014); LCFF, SB 859 (Chapter 33/Statutes 2014); and State Teachers Retirement, Assembly Bill (AB) 1469 Chapter 47/Statutes 2014), impacted the level of funding to school districts and requires that districts make appropriate adjustments to their budgets.

An important point to note is that each district's funding level is unique in that: It is based on (1) grade level base grants (which are equal for all districts); (2) demographic data (which will vary by district); (3) total district revenues received will fluctuate proportionate to changes in enrollment and changes in unduplicated pupils; and (4) each district has a unique funding gap (difference between the hold harmless and funding at full implementation). The model's intent is to ultimately simplify funding (at full implementation) and establish new accountability for how all students are served, with particular attention paid to sub-groups.

Attached are several documents containing key information and assumptions for preparing Second Interim Reports. These assumptions, instructions and guidelines are recommended for use by districts in developing their 2014-15 Second Interim and multiyear projections.

- County Office 2014-15 Second Interim Assumptions and Recommendations (Attachment No. 1)
- 2014-15 Second Interim Budget Assumption Guidelines (Attachment No. 2)
- 2014-15 Principal Apportionment Schedule (Attachment No. 3)
- Recommended List of Topics that should be Covered by a Written Narrative (Attachment No. 4)
- Documents Required to be Filed with the County Office (Attachment No. 5)
- Responsibilities of Authorizing Agencies for their Charter Schools (Attachment No. 6)
- Accessing Data in PeopleSoft for Second Interim Reports (Attachment No. 7)
- Fiscal Monitoring District Assignments for Fiscal Year 2014-15 (Attachment No. 8)

Please refer to Attachment No. 1, County Office 2014-15 Second Interim Assumptions and Recommendations for more detailed information regarding the LCFF and other important considerations for the preparation of Second Interim Reports.

COUNTY OFFICE SOLVENCY EVALUATION

Districts are reminded that the County Office will evaluate their solvency against the State Criteria and Standards, and that emphasis will be placed on the ability of districts to demonstrate that they can meet their current year cash commitments. One of the resources available to districts for assessing risk factors is the FCMAT Fiscal Health Risk Analysis: Key Fiscal Indicators tool under the fiscal tools tab at:

www.fcma.org

It is expected that districts will continue to exercise “best fiscal practices” in addressing potential budget challenges. In light of the uncertainty, *we request that districts be prudent in their planning for the current and two subsequent years since there is still a high degree of uncertainty in State revenues.*

District budgets may have changed since the adoption of the 2014-15 Budget Act and the trailer legislation. The budgets should be updated and included in the district’s current and multiyear financial projections. If your district was requested to submit a fiscal recovery plan with the Second Interim Report, it should be detailed to include options by which the district will meet its reserve level and financial obligations for the current and two subsequent years. These options should be reasonable and implementable. Our review will focus on the ability of each district to meet its cash and other financial commitments over the current and subsequent years.

CONTINGENT REVENUES AND EXPENDITURES REDUCTIONS

Districts should not include revenue sources that are of a contingent or speculative nature in their Second Interim Report projection. Examples of speculative revenue would be pre-election bond or parcel tax proceeds and non-contractual donations/contributions from foundations or cities.

Districts that include speculative expenditure reductions pending the finalization of negotiation should include an alternate expenditure reduction plan.

SUPPORTING NARRATIVES AND EXPLANATIONS

In preparing Interim Reports, all districts should submit written narratives and quantitative information to support the financial planning and program assumptions used in projecting the district's fiscal position for the 2014-15, 2015-16, and 2016-17 fiscal years. Submission of the financial and planning assumptions is critical to the County Office's review and its concurrence with districts' Interim Report certifications. A recommended list of topics that should be covered by the written narrative is also attached to this bulletin for use by districts (Attachment No. 4).

STATE STANDARDIZED ACCOUNT CODE STRUCTURE (SACS) SOFTWARE

The SACS2014ALL software (updated July 2014, Version 2014.2.0) contains the components, driven by the LCFF, necessary to prepare the 2014-15 Second Interim Reports. The CDE made many changes to eliminate Revenue Limit references and to modify account code strings. For information about updates and other changes made to the budget software, please refer to the CDE website at:

www.cde.ca.gov/fg/sf/fr/

APPROVAL AND SUBMISSION OF SECOND INTERIMS

Districts must present Second Interim Report and certification documents on the SACS format prescribed by the State Superintendent of Public Instruction to their Governing Board for approval before being submitted to the County Office. This SACS reporting format requirement is discussed in the California Department of Education's Advisory, dated March 5, 2001, titled "Observations on the Financial Accountability and Reporting Processes." Attachment No. 5 provides a list of documents required to be filed with the County Office and includes additional detailed information about those forms.

STATE CRITERIA AND STANDARDS

EC Section 42130 requires that each district superintendent review their Interim Report in accordance with State-adopted Criteria and Standards. As provided in EC Section 33127, the Criteria and Standards must be used by districts in the development of annual budgets and the management of subsequent expenditures from the budgets, as well as for the monitoring of the district's fiscal stability.

Form CI has summarized data from the Criteria and Standards Review form in order to provide additional support to the district Governing Board's certification process. The certification shall be classified as positive, qualified or negative, defined as follows:

Positive: A school district that, based on current projections, **will meet its financial obligations for the current fiscal year and two subsequent fiscal years.**

Qualified: A school district that, based on current projections, **may not meet its financial obligations for the current fiscal year or subsequent two fiscal years.**

Negative: A school district that, based on current projections, **will be unable to meet its financial obligations for the current fiscal year or subsequent fiscal year.**

FINANCIAL DATA REQUIRED OF CHARTER SCHOOLS

Attachment No. 6 provides more information regarding the responsibility of authorizing districts for their charter schools.

ACCESSING DATA IN PEOPLESOFT FOR FIRST INTERIM REPORTS

Attachment No. 7 provides reporting information on the PeopleSoft closing and reports schedules.

COUNTY OFFICE ASSISTANCE

The staff member in the Division of Business Advisory Services assigned to your district (Attachment No. 8) is available to assist you in the following areas:

- Revenue and Budget Projection – LCFF revenue projections including impact of the K-3 Grade Span Adjustment (GSA) Augmentation Grant, Educational Protection Account (EPA), Supplemental and Concentration Augmentation Grants, Mandated Costs/Block Grant, State Aid, Special Education, etc.
- Cash Flow Projections

Updated LCFF revenue runs projecting your district's revenues in 2014-15, 2015-16 and 2016-17 are available for download from our Web-based system. Please contact Ms. Diya Miao at (562) 922-6790, if you need additional assistance.

