

**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: June 28, 2016

**Subject: 2016-17 PROPOSED DISTRICT BUDGET AND LONG RANGE  
FINANCIAL PROJECTIONS FOR 2017-18 AND 2018-19 FISCAL  
YEARS**

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The 2016-17 Proposed Budget and Long Range Financial Projections for 2017-18 and 2018-19 is presented for review and approval.

The 2016-17 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 2017-18 through 2018-19 (Attachment 1), in accordance with the District's 2016-17 Budget Calendar (Attachment 2).

Under the Local Control Funding Formula (LCFF), the funding formulas for K-12 Education were significantly changed beginning in 2013-2014. 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 2016-17 Proposed District Budget and vice versa. The Governor's plan was to reach the targeted LCFF funding levels for K-12 Education within eight years, which may occur sooner depending on state funding. Additional information on the Governor's May Revise is attached (Attachment 3).

Due to the loss of one-time revenues received in 2015-16, along with increases in contributions for health benefits, CalSTRS and CalPERS, and step and column adjustments, the District faced a budget gap in planning for 2016-17.

In an effort to minimize the projected deficit, the Superintendent's Cabinet worked closely with the principals and departments to identify potential budget savings. Savings was realized due to retirements and attrition, as well as reductions in school site and department budget allocations. To bridge the remaining budget gap, the Proposed 2016-17 Budget includes a transfer of \$1,335,000 from the Cash Flow Fund to the General Fund.

## Revenue Assumptions

### Student Enrollment/Average Daily Attendance

Student enrollment has been relatively stable over the past few years. Projected total student enrollment in 2016-17, for budget planning purposes, is projected at 3,106 (Attachment 4). This represents a decline in student enrollment of 1% or 30 students. For budgeting purposes, the District's funded average daily attendance is projected at current year P2 ADA, equal to 3,052.56. Student enrollment and ADA are subject to change.

### 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 Grant funding. The projected COLA's are included in the District's LCFF calculations. The COLA for 2016-17 is .0029%. 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

It is projected that the District will receive \$1,256,559 in Gap Funding for 2016-17.

### Grade Span Adjustment Funding

The District receives "Grade Span Adjustment" funding to support lower class sizes in grades K through 3 and supplemental support services in grades 9 – 12. Each elementary school must maintain a school site average of 24:1 in grades K - 3.

### Supplemental Grant and Proportionality

The District receives Supplemental Grant funding 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 500 students or 16.55% of its total student population identified as Unduplicated Count students. The state uses a 3-year average for LCFF funding calculation purposes.

Under LCFF, the District must demonstrate quantitative and qualitative enhanced services for Unduplicated Count students. In 2016-17, \$668,260 is budgeted to help serve and support the identified students, which is an increase of \$129,355 from the prior year. The additional funding is referred to as "Proportionality Funding."

### One-Time Discretionary Funding - 2016-17

The Governor has proposed an allocation of approximately \$200 per student in One-Time Discretionary Funding for 2016-17. It is estimated that the District will receive approximately

\$610,800. The 2016-17 allocation is significantly less than the one-time funding received in 2015-16. For the past three years, the state has allocated one-time discretionary funding to schools based on the backlog of mandated cost reimbursements. In future years, it is possible that the state will either allocate additional one-time or ongoing revenues to help fund increases in employer contributions for CalSTRS and CalPERS. Without additional funding, the majority of school districts will experience recessionary downturns and significant budget challenges.

#### 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 Title III (Limited English Proficiency Program). The District also receives federal funding for special education.

#### San Marino Schools Foundation Contributions

The District is 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 keep teaching positions to maintain lower class sizes across all grade levels. It is projected that the District will receive \$2.0 million from the San Marino Schools Foundation in 2016-17.

#### Parcel Tax Revenues

The District has two parcel taxes, Measure R and Measure E. Measure R was renewed in 2013, and Measure E was renewed in 2015, both for six-year terms. Measure R is currently \$339 per parcel and Measure E is \$873 per parcel. Together, the parcel taxes provide the District with \$5.44 million annually. Proceeds received from the parcel tax are used to fund core academic and instructional programs, and support services personnel. 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 PTAffiliates, the Chinese Club of San Marino, the City of San Marino, and various community athletic organizations.

#### Expenditure Assumptions

##### Certificated and Classified Salaries

Certificated and classified salaries have been adjusted to reflect step and column adjustments, and budget savings. The Budget Assumptions listing (Attachment 5) provides further details on the District's projected salary and benefit assumptions.

Health Benefits

In 2016-17, health benefit premium increases will be funded by increases in the District's and employees' contributions for major medical insurance, and a transfer of \$5,258 from the Health Benefits Fund. Based on current bargaining unit agreements, the District funds 90% of employee-only costs and 70% of two-party and family costs of major medical premiums. 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 incrementally over the next five years. Employee contributions for CalSTRS will also increase slightly. CalPERS employer rates will also increase over the same time period. The District's contributions to CalSTRS and CalPERS will increase by \$475,295 in 2016-17.

Table 1: CalSTRS and CalPERS Employer Rate Projections:

Fiscal Year	CalSTRS	CalPERS	Increase (\$'s)
2015-16	10.73%	11.847%	\$311,882
2016-17	12.58%	13.888%	\$475,295
2017-18	14.43%	15.50%	\$440,696
2018-19	16.28%	17.10%	\$439,728

The rate 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.

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, and Targeted Instructional Improvement Grant (TIIG) funding. School Sites will develop TIIG and Title I (middle and high school only) budget plans in collaboration 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.

Other Financing Sources/Uses

Transfers In of \$5,258 from the Health Benefits Fund, and \$1,335,000 from the Cash Flow Fund to the General Fund, and a Transfer Out of \$15,500 to the Capital Projects Fund are included in the Proposed Budget.

**Indirect Support**

The District collects indirect costs from state and federal categorical programs to offset General Fund operational costs. The current district approved rate for the 2016-17 year is 7.79%. This results in an offset of \$39,264 to General Fund expenditures.

**Reserve for Economic Uncertainties**

The Proposed Budget reflects a 3% reserve for economic uncertainties.

**Future Year Projection**

Based on current projections, the projected Gap funding in future years will not be sufficient to pay for increases in CalSTRS/CalPERS contributions, step and column adjustments, and health benefits. Transfers from the Cash Flow Fund to the General Fund have been included in the future year projections. The District will continue to evaluate and identify potential budget savings for 2017-18 and 2018-19.

**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 the costs associated with the program including food services salaries and benefits, food and supplies, repairs, and equipment replacement. The projected beginning balance in the fund as of July 1, 2016 is \$22,025.

**Deferred Maintenance Fund 14.0**

The Deferred Maintenance Fund supports major maintenance and repairs throughout the District. The projected beginning balance in the fund as of July 1, 2016 is \$416,555. The funds will be used for painting, paving, and flooring repairs.

**Health Benefits Fund 17.0**

The Proposed Budget includes a transfer of \$5,258 from the Health Benefits Fund to the General Fund to offset premium increases in 2016-17. The projected beginning balance in the fund as of July 1, 2016 is \$5,258.

**Cash Flow Fund 17.2**

The Proposed Budget includes a transfer of \$1,335,000 from the Cash Flow Fund. The projected beginning balance in the fund as of July 1, 2016 is \$5,698,806.

**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 \$155,000 in 2016-17, are restricted for capital needs associated with enrollment growth and program expansion. The projected beginning balance in the fund as of July 1, 2016 is \$1,009,837.

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**Capital Projects and Improvement Fund 40.0**

The Capital Projects and Improvement Fund represents restricted donations for San Marino High School alumni tiles and capital funds for the planned Barth Athletic Complex. The projected beginning balance in the fund as of July 1, 2016 is \$1,427,078.

