



# METROPOLITAN EDUCATION DISTRICT

**2013-14 Second Interim Budget**  
**March 12, 2014**



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# Overview

1. The Local Control Accountability Plan (LCAP)
2. The Bottom Line –  
At Second Interim
3. Multi-year Projections
4. Looking Ahead
5. Summary



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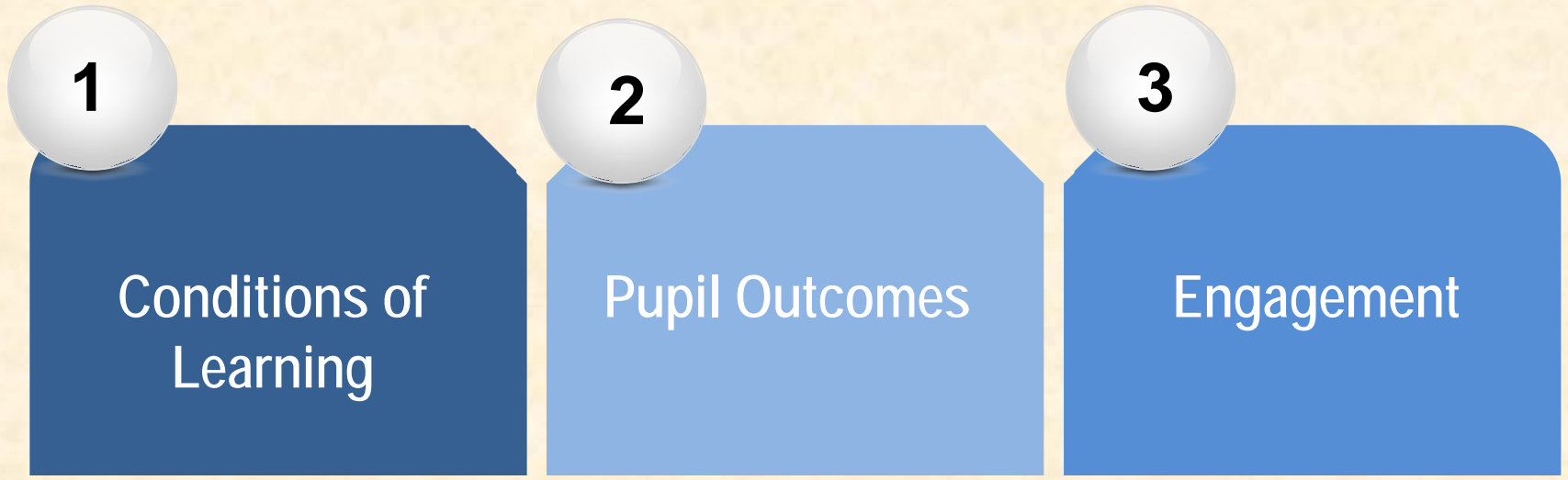
# The LCAP



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# The LCAP - Three Categories for Planning Purposes

- The proposed LCAP template groups the eight state priorities into three categories for planning purposes



- Initial LCAP planning requires the collection of data you will use to inform plan goals and actions, and precedes the engagement of stakeholders in plan development

# Using all the Determinants as a Guide

21 <sup>st</sup> Century Learning	Common Core State Standards	State Priorities	District Focus Areas
Adopt Vision		Adopt Standards	
Involve Community	Involve Stakeholders	Parent Involvement	Public Relations
Align System	Align Materials	Materials	Organizational Structure
Build Capacity	Build Capacity	School Climate	
Focus Curriculum	Align Curriculum	Course of Study, Pupil Engagement	
Support Teachers	Assistance & Support; Professional Development	Credentials	Professional Development
Improve & Innovate	Assessment; Student Transitions	Pupil Outcomes; Pupil Achievement	
	Technology		Technology
	Align HR and Fiscal		Human Resources