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Charter schools should contact their authorizing agency, not the County Office, with any questions regarding apportionments, timelines, forms, budget assumptions, or any other issues. This bulletin and its attachments are posted on the County Office website at the following address:

<http://www.lacoe.edu/Bulletins.aspx>

Use the “Search” function to locate a specific bulletin by number or keyword.

If you have questions regarding this bulletin or the Interim Report process, please contact Mr. Charles Faulkner (562) 922-6132, Mr. Jeff Young at (562) 922-6667, Mr. Chris Burdy at (562) 922-6667, or your business services consultant.

SP/JY:lc

Attachments

LOS ANGELES COUNTY OFFICE OF EDUCATION
Division of Business Advisory Services

**COUNTY OFFICE 2014-15 SECOND INTERIM
ASSUMPTIONS AND RECOMMENDATIONS**

LOCAL CONTROL FUNDING FORMULA (LCFF)

The LCFF funding model replaced the previous revenue limit funding model as well as eliminated the discrete funding of the majority of the categorical programs. The formula established a base with supplemental and concentration add-ons for English Learners (EL), free and reduced-price meal (FRPM) eligible students and foster youth students, and provides additional funding for K-3 CSR, Grades 9-12, Home-to-School Transportation, and the Targeted Instructional Improvement Grant (TIIG).

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

2014-15 and 2015-16 Base Grant Rates

<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 1.58%</u>	<u>Base Grant per ADA</u>
K-3	\$6,952	\$60	\$7,012	\$111	\$7,112
4-6	\$7,056	\$61	\$7,117	\$112	\$7,228
7-8	\$7,266	\$62	\$7,328	\$116	\$7,444
9-12	\$8,419	\$72	\$8,491	\$134	\$8,625

Cost-of-Living Adjustment (COLAs) and Gap Funding Amounts

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 1.58 percent and 2.17 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 \$4.1 billion to increase LCFF funding in 2015-16. This would further implement the LCFF and would fund each district's Gap by an estimated 32.19 percent. The Department of Finance currently projects that enough additional funds will be provided to fund the Gap by 23.71 percent in 2016-17 and by 26.43 percent in 2017-18. 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 2014-15 to 2015-16 range from just under 4.6 percent to just over 12.1 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 continues to anticipate 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.* If districts choose to budget this increased revenue they must have a contingency or alternative plan in place should these funds fail to materialize.

Maintenance of Effort (MOE)

ROC/P 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 was required for inclusion in the LCAP.

A two-year MOE provision was enacted as part of the Budget package 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.

Home-to-School Transportation

For 2013-14 and 2014-15, districts must expend no less than the amount of funds that the district expended for home-to-school transportation up to the amount provided in 2012-13.

Adult Education and ROC/P's

The funds a district receives for the purposes of ROC/P and Adult Education for 2013-14 and 2014-15, the district shall expend no less than the district expended in 2012-13. **This MOE requirement expires at the end of Fiscal Year 2014-15.**

The 2015-16 Proposed Budget includes \$500 million in new funding for an Adult Education Block Grant dedicated to funding adult education programs in 2015-16. The new funds will supplant the LCFF funds school districts may have been allocating for Adult Education programs in the past year(s). While the exact amount required to preserve existing adult education programs is still to be determined, current estimates are \$300-350 million. The remainder of the grant funds will be distributed to the consortiums to support programs and services such as child care or career counseling and for administration (which will be capped at 5 percent).

In the initial year, 2015-16, funding will be provided directly to K-12 school districts in the amount equal to their 2014-15 MOE expenditures. Future allocations will be distributed per the direction of local allocation committees.

Adult Education Consortium

On or before March 1, 2015, the Chancellor of the California Community Colleges and the State Department of Education are required to submit a joint report to the Legislature and the Governor. This report shall include, but is not limited to, all of the following:

- The plans developed by the regional consortia across the state.
- Recommendations for additional improvements in the delivery system serving adult learners.

By 2016-17, consortia would need to develop full articulation agreements between Adult Education coursework and CTE coursework or college 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.

Additional information on the Adult Education Consortium can be found at:

<http://ab86.cccco.edu/Home.aspx>

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.

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 \$5.4 billion 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 Revenue Estimates

Using a 2014-15 EPA revenue estimate of approximately \$5.6 billion, the California Department of Education (CDE) has calculated EPA entitlements for each LEA based on 2013-14 adjusted revenue limits, as of the 2013-14 P-2 Apportionment, using a factor of 18.1903 percent.

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.

While each quarterly payment will be adjusted for actual receipts, it is recommended at this time that districts anticipate EPA revenues in 2014-15 in equal quarterly payments. The CDE has released specific 2014-15 EPA estimates with the Advance Apportionment posted at:

www.cde.ca.gov/fg/aa/pa/pa1415.asp

Reporting Requirements

Proposition 30 also requires that each agency use the EPA revenues for any purpose excluding administration. The Governing Board shall make the spending determination of these funds 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.

CalPADS

The Fall 1 certification deadline was December 17, 2014. The Fall 1 amendments window closed on February 13, 2015. Additional functionality has been added to CalPADS, including identification of foster youth enrolled in LEAs based on a state-wide match as well as certification report of County Offices of Education (COEs) for students who will be funded through the COE. CalPADS data have become critical to funding, accountability and assessment functions. The unduplicated count of disadvantaged students reported in *CalPADS feeds the supplemental and concentration grant portions of the LCFE. Therefore it is extremely important that Districts ensure that this data is up-to-date, accurate and certified.*

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 will include 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>

K-3 Grade Span Adjustment (GSA)

The former K-3 CSR program became a 10.4 percent K-3 GSA augmentation to the LCFF base grant to support lowering class sizes in grades kindergarten through three. Unless there is a collectively bargained alternative ratio in place, districts must ensure all school site average class enrollment ratios meet the target ratio of 24:1 (rounded to the nearest half or whole integer), or that they are making progress to close the K-3 class size gap in proportion to progress toward *closing the LCFF entitlement gap, as a condition of apportionment. Districts that fail to meet the above requirements at each school site will lose 100 percent of this additional funding in that fiscal year. The K-3 GSA requirement has been included in the 2014-15 Audit Guide.*

COUNTY OFFICE REVENUE PROJECTION

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 2014-15 Second Interim Reports and multi-year projections. Our review of the districts' projections will be using that data.*

Local Control Accountability Plan (LCAP) Changes

In September 2014 the State Board of Education (SBE) approved changes to the LCAP template and the regulations governing use of Supplemental and Concentration funds. A final approved template was made available in early February. Some of the key changes are as follows:

- The LCAP and Annual Update Template was revised to incorporate the previous Sections 2 and 3 into one section that addresses, goals, annual outcomes, actions, services and expenditures for all students and subgroups, and the additional actions, services and expenditures for unduplicated pupils only.
- Section 3 now only includes the amount and use of supplemental and concentration grant funds and the proportionality percentage by which services have been increased or improved for unduplicated pupils
- The Annual Update section was revised to include: anticipated outcomes and actual outcomes; planned actions/services and expenditures and actual actions/services and expenditures; changes in actions services and expenditures for the upcoming LCAP years based on a review of progress.

