



Mt. Diablo Unified School District

First Interim Budget Report 2014-15

Presented December 10, 2014

Nellie Meyer, Ed.D., Superintendent

Nance Juner, Interim Fiscal Services Director

California School District Financial Reporting Requirements

- Education Code 42130 – requires the school district to file their financial condition for TWO reporting periods, October 31 and January 31, including projections of the budget through June 30.
- Education Code 42131 – requires the Board of Education to certify, based on current projections, whether or not the school district is able to meet its financial obligations for the current fiscal year and subsequent two fiscal years.
- Education Code 33127 – requires a district that has received a negative certification of its interim report(s) to file a third report as of April 30.

Financial Reporting Certifications

- **Types of Certification** *(Based on Multi-Year Projections at time of reporting)*
 - Positive Certification ~ District can meet it's financial obligations for current and two subsequent years.
 - Qualified Certification ~ borderline, may not meet financial obligations during one of the three years of the Multi Year Projection (MYP).
 - Negative Certification ~ cannot meet financial obligations in two or more of the three years as shown by negative fund balance, insufficient Reserves for Economic Uncertainty.

1st Interim Projected LCFF Funding

LCFF Calculator Universal Assumptions				
Mt. Diablo Unified - 2014-15 1st Interim				

Summary of Funding				
	2013-14	2014-15	2015-16	2016-17
Target	\$254,788,797	\$257,403,293	\$263,125,438	\$271,009,310
Floor	196,337,255	203,770,659	220,196,086	230,813,623
CY Gap Funding	7,015,176	15,853,807	8,877,790	10,241,861
ERT	-	-	-	-
Minimum State Aid	-	-	-	-
Total Phase-In Entitlement	\$203,352,431	\$219,624,466	\$229,073,876	\$241,055,484

Components of LCFF By Object Code					
	2012-13	2013-14	2014-15	2015-16	2016-17
8011 - State Aid	\$34,750,482	\$76,364,438	\$91,750,870	\$100,272,240	\$111,083,754
8011 - Fair Share	-	-	-	-	-
8311 & 8590 - Categoricals	34,433,388	-	-	-	-
8012 - EPA	34,629,634	34,051,136	34,135,443	34,240,807	34,546,861
<i>Local Revenue Sources:</i>					
8021 to 8048 - Property Taxes		99,394,489	100,388,434	101,392,318	102,406,242
8096 - In-Lieu of Property Taxes		(6,457,632)	(6,650,281)	(6,831,489)	(6,981,372)
<i>Property Taxes net of in-lieu</i>	<i>92,523,824</i>	<i>92,936,857</i>	<i>93,738,153</i>	<i>94,560,829</i>	<i>95,424,870</i>
TOTAL FUNDING	\$196,337,328	\$203,352,431	\$219,624,466	\$229,073,876	\$241,055,484