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# Progress toward the LCAP

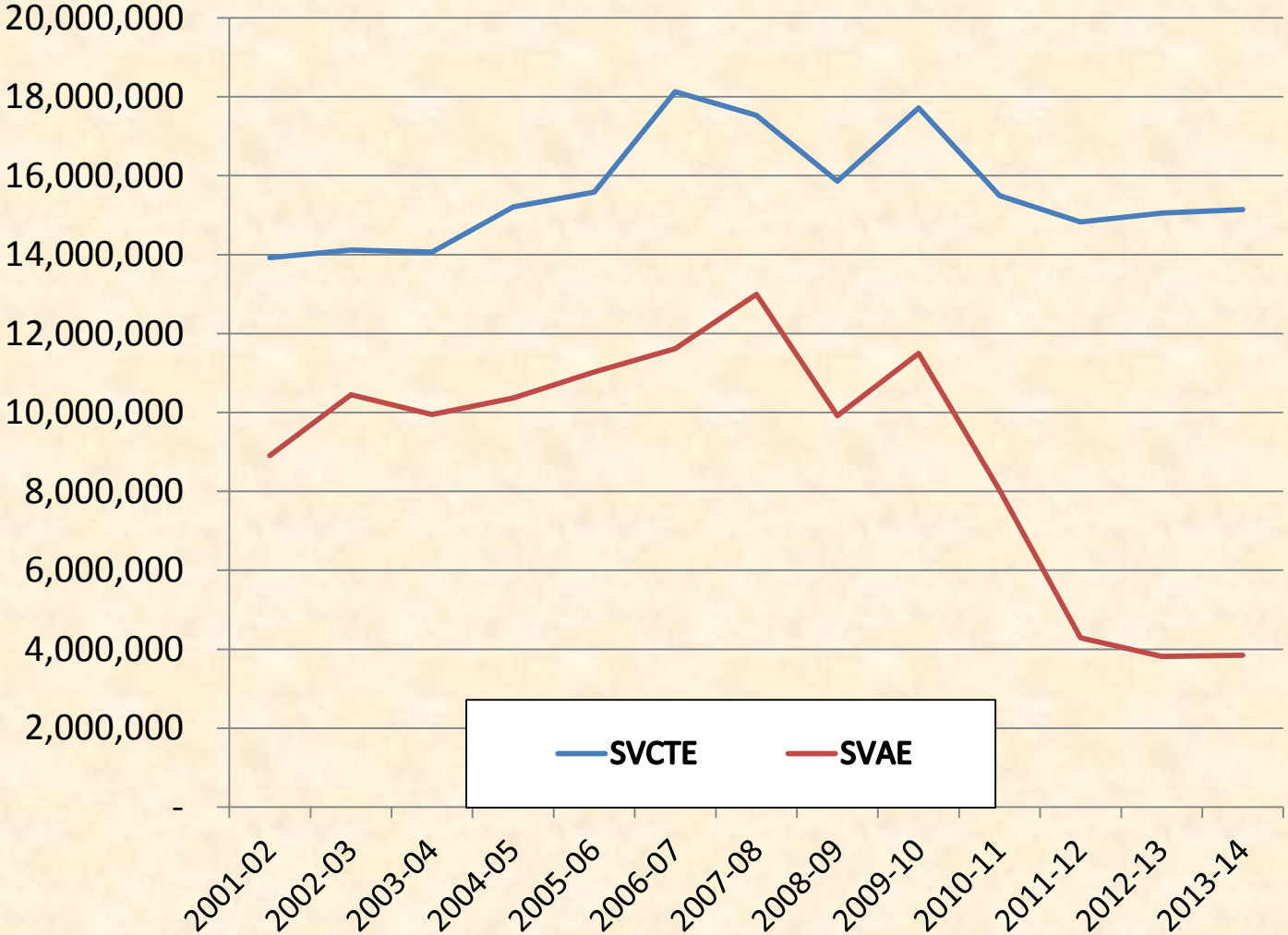
- A Climate Survey Committee anticipates having the survey ready in April.
- Credential audits have been done.
- Budget Advisory Committee has begun to determine resources needed and measurable outcomes of priority areas.