We recommend that districts continue monitoring progress towards meeting the goals as well as expenditure plans against their submitted LCAP, as well as make necessary adjustments and/or amendments as required. The CCSESA LCAP Approval Manual has been revised to reflect the changes adopted by the SBE. You can find the proposed permanent regulations and LCAP template on the SBE website at:

<http://www.cde.ca.gov/be/>

CASH FLOW PROJECTIONS

Principal Apportionment Deferrals

The Governor proposes to eliminate all remaining 2014-15 deferrals. However, for this cash deferral to be eliminated and the funds appropriated in June, the Department of Finance must determine on or before May 14, 2015, whether state revenues are actually higher than projected in 2014-15. If not, this proposal will have no actual impact on 2014-15 cash flow projections. The Budget, and legislation enacting the elimination of the deferrals, would then likely be approved in late June 2015, after the last of the 2014-15 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 2014-15 payments. Remember, deferral buy downs constitute one-time cash and not additional revenues. **We currently recommend districts continue to project 2014-15 inter-year deferrals as indicated in the table below.**

2014-15 Inter-year Deferral			
Timeframe	Exemption Available?	Amount	Principal Apportionment Payment Impact
June 2015 to July 2015	Yes	\$897 million	32.39%

Attached is a Principal Apportionment Payment Schedule that reflects the adjustments to the “5-5-9” schedule resulting from the above deferral (Attachment No. 3).

Cash Management Planning

Districts must incorporate the updated payment schedule and all apportionment deferrals in their cash flow projection. In order to identify and assist those districts that will experience cash deficiencies, **districts should extend the cash flow projection to a two-year period to reflect 2014-15 and 2015-16.**

As a result of the potential deferrals, policy changes, and uncertainty with respect to school district apportionments, it is important to plan ahead and establish a cash management plan that maximizes flexibility. Districts that have never issued Tax and Revenue Anticipation Notes (TRANs) may have to consider doing so if they do not have sufficient cash resources, or the ability to utilize temporary inter-fund borrowing. Districts should also note that cross-year TRANs, which are issued in one fiscal year (typically spring) and repaid in the next fiscal year, are limited to the amount of payments deferred to the next fiscal year. Districts may need to consider alternate cash management strategies, such as inter-fund borrowing or County Treasurer borrowing in order to maintain sufficient cash.

Districts should not include revenue sources in their Second Interim Report projection that are of a contingent or speculative nature. Examples of speculative revenue would be pre-election bond or parcel tax proceeds and non-contractual donations from foundations or cities. Districts are also cautioned against including cost savings pending negotiations in their financial projections, including furlough days, salary and/or benefit rollbacks, freeze on step and column.

Districts that elect to include these contingent cost savings/revenues should adopt an alternate plan to address the budget shortfalls that may occur if these actions don't take place. Districts are reminded to keep as many options open as possible when preparing for the remainder of 2014-15, 2015-16 and 2016-17.

Districts should ensure they have appropriate Board resolutions to authorize inter-fund and County Treasurer borrowing, and that the 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.

RESERVE REQUIREMENTS

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.

Senate Bill (SB) 858 (Chapter 32/Statutes 2014) establishes new transparency requirements and contains a provision that would place a hard cap on the combined assigned and unassigned unrestricted ending fund balance. The hard cap requirements were dependent upon the passage of Proposition 2, the Rainy Day Fund, in November 2014. Additional details of the new reserve requirements are listed below.

Public Hearing Requirements for Reserves in Excess of Minimum Reserves

Beginning with budgets adopted by a school district for 2015-16, a district's public hearing for budget adoption includes the following for review and discussion:

- The minimum recommended Reserve for Economic Uncertainties (REU) for each fiscal year identified in the budget;
- The combined assigned and unassigned ending fund balances of the General Fund (Fund 01) and Special Reserve Fund (Fund 17), that are in excess of the minimum recommended REU for each fiscal year; and
- A statement of reasons that substantiates the need for an assigned and unassigned ending fund balance in excess of the minimum recommended REU for each fiscal year.

The Governing Board of a school district shall include this information each time it files an adopted budget with the County Office. The County Office shall determine whether a school district's adopted budget complied with these requirements. Reserve caps do not apply to Charter schools. It should also be noted that, in an effort to be as transparent as possible, many districts already provide this information as part of their budget approval process.

Rainy Day Reserve Deposit Triggers Cap on District Reserves

Voters approved Proposition 2 in November 2014, to create a Public School System Stabilization Account (Proposition 98 Rainy Day Reserve). However, contributions to the reserve are unlikely to happen for several years and are likely to be infrequent. For a contribution to the reserve to occur, all of the following must be true:

1. All Proposition 98 owed maintenance factor amounts outstanding as of 2013-14 (\$6.6 billion) must have been paid to schools;
2. Capital gains taxes must be greater than 8 percent of state general fund revenue (capital gains taxes have exceeded 8% seven times in the past 16 years);
3. Proposition 98 must be calculated using Test 1 (Since the passage of Proposition 98 in 1988, Test 1 has only been used in 1988-89, 2011-12, and 2012-13); and
4. Proposition 98 must not be suspended (has been suspended twice: 2004-05 and 2010-11). If all the above conditions are met, and a transfer is made to the Public School System Stabilization Account, then the reserve cap provisions come into effect. In the fiscal year immediately after a transfer is made, a school district's adopted or revised budget is prohibited from containing a combined assigned or unassigned ending fund balance in excess of either two times (for schools with 400,000 ADA or less) or three times (for schools with 400,001 ADA or more) the minimum required REU.