**Next Steps – State Budget**

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

fi: jb/Sheets/2016-17 Proposed Budget Narrative – Bd Mtg 6-28-16.jb

**SAN MARINO UNIFIED SCHOOL DISTRICT  
2016-17 Proposed District Budget**

Bd Mtg 06-28-16

**LINE ITEM BUDGET SUMMARY and LONG RANGE FINANCIAL PROJECTIONS**

	A	L	P	T	X	AB
		Unaudited Actuals 2014-15	Estimated Actuals 2015-16	Proposed Budget 2016-17	Projected 2017-18	Projected 2018-19
1						
2						
3	<i>Projected P2 Average Daily Attendance (ADA)</i>	3,054.86	3,035.80	3,026.61	3,026.61	3,026.61
4	<i>Plus Annual Non-Public School (NPS) ADA</i>	9.27	9.25	8.00	8.00	8.00
5	<i>Plus Los Angeles County ADA</i>	9.79	7.51	7.00	7.00	7.00
6	<b>Total Projected ADA</b>	<b>3,073.92</b>	<b>3,052.56</b>	<b>3,041.61</b>	<b>3,041.61</b>	<b>3,041.61</b>
7						
8	<b><u>CBEDS Enrollment Projection</u></b>					
9	<i>Grades K - 3</i>	727	773	766	766	766
10	<i>Grades 4 - 6</i>	693	633	625	625	625
11	<i>Grades 7 - 8</i>	528	524	535	535	535
12	<i>Grades 9 - 12</i>	1,194	1,206	1,180	1,180	1,180
13	<b>Total CBEDS Enrollment Projection</b>	<b>3,142</b>	<b>3,136</b>	<b>3,106</b>	<b>3,106</b>	<b>3,106</b>
14						
15	<i>Unduplicated ELL, Free/Reduced &amp; Foster Youth Count</i>	467	502	500	500	500
16	<b>Percent over CBEDS</b>	<b>14.86%</b>	<b>16.01%</b>	<b>16.10%</b>	<b>16.10%</b>	<b>16.10%</b>
17						
18	<b><u>Projected Funded Average Daily Attendance (ADA)</u></b>					
19	<i>Grades K - 3</i>	707.34	707.12	745.21	747.91	747.91
20	<i>Grades 4 - 6</i>	677.31	677.30	617.01	610.41	610.41
21	<i>Grades 7 - 8</i>	515.29	516.12	510.89	523.16	523.16
22	<i>Grades 9 - 12</i>	1,174.42	1,170.99	1,179.45	1,160.13	1,160.13
23	<b>Total Funded ADA Projection</b>	<b>3,074.36</b>	<b>3,071.53</b>	<b>3,052.56</b>	<b>3,041.61</b>	<b>3,041.61</b>
24						
25	<i>Projected COLA</i>	<b>0.850%</b>	<b>1.020%</b>	<b>0.0029%</b>	<b>1.110%</b>	<b>2.420%</b>
26						
27	<b><u>Projected Base Grant</u></b>					
28	<i>Grades K - 3</i>	7,011.00	7,083.00	7,083.00	7,162.00	7,335.00
29	<i>Grades 4 - 6</i>	7,116.00	7,189.00	7,189.00	7,269.00	7,445.00
30	<i>Grades 7 - 8</i>	7,328.00	7,403.00	7,403.00	7,485.00	7,666.00
31	<i>Grades 9 - 12</i>	8,491.00	8,578.00	8,578.00	8,673.00	8,883.00
32						
33	<b>TARGET BASE GRANT</b>					
34	<i>Grades K - 3</i>	4,959,161	5,008,531	5,278,322	5,356,531	5,485,920
35	<i>Grades 4 - 6</i>	4,819,738	4,869,110	4,435,685	4,437,070	4,544,502
36	<i>Grades 7 - 8</i>	3,776,045	3,820,836	3,782,119	3,915,853	4,010,545
37	<i>Grades 9 - 12</i>	9,972,000	10,044,752	10,117,322	10,061,807	10,305,435
38	<b>TARGET - Base Grant</b>	<b>23,526,944</b>	<b>23,743,229</b>	<b>23,613,448</b>	<b>23,771,261</b>	<b>24,346,402</b>
39						
40	<b>TARGET GRADE SPAN ADJUSTMENTS</b>					
41	<i>K - 3 Augmentation (Target Base Grant x 10.4%) (\$729)</i>	515,753	521,147	549,220	557,193	570,655
42	<i>9 - 12 Augmentation (Target Base Grant x 2.60%) (\$221)</i>	259,272	261,131	263,017	261,029	267,990
43	<b>TARGET - Augmentation Grants</b>	<b>775,025</b>	<b>782,278</b>	<b>812,237</b>	<b>818,222</b>	<b>838,645</b>
44						
45	<b>TARGET SUPPLEMENTAL GRANT</b>					
46	<i>Target Base + Target Augmentation Grant x 20%</i>	4,860,394	4,905,101	4,885,137	4,917,897	5,037,009
47	<i>Unduplicated Count Percentage - 3 yr Average</i>	14.86%	15.38%	15.86%	16.18%	16.18%
48	<b>TARGET - Supplemental Grant</b>	<b>722,255</b>	<b>754,405</b>	<b>774,783</b>	<b>795,716</b>	<b>814,988</b>
49						
50	<b>TARGET TRANSPORTATION &amp; TIIG GRANTS</b>					
51	<i>Transportation Grant</i>	27,727	27,727	27,727	27,727	27,727
52	<i>TIIG Grant</i>	161,924	161,924	161,924	161,924	161,924
53	<b>TARGET - Transportation/TIIG Grants</b>	<b>189,651</b>	<b>189,651</b>	<b>189,651</b>	<b>189,651</b>	<b>189,651</b>
54	<b>TARGET - LCFF FUNDING</b>	<b>25,213,875</b>	<b>25,469,563</b>	<b>25,390,119</b>	<b>25,574,850</b>	<b>26,189,686</b>
55						

**SAN MARINO UNIFIED SCHOOL DISTRICT  
2016-17 Proposed District Budget**

Bd Mtg 06-28-16

**LINE ITEM BUDGET SUMMARY and LONG RANGE FINANCIAL PROJECTIONS**

	A	L	P	T	X	AB
		Unaudited Actuals 2014-15	Estimated Actuals 2015-16	Proposed Budget 2016-17	Projected 2017-18	Projected 2018-19
1						
2						
56	<b>HOLD HARMLESS CALCULATION</b>					
57	Prior-Prior Year Revenue Limit/LCFF Funding per ADA	5,300.62	5,561.40	6,182.25	6,978.05	7,388.20
58	Prior Year Gap Funding	260.78	620.85	795.80	410.15	321.23
59	Hold Harmless Revenue Limit per ADA	<b>5,561.40</b>	<b>6,182.25</b>	<b>6,978.05</b>	<b>7,388.20</b>	<b>7,709.43</b>
60	Current Year Funded ADA	3,074.36	3,071.53	3,052.56	3,041.61	3,041.61
61	<b>Hold Harmless Revenue Limit/LCFF Funding</b>	<b>17,097,753</b>	<b>18,988,966</b>	<b>21,300,916</b>	<b>22,472,023</b>	<b>23,449,079</b>
62						
63	<b>GAP FUNDING</b>					
64	TARGET - LCFF FUNDING	25,213,875	25,469,563	25,390,119	25,574,850	26,189,686
65	Hold Harmless - Revenue Limit/LCFF Funding	(17,097,753)	(18,988,966)	(21,300,916)	(22,472,023)	(23,449,079)
66	Hold Harmless - Categorical Funding	(1,797,885)	(1,797,885)	(1,797,885)	(1,797,885)	(1,797,885)
67	<b>Difference</b>	<b>6,318,237</b>	<b>4,682,712</b>	<b>2,291,318</b>	<b>1,304,942</b>	<b>942,722</b>
68	GAP Funding Percentage	30.16%	53.08%	54.84%	73.96%	41.22%
69	<b>GAP FUNDING</b>	<b>1,905,580</b>	<b>2,485,584</b>	<b>1,256,559</b>	<b>965,135</b>	<b>388,590</b>
70						
71	<b>LCFF Funding</b>					
72	Hold Harmless - PY Funded RL/ADA x CY ADA	17,097,753	18,988,966	21,300,916	22,472,023	23,449,079
73	Hold Harmless - 12/13 Categorical Programs	1,797,885	1,797,885	1,797,885	1,797,885	1,797,885
74	GAP Funding (Target LCFF less Hold Harmless x %)	1,905,580	2,485,584	1,256,559	965,135	388,590
75	<b>TOTAL LCFF FUNDING</b>	<b>20,801,218</b>	<b>23,272,435</b>	<b>24,355,360</b>	<b>25,235,043</b>	<b>25,635,554</b>
76						
77	<b>Informational Only</b>					
78	Property Taxes	10,977,620	12,207,044	12,207,044	12,207,044	12,207,044
79	EPA (Educational Protection Act)	4,361,653	4,240,984	4,240,984	4,240,984	4,240,984
80	State Aid	5,461,945	6,824,407	7,907,332	8,787,015	9,187,526
81	<b>Total Funded Revenue Limit/LCFF</b>	<b>20,801,218</b>	<b>23,272,435</b>	<b>24,355,360</b>	<b>25,235,043</b>	<b>25,635,554</b>
82						
83	<b>LCAP Proportionality Percentage Calculation (Informational Only)</b>					
84	Current Year LCFF Funding	20,801,218	23,272,435	24,355,360	25,235,043	25,635,554
85	Transportation and TIIG Funding	189,651	189,651	189,651	189,651	189,651
86	Supplemental Concentration Grant at Target	722,255	754,405	774,783	795,716	814,988
87	Prior Year Funds spent on Unduplicated Students	110,654	295,113	538,905	668,260	762,526
88	Difference	611,601	459,292	235,878	127,456	52,462
89	<b>INCREASE IN SUPPLEMENTAL GRANT</b>	<b>184,459</b>	<b>243,792</b>	<b>129,355</b>	<b>94,266</b>	<b>21,625</b>
90						
91	<b>TOTAL SUPPLEMENTAL GRANT FUNDING</b>	<b>295,113</b>	<b>538,905</b>	<b>668,260</b>	<b>762,526</b>	<b>784,151</b>
92	Current Year Funding Available for all Students	20,316,454	22,543,879	23,497,449	24,282,866	24,661,752
93	<b>PROPORTIONALITY PERCENTAGE FOR UNDUPLICATED STUDENTS</b>	<b>1.45%</b>	<b>2.39%</b>	<b>2.84%</b>	<b>3.14%</b>	<b>3.18%</b>
94						
95	<b>Projected Federal Income</b>					
96	Title I	163,022	159,399	167,605	167,605	167,605
98	Special Ed - Local Assistance	508,009	501,397	497,314	497,314	497,314
99	Special Ed - Federal Preschool	6,319	7,782	5,442	5,442	5,442
100	Special Ed - Preschool Local Entitlement	17,446	15,825	11,164	11,164	11,164
101	Special Ed - Mental Health Funding	33,130	34,302	34,135	34,135	34,135
102	Special Ed - Preschool Staff Development	74	94	66	66	66
103	Title II - Teacher Quality	61,443	61,119	61,119	61,119	61,119
104	Title III - Immigrant Education Program	23,930	7,089	-	-	-
105	Title III - Limited English Proficiency Program	21,268	36,312	36,312	36,312	36,312
106	<b>TOTAL PROJECTED FEDERAL REVENUE</b>	<b>898,956</b>	<b>823,319</b>	<b>813,157</b>	<b>813,157</b>	<b>813,157</b>
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2016-17 Proposed District Budget**