# The Fiscal Picture



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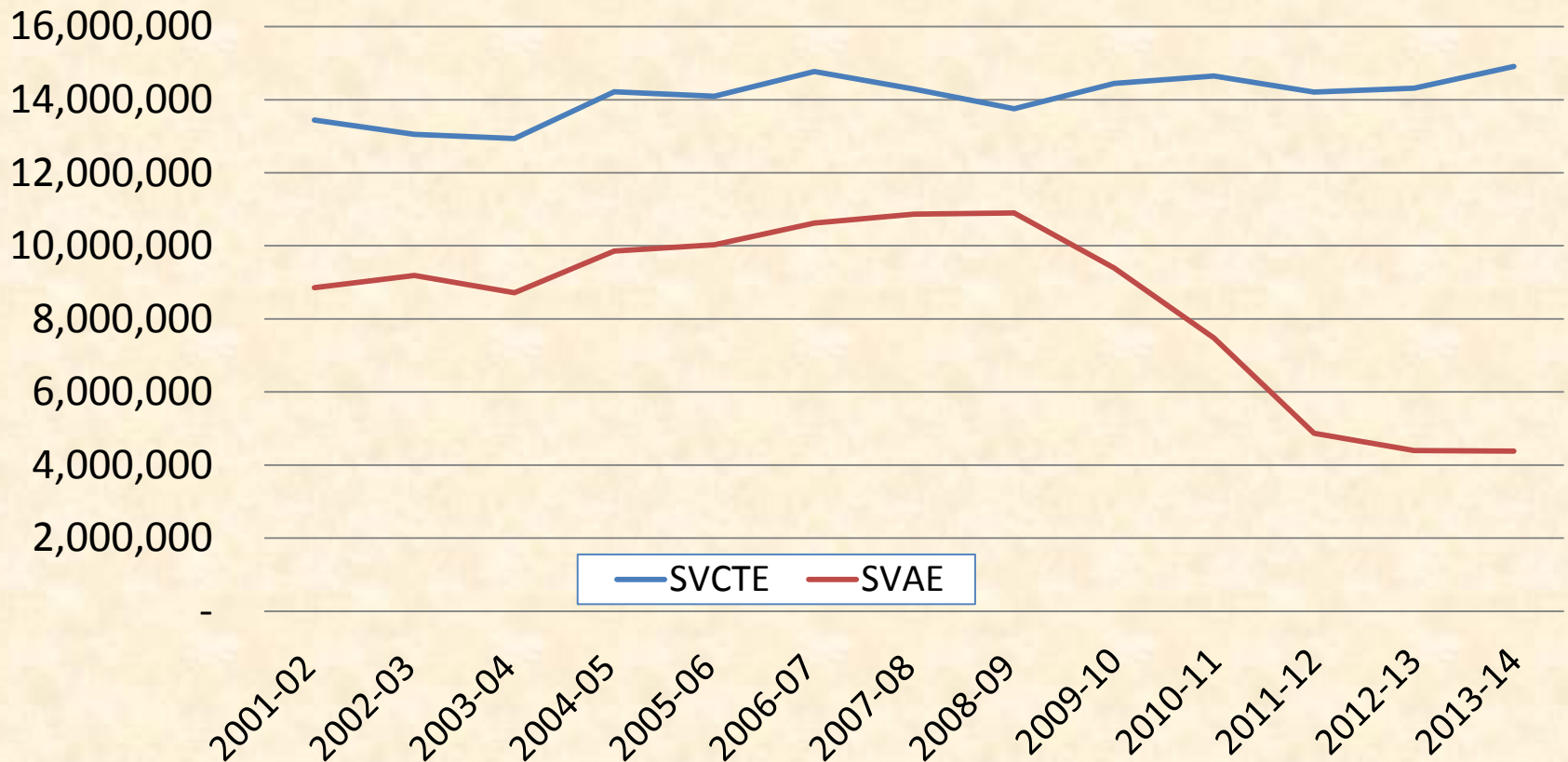
# Revenue Over Time