County Office May Exempt Districts from Reserve Cap

The County Office may waive the prohibition, pursuant to specified conditions, for up to two consecutive fiscal years within a three-year period if the school district provides documentation indicating that extraordinary fiscal circumstances substantiate the need for the additional reserves. Documentation indicating extraordinary fiscal circumstances may include, but is not limited to, multi-year infrastructure or technology projects. As a condition of receiving a waiver, a school district shall do all of the following:

- Provide a statement that substantiates the need for an assigned and unassigned ending fund balance in excess of the minimum recommended REU;
- Identify the revenue or expense funding amounts in the budget adopted by the school district that are associated with the extraordinary fiscal circumstances; and
- Provide documentation that no other fiscal resources are available to fund the extraordinary fiscal circumstances.

Retirement - CalSTRS

AB 1469 increases the contribution rates that employers, employees and the state pay to support the State Teachers Retirement System. The rate for employers is **8.88 percent** for 2014-15. Employer rates will continue to increase until 2020-21 and are expected to bring the underfunded retirement system (currently estimated at \$74.4 billion) to full funding in 31 years.

CalSTRS Rates

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Employer	8.88%	10.73%	12.58%	14.43%	16.28%	18.13%	19.10%

Retirement - CalPERS

The CalPERS adjustment to district revenue limits was eliminated with the implementation of the LCFF. Therefore, any increases in the CalPERS contribution rate have a direct impact on the local agency budget. The rate for employers is **11.77 percent** for 2014-15.

Districts are advised to use the rates below when revising their 2014-15 budgets and multi-year projections. The LAO estimates the increased contribution state-wide will be \$175 million in 2014-15 rising to 3.75 billion in 2020-21.

CalPERS Rates

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Employer	11.77%	12.60%	15.00%	16.60%	18.20%	19.90%	20.40%

Common Core Implementation

Funding for Common Core implementation was estimated to be \$200 per ADA for all school districts, county offices and charter schools. These funds were apportioned in August 2013 (50 percent) and October 2013 (50 percent) and districts were allowed to 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.

The adoption of a two-year spending plan was required prior to the expenditure of the Common Core funding. Per AB 86, 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 California Department of Education (CDE) on or before July 1, 2015. For information concerning the implementation of Common Core State Standards (CCSS) please contact:

Yolanda Benitez
 Assistant Superintendent, Education Services
 Benitez_Yolanda@lacoed.edu
 562-922-6129

CATEGORICAL PROGRAMS

Most State categorical programs were incorporated into the 2013-14 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 RRMA 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 flexibility to reduce the number of instructional days from 180 to 175 continued under the LCFF through 2014-15. However, this flexibility sunsets on June 30, 2015, **and must revert back to a minimum of 180 instructional days in 2015-16.** Previous guidance was, once districts were fully funded at their LCFF target they must revert back to 180 days or be subject to a significant fiscal penalty.

Mandated Block Grant

The Proposed Budget provides \$218.3 million, to fund the mandated block grant (MBG) and is available to districts and charter schools. The per ADA amount is listed in the table below and is the same as 2014-15.

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

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 MBG Request for Application webpage 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 were no funds included in the 2014-15 proposed budget. 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.

Mandated Costs

The 2015-16 Proposed Budget also included \$1.1 billion in one-time funds to pay down a portion of the debt owed to LEAs for mandated cost reimbursement. The intent is that the LEA prioritizes these funds for CCSS implementation, but this is not a requirement, and the funds may be used for any purpose as determined by the district's Governing Board. However, funds received are also offsetting to any outstanding mandate claims on a dollar-for-dollar basis. The distribution of the mandate reimbursement is on a per-ADA basis, currently estimated at \$171 per ADA, and will be apportioned regardless of whether or not the LEA had any prior year claims. **We recognize these new funds are included in the proposed budget but if districts choose to recognize this additional revenue they should have a contingency or alternative plan in place should these funds fail to materialize.**

Proposition 39: California Clean Energy Jobs Act

The Proposed Budget allocates \$368 million with \$320.1 million targeted for K-12 schools for energy project grants.

Senate Bill 73 was the implementation bill for Proposition 39, the California Clean Energy Jobs Act. Proposition 39 provides for the creation of clean energy jobs, including funding energy efficiency projects and renewable energy installations in public schools, universities, and other public facilities.

For five fiscal years, 2013-14 through 2017-18, up to \$550 million will be provided by Proposition 39. K-12 education (school districts, charter schools, and county offices of education) will be allocated \$381 million of the total, with LEA distributions based on 85 percent of per ADA allocation and 15 percent on the basis of free and reduced price meal-eligible students.

Minimum grants will be \$15,000 for LEAs with 100 or less ADA, \$50,000 for LEAs with more than 100 to 1,000 ADA, and \$100,000 for LEAs with more than 1,000 but less than 2,000 ADA. In addition, LEAs with 1,000 or less ADA may receive advances on future allocations, allowing them to bundle two years of funding. Eligible LEAs will receive an e-mail, addressed to the LEA contact identified in the California School Directory, with instructions on obtaining a password to logon to the Proposition 39 web-based application. The web-based application to elect to receive two years of funding is now available at:

<http://www.cde.ca.gov/fg/fo/r14/prop39cceja13rfa.asp>

LEAs that receive more than \$1 million must spend at least 50 percent of the funding on projects larger than \$250,000 that achieve substantial energy efficiency, clean energy and jobs benefits.

School-Based Medi-Cal Administrative Activities (SMAA)

As a condition of lifting the SMAA deferrals, beginning in September 2014, the Centers for Medicare and Medicaid Services (CMS) required the implementation of a new time survey methodology for SMAA known as Random Moment Time Survey (RMTS). The Department of Health Care Services (DHCS) mandated all local oversight agencies to administer the RMTS for their respective oversight regions.

The state-wide transition to RMTS began on January 1, 2015, with the first RMTS notifications being disseminated to participants on January 5, 2015. As of this writing, CMS and DHCS are in the process of finalizing settlement terms for all deferred and interim claimed SMAA invoices. The current settlement terms for deferred invoices submitted during the deferral period: FY 2009-10 Quarter 4, FY 2010-11 Quarters 1- 4, and FY 2011-12 Quarters 1-4 are as follows:

Invoice Amount	Settlement Percentage	Options	Backcasting Required	Notes
Up to \$25,000	100	None	No	
\$25,000 - \$50,000	75	Option 1: 75% Settlement payment Option 2: 75% Interim Payment with Backcasting Required	Option 1: No Option 2: Yes	Option 1: Accept a settlement payment of 75% of the claimed amount or a flat \$25,000, whichever is higher Option 2: Accept an interim payment of 75% and agree to backcast
\$50,000 +	40	None	Yes	

The following are the current interim payment agreements for invoices submitted during the interim claimed period: FY 2012-13 Quarters 1-4 and FY 2013-14 Quarters 1-4:

Invoice Amount	Interim Payment Percentage	Options	Backcasting Required	Notes
Up to \$25,000	90	None	Yes	
\$25,000 - \$50,000	75	None	Yes	
\$50,000 +	40	None	Yes	

On Tuesday, February 12, 2015, DHCS notified oversight agencies that CMS had approved a process by which LEAs would receive a net total payment for deferred and interim claimed invoices. This will lessen the financial impact on LEAs should they be required to remit payment for invoices paid during the deferral period.