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**LINE ITEM BUDGET SUMMARY and LONG RANGE FINANCIAL PROJECTIONS**

	A	L	P	T	X	AB
		Unaudited Actuals 2014-15	Estimated Actuals 2015-16	Proposed Budget 2016-17	Projected 2017-18	Projected 2018-19
1						
2						
108	<b>Projected Other State Revenue</b>					
109	Lottery Revenue	542,262	567,142	567,142	567,142	567,142
110	Mandate Block Grant	322,149	119,193	119,193	119,193	119,193
111	Misc. State Income	2,068	10,941	-	-	-
112	Discretionary One-Time Funding (16/17 - \$200/ADA)	-	1,621,754	610,800	-	-
114	Educator Effectiveness Grant (one-time)	-	270,694	-	-	-
116	Special Ed - Mental Health Funding	175,540	179,209	180,089	180,089	180,089
117	<b>TOTAL PROJECTED OTHER STATE REVENUE</b>	<b>1,042,019</b>	<b>2,768,933</b>	<b>1,477,224</b>	<b>866,424</b>	<b>866,424</b>
118						
119	<b>Projected Other Local Revenue</b>					
120	Special Education - Master Plan	1,597,079	1,621,083	1,502,105	1,502,105	1,502,105
121	SELPA Reimbursement (Regional Programs)	888,884	850,000	850,000	850,000	850,000
123	<b>Subtotal - Special Education Funds</b>	<b>2,485,963</b>	<b>2,471,083</b>	<b>2,352,105</b>	<b>2,352,105</b>	<b>2,352,105</b>
124						
125	ROP Classroom Allocation	251,250	154,856	-	-	-
129	<b>Subtotal - ROP Funds</b>	<b>387,139</b>	<b>154,856</b>	<b>-</b>	<b>-</b>	<b>-</b>
130						
131	Parcel Tax Revenue - Measure E (2021)	3,953,572	3,912,783	3,920,000	3,920,000	3,920,000
132	Parcel Tax Revenue - Measure R (2019)	1,541,261	1,522,480	1,525,000	1,525,000	1,525,000
133	<b>Subtotal - Parcel Tax Funds</b>	<b>5,494,833</b>	<b>5,435,263</b>	<b>5,445,000</b>	<b>5,445,000</b>	<b>5,445,000</b>
134						
135	Use of Facilities - Chinese School	278,595	99,050	99,050	99,050	99,050
136	Use of Facilities - City of San Marino (Pool Use)		21,600	21,600	21,600	21,600
137	Use of Facilities - City of San Marino (Facilities)		15,000	15,000	15,000	15,000
138	Use of Facilities - Crown City United Soccer		15,500	15,500	15,500	15,500
139	Use of Facilities - PT Affiliates		91,852	126,267	126,267	126,267
140	Use of Facilities - Other Facility Users		56,998	47,583	47,583	47,583
141	<b>Subtotal - Facility Use Income</b>	<b>278,595</b>	<b>300,000</b>	<b>325,000</b>	<b>325,000</b>	<b>325,000</b>
142						
143	Interest Earnings	34,354	35,000	-	-	-
144	<b>Subtotal - Interest Income</b>	<b>34,354</b>	<b>35,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
145						
146	SMSF Annual Campaign	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
147	SMSF Excess Funds	1,507,289	1,129,111	1,000,000	1,000,000	1,000,000
148	<b>Subtotal - SMSF Funds</b>	<b>2,507,289</b>	<b>2,129,111</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>
149						
150	Misc. Local Income - Donations	533,545	493,134	62,680	62,680	62,680
151	Misc. Local Income - W/C JPA Distribution	1,122,265	500,187	-	-	-
152	Misc. Local Income - GASB 45 PARS Distribution	-	32,889	-	-	-
154	Misc. Local Income - ASB Transfers	694,208	617,391	-	-	-
155	Reimbursements - City of San Marino (Transportation)	-	-	110,000	110,000	110,000
156	Reimbursements - Curriculum Lab	12,593	15,000	15,000	15,000	15,000
158	Reimbursements - Talent Bank	115,427	87,989	65,602	65,602	65,602
159	Reimbursements - PTA Council (Curr Lab)	16,702	17,925	20,466	20,466	20,466
160	Reimbursements - SMSF - Elementary VAPA	109,851	41,352	45,050	45,050	45,050
161	Reimbursements - Carver PTA	217,312	349,356	278,646	278,646	278,646
163	Reimbursements - Valentine PTA	258,765	307,877	200,712	200,712	200,712
164	Reimbursements - Huntington PTA	76,390	195,116	-	-	-
165	Reimbursements - Huntington ASB	3,868	1,131	-	-	-
166	Reimbursements - SMHS PTA	88,804	91,290	-	-	-
167	Reimbursements - SMHS ASB	22,041	32,512	-	-	-
168	Reimbursements - SMSF Hoffman Grant (SMHS Music)	-	13,969	-	-	-
169	<b>Subtotal - Donations, Reimbursements &amp; Distributions</b>	<b>3,399,818</b>	<b>2,797,118</b>	<b>798,156</b>	<b>798,156</b>	<b>798,156</b>
170	<b>TOTAL PROJECTED OTHER LOCAL REVENUE</b>	<b>14,587,991</b>	<b>13,322,431</b>	<b>10,920,261</b>	<b>10,920,261</b>	<b>10,920,261</b>
171	<b>TOTAL PROJECTED REVENUE</b>	<b>37,330,184</b>	<b>40,187,118</b>	<b>37,566,002</b>	<b>37,834,885</b>	<b>38,235,396</b>

**SAN MARINO UNIFIED SCHOOL DISTRICT  
2016-17 Proposed District Budget**

Bd Mtg 06-28-16

**LINE ITEM BUDGET SUMMARY and LONG RANGE FINANCIAL PROJECTIONS**

	A	L	P	T	X	AB
		Unaudited Actuals 2014-15	Estimated Actuals 2015-16	Proposed Budget 2016-17	Projected 2017-18	Projected 2018-19
1						
2						
172						
173	<b>Projected Expenditures</b>					
174	Certificated Salaries	16,283,774	17,422,225	16,536,754	16,586,754	16,101,274
175	Certificated Step/Column (16/17 - Column Movement)	-	-	50,000	260,000	260,000
176	Certificated Budget Reductions	-	-	-	(745,480)	-
177	Classified Salaries	8,039,749	8,686,026	8,585,657	8,585,657	8,641,637
178	Classified Step/Column	-	-	-	160,000	160,000
179	Classified Budget Reductions	-	-	-	(104,020)	-
180	Employee Benefits	6,582,040	7,516,232	7,618,325	7,618,325	7,618,325
181	Employee Benefits related to Step/Column	-	-	8,040	80,040	152,040
182	Employee Benefit Adjustments	-	-	-	(204,038)	(204,038)
183	Increase in STRS/PERS Rates	-	311,882	475,295	915,991	1,355,719
184	Increase in Health & Welfare Cost (16/17 District Share)	-	-	445,019	445,019	445,019
185	Book and Supplies	2,237,362	2,519,444	1,245,333	1,082,508	1,082,508
186	Operating Services	5,123,795	5,074,392	3,344,165	3,340,780	3,340,780
187	Equipment	3,762,914	2,026,491	625,000	625,000	625,000
188	Other Outgo	242,816	65,000	150,500	150,500	150,500
189	Indirect Support	-	-	-	-	-
190	<b>TOTAL EXPENDITURES</b>	<b>42,272,450</b>	<b>43,621,692</b>	<b>39,084,088</b>	<b>38,797,036</b>	<b>39,728,764</b>
191						
192	<b>Excess/(Deficiency) of Revenue over Expenditures</b>	<b>(4,942,266)</b>	<b>(3,434,574)</b>	<b>(1,518,086)</b>	<b>(962,151)</b>	<b>(1,493,368)</b>
193						
194	<b>Other Financing Sources/Uses</b>					
195	Transfer in from Health & Welfare Fund	522,290	176,542	5,258	-	-
196	Transfer to Health & Welfare Fund	(2,680)	(173,500)	-	-	-
198	Transfer in from Cash Flow Fund	-	1,700,000	1,335,000	1,015,000	1,465,000
199	Transfer to Capital Projects Fund	(15,125)	(15,500)	(15,500)	(15,500)	(15,500)
201	Contribution to Special Education	-	-	-	-	-
202	Contribution to Maintenance & Operations	-	-	-	-	-
203	<b>TOTAL OTHER SOURCES/(USES)</b>	<b>677,900</b>	<b>1,687,542</b>	<b>1,324,758</b>	<b>999,500</b>	<b>1,449,500</b>
204						
205	<b>Net Increase/(Decrease) in Fund Balance</b>	<b>(4,264,366)</b>	<b>(1,747,032)</b>	<b>(193,328)</b>	<b>37,349</b>	<b>(43,868)</b>
206						
207	<b>Projected Beginning Balance July 1</b>	<b>7,982,059</b>	<b>3,717,693</b>	<b>1,970,661</b>	<b>1,777,333</b>	<b>1,814,682</b>
209						
210	<b>Projected Ending Balance June 30</b>	<b>3,717,693</b>	<b>1,970,661</b>	<b>1,777,333</b>	<b>1,814,682</b>	<b>1,770,814</b>
211						
212	<b>Components of Ending Fund Balance</b>					
213	<b>Designated for Economic Uncertainties Percentage</b>	<b>4.00%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>
214	Designated for Economic Uncertainties	1,705,158	1,329,874	1,172,988	1,164,376	1,192,328
215	Assigned for Carryover - School Site Donations	1,504,053	245,433	245,433	245,433	245,433
216	Assigned for Carryover - Mental Health Program	139,964	122,546	122,546	122,546	122,546
217	Assigned for Carryover - Prop 39 Clean Air Act	82,034	82,034	82,034	82,034	82,034
220	Assigned for Carryover - Zillgitt Donation	-	88,113	51,671	3,366	4,187
223	Assigned Balance - Supplemental Grant	-	-	-	94,266	21,625
224	Revolving Fund	100,000	100,000	100,000	100,000	100,000
226	Warehouse Stores	2,661	2,661	2,661	2,661	2,661
228	<b>Unappropriated Amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**SAN MARINO UNIFIED SCHOOL DISTRICT  
2016-17 Proposed District Budget  
Summary by Fund**