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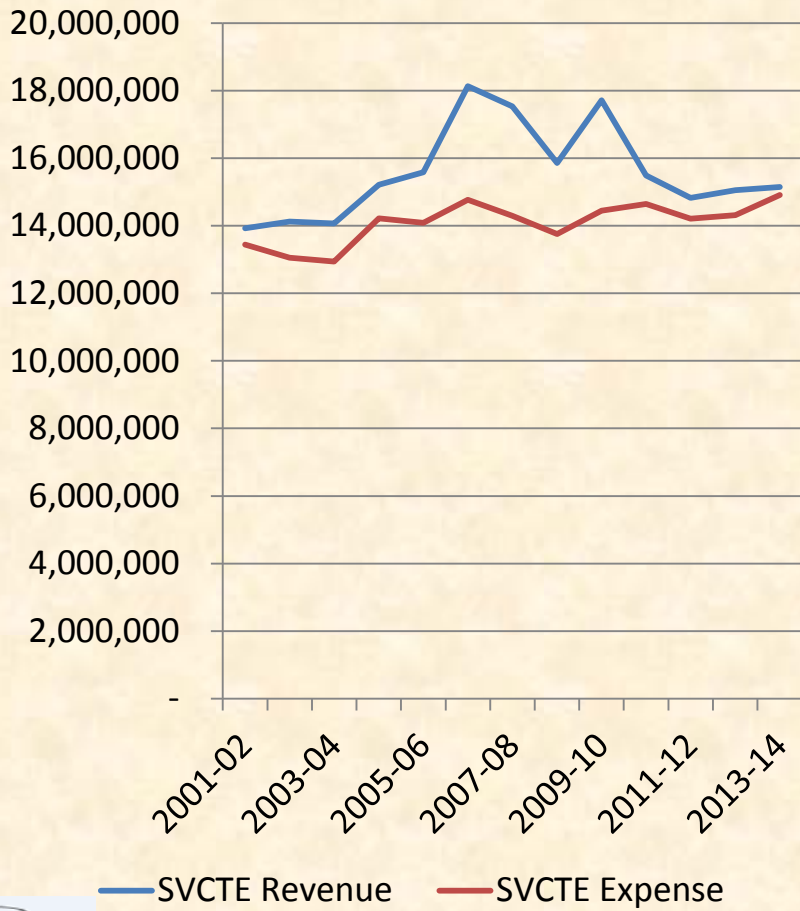
# Expenses Over Time



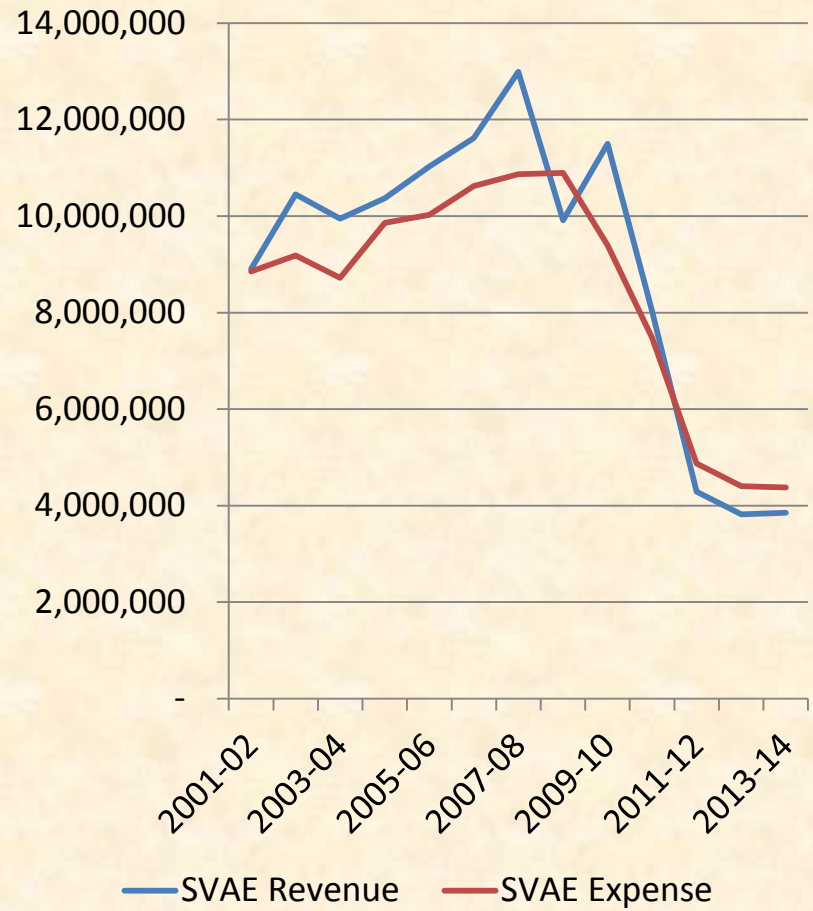
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# Side by Side Comparison