The RMTS implementation timeline is available at:

<http://www.dhcs.ca.gov/provgovpart/Pages/RMTSImplementationTimeline.aspx>

Please contact Octavio Castelo at Castelo_Octavio@lacoec.edu or (562) 922-6144, your Regional MAA Coordinator, for further information regarding the new survey methodology.

Lottery

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 2014-15 to reflect the Lottery Commission's updated lottery sales projection of \$5.4 billion. Second Interim Reports should reflect total Lottery revenues of \$162.00 per ADA for 2014-15, 2015-16, and 2016-17, with \$128.00 per ADA unrestricted and \$34.00 per ADA restricted for instructional material purchase.

Special Education

The 2015-16 Proposed Budget contains an increase to \$4.53 billion for Special Education, \$3.32 billion in State funds and \$1.21 billion in Federal funds. The sum of funding for Special Education includes a 1.58 percent funded COLA, or \$4.39 per ADA, and 0.412 percent growth. The Governor's proposal continues to fund Special Education outside of the LCFF.

In 2014-15, Special Education receives the 0.85 percent funded COLA and a negative 0.437 percent growth rate due to a decline in Special Education ADA. This represents a \$17.6 million decrease from the prior year. The AB 602 calculation has also been revised to incorporate program Specialist/ Regional Services, the Professional Development Grant and the removal of some Federal money.

SELPAs with single placement extraordinary costs are eligible to submit for costs exceeding the threshold pursuant to EC Section 56836.21. The current threshold is \$74,385.27. If claims exceed the appropriation, the reimbursements will be prorated.

Claims are filed using the CDE-issued Revenue Software. Claims for 2013-14 should have been filed by November 30, 2014. Claims for 2014-15 must be filed by November 30, 2015, to ensure funding. **These claims require submittal to and certification by the County Office in advance of submittal to the CDE.**

As mentioned previously, SELPAs that include basic aid districts should determine if their revenues may be reduced as a result of the “fair share” reduction.

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 2012-13. The minimum State funding amount will be calculated based on the categorical allocation net of 8.92 percent fair share reduction. However, the fair share reduction is limited by the district’s property taxes in excess of the 2012-13 revenue limits and by the total of all Categoricals enumerated by the LCFF.

Several districts became basic aid in 2012-13 by virtue of one-time RDA revenue. However, no allowance is made for the one-time nature of this distribution and basic aid districts are still subject to the 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.

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

Bd Mtg 03-10-15

	A	H	I	J	K	L	M	N	O	P	Q	R	S	T
	Unaudited Actuals 2013-14	Unrestricted	Special Education	Restricted	Projected 2014-15	Unrestricted	Special Education	Restricted	Projected 2015-16	Unrestricted	Special Education	Restricted	Projected 2016-17	
1														
7														
8														
9	CBEDS Enrollment													
10	Grades TK - 3	714	726	1	727	727	727		727	727			727	
11	Grades 4 - 6	709	692	1	693	693	693		693	693			693	
12	Grades 7 - 8	543	527	1	528	528	528		528	528			528	
13	Grades 9 - 12	1167	1189	5	1194	1194	1194		1194	1194			1194	
14	Total CBEDS Enrollment	3133	3134	8	3142	3142	3142		3142	3142			3142	
15	Unduplicated English Learners, Free/Reduced & Foster Youth Count	326	475		475	475	475		475	475			475	
16	Unduplicated Count Percentage	10.41%	15.12%		15.12%	15.12%	15.12%		15.12%	15.12%			15.12%	
17	Average Daily Attendance (ADA)													
19	Grades TK - 3	723.03	680.07	18.75	1.58	700.40	680.07	20.33	700.40	680.07	20.33		700.40	
20	Grades 4 - 6	697.52	670.07	23.48	1.06	694.61	670.07	24.54	694.61	670.07	24.54		694.61	
21	Grades 7 - 8	507.32	512.86	15.94	0.49	529.29	512.86	16.43	529.29	512.86	16.43		529.29	
22	Grades 9 - 12	1,159.12	1,102.41	29.90	14.56	1,146.87	1,102.41	35.39	1,146.87	1,102.41	35.39		1,146.87	
23	Total Funded ADA	3,086.99	2,965.41	88.07	17.69	3,071.17	2,965.41	96.69	3,071.17	2,965.41	96.69		3,071.17	
24														
25	Projected COLA	1.57%	0.85%		0.85%	0.85%	1.58%		1.58%	1.58%			2.17%	
26														
27	Target Base Grants													
28	Grades TK - 3	6,952	7,011		7,011	7,011	7,122		7,122	7,277			7,277	
29	Grades 4 - 6	7,056	7,116		7,116	7,116	7,228		7,228	7,385			7,385	
30	Grades 7 - 8	7,266	7,328		7,328	7,328	7,444		7,444	7,606			7,606	
31	Grades 9 - 12	8,419	8,491		8,491	8,491	8,625		8,625	8,812			8,812	
32														
33	TARGET BASE GRANT FUNDING													
34	Grades TK - 3	5,026,505	4,910,504		4,910,504	4,910,504	4,988,249		4,988,249	5,096,811			5,096,811	
35	Grades 4 - 6	4,921,701	4,942,845		4,942,845	4,942,845	5,020,641		5,020,641	5,129,695			5,129,695	
36	Grades 7 - 8	3,886,187	3,878,637		3,878,637	3,878,637	3,940,035		3,940,035	4,025,780			4,025,780	
37	Grades 9 - 12	9,758,631	9,738,073		9,738,073	9,738,073	9,891,754		9,891,754	10,106,218			10,106,218	
38	TARGET - Base Grant	23,393,024	23,470,059		23,470,059	23,470,059	23,840,679		23,840,679	24,358,504			24,358,504	
39														
40	TARGET GRADE SPAN ADJUSTMENTS													
41	Grades TK - 3	522,757	510,682		510,682	510,682	518,778		518,778	530,068			530,068	
42	Grades 4 - 12	253,724	253,190		253,190	253,190	257,186		257,186	262,762			262,762	
43	TARGET - Grade Span Adjustments	776,481	763,882		763,882	763,882	775,964		775,964	792,830			792,830	
44														
45	TARGET SUPPLEMENTAL GRANT													
46	Target Base + Target Augmentation Grant x 20%	4,833,901	4,846,788		4,846,788	4,846,788	4,923,329		4,923,329	5,030,267			5,030,267	
47	Unduplicated Count Percentage - Average	10.41%	12.77%		12.77%	12.77%	13.55%		13.55%	15.12%			15.12%	
48	TARGET - Supplemental Grant	503,209	618,935		618,935	618,935	667,111		667,111	760,576			760,576	
49														
50	TARGET TRANSPORTATION & TIIG GRANTS													
51	Transportation Grant	27,727	27,727		27,727	27,727	27,727		27,727	27,727			27,727	
52	Targeted Instructional Improvement Grant (TIIG)	161,924	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			189,651	
54	TARGET - LCFF FUNDING	24,862,365	25,042,527		25,042,527	25,042,527	25,473,405		25,473,405	26,101,561			26,101,561	
55														
56	HOLD HARMLESS CALCULATION													
57	Prior-Year Revenue Limit/LCFF Funding per ADA	5,300.62	5,300.62		5,300.62	5,300.62	5,561.40		5,561.40	6,146.67			6,146.67	