Bd Mtg 06-28-16

	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.	Total
<b>Projected Balance July 1, 2016</b>	<b>1,520,648</b>	<b>450,013</b>	<b>1,970,661</b>	<b>22,025</b>	<b>416,555</b>	<b>5,258</b>	<b>5,698,806</b>	<b>1,009,837</b>	<b>1,427,078</b>	<b>10,550,220</b>
<b>Revenues</b>										
State Revenues (LCFF)	24,355,360	-	24,355,360	-	-	-	-	-	-	24,355,360
Federal Revenue	-	813,157	813,157	95,000	-	-	-	-	-	908,157
Other State Revenue	1,168,666	308,558	1,477,224	6,000	-	-	-	-	-	1,483,224
Other Local Revenue	7,770,000	3,150,261	10,920,261	771,000	500	-	10,000	160,000	5,000	11,866,761
<b>Total Revenues</b>	<b>33,294,026</b>	<b>4,271,976</b>	<b>37,566,002</b>	<b>872,000</b>	<b>500</b>	<b>-</b>	<b>10,000</b>	<b>160,000</b>	<b>5,000</b>	<b>38,613,502</b>
<b>Expenditures</b>										
Certificated Salaries	14,110,461	2,476,293	16,586,754	-	-	-	-	-	-	16,586,754
Classified Salaries	5,454,879	3,130,778	8,585,657	441,143	-	-	-	-	-	9,026,800
Employee Benefits	6,549,206	1,997,473	8,546,679	123,765	-	-	-	-	-	8,670,444
Supplies	884,039	361,294	1,245,333	317,500	-	-	-	44,837	-	1,607,670
Operating Services	2,296,849	1,047,316	3,344,165	(22,069)	190,000	-	-	375,000	60,000	3,947,096
Capital Outlay/Equipment	615,000	10,000	625,000	-	227,055	-	-	750,000	1,387,578	2,989,633
Other Outgo	75,500	75,000	150,500	-	-	-	-	-	-	150,500
Indirect Support	(39,264)	39,264	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>29,946,670</b>	<b>9,137,418</b>	<b>39,084,088</b>	<b>860,339</b>	<b>417,055</b>	<b>-</b>	<b>-</b>	<b>1,169,837</b>	<b>1,447,578</b>	<b>42,978,897</b>
<b>Other Financing Sources/Uses</b>	<b>(3,540,684)</b>	<b>4,865,442</b>	<b>1,324,758</b>	<b>-</b>	<b>-</b>	<b>(5,258)</b>	<b>(1,335,000)</b>	<b>-</b>	<b>15,500</b>	<b>-</b>
<b>Net Incr/Decr in Fund Balance</b>	<b>(193,328)</b>	<b>-</b>	<b>(193,328)</b>	<b>11,661</b>	<b>(416,555)</b>	<b>(5,258)</b>	<b>(1,325,000)</b>	<b>(1,009,837)</b>	<b>(1,427,078)</b>	<b>(4,365,395)</b>
<b>Projected Balance June 30, 2017</b>	<b>1,327,320</b>	<b>450,013</b>	<b>1,777,333</b>	<b>33,686</b>	<b>-</b>	<b>-</b>	<b>4,373,806</b>	<b>-</b>	<b>-</b>	<b>6,184,825</b>
<b>Components of Ending Fund Balance:</b>										
Revolving Cash	100,000	-	100,000	612	-	-	-	-	-	100,612
Stores	2,661	-	2,661	12,977	-	-	-	-	-	15,638
Assigned for Food Svc Operations	-	-	-	20,097	-	-	-	-	-	20,097
Assigned for Cash Flow	-	-	-	-	-	-	4,373,806	-	-	4,373,806
Assigned for Econ. Uncertainties	1,191,494	-	1,191,494	-	-	-	-	-	-	1,191,494
Assigned for Carryover	33,165	450,013	483,178	-	-	-	-	-	-	483,178
<b>Unappropriated Amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**SAN MARINO UNIFIED SCHOOL DISTRICT  
2016-17 Proposed District Budget  
LINE ITEM BUDGET SUMMARY and LONG RANGE FINANCIAL PROJECTIONS**

Bd Mtg 06-28-16

	A	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB
	Unrestricted	Special Education	Restricted	Estimated Actuals 2015-16	Unrestricted	Special Education	Restricted	Proposed Budget 2016-17	Unrestricted	Special Education	Restricted	Projected 2017-18	Unrestricted	Special Education	Restricted	Projected 2018-19	
1																	
2																	
3	2,942.44	93.36		3,035.80	3,020.61	6.00		3,026.61	3,026.61	6.00	6.00	3,026.61	3,020.61	6.00			3,026.61
4		9.25		9.25	8.00	8.00		8.00	8.00	8.00	8.00	8.00	8.00	8.00			8.00
5	7.51			7.51	7.00	7.00		7.00	7.00	7.00	7.00	7.00	7.00	7.00			7.00
6	2,949.95	102.61		3,052.56	3,027.61	14.00		3,041.61	3,027.61	14.00	14.00	3,041.61	3,027.61	14.00			3,041.61
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**SAN MARINO UNIFIED SCHOOL DISTRICT**  
**2016-17 Proposed District Budget**  
**LINE ITEM BUDGET SUMMARY and LONG RANGE FINANCIAL PROJECTIONS**

Bd Mtg 06-28-16

	A	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB
	Unrestricted	Special Education	Restricted	Estimated Actuals 2015-16	Unrestricted	Special Education	Restricted	Proposed Budget 2016-17	Unrestricted	Special Education	Restricted	Projected 2017-18	Unrestricted	Special Education	Restricted	Projected 2018-19	
1																	
2																	
63	GAP FUNDING																
64	TARGET - LCFF FUNDING	25,469,563			25,390,119			25,390,119	25,574,850			25,574,850	26,189,686				26,189,686
65	Hold Harmless - Revenue Limit/LCFF Funding	(18,988,966)			(21,300,916)			(21,300,916)	(22,472,023)			(22,472,023)	(23,449,079)				(23,449,079)
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	4,682,712			2,291,318			2,291,318	1,304,942			1,304,942	942,722				942,722
68	GAP Funding Percentage	53.08%			54.84%			54.84%	73.96%			73.96%	41.22%				41.22%
69	GAP FUNDING	2,485,584			1,256,559			1,256,559	965,135			965,135	388,590				388,590
70																	
71	LCFF Funding																
72	Hold Harmless - PY Funds RUADA x CY ADA	18,988,966			21,300,916			21,300,916	22,472,023			22,472,023	23,449,079				23,449,079
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 %)	2,485,584			1,256,559			1,256,559	965,135			965,135	388,590				388,590
75	TOTAL LCFF FUNDING	23,272,435			24,355,360			24,355,360	25,235,043			25,235,043	25,635,554				25,635,554
76																	
77	Informational Only																
78	Property Taxes	12,207,044			12,207,044			12,207,044	12,207,044			12,207,044	12,207,044				12,207,044
79	EPA (Educational Protection Act)	4,240,984			4,240,984			4,240,984	4,240,984			4,240,984	4,240,984				4,240,984
80	State Aid	6,824,407			7,907,332			7,907,332	8,787,015			8,787,015	9,187,526				9,187,526
81	Total Funded Revenue Limit/LCFF	23,272,435			24,355,360			24,355,360	25,235,043			25,235,043	25,635,554				25,635,554
82																	
83	LCAP Proportionality Percentage Calculation (Informational Only)																
84	Current Year LCFF Funding			23,272,435				23,272,435				25,235,043					25,635,554
85	Transportation and TIIG Funding			189,651				189,651				189,651					189,651
86	Supplemental Concentration Grant at Target			754,405				754,405				774,783					814,988
87	Prior Year Funds spent on Unduplicated Students			295,113				295,113				668,260					762,526
88	Difference			459,292				459,292				127,456					52,462
89	INCREASE IN SUPPLEMENTAL GRANT			243,792				243,792				94,266					21,625
90																	
91	TOTAL SUPPLEMENTAL GRANT FUNDING			538,905				538,905				668,260					784,151
92	Current Year Funding Available for all Students			22,543,879				22,543,879				24,282,866					24,661,752
93	PROPORTIONALITY PERCENTAGE FOR UNDUPLICATED STUDENTS			2.39%				2.39%				3.14%					3.18%
94																	
95	Projected Federal Income			159,399				159,399				167,605					167,605
96	Title I - PY Carryover																
97	Special Ed - Local Assistance		501,397		501,397			497,314				497,314					497,314
98	Special Ed - Federal Preschool		7,762		7,762			5,442				5,442					5,442
99	Special Ed - Preschool Local Entitlement		15,825		15,825			11,164				11,164					11,164
100	Special Ed - Mental Health Funding		34,302		34,302			34,135				34,135					34,135
101	Special Ed - Preschool Staff Development		94		94			66				66					66
102	Title II - Teacher Quality		61,119		61,119			61,119				61,119					61,119
103	Title III - Immigrant Education Program		7,089		7,089												
104	Title III - Limited English Proficiency Program		36,312		36,312			36,312				36,312					36,312
105	TOTAL PROJECTED FEDERAL REVENUE		559,400		823,319			813,157				813,157					813,157
106																	
107	Projected Other State Revenue																
108	Lottery Revenue		438,673		567,142			567,142				438,673					567,142
109	Mandate Block Grant		119,193		119,193			119,193				119,193					119,193
110	Misc. State Income		9,952		10,941												
111	Discretionary One-Time Funding (16/17 - \$200/ADA)		1,621,754		1,621,754			610,800									
112	Prop 39 - Clean Energy Act																
113	Educator Effectiveness Grant (one-time)		270,694		270,694												
114	Special Ed - State Preschool Grant		179,209		179,209			180,089				180,089					180,089
115	Special Ed - Mental Health Funding		180,198		180,198			180,089				180,089					180,089
116	TOTAL PROJECTED OTHER STATE REVENUE		2,189,572		2,768,933			1,168,666				128,469					866,424
117																	
118	Projected Other Local Revenue																
119	Special Education - Master Plan		1,621,083		1,621,083			1,502,105				1,502,105					1,502,105
120	SELPA Reimbursement (Regional Programs)		850,000		850,000			850,000				850,000					850,000
121	Subtotal - Special Education Funds		2,471,083		2,471,083			2,352,105				2,352,105					2,352,105
122																	
123																	
124																	

**SAN MARINO UNIFIED SCHOOL DISTRICT**  
**2016-17 Proposed District Budget**  
**LINE ITEM BUDGET SUMMARY and LONG RANGE FINANCIAL PROJECTIONS**