## Silicon Valley CTE



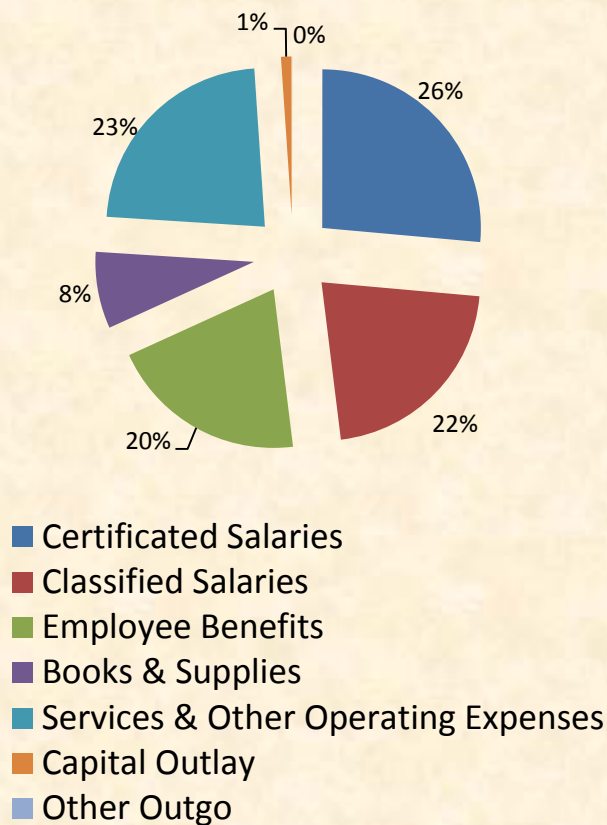
## Silicon Valley Adult Ed



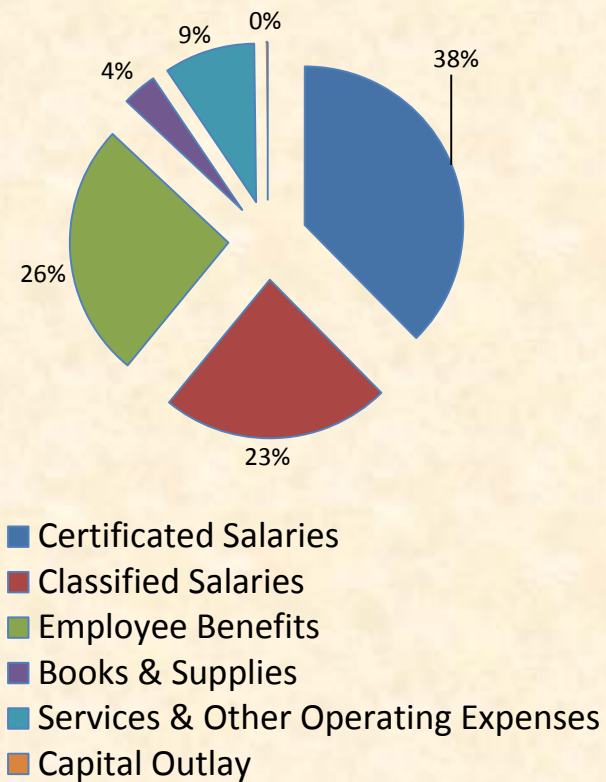
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# Expenditures