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

Bd Mtg 03-10-15

A	H	I	J	K	L	M	N	O	P	Q	R	S	T
	Unaudited Actuals 2013-14	Unrestricted	Special Education	Restricted	Projected 2014-15	Unrestricted	Special Education	Restricted	Projected 2015-16	Unrestricted	Special Education	Restricted	Projected 2016-17
1													
58		260.78			260.78	595.27			595.27	502.99			502.99
59		5,300.62	5,561.40		5,561.40	6,146.67			6,146.67	6,649.66			6,649.66
60		3,086.99	3,071.17		3,071.17	3,071.17			3,071.17	3,071.17			3,071.17
61		16,362.961	17,080.012		17,080.012	18,877.469			18,877.469	20,422.236			20,422.236
62													
63													
64		24,862.365	25,042.527		25,042.527	25,473.405			25,473.405	26,101.561			26,101.561
65		(16,362.961)	(17,080.012)		(17,080.012)	(18,877.469)			(18,877.469)	(20,422.236)			(20,422.236)
66		(1,797.885)	(1,797.885)		(1,797.885)	(1,797.885)			(1,797.885)	(1,797.885)			(1,797.885)
67		6,701,519	6,164,630		6,164,630	4,798,051			4,798,051	3,881,440			3,881,440
68		12.00%	29.15%		29.15%	32.19%			32.19%	23.71%			23.71%
69		804.182	1,796,990		1,796,990	1,544,493			1,544,493	920,289			920,289
70													
71													
72		16,362.961	17,080.012		17,080.012	18,877.469			18,877.469	20,422.236			20,422.236
73		1,797.885	1,797.885		1,797.885	1,797.885			1,797.885	1,797.885			1,797.885
74		804.182	1,796,990		1,796,990	1,544,493			1,544,493	920,289			920,289
75		18,965.028	20,674,887		20,674,887	22,219,847			22,219,847	23,140,410			23,140,410
76													
77													
78		10,084,092	11,027,110		11,027,110	11,027,110			11,027,110	11,027,110			11,027,110
79		3,456,616	3,592,274		3,592,274	3,592,274			3,592,274	3,592,274			3,592,274
80		5,424,320	6,055,503		6,055,503	7,600,463			7,600,463	8,521,026			8,521,026
81		18,965.028	20,674,887		20,674,887	22,219,847			22,219,847	23,140,410			23,140,410
82													
83													
84					20,674,887				22,219,847				23,140,410
85					189,651				189,651				189,651
86					618,935				667,111				760,576
87					110,654				258,818				380,248
88					508,281				408,293				370,328
89					148,164				131,430				87,806
90					258,818				390,248				478,053
91					20,226,418				21,639,948				22,472,706
92					1.28%				1.80%				2.13%
93													
94													
95		84,989	158,415		158,415				158,415				158,415
96		97,578	74,906		74,906								
98		482,844	508,009		508,009				508,009				508,009
99		8,895	6,319		6,319				6,319				6,319
100		16,657	17,446		17,446				17,446				17,446
101		35,193	34,299		34,299				34,299				34,299
102		107											
103		61,845	61,443		61,443				61,443				61,443
104		21,184	23,930		23,930				23,930				23,930
105		14,720	21,268		21,268				21,268				21,268
106		823,992	339,962		906,035				831,129				831,129
107													