Bd Mtg 06-28-16

	A	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB
		Unrestricted	Special Education	Restricted	Estimated Actuals 2015-16	Unrestricted	Special Education	Restricted	Proposed Budget 2016-17	Unrestricted	Special Education	Restricted	Projected 2017-18	Unrestricted	Special Education	Restricted	Projected 2018-19
1																	
2																	
129	ROP Classroom Allocation	154,856			154,856												
130	Subtotal - ROP Funds	154,856			154,856												
131	Parcel Tax Revenue - Measure E (2021)	3,912,783			3,912,783	3,920,000			3,920,000	3,920,000			3,920,000	3,920,000			3,920,000
132	Parcel Tax Revenue - Measure R (2019)	1,522,480			1,522,480	1,525,000			1,525,000	1,525,000			1,525,000	1,525,000			1,525,000
133	Subtotal - Parcel Tax Funds	5,435,263			5,435,263	5,445,000			5,445,000	5,445,000			5,445,000	5,445,000			5,445,000
134	Use of Facilities - Chinese School	99,050			99,050	99,050			99,050	99,050			99,050	99,050			99,050
136	Use of Facilities - City of San Marino (Pool Use)	21,600			21,600	21,600			21,600	21,600			21,600	21,600			21,600
137	Use of Facilities - City of San Marino (Facilities)	15,000			15,000	15,000			15,000	15,000			15,000	15,000			15,000
138	Use of Facilities - Crown City United Soccer	15,500			15,500	15,500			15,500	15,500			15,500	15,500			15,500
139	Use of Facilities - PT Affiliates	91,852			91,852	126,267			126,267	126,267			126,267	126,267			126,267
140	Use of Facilities - Other Facility Users	56,998			56,998	47,583			47,583	47,583			47,583	47,583			47,583
141	Subtotal - Facility Use Income	300,000			300,000	325,000			325,000	325,000			325,000	325,000			325,000
142																	
143	Interest Earnings	35,000			35,000												
144	Subtotal - Interest Income	35,000			35,000												
145																	
146	SMFSF Annual Campaign	1,000,000			1,000,000	1,000,000			1,000,000	1,000,000			1,000,000	1,000,000			1,000,000
147	SMFSF Excess Funds	1,129,111			1,129,111	1,000,000			1,000,000	1,000,000			1,000,000	1,000,000			1,000,000
148	Subtotal - SMFSF Funds	2,129,111			2,129,111	2,000,000			2,000,000	2,000,000			2,000,000	2,000,000			2,000,000
149																	
150	Misc. Local Income - Donations (VAL - Reading Spec.)	59,786		433,348	493,134			62,680	62,680			62,680	62,680			62,680	62,680
151	Misc. Local Income - W/C JPA Distribution	500,187			500,187												
152	Misc. Local Income - GASB 45 PARS Distribution	32,889			32,889												
153	Misc. Local Income - PT Affiliates Donation																
154	Misc. Local Income - ASB Transfers	617,391			617,391												
155	Reimbursements - City of San Marino (Transportation)			15,000	15,000			110,000	110,000			110,000	110,000			110,000	110,000
156	Reimbursements - Curriculum Lab			87,989	87,989			65,602	65,602			65,602	65,602			65,602	65,602
158	Reimbursements - Talent Bank			17,925	17,925			20,466	20,466			20,466	20,466			20,466	20,466
159	Reimbursements - PTA Council (Curr. Lab)			41,352	41,352			45,050	45,050			45,050	45,050			45,050	45,050
160	Reimbursements - SMFSF - Elementary VAPA			349,356	349,356			278,646	278,646			278,646	278,646			278,646	278,646
161	Reimbursements - Carver PTA																
162	Reimbursements - Carver Enrichment																
163	Reimbursements - Valentine PTA			307,877	307,877			200,712	200,712			200,712	200,712			200,712	200,712
164	Reimbursements - Huntington PTA			195,116	195,116												
165	Reimbursements - Huntington ASB			1,131	1,131												
166	Reimbursements - SMHS PTA			91,290	91,290												
167	Reimbursements - SMHS ASB			32,512	32,512												
168	Reimbursements - SMHS Hoffman Grant (SMHS Music)			13,969	13,969												
169	Subtotal - Donations, Reimbursements & Distributions	592,862		2,204,256	2,797,118	7,770,000		2,352,105	2,352,105	2,352,105		2,352,105	2,352,105			2,352,105	2,352,105
170	TOTAL PROJECTED OTHER LOCAL REVENUE	8,647,092	2,471,083	2,204,256	13,327,413	33,294,026		1,191,661	37,566,002	33,562,909		3,080,315	37,834,885	33,963,420		1,191,661	38,235,396
171	TOTAL PROJECTED REVENUE	34,109,099	3,210,681	2,867,338	40,187,111	77,770,000		3,080,315	83,562,002	77,770,000		3,080,315	83,562,002	77,770,000		3,080,315	83,562,002
172																	
173	Projected Expenditures																
174	Certificated Salaries	14,638,996	2,348,578	434,651	17,422,225	14,060,461		225,543	16,536,754	14,110,461		225,543	16,536,754	13,684,792		225,543	16,101,274
175	Certificated Step/Column (16/17 - Column Movement)					50,000			50,000					230,000			260,000
176	Certificated Budget Reductions									(655,669)				(655,669)			
177	Classified Salaries	5,554,143	1,912,447	1,219,447	8,686,026	5,454,879		1,191,890	8,585,657	5,454,879		1,191,890	8,585,657	5,470,859		1,191,890	8,641,637
178	Classified Step/Column									(104,020)				(104,020)			
179	Classified Budget Reductions									5,620,852				5,620,852			
180	Employee Benefits	5,654,559	1,410,899	450,774	7,516,222	5,620,852		437,573	7,618,325	5,620,852		437,573	7,618,325	5,620,852		437,573	7,618,325
181	Employee Benefits related to Step/Column					8,040			8,040	66,040				128,040		4,000	152,040
182	Employee Benefit Adjustments									(184,799)				(184,799)			(204,038)
183	Increase in STRS/PERS Rates	311,882			311,882	475,295			475,295	915,991			915,991	1,355,719			1,355,719
184	Increase in Health & Welfare Cost (16/17 District Share)					445,019			445,019	445,019			445,019	445,019			445,019
185	Book and Supplies	1,245,724	29,277	1,244,443	2,519,444	884,039		346,712	1,245,333	1,245,333		346,712	1,082,508	721,214		346,712	1,082,508
186	Operating Services	2,957,915	740,566	1,375,911	5,074,392	2,296,849		493,142	3,344,165	2,293,849		493,142	3,344,165	2,293,849		493,142	3,344,165
187	Equipment	1,418,468		608,023	2,026,491	615,000		10,000	625,000	615,000		10,000	625,000	615,000		10,000	625,000
188	Other Outgo	65,000			65,000	75,500			150,500	75,500			150,500	75,500			150,500
189	Indirect Support	(56,132)	21,229	34,903	(56,132)	(39,264)		26,802	(39,264)	(39,264)		26,802	(39,264)	(39,264)		26,802	(39,264)
190	TOTAL EXPENDITURES	31,790,555	6,462,996	5,368,141	43,621,692	29,946,670		2,778,344	39,084,088	29,687,053		2,778,344	39,084,088	29,687,053		2,778,344	39,084,088



**SAN MARINO UNIFIED SCHOOL DISTRICT  
2016-17 Proposed District Budget  
LINE ITEM BUDGET SUMMARY and LONG RANGE FINANCIAL PROJECTIONS**

Bd Mtg 06-28-16

	A	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB
		Unrestricted	Special Education	Restricted	Estimated Actuals 2015-16	Unrestricted	Special Education	Restricted	Proposed Budget 2016-17	Unrestricted	Special Education	Restricted	Projected 2017-18	Unrestricted	Special Education	Restricted	Projected 2018-19
1																	
2																	
191		2,318,544	(3,252,315)	(2,500,903)	(3,434,574)	3,347,356	(3,278,759)	(1,586,683)	(1,518,086)	3,875,856	(3,239,324)	(1,598,683)	(952,151)	3,426,639	(3,309,324)	(1,610,683)	(1,493,968)
192	Excess/(Deficiency) of Revenue over Expenditures																
193																	
194	Other Financing Sources/Uses																
195	Transfer in from Health & Welfare Fund	176,542			176,542	5,258			5,258								
196	Transfer to Health & Welfare Fund	(173,500)			(173,500)												
198	Transfer in from Cash Flow Fund	1,700,000			1,700,000	1,335,000			1,335,000	1,015,000			1,015,000	1,465,000			1,465,000
199	Transfer to Capital Projects Fund	(15,500)			(15,500)	(15,500)			(15,500)	(15,500)			(15,500)	(15,500)			(15,500)
201	Contribution to Special Education	(3,234,897)			(3,234,897)	(3,278,759)	3,278,759			(3,239,324)	3,239,324		(3,309,324)	(3,309,324)			
202	Contribution to Maintenance & Operations	(1,677,110)			(1,677,110)	(1,596,683)				(1,598,683)				(1,610,683)			
203	TOTAL OTHER SOURCES/(USES)	(3,224,465)			(3,224,465)	(3,540,684)	3,278,759	1,586,683	1,324,758	(3,838,507)	3,239,324	1,598,683	999,500	(3,470,507)	3,309,324	1,610,683	1,449,500
204																	
205	Net Increase/(Decrease) in Fund Balance	(905,921)	(17,418)	(823,693)	(1,747,032)	(193,328)			(193,328)	37,349			37,349	(43,868)			(43,868)
206																	
207	Projected Beginning Balance July 1	2,426,569	139,964	1,151,160	3,717,693	1,520,648	122,546	327,467	1,970,661	1,327,320	122,546	327,467	1,777,333	1,364,669	122,546	327,467	1,814,682
208																	
209																	
210	Projected Ending Balance June 30	1,520,648	122,546	327,467	1,970,661	1,327,320	122,546	327,467	1,777,333	1,364,669	122,546	327,467	1,814,682	1,320,801	122,546	327,467	1,770,814
211																	
212	Components of Ending Fund Balance																
213	Designated for Economic Uncertainties Percentage	3.00%			3.00%	3.00%			3.00%	3.00%			3.00%	3.00%			3.00%
214	Designated for Economic Uncertainties	1,329,874			1,329,874	1,172,988			1,172,988	1,164,376			1,164,376	1,192,328			1,192,328
215	Assigned for Carryover - School Site Donations			245,433	245,433			245,433	245,433			245,433	245,433			245,433	245,433
216	Assigned for Carryover - Mental Health Program			122,546	122,546		122,546	82,034	122,546		122,546	82,034	122,546		122,546	82,034	122,546
217	Assigned for Carryover - Prop 39 Clean Air Act			82,034	82,034			82,034	82,034			82,034	82,034			82,034	82,034
220	Assigned for Carryover - Zilligitt Donation	88,113			88,113	51,671			51,671	3,366			3,366	4,187			4,187
223	Assigned Balance - Supplemental Grant	100,000			100,000	100,000			100,000	94,266			94,266	21,625			21,625
224	Revolving Fund	2,661			2,661	2,661			2,661	2,661			2,661	2,661			2,661
226	Warehouse Stores																
228	Unappropriated Amount																

# ATTACHMENT 1

## BUDGET ASSUMPTION GUIDELINES FOR FISCAL YEARS 2015-16 THROUGH 2018-19

Assumptions must be submitted to support data for the 2016-17 and two subsequent years. The guidelines stated below are provided to assist you with projections for fiscal years 2016-17, 2017-18, and 2018-19.