1st Interim Unrestricted GF Compared to Adopted Budget

2014-15 1st Interim Budget Mt. Diablo Unified	Budget - UA Unrestricted	1st Interim Unrestricted	Change
BEGINNING BALANCE	51,968,714.77	51,968,714.77	0.00
Revenues			
LCFF	219,682,540.00	219,624,468.00	-58,072.00
Federal	0.00	0.00	0.00
State	5,217,152.00	7,049,909.00	1,832,757.00
Local	3,606,801.00	4,395,762.25	788,961.25
TOTAL REVENUE	228,506,493.00	231,070,139.25	2,563,646.25
Expenditures			
Certificated	98,387,569.00	98,388,197.00	628.00
Classified	24,434,354.00	25,555,205.21	1,120,851.21
Benefits	43,025,891.36	39,033,799.38	-3,992,091.98
Books & Supplies	9,842,410.18	12,129,160.94	2,286,750.76
Other Services & Operating Exp	11,076,076.69	11,308,608.26	232,531.57
Capital Outlay	507,679.00	507,679.00	0.00
Direct Support/Indirect Costs	-2,707,441.27	-3,118,970.15	-411,528.88
Other Outgo	521,765.00	521,765.00	0.00
TOTAL EXPENDITURE	185,088,303.96	184,325,444.64	-762,859.32
Contributions to Restricted Program	-51,427,722.00	-50,911,271.00	516,451.00
Interfund Transfers In	0.00	0.00	0.00
Interfund Transfers Out	-3,355,047.00	-3,355,047.00	0.00
TOTAL OTHER	-54,782,769.00	-54,266,318.00	516,451.00
Increase/Decrease to Fund Balance	-11,364,579.96	-7,521,623.39	3,842,956.57
COMPONENTS OF EFB			
Nonspendable	767,769.00	599,908.00	
Assigned	3,131,485.97	0.00	
Reserve for Economic Uncertainties	8,381,842.00	9,389,400.00	
TOTAL COMPONENTS	12,281,096.97	9,989,308.00	
Unassigned/Unappropriated	28,323,037.84	34,457,783.38	
ENDING FUND BALANCE	28,323,037.84	34,457,783.38	6,134,745.54

Changes from Adopted Budget to 1st Interim

- Revenue increased in proposed State funding and local grants.
- Salaries increased due to added positions and filling vacant positions.
- Benefits have decreased due to the adjustment to employee-specific benefits as well as the above changes to positions.
- Decrease in the contributions to restricted funds.