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

Bd Mtg 03-10-15

	A	H	I	J	K	L	M	N	O	P	Q	R	S	T
	Unaudited Actuals 2013-14	Projected 2014-15	Special Education	Restricted	Projected 2014-15	Unrestricted	Special Education	Restricted	Projected 2015-16	Unrestricted	Special Education	Restricted	Projected 2016-17	
1														
108	Projected Other State Revenues													
109	Lottery	524,304	413,437		118,219	531,656	363,577	118,219	481,796	363,577		118,219	481,796	
110	Mandate Block Grant	118,183	322,436		322,436	322,436	118,183		118,183	118,183			118,183	
111	Misc. State Income	7,229	2,068		2,068	2,068			552,811					
112	Discretionary One-Time Funding	-	-		-	-			-	-			-	
113	Prop 39 - Clean Energy Act	122,734												
114	Special Ed - State Preschool Grant	814												
115	Special Ed - Mental Health Funding	177,291			172,693	172,693		172,693	172,693		172,693		172,693	
116	Common Core Implementation Funding (one-time)	632,229												
117	TOTAL PROJECTED OTHER STATE REVENUES	1,582,784	737,941	172,693	118,219	1,028,853	1,034,571	172,693	1,325,483	481,760	172,693	118,219	772,672	
118														
119	Projected Other Local Revenues													
120	Special Education - Master Plan	1,618,891				1,566,008			1,566,008		1,566,008		1,566,008	
121	SELPA Reimbursement (Regional Programs)	335,124				500,000			500,000		500,000		500,000	
123	Subtotal - Special Education Funds	1,954,015	-	-	-	2,066,008	-	-	2,066,008	-	2,066,008	-	2,066,008	
124														
125	ROP Classroom Allocation	251,250	251,250			251,250								
126	ROP Counselor Allocation	31,258	51,762			51,762								
127	ROP Lottery Allocation	68,498	15,629			15,629								
128	ROP Support Allocation	402,768	387,139			387,139								
129	Subtotal - ROP Funds													
130														
131	Parcel Tax Revenue - Measure E (2021)	3,881,624	3,939,710			3,939,710	3,939,710		3,939,710	4,000,000			4,000,000	
132	Parcel Tax Revenue - Measure R (2019)	1,510,302	1,532,894			1,532,894	1,575,000		1,575,000	1,625,000			1,625,000	
133	Subtotal - Parcel Tax Funds	5,391,926	5,472,604			5,472,604	5,514,710		5,514,710	5,625,000			5,625,000	
134														
135	San Marino Schools Foundation Annual Campaign	1,000,000	1,000,000			1,000,000	1,000,000		1,000,000	1,000,000			1,000,000	
136	San Marino Schools Foundation Excess Funds	1,783,851	1,507,289			1,507,289	1,250,000		1,250,000	1,250,000			1,250,000	
137	Subtotal - San Marino Schools Foundation Contribution	2,783,851	2,507,289			2,507,289	2,250,000		2,250,000	2,250,000			2,250,000	
138														
139	Use of Facilities Rental Income	308,400	300,000			300,000	300,000		300,000	300,000			300,000	
140	Interest Earnings	75,359	80,000			80,000	80,000		80,000	80,000			80,000	
141	Local Income - Donations	600,200	651,983			293,723								
142	Local Income - PT Affiliates	110,294												
143	Local Income - School Donations Transferred from ASB	999,448				364,848								
144	Reimbursements - Curriculum Lab	10,897				15,000				15,000			15,000	
146	Reimbursements - Talent Bank	13,520				115,407				115,407			115,407	
147	Reimbursements - PTA Council (Curr Lab)	21,844				17,996				17,996			17,996	
148	Reimbursements - Foundation Salary/Benefits	175,679				104,144								
149	Reimbursements - Carver PTA	290,270				243,776				243,776			243,776	
150	Reimbursements - Carver Enrichment	852				8,047				8,047			8,047	
151	Reimbursements - Valentine PTA	289,214				238,457				238,457			238,457	
152	Reimbursements - Huntington PTA	51,524				8,473				8,473			8,473	
153	Reimbursements - Huntington ASB	14,927				6,350				6,350			6,350	
154	Reimbursements - SMHS PTA	77,067				101,786				101,786			101,786	
155	Reimbursements - SMHS ASB	16,455				18,214				18,214			18,214	
156	Reimbursements - SMSF Major Gifts													
157	Subtotal - Miscellaneous Income	3,055,950	1,031,983			2,568,204	380,000		1,153,506	380,000			1,153,506	
158	TOTAL PROJECTED OTHER LOCAL REVENUES	13,588,510	9,399,015	2,066,008	1,536,221	13,001,244	8,144,710	2,066,008	10,984,224	8,255,000	2,066,008	773,506	11,094,514	
159	TOTAL PROJECTED REVENUES	34,960,314	30,811,843	2,804,774	1,994,402	35,611,019	31,399,128	2,804,774	31,877,170	2,804,774	2,804,774	1,156,781	35,838,725	
160														

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

A	H	I	J	K	L	M	N	O	P	Q	R	S	T
	Unaudited Actuals 2013-14	Unrestricted	Special Education	Restricted	Projected 2014-15	Unrestricted	Special Education	Restricted	Projected 2015-16	Unrestricted	Special Education	Restricted	Projected 2016-17
161	14,590,455	13,322,673	2,288,541	346,797	15,958,011	13,322,673	2,288,541	318,124	15,929,338	13,022,673	2,303,541	318,124	15,644,338
162	-	-	-	-	-	200,000	15,000	-	215,000	200,000	15,000	-	215,000
163	6,990,026	4,725,248	1,775,038	1,190,338	7,690,624	4,725,248	1,775,038	1,110,460	7,610,746	4,635,248	1,785,038	1,110,460	7,530,746
164	-	-	-	-	-	110,000	10,000	-	120,000	110,000	10,000	-	120,000
165	6,116,233	5,134,641	1,242,588	408,027	6,785,256	5,134,641	1,242,588	378,412	6,755,641	4,544,908	1,247,588	378,412	6,170,998
166	-	-	-	-	-	50,000	5,000	-	55,000	50,000	5,000	-	55,000
167	-	-	-	-	-	360,267	-	-	360,267	481,302	-	-	481,302
168	1,739,062	1,499,309	110,904	1,367,607	2,977,820	618,610	110,904	540,758	1,270,272	590,801	110,904	540,758	1,242,463
169	4,614,480	2,204,453	770,467	1,006,310	3,981,230	1,674,596	770,467	341,415	2,786,478	724,691	770,467	341,415	1,836,573
170	2,900,509	1,028,462	-	534,480	1,562,942	-	-	-	-	-	-	-	-
171	268,903	-	75,000	-	75,000	-	75,000	-	75,000	-	75,000	-	75,000
172	-	(45,600)	28,701	16,899	-	(45,600)	28,701	16,899	-	(45,600)	28,701	16,899	-
173	37,219,668	27,969,186	6,291,239	4,870,458	39,030,883	26,150,435	6,321,239	2,706,068	35,177,742	24,314,023	6,351,239	2,706,068	33,371,330
174	(2,259,354)	2,942,657	(3,486,465)	(2,876,056)	(3,419,864)	5,248,693	(3,516,465)	(1,549,287)	182,941	7,563,147	(3,546,465)	(1,549,287)	2,467,395
175	-	-	-	-	-	-	-	-	-	-	-	-	-
176	295,043	522,290	-	-	522,290	-	-	-	-	-	-	-	-
177	(221,274)	(171,503)	-	-	(171,503)	-	-	-	-	-	-	-	-
178	-	173,415	-	-	173,415	-	-	-	-	-	-	-	-
179	(47,385)	(15,125)	-	-	(15,125)	(15,500)	-	-	(15,500)	(15,500)	-	-	(15,500)
180	(572,593)	-	-	-	-	-	-	-	-	-	-	-	-
181	-	(3,486,465)	3,486,465	-	-	(3,516,465)	3,516,465	-	-	(3,546,465)	3,546,465	-	-
182	-	(1,549,287)	1,549,287	-	-	(1,549,287)	1,549,287	-	-	(1,549,287)	1,549,287	-	-
183	(546,209)	(4,528,675)	3,486,465	1,549,287	509,077	(5,081,252)	3,516,465	1,549,287	(15,500)	(5,111,252)	3,546,465	1,549,287	(15,500)
184	(2,805,563)	(1,584,018)	-	(1,326,769)	(2,910,787)	167,441	-	-	167,441	2,451,895	-	-	2,451,895
185	10,733,376	5,535,669	201,960	2,244,430	7,982,059	3,951,651	201,960	917,661	5,071,272	4,119,092	201,960	917,661	5,238,713
186	54,246	-	-	-	-	-	-	-	-	-	-	-	-
187	7,982,059	3,951,651	201,960	917,661	5,071,272	4,119,092	201,960	917,661	5,238,713	6,570,987	201,960	917,661	7,690,608
188	-	-	-	-	-	-	-	-	-	-	-	-	-
189	-	-	-	-	-	-	-	-	-	-	-	-	-
190	-	-	-	-	-	-	-	-	-	-	-	-	-
191	-	-	-	-	-	-	-	-	-	-	-	-	-
192	-	-	-	-	-	-	-	-	-	-	-	-	-
193	-	-	-	-	-	-	-	-	-	-	-	-	-
194	-	-	-	-	-	-	-	-	-	-	-	-	-
195	-	-	-	-	-	-	-	-	-	-	-	-	-
196	5.00%	5.00%	-	-	5.00%	5.00%	-	-	5.00%	5.00%	-	-	5.00%
197	2,186,951	2,103,418	-	-	2,103,418	1,919,759	-	-	1,919,759	1,950,497	-	-	1,950,497
198	3,204,326	-	201,960	902,661	1,104,621	-	201,960	902,661	1,104,621	-	201,960	902,661	1,104,621
199	1,500,748	1,746,204	-	-	1,746,204	-	-	-	-	-	-	-	-
200	168,823	-	-	-	-	-	-	-	-	-	-	-	-
201	-	-	-	-	-	552,811	-	-	552,811	552,811	-	-	552,811
202	804,182	-	-	-	-	-	-	-	-	-	-	-	-
203	-	-	-	-	-	1,413,063	-	-	1,413,063	2,826,126	-	-	2,826,126
204	-	-	-	-	-	131,430	-	-	131,430	219,235	-	-	219,235
205	-	-	-	-	-	-	-	-	-	920,289	-	-	920,289
206	100,000	100,000	-	-	100,000	100,000	-	-	100,000	100,000	-	-	100,000
207	15,000	-	-	15,000	15,000	-	-	15,000	15,000	-	-	15,000	15,000
208	2,029	2,029	-	-	2,029	2,029	-	-	2,029	2,029	-	-	2,029
209	-	-	-	-	-	-	-	-	-	-	-	-	-
210	-	-	-	-	-	-	-	-	-	-	-	-	-