<b>LCFF REVENUE</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Statutory COLA / Net Funded COLA	1.02%	0.00	1.11%	2.42%
Gap Funding <sup>1</sup> (based on DOF)	53.08%	54.84%	73.96%	41.22%
<b>SPECIAL EDUCATION AND CATEGORICAL PROGRAMS</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
COLA for Special Ed and Other Categorical Programs Outside of LCFF (on state and local share only)	1.02%	0.00%	1.11%	2.42%
<b>LOTTERY REVENUE<sup>2</sup></b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Unrestricted	\$140.00/ADA	\$140.00/ADA	\$140.00/ADA	\$140.00/ADA
Restricted for Instructional Materials	<u>41.00/ADA</u>	<u>41.00/ADA</u>	<u>41.00/ADA</u>	<u>41.00/ADA</u>
Total Lottery Revenue	\$181.00/ADA	\$181.00/ADA	\$181.00/ADA	\$181.00/ADA
<b>OTHER FACTORS</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
CalSTRS Employer Rates	10.73%	12.58%	14.43%	16.28%
CalPERS Employer Rates	11.847%	13.888	15.50%	17.10%
Interest Rate for 10-year Treasuries	1.98%	2.05%	2.43%	2.58%
California Consumer Price Index (CPI)	2.02%	2.15%	2.26%	2.49%
Other Expenses (4000s – 6000s)	2014-15+CPI	2015-16+CPI	2016-17+CPI	2017-18+CPI

<sup>1</sup> There is no statutory requirement to provide Gap funding in any year, when projecting LCF 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

<sup>2</sup> 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. No additional lottery funding provided for Adult Education and ROC/P's ADA beginning in 2015-16.

Attachment No. 2 to:  
Informational Bulletin No. 4375



**San Marino Unified School District  
2016-17 Budget Development Calendar**

February 2016

Cabinet/Principals/Directors Budget Meetings

School Sites' Single Plans for Student Achievement Presented to Board of Education

March 2016

2015-16 Second Interim Financial Report and Projections

Cabinet/Principals/Directors Budget Meetings

April 2016

Preliminary Enrollment Projections for Budget Planning

LCAP Parent Advisory Committee Meetings

District Meetings with SMTA

Cabinet/Principals/Directors Budget Meetings

May 2016

Governor's May Revise

Meeting with SMHS ASB Council - LCAP

DELAC Committee Meetings

LCAP Parent Advisory Committee Meeting

District Meetings with SMTA and CSEA Chapter #120

Cabinet/Principals/Directors Budget Meetings

June 2016

District Meetings with SMTA and CSEA Chapter #120

Cabinet/Principals/Directors Budget Meetings

Public Hearing 2016-19 Local Control Accountability Plan (LCAP)

Public Hearing 2016-17 Proposed District Budget

Proposed 2016-19 LCAP Presented to the Board of Education

Proposed 2016-17 District Budget Presented to the Board of Education

July 2016

Submit Approved 2016-19 LCAP and 2016-17 Adopted District Budget to LACOE

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

**2016-17 County Office Budget  
Assumptions and Recommendations**

These assumptions are recommended for use by districts in developing their 2016-17 Budget and multi-year projections.

**MAY REVISION HIGHLIGHTS**

For the 2016-17 May Revision, the Proposition 98 guarantee is projected to provide an increase of \$288 million over the January Proposed Budget in educational funding bringing the minimum funding level to \$71.9 billion.

The Proposition 98 maintenance factor, which totaled nearly \$11 billion in 2011-12, has been reduced to \$908 million under the May Revision. Although the maintenance factor in the January Proposed Budget of \$6.4 billion was expected to be fully repaid by the end of 2016-17, reduced revenues for 2015-16 and increased growth in per capita income resulted in increases in the maintenance factor of \$155 million for 2015-16 and \$548 million in 2016-17.

**Major components of the Governor's May Revision are:**

\$2.9 billion to continue implementation of the Local Control Funding Formula (LCFF) which equates to a 54.84 gap closure percentage;

\$2.0 billion contribution to the "Rainy Day" fund;

\$1.4 billion in one-time Prop 98 funding to further implement the State adopted academic standards. Note these funds will offset any applicable mandate reimbursement claims;

\$300 million for year 2 of the transitional Career Technical Education Incentive Grant (CTEIG) Grant Program

**LCFF FUNDING**

The Governor proposed \$2.9 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 0.00 (zero) percent for 2016-17, and is projected at 1.11 percent for 2017-18 and 2.42 percent for 2018-19.

**LCFF Funding Projections**

The County Office LCFF revenue projections are used to validate district budget revenue projections. The formulas used in these projections have been synced with the Fiscal Crisis and Management Assistance Team (FCMAT) Calculator's formulas. It is strongly recommended that districts utilize these updated County Office LCFF revenue runs to project estimated revenues for the 2016-17 Budget and multi-year projections. Our review of districts' projections will use that data.

Attachment No. 1 to:  
Informational Bulletin No. 4375

These projections have also been updated to reflect the new Proportionality Percentage calculation, 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 \$737 per average daily attendance (ADA) for 2016-17. When the LCFF is fully funded, and as a condition of receipt, districts will maintain average class sizes of 24:1, unless a locally alternative ratio is bargained. 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 \$223 per ADA. While commonly referred to as CTE, no specific requirement is made to allocate these funds for CTE. Notwithstanding, 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, English Learner (EL), and foster youth. Each district will determine the unduplicated count of these students. A three-year rolling average of this count will be used as the basis for funding. This count is expressed as a percentage of total enrollment.

The Supplemental Grant provides an additional 20 percent of the Base Grant multiplied by the unduplicated count percentage. The Concentration Grant provides additional funding for districts with unduplicated counts greater than 55 percent, with an additional 50 percent of the Base Grant multiplied by the unduplicated count in excess of 55 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 continues to provide home-to-school transportation funding directly to joint powers authorities (JPAs). 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 2016-17 and 2017-18 are:

Grade	Base Grant	2016-17 COLA	2016-17	2017-18 COLA	Base Grant
Level	per ADA	0.00 percent	Base Grant	1.11 percent	per ADA
K-3	\$7,083	\$0	\$7,083	\$79	\$7,162
4-6	\$7,189	\$0	\$7,189	\$80	\$7,269
7-8	\$7,403	\$0	\$7,403	\$82	\$7,485
9-12	\$8,578	\$0	\$8,578	\$95	\$8,673

### **LCFF Funding Increases**

The Base Grant rates are increased annually by the statutory COLA. The statutory COLA for 2016-17 is 0.00 (zero) percent. The estimated COLAs for 2017-18 are 1.11 percent and 2.42 percent for 2018-19. *The COLA affects only the calculation of the LCFF Target, and does not describe the net increase in funding for each district.*

The Governor's May Revision increases LCFF funding by \$2.9 billion in 2016-17 and would fund each district's Gap by an estimated 54.48 percent. The result is 87 percent of the gap has been closed within the first four years and LCFF will be 95.7 percent implemented in 2016-17. The Department of Finance projects that enough additional funds will be provided to fund the Gap by 73.96 percent in 2017-18 and by 41.22 percent in 2018-19. 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. **These projections assume Proposition 30 is allowed to expire.**

Based on our calculations of Los Angeles County school districts' LCFF revenues, the increases from 2015-16 to 2016-17 range from just under 3.5 percent to just under 8.0 percent per ADA. This range, which has gradually closed after several years, is a clear indication that each district must understand the unique impact of the LCFF funding on their district.

### **Local Control and Accountability Plans (LCAP)**

Careful alignment of the district LCAP and budget is essential. The LCAP review by County Offices of Education (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 (1) the LCAP adheres to the template adopted by the State Board of Education (SBE); (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.; and 3) the LCAP adheres to the SBE expenditure regulation.

District LCAPs are to be adopted by the local governing board on or before July 1, 2016, and within five days transmit the adopted LCAP to the County Superintendent of Schools.

Refer to Informational Bulletin No. 4372 dated June 1, 2016, for additional information.

The SBE approved key indicators at the June 1, 2016, meeting and approved a method for calculating performance as a combination of outcome and improvement, allowing performance to be differentiated at the LEA levels and for student subgroups. Additional key indicators reflective of the State's educational priorities will be considered at the SBE meeting in July. The SBE will continue to work to meet its statutory deadline of October 1, 2016, for the much anticipated accountability system rubrics.

## **Maintenance of Effort (MOE)**

### Regional Occupational Centers/Programs (ROC/Ps)

The May Revision continues to treat ROC/Ps as part of 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 represents the funding allocated to these programs in prior years. Beginning in 2014-15, a CTE component is required in the LCAP. After the MOE period expired on June 30, 2015, current law does not require lead agencies and county offices to continue to forward these funds to districts.

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

The May Revision again provides \$500 million in funding for the Adult Education Block Grant Program dedicated to funding adult education programs in 2016-17. These funds will supplant the funding (which was certified by the State Superintendent of Public Instruction [SSPI] in July 2015) school districts may have been allocating for Adult Education programs in the past year(s) and are capped at \$375 million. In 2015-16, funding was provided directly to K-12 school districts in the amount equal to their 2014-15 MOE expenditures. Future funds will be allocated to 71 previously established regional adult education consortia.

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

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

### California Career Technical Education Incentive Grant

The May Revision continues to provide the second year of “bridge funding” of \$300 million for 2016-17 for the transitional California Career Technical Education Incentive Grant (CTEIG) Program.