## General Fund (ROP)



## Adult Education Fund



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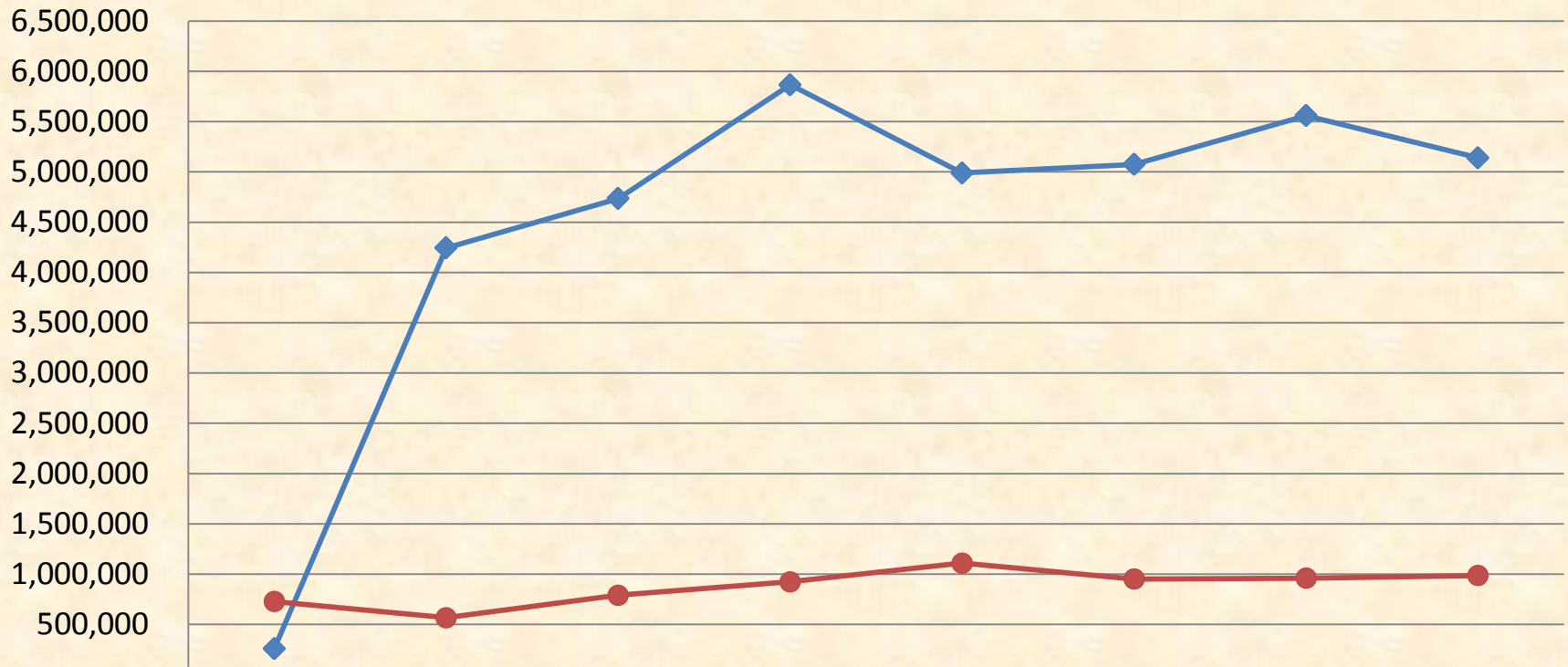
# The Bottom Line

	ROP	Adult Ed
Revenues	\$15,144,918	\$3,850,109
Expenses	\$14,908,687	\$4,377,033
Net Change +/-	\$236,231	<b>-\$526,924</b>



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# Cashflow



	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
◆ Fund 010 (ROP)	257,168	4,243,546	4,734,522	5,865,805	4,989,345	5,075,163	\$5,558,884	\$5,139,968
● Fund 110 (Adult)	727,455	566,758	790,193	923,169	1,109,071	951,427	\$959,803	\$986,080



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# Multi-Year Projections

Fund 010 (ROP)		2013-2014		2014-2015		2015-2016	
Revenues	\$	15,144,918	\$	14,573,610	\$	14,573,610	
Expenditures	\$	14,908,687	\$	15,026,213	\$	15,265,380	
Net Transfers	\$	(31,598)	\$	(31,598)	\$	(31,598)	
Net Change +/-	\$	204,633	\$	(484,202)	\$	(723,369)	
<i>Projected Ending Balance</i>	\$	<i>5,243,408</i>		<i>4,759,206</i>	\$	<i>4,035,837</i>	

Fund 110 (Adult)		2013-2014		2014-2015		2015-2016	
Revenues	\$	3,850,109	\$	3,850,109	\$	3,850,109	
Expenditures	\$	4,377,033	\$	4,477,132	\$	4,580,082	
Net Transfers	\$	251,364	\$	38,800	\$	38,800	
Net Change +/-	\$	(275,560)	\$	(588,223)	\$	(691,173)	
<i>Projected Ending Balance</i>	\$	<i>1,286,716</i>	\$	<i>698,493</i>	\$	<i>7,320</i>	



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# A Picture Is Worth A Thousand Words.....