SAN MARINO UNIFIED SCHOOL DISTRICT
2014-15 Second Interim Financial Report - Summary by Fund

	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
Beginning Balance July 1, 2014	5,535,669	2,446,390	7,982,059	28,164	2,888,579	524,329	7,318,500	645,601	682,089	3,796,423	23,865,744
Revenues											
State Revenues (LCFF)	20,674,887	-	20,674,887	-	-	-	-	-	-	-	20,674,887
Federal Revenue	-	906,035	906,035	95,000	-	-	-	-	-	-	1,001,035
Other State Revenue	737,941	290,912	1,028,853	6,000	-	-	-	-	-	-	1,034,853
Other Local Revenue	9,399,015	3,602,229	13,001,244	771,000	13,000	3,000	30,000	83,000	7,399	4,168,189	18,076,832
Total Revenues	30,811,843	4,799,176	35,611,019	872,000	13,000	3,000	30,000	83,000	7,399	4,168,189	40,787,607
Expenditures											
Certificated Salaries	13,322,673	2,635,338	15,958,011	-	-	-	-	-	-	-	15,958,011
Classified Salaries	4,725,248	2,965,376	7,690,624	457,914	-	-	-	-	-	-	8,148,538
Employee Benefits	5,134,641	1,650,615	6,785,256	119,988	-	-	-	-	-	-	6,905,244
Supplies	1,499,309	1,478,511	2,977,820	317,688	-	-	-	-	8,853	-	3,304,361
Operating Services	2,204,453	1,776,777	3,981,230	(18,621)	100,000	-	-	100,000	46,760	-	4,209,369
Capital Outlay/Equipment	1,028,462	534,480	1,562,942	-	700,000	-	-	100,000	115,125	-	2,478,067
Other Outgo	-	75,000	75,000	-	-	-	-	-	-	4,171,105	4,246,105
Indirect Support	(45,600)	45,600	-	-	-	-	-	-	-	-	-
Total Expenditures	27,869,186	11,161,697	39,030,883	876,969	800,000	-	-	200,000	170,738	4,171,105	45,249,695
Other Financing Sources/Uses	(4,526,675)	5,035,752	509,077	-	-	(350,787)	-	-	(158,290)	-	-
Net Incr/Decr in Fund Balance	(1,584,018)	(1,326,769)	(2,910,787)	(4,969)	(787,000)	(347,787)	30,000	(117,000)	(321,629)	(2,916)	(4,462,088)
Projected Balance June 30, 2015	3,951,651	1,119,621	5,071,272	23,195	2,101,579	176,542	7,348,500	528,601	360,460	3,793,507	19,403,656
Components of Ending Fund Balance:											
Revolving Cash	100,000	-	100,000	612	-	-	-	-	-	-	100,612
Talent Bank	-	15,000	15,000	-	-	-	-	-	-	-	15,000
Stores	2,029	-	2,029	13,093	-	-	-	-	-	-	15,122
Assigned for Food Svc Operations	-	-	-	9,490	-	-	-	-	-	-	9,490
Assigned for Def. Maint. Projects	-	-	-	-	2,101,579	-	-	-	-	-	2,101,579
Assigned for H&W Increase	-	-	-	-	-	176,542	-	-	-	-	176,542
Assigned for Cash Flow	-	-	-	-	-	-	7,348,500	-	-	-	7,348,500
Assigned for Capital Projects	-	-	-	-	-	-	-	528,601	360,460	-	889,061
Assigned for Econ. Uncertainties	2,103,418	-	2,103,418	-	-	-	-	-	-	-	2,103,418
Assigned for Carryover-Future Year	1,746,204	1,104,621	2,850,825	-	-	-	-	-	-	-	2,850,825
Assigned for Bond Int. & Redemption	-	-	-	-	-	-	-	-	-	3,793,507	3,793,507
Unappropriated Amount	-	-	-	-	-	-	-	-	-	-	-