The local match ratio requirement increases each year from 1:1 in 2015-16, 1.5:1 in 2016-17 and 2:1 in 2017-18. The expectation is that LEAs will use LCFF and the 9-12 grade span adjustment (GSA) funds to support the program beginning 2018-19. Any CTE programs should be included in your LCAP.

## **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 calendar year 2016
- Temporary increase in the income tax rate for the State’s wealthiest taxpayers of up to 3.0 percent through calendar year 2018

It is projected these tax increases will generate up to \$8.0 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, COEs 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 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 is a third revenue source besides local property tax revenue and State Aid.

### **Reporting Requirements**

Proposition 30 required that each agency use the new revenues for any purpose excluding administration. **The Governing Board will make the spending determination of these funds annually in an open session of a public meeting.** 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.

### **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) established new transparency requirements and contained a provision that would place a hard cap on the combined assigned and unassigned unrestricted ending fund balance. Additional details of the new reserve requirements are listed below.

### **Public Hearing Requirement for Excess Reserves**

Beginning in 2015-16, districts that propose to adopt a budget that includes a combined assigned (Object Codes 9770-9788) and unassigned (Object Codes 9789-9790) ending fund balance in excess of the minimum recommended reserve for economic uncertainties (REU) must provide the following information at the public hearing for their proposed budget prior to budget adoption:

- The minimum REU level required in each year identified in the budget
- The amount of assigned and unassigned ending fund balance that exceeds the minimum REU in each year
- Reasons for the REU being greater than the minimum

Pursuant to EC Section 42127(a)(2)(C), the district's governing board must include this information each time it files an adopted or revised budget with the county superintendent, as well as maintain and make it available for public review. While there is no State sanctioned format for providing this information, **districts that fall under this requirement should expect to provide and submit the information in writing in a similar manner and format as the budget narrative and assumptions normally submitted with their adopted budget.** In addition, the Budget Certification (Form CB) from the State SACS software includes a check box for affected districts to certify their compliance with this new requirement. We have also included Form No. 504-074 "Sample Template REU Disclosure Requirements" (Attachment No. 6) to assist districts in reporting this requirement. The template may be found at the following website:

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

County Offices continue to reinforce the need for reserves over the minimum reserve requirements. The experience of the most recent recession has clearly demonstrated these minimum levels cannot protect educational programs from severe disruption in an economic downturn. The typical 3.0 percent reserve minimum represents less than two weeks of payroll for many districts. Many LEAs have established reserve policies calling for higher than minimum reserves, recognizing their duty to maintain fiscal solvency. The adequacy of a reserve level should be assessed based on the LEA's own specific circumstances.

## CASH FLOW PROJECTIONS

### 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 2016-17 and 2017-18.**

Districts must consider the impact of the ongoing and subsequently declining (as elements of Proposition 30 begin to expire at the end of 2016) quarterly receipts of EPA, as EPA revenues are distributed at the end of each quarter in September, December, March, and June and State Aid is received on a monthly basis.

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 also ensure they have Board resolutions to authorize inter-fund 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. 4369, dated May 18, 2016, issued by the Division of School Financial Services.

**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 2016-17 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

### Deferred Maintenance

Deferred Maintenance no longer exists as a separate program and is now a permanent part of the LCFF base grant. However, districts are still required to appropriately maintain their facilities. The responsibility for maintaining district facilities is one of the eight State priorities and should be included in the district's LCAP. In addition, the Williams Act facility requirements will continue. **We recommend that districts set aside funds in a separate resource for deferred maintenance that is not available for other general fund purposes.**

### Routine Restricted Maintenance (RRM)

As specified in AB 104, there is a gradual increase in the required contribution for the RRM to 3 percent. For 2015-16 and 2016-17, the RRM contribution is the lesser of 3 percent of the total General Fund expenditures or the amount deposited in 2014-15. For 2017-18, 2018-19 and 2019-20, the RRM contribution is the greater of (1) the lesser of 3 percent of the total General Fund expenditures or the current amount deposited in 2014-15 or (2) 2 percent of the total General Fund expenditures. In 2020-21 and beyond, at full LCFF implementation, the minimum RRM contribution is 3 percent of the total General Fund expenditures.

### Mandated Block Grant (MBG)

The 2016-17 May Revised Budget provides \$219.6 million for the MBG. The rates continue to be separated into grade span-specific rates, with grades 9-12 receiving higher amounts based on the inclusion of Graduation Requirement mandate. See the table below for the per ADA rates.

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

Districts opting to receive block grant funding must elect to participate in the block grant by August 31 of each year. Funds are typically received in November. We recommend that school districts continue to adhere to all mandate requirements, and districts that opt out of the MBG should continue to budget revenue on a cash basis. LEAs that opted in to the MBG can budget this revenue. Districts that do not opt to receive funding through the MBG would continue to collect data and submit for reimbursement.

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

<http://www.cde.ca.gov/fg/fo/r14/mandatebg15result.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. However, the Governor intends to pay down the obligation over the next few years, and completely by 2017-18.

### **One-Time Discretionary Funds (Mandated Cost Reimbursement)**

The May Revision includes \$1.42 billion, an increase in \$138 million from the January Proposed Budget, in one-time funds continuing to pay down a portion of the debt owed to LEAs for mandated cost reimbursement. The funds may be used for any purpose as determined by the district's Governing Board. The distribution of the mandate reimbursement is on a per ADA basis, estimated at \$237 per ADA. These funds will be apportioned **whether or not the LEA had any prior year claims**, and will offset State obligations for any LEA with outstanding mandate. The Department of Finance estimates there is \$1.6 billion obligation left in the mandate backlog.

### **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. The Proposed Budget provided \$365.4 million. The May Revision provides \$398.8 million, an increase of \$91 million from 2015-16. Additional information may be found at the Proposition 39 website available at:

[www.energy.ca.gov/efficiency/proposition39/index.html](http://www.energy.ca.gov/efficiency/proposition39/index.html)

### **Lottery**

Based on the projected sales for 2015-16 of \$6.0 billion, LEAs should use \$140 per ADA unrestricted and \$41 per ADA restricted, for instructional material purchase, for 2016-17, 2017-18 and 2018-19. As a reminder, no additional lottery funding is provided for Adult Education and ROC/P's ADA beginning in 2015-16.

### **CALPADS**

Additional functionality has been added to CALPADS, including identification of foster youth enrolled in LEAs based on a State-wide match and a certification report from COEs for students 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, Districts should ensure this data is up-to-date and accurate.*

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 gap, as a condition of apportionment. **Districts should plan to reduce class sizes in grades K-3 by 54.84 percent of the difference between the current year class size and the school site average target of 24 students per class. Districts that fail to meet the above requirements at each school site will lose 100 percent of this additional funding in that fiscal year, estimated to be \$380 per ADA for all ADA generated in grades TK-3.** We anticipate that the K-3 GSA requirement will be included in the 2015-16 Audit Guide.

### **Preschool/Early Childhood Education**

Similar to the January Proposed Budget, the May Revision proposes a \$1.6 billion Early Education Block Grant (EEBG), by consolidating the Proposition 98 funding from the State Preschool Program, TK, and the Preschool Quality Rating and Improvement Grant. The block grant funding formula intends to mirror the core tenets of the LCFF, ensuring that funds would be provided equitably to schools with higher percentages of disadvantaged students. **This program eliminates TK beginning July 1, 2017.**

Some features of the EEBG include:

- Districts must develop and adopt a three-year community early learning plans
- The minimum school day and year will be equivalent to the district's kindergarten program
- Provides a three-year hold harmless based on 2016-17 levels that include:
  - ADA amount for TK students
  - Amount received for part and full-day State preschool

Amount provided to non-LEAs for State preschool programs within the district's boundaries, except community college programs

### **Special Education**

The 2016-17 May Revision is similar to what was included in the January Proposed Budget and contains an increase to \$5.02 billion for Special Education, \$3.18 billion in State funds, and \$1.21 billion in Federal funds and \$627 million in Local funds. Special Education receives no additional funding for COLA for 2016-17. The Federal funding contribution to pay for the Federal special education mandate is only 10 percent of the total cost of special education. The remainder of the costs are funded by the State (30 percent) and the balance by the LEA's General Fund (60 percent).

The Governor has called for another study regarding Special Education Financing. The Public Policy Institute of California will release its findings in the Fall of 2016.

### **Extraordinary Costs**

SELPA's with single placement extraordinary costs are eligible to submit for costs exceeding the threshold under 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 2014-15 should have been filed by November 30, 2015. Claims for 2015-16 must be filed by November 30, 2016, to ensure eligibility for funding. As a reminder, these claims require submittal to and certification by the County Office before final submittal to the CDE.

### **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. 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 distributing 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 SMAA claiming units in California and found them to be 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 SMAA claiming districts would be deferred until the California SMAA plan was revised and additional documentation was received.

On October 7, 2014, DHCS shared an approval letter from CMS that detailed the methodology and timeline that DHCS had to abide by to resolve the deferred invoices (from fiscal year [FY] 2010-11 and FY 2011-12) and the interim invoices (from FY 2012-13 and FY 2013-14 and FY 2014-15 quarters 1 and 2.). This plan allows DHCS to make interim payments to LEAs; the basis of the payments is a sliding scale of payments using a set of percentages that are applied based upon the value of the placeholder invoices:

### **Deferral Resolution (FY 2009-10 Quarter 4- FY 2011-12)**

- Invoices Under \$25,000 – CMS has released these deferrals at 100 percent and are not requiring backcasting
- Invoices between \$25,001-\$50,000 – Claiming units have a choice between the following two options that must be selected prior to payment:
  1. Accept an interim payment of 75 percent and agree to backcast
  2. Accept a settlement amount of either 75 percent of the claimed amount or a flat \$25,000, whichever is higher
- Invoices over \$50,000 – CMS has approved an interim payment of 40 percent of the claimed amount and require backcasting

### **Deferral Resolution for Claiming Units No Longer Participating in the Program**

- Invoices Under \$25,000 – CMS has released these deferrals at 100 percent
- Invoices between \$25,001-\$50,000 – CMS will release 75 percent of the claimed amount with a 5 percent reduction
- Invoices over \$50,000 – CMS will release 40 percent of the claimed amount with a 5 percent reduction

**[Statewide, deferred claiming under these terms was more than \$31.4 million; however, due to other pending DHCS deferrals, less than \$5.5 million dollars was reimbursed.]**

**Interim Claiming Resolution (FY 2012-13 – FY 2014-15 Q2)**

- Invoices Under \$25,000 – Interim payment of 90 percent subject to backcasting
- Invoices between \$25,001-\$50,000 – Interim payment of 75 percent subject to backcasting
- Invoices over \$50,000 – Interim payment of 40 percent subject to backcasting

**(In Region 11, interim claiming under these terms was more than \$8.8 million; \$6.0 million dollars has been reimbursed to date.)**

The plan also requires DHCS to submit a backcasting proposal utilizing statewide Random Moment Time Survey (RMTS) results from the first four quarters of RMTS surveying. DHCS conferred with an ad hoc committee of RMTS stakeholders and submitted a final backcasting proposal on April 1, 2015. *(Backcasting is the process whereby past invoice amounts that utilized the flawed worker log survey methodology to generate the reimbursement percentages will be adjusted by replacing those reimbursement percentages with statistically valid percentages from the first four quarters of California's RMTS survey results.)* As of this writing, DHCS is still awaiting formal approval from CMS on the submitted backcasting methodology.