Description	Account Codes	Unaudited Actuals 2012-13	2nd Interim 2013-14	Projected 2014-15	Projected 2015-16	Projected 2016-17
<b>REVENUES:</b>						
Revenue Limit Sources	8010-8099	-	-	-	-	-
Federal Revenues	8100-8299	63,319	75,092	75,092	75,092	75,092
Other State Revenues	8300-8599	13,009,042	12,948,635	12,566,864	11,366,864	-
Other Local Revenues	8600-8799	1,978,844	2,121,191	1,931,653	1,931,653	1,931,653
<b>TOTAL REVENUES</b>		<b>15,051,204</b>	<b>15,144,918</b>	<b>14,573,609</b>	<b>13,373,609</b>	<b>2,006,745</b>
<b>EXPENDITURES:</b>						
Certificated Wages	1000-1999	3,160,987	3,434,690	3,509,065	3,583,440	1,791,720
Classified Wages	2000-2999	2,976,800	2,812,207	2,839,444	2,866,681	1,433,340
Employee Benefits	3000-3999	2,437,382	2,620,094	2,751,098	2,888,653	1,444,326
Books & Supplies	4000-4999	1,181,788	1,015,039	1,014,139	1,014,139	507,070
Other Operating Expenses	5000-5999	2,582,748	2,980,415	2,917,382	2,917,382	1,458,691
Capital Outlay	6000-6999	73,361	137,377	86,220	86,220	-
Other Outgo (incl 7400-7499)	7100-7299	1,902,458	1,908,866	1,908,866	1,908,866	1,893,716
Direct Support/Indirect Costs	7300-7399	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>		<b>14,315,524</b>	<b>14,908,687</b>	<b>15,026,213</b>	<b>15,265,380</b>	<b>8,528,863</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER</b>		<b>735,680</b>	<b>236,231</b>	<b>(452,604)</b>	<b>(1,891,771)</b>	<b>(6,522,118)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers In	8910-8929	168,385	7,202	7,202	7,202	3,313,755
Transfers Out	7610-7629	(415,643)	(38,800)	(38,800)	(38,800)	-
Other Sources	8930-8979	-	-	-	-	-
Other Uses	7630-7699	-	-	-	-	-
Contributions to Restricted	8980-8999	-	-	-	-	-
<b>TOTAL OTHER SOURCES</b>		<b>(247,258)</b>	<b>(31,598)</b>	<b>(31,598)</b>	<b>(31,598)</b>	<b>3,313,755</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>		<b>488,422</b>	<b>204,633</b>	<b>(484,202)</b>	<b>(1,923,369)</b>	<b>(3,208,363)</b>
<b>FUND BALANCE &amp; RESERVES:</b>						
Beginning Fund Balance	9791	4,550,353	5,038,775	5,243,408	4,759,206	2,835,837
Audit Adjustments	9793	-	-	-	-	-
Adjustments for Restatements	9795	-	-	-	-	-
Net Beginning Balance	9791	4,550,353	5,038,775	5,243,408	4,759,206	2,835,837
<b>ENDING FUND BALANCE</b>		<b>5,038,775</b>	<b>5,243,408</b>	<b>4,759,206</b>	<b>2,835,837</b>	<b>(372,526)</b>

Assumes we would still have the remaining revenue sources; Cal Works, Etc.

Represents approx 6 mos. of operating expense

Represents pay off of L/T Debt

Transfers In all remaining balances from all other funds except Adult Ed.



# Other Obligations – Health Care Costs

Projected Per-Employee Benefit Cap and Yearly Increases



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# Other Obligations – Retirement Plan Costs

- CalPERS –
  - Changes actuarial assumptions beginning in 2016/17
  - Spreads costs over 20 years; increases to rates in the first five years

2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
11.7%	12.6%	15.0%	16.6%	18.2%	19.9%	20.4%

LCFF Full Funding  
@ 2007-08 Levels



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# Other Obligations – GASB 67 & 68 CalSTRS

- Effective 2013/14 – Statement 67, Financial Reporting for Pension Plans
- Effective 2014/15 – Statement 68, Accounting and Reporting for Pensions
  - *“To the extent which a plan does not have projected assets to pay projected benefits, GASB requires employers and non-employer contributing entities to report a proportionate share of the unfunded portion of pension benefits to date.”*

# Looking Ahead

1. No funding guarantees going beyond 2014-15.
2. Expenses will outpace revenue in both programs.
3. Adult Education will run out of cash by year end 2015 at this pace.
4. Legislation has been proposed.
5. Districts have asked for a funding formula.



# Summary

1. The LCAP is being developed, stakeholders are involved, we will need more involvement from parents and students.
2. The district can meet our obligations this year and the two subsequent years if revenues remain static.
3. We are hopeful for legislation, grants, and a funding agreement for SVCTE, and that the consortium will want to grow adult education – but **hope is not a strategy.**
4. Cost containment and revenue generation are both focus areas to improve financial stability.



Thank you!

**Questions?**



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