2014-15 1st Interim Unrestricted GF Multi Year Projection

Mt. Diablo Unfied School District				
2014-15 1st Interim		2014-15	2015-16	2016-17
Based on SSC percentages		Projected	Projected	Projected
		UNRESTRICTED	UNRESTRICTED	UNRESTRICTED
Base Funding		206,032,063.55	220,592,417.21	226,334,380.84
K-3 GSA		2,191,464.02	615,153.63	663,866.17
9-12 GSA		513,787.55	139,988.96	149,459.19
Supplemental		6,991,115.88	1,908,630.20	2,014,505.80
Concentration		-	-	-
Targeted Instructional Improvement Grant		1,577,821.00	1,577,821.00	1,577,821.00
Home-to-School Transportation		1,145,241.00	1,145,241.00	1,145,241.00
Special Ed Transportation		1,172,975.00	1,172,975.00	1,172,975.00
TOTAL LCFF Funding		219,624,468.00	227,152,227.00	233,058,249.00
A. REVENUE	OBJECT			
1. LCFF Sources	8010-8099	219,624,468.00	227,152,227.00	233,058,249.00
Prior Year Adjustments	8019/8096	-	-	-
2. Federal Revenues	8100-8299	-	-	-
3. Other State Revenues	8300-8599	7,049,909.00	7,220,174.47	7,452,258.57
4. Other Local Revenues	8600-8799	4,395,762.25	3,606,801.00	3,606,801.00
TOTAL REVENUE		231,070,139.25	237,979,202.47	244,117,308.57
B. EXPENDITURES				
1. Base Salaries	1000 - 1999	98,388,197.00	98,388,197.00	102,419,765.05
Step & Column - 1.50%		-	1,475,822.96	1,536,296.48
all 4% mid 15/16		-	2,555,745.09	1,794,149.86
Total Certificated Salaries		98,388,197.00	102,419,765.05	105,750,211.38
2. Base Salaries	2000 - 2999	25,555,205.21	25,555,205.21	26,291,956.10
Step & Longevity - 1.50%		-	383,328.08	394,379.34
all 4% mid 15/16		-	353,422.81	358,724.15
Total Classified Salaries		25,555,205.21	26,291,956.10	27,045,059.59
TOTAL SALARIES:		123,943,402.21	128,711,721.14	132,795,270.97
3. Employee Benefits	3000-3999	18,962,574.02	21,737,427.16	25,025,995.94
Health benefits		20,071,225.36	20,071,225.36	22,855,460.36
current MDEA to 2P 10K 2015 3P 2016		-	1,088,699.00	196,384.00
bal of MDEA to 2P 10K 2015 3P 2016		-	1,695,536.00	176,528.00
Total Employee Benefits		39,033,799.38	44,592,887.52	48,254,368.30
4. Books and Supplies	4000-4999	12,129,160.94	12,422,097.67	12,533,129.55
Total Books & Supplies		12,129,160.94	12,422,097.67	12,533,129.55
5. Services, Other Op.	5000-5999	11,308,608.26	11,602,632.07	11,915,903.14
Total Service & Other Operating		11,308,608.26	11,602,632.07	11,915,903.14
6. Capital Outlay	6000-6999	507,679.00	507,679.00	507,679.00
7. Other Outgo	7100-7299	-	-	-
8. Direct/Indirect Costs	7300-7399	(3,118,970.15)	(2,682,212.10)	(2,741,214.80)
9. Debt Service	7400-7499	521,765.00	521,765.00	521,765.00
TOTAL EXPENDITURES		184,325,444.64	195,676,570.31	203,786,901.16
C. EXCESS/DEFICIENCY		46,744,694.61	42,302,632.16	40,330,407.41
D. OTHER SOURCES				
1. Interfund Transfers In	8910-8929	-	-	-
2. Interfund Transfers Out	7610-7629	(3,355,047.00)	(3,355,047.00)	(3,355,047.00)
3. Other Sources In	8930-8979	-	-	-
4. Other Uses Out	7630-7699	-	-	-
5. Contrib./Restricted Programs	8980-8999	(50,911,271.00)	(52,910,407.69)	(54,127,347.07)
TOTAL SOURCES/USES		(54,266,318.00)	(56,265,454.69)	(57,482,394.07)
Change to Fund Balance		(7,521,623.39)	(13,962,822.53)	(17,151,986.66)
F. FUND BALANCE, RESERVES				
NET BEGINNING BALANCE:		51,968,714.77	44,447,090.24	30,484,267.71
AUDIT ADJUSTMENT				
RESTATEMENTS				
ENDING BALANCE:		44,447,091.38	30,484,267.71	13,332,281.05
COMPONENTS OF ENDING BALANCE:				
REVOLVING CASH		305,000.00	305,000.00	305,000.00
STORES		294,908.37	294,908.37	294,908.37
REQUIRED RESERVE - 3.00%		9,389,400.00	9,203,557.00	9,517,711.00
UNAPPROPRIATED		34,457,783.38	20,680,802.34	3,214,661.68

Supplemental Information

- Form AI: Average Daily Attendance appears to increase somewhat. More updated numbers will be known after P-IADA count.
- Form CASH: Cash Flow – Ending General Fund cash will be positive. Deferrals are just about paid off with only one remaining to be paid by June 2015.
- Form CSI: Criteria and Standards Review includes additional information that impacts the fiscal condition of the district.

Positive Certification

- Form CI: Certification to sign summarizes Criteria and Standards. The multi-year projections show that we can meet our financial obligations for the current fiscal year and two subsequent fiscal years.

What's next?

- The Legislative Analyst's Office forecasts higher State revenues this year which could mean additional on-going funding for K-14 education. We will see what happens in the Governor's January Budget Update.
- It is estimated that the State will not make a deposit into the newly created Public School System Stabilization Account (Prop 98 reserve, otherwise known as the Rainy Day Fund) at any time through this decade.
- The LAO's long-term forecast indicates that full implementation of the LCFF will not be reached by 2019-20 and will require several more years.

What's next?

- Assembly Bill 1522 becomes effective July 1, 2015 to provide three days of paid sick leave to all employees who work 30 or more days in a calendar year, including substitutes.
- Affordable Care Act (ACA) requirement for providing benefits to certain part-time employees.
- Continue the implementation of the district Goals and Actions in our Local Control Accountability Plan (LCAP).