



PARAMOUNT UNIFIED SCHOOL DISTRICT

OUR MISSION IS TO ENSURE LEARNING AND SUCCESS FOR EACH STUDENT BY PROVIDING A QUALITY EDUCATION.

2nd Interim Budget Report

March 11, 2015

Herman Mendez, Superintendent

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Objective of Presentation



- ❖ Review Factors Influencing LCFF & District Budget
- ❖ Discuss Components of Second Interim Budget Report
 - ❖ Review Revenues and Expenses
 - ❖ Share Multiyear Projections
 - ❖ Provide Insight to Composition of Fund Balance
 - ❖ Compare Cash Flow to 1st Interim Budget
- ❖ Next Steps
- ❖ Questions and Answers