To date, Region 11 has received and distributed over \$14 million in interim payments from FY 2012-13 and FY 2013-14 to participating districts. Other pending deferrals has prevented DHCS from distributing the \$4.8 million of deferred payments from FY 2010-11 and FY 2011-12.

The new RMTS methodology has been implemented and in use since January 1, 2015. Pending approval of the revised statewide claiming plan and claiming invoice has delayed any claims being submitted under the new methodology.

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

**SAN MARINO USD**  
**2016-17 Projected Enrollment**  
**- for Budget Planning Purposes**

Attachment 4  
Bd Mtg 06-28-16

School Site	--2013/14 --		--2014/15 --		--2015/16 --		--2016/17 Proj.--	
	CBEDS	P2 ADA	CBEDS	P2 ADA	CBEDS	P2 ADA	Enroll*	ADA
<b>Carver Elementary</b>								
TK	0	0.00	0	0.00	0	0.00	15	14.63
K	85	83.71	107	103.96	102	96.79	79	77.03
1	96	93.51	77	76.20	93	90.09	100	97.50
2	91	90.54	102	97.79	82	79.89	97	94.58
3	96	93.37	94	90.81	107	104.35	89	86.78
4	114	113.76	105	102.02	102	99.96	108	105.30
5	117	112.98	126	124.87	100	97.06	111	108.23
	<b>599</b>	<b>587.87</b>	<b>611</b>	<b>595.65</b>	<b>586</b>	<b>568.14</b>	<b>599</b>	<b>584.05</b>
<b>Valentine Elementary</b>								
TK	0	0.00	0	0.00	0	0.00	14	13.65
K	93	90.57	69	67.22	109	104.03	77	75.08
1	90	86.71	105	101.41	80	76.19	106	103.35
2	71	69.69	94	90.34	101	97.49	85	82.88
3	91	89.20	78	76.37	98	93.54	103	100.43
4	113	110.51	86	84.43	76	73.93	99	96.53
5	124	119.82	118	114.24	97	93.04	84	81.90
	<b>582</b>	<b>566.50</b>	<b>550</b>	<b>534.01</b>	<b>561</b>	<b>538.22</b>	<b>568</b>	<b>553.82</b>
<b>Huntington Middle</b>								
6	240	235.97	257	249.38	257	250.01	222	216.45
7	259	253.19	247	242.60	266	256.84	267	260.33
8	283	275.12	280	270.01	257	250.62	267	260.33
	<b>782</b>	<b>764.28</b>	<b>784</b>	<b>761.99</b>	<b>780</b>	<b>757.47</b>	<b>756</b>	<b>737.11</b>
<b>San Marino High</b>								
9	264	259.77	301	297.04	285	278.66	290	282.75
10	334	324.16	282	272.01	311	302.24	296	288.60
11	274	266.21	341	329.51	275	265.55	315	307.13
12	290	280.04	265	257.04	329	317.89	274	267.15
	<b>1,162</b>	<b>1,130.18</b>	<b>1,189</b>	<b>1,155.60</b>	<b>1,200</b>	<b>1,164.34</b>	<b>1,175</b>	<b>1,145.63</b>
<b>TOTAL TK-12</b>	<b>3,125</b>	<b>3,048.83</b>	<b>3,134</b>	<b>3,047.25</b>	<b>3,127</b>	<b>3,028.17</b>	<b>3,098</b>	<b>3,020.61</b>
<b>Home/Hospital</b>		<b>0.28</b>		<b>0.25</b>		<b>0.34</b>		
<b>SDC - ESY</b>		<b>4.36</b>		<b>7.41</b>		<b>7.27</b>		<b>6.00</b>
<b>NPS - Annual</b>	<b>8</b>	<b>8.09</b>	<b>8</b>	<b>9.27</b>	<b>9</b>	<b>9.25</b>	<b>8</b>	<b>8.00</b>
<b>County ADA</b>		<b>0.00</b>		<b>7.35</b>		<b>7.53</b>		<b>7.00</b>
<b>TOTAL</b>	<b>3,133</b>	<b>3,061.56</b>	<b>3,142</b>	<b>3,071.53</b>	<b>3,136</b>	<b>3,052.56</b>	<b>3,106</b>	<b>3,041.61</b>

\* Based on enrollment projections as of 05-31-16.

\* Added 10 students each to Grades K, 1, 6 and 9.

**SAN MARINO UNIFIED SCHOOL DISTRICT  
2016-17 Proposed Budget Assumptions**

<b>BUDGET ASSUMPTIONS</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>REVENUES</b>				
Projected CBEDS Enrollment	3,136	3,106	3,106	3,106
Projected Funded Average Daily Attendance	3,071.53	3,052.56	3,041.61	3,041.61
COLA (%)	1.02%	0.0029%	1.11%	2.42%
LCFF Gap Funding Percentage	53.08%	54.84%	73.96%	41.22%
LCFF Gap Funding	\$2,485,584	\$1,256,559	\$965,135	\$388,590
LCFF Funding - TOTAL	\$23,272,435	\$24,355,360	\$25,235,043	\$25,635,554
K-3 Grade Span Adjustment (per ADA)	\$737	\$737	\$745	\$763
9-12 Grade Span Adjustment (per ADA)	\$223	\$223	\$225	\$231
Unduplicated Student Count	502	500	500	500
Unduplicated Student Percentage (Average)	15.38%	15.86%	16.18%	16.18%
Proportionality Funding for Unduplicated Students	\$538,905	\$668,260	\$762,526	\$784,151
Education Protection Account (EPA)	\$4,240,984	\$4,240,984	\$4,240,984	\$4,240,984
Unrestricted Lottery (per ADA)	\$140	\$140	\$140	\$140
Restricted Lottery (per ADA)	\$41	\$41	\$41	\$41
Mandated Block Grant	\$119,193	\$119,193	\$119,193	\$119,193
Discretionary One-Time Funding (est.)	\$1,621,754	\$610,800	\$0	\$0
LACOE ROP/CTE Funding	\$154,856	\$0	\$0	\$0
Special Education Funding	\$2,472,072	\$2,352,105	\$2,352,105	\$2,352,105
Parcel Tax Revenues (Measure R) 2019	\$1,522,480	\$1,525,000	\$1,525,000	\$1,525,000
Parcel Tax Revenues (Measure E) 2021	\$3,912,783	\$3,920,000	\$3,920,000	\$3,920,000
San Marino Schools Foundation	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
San Marino Schools Foundation Excess Contribution	\$1,129,111	\$1,000,000	\$1,000,000	\$1,000,000
Use of District Facilities	\$300,000	\$325,000	\$325,000	\$325,000
Interest	\$35,000	\$0	\$0	\$0

**SAN MARINO UNIFIED SCHOOL DISTRICT  
2016-17 Proposed Budget Assumptions**

BUDGET ASSUMPTIONS		2015-16	2016-17	2017-18	2018-19
<u>EXPENDITURES/TRANSFERS OUT</u>					
Certificated SMTA Salaries	Step & Columnn Adjustments; 3.50% Schedule Adjustment; 188 Work Days For Teachers; 190 Work Days for Counselors; 195 Work Days for TOSAs	TBD	TBD	TBD	TBD
Classified CSEA/Non-Represented Salaries	Step & Longevity; 3.50% Schedule Adjustment	TBD	TBD	TBD	TBD
Management & Administrative Salaries	Step Adjustment; 3.50% Schedule Adjustment	TBD	TBD	TBD	TBD
Health Benefits - Major Medical	Transfer Balance from Health Benefits Reserve Fund to offset premium increase. District to contribute 90% for Employee Only; 70% for Two Party and Family Coverage	TBD	TBD	TBD	TBD
Health Benefits - Other Medical	District to fund Delta Dental (employee only), Delta Care, Vision, Life and Employee Assistance Program	TBD	TBD	TBD	TBD
Status of Bargaining Unit Negotiations	Settled			Pending	Pending
STRS Employer share	10.73%	12.58%	14.43%	16.28%	16.28%
PERS Employer share	11.847%	13.888%	15.500%	17.100%	17.100%
School Sites - Support Allocation	\$200 per student	\$100 per ES/MS student; \$125 per HS student	\$100 per ES/MS student; \$125 per HS student	\$100 per ES/MS student; \$125 per HS student	\$100 per ES/MS student; \$125 per HS student
School Sites - Textbook Allocation	\$50 per student	\$25 per student	\$25 per student	\$25 per student	\$25 per student
School Sites - SPSA Allocation	\$75 per student	\$0	\$0	\$0	\$0
School Sites - TIIG Allocation	\$40,000 per site	\$325 per Unduplicated Pupil Count	\$325 per Unduplicated Pupil Count	\$325 per Unduplicated Pupil Count	\$325 per Unduplicated Pupil Count
School Sites - Restricted Lottery Allocation	\$25 per student	\$25 per student	\$25 per student	\$25 per student	\$25 per student
Transfer to Capital Projects Fund	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500
Reserve for Economic Uncertainties	3.00%	3.00%	3.00%	3.00%	3.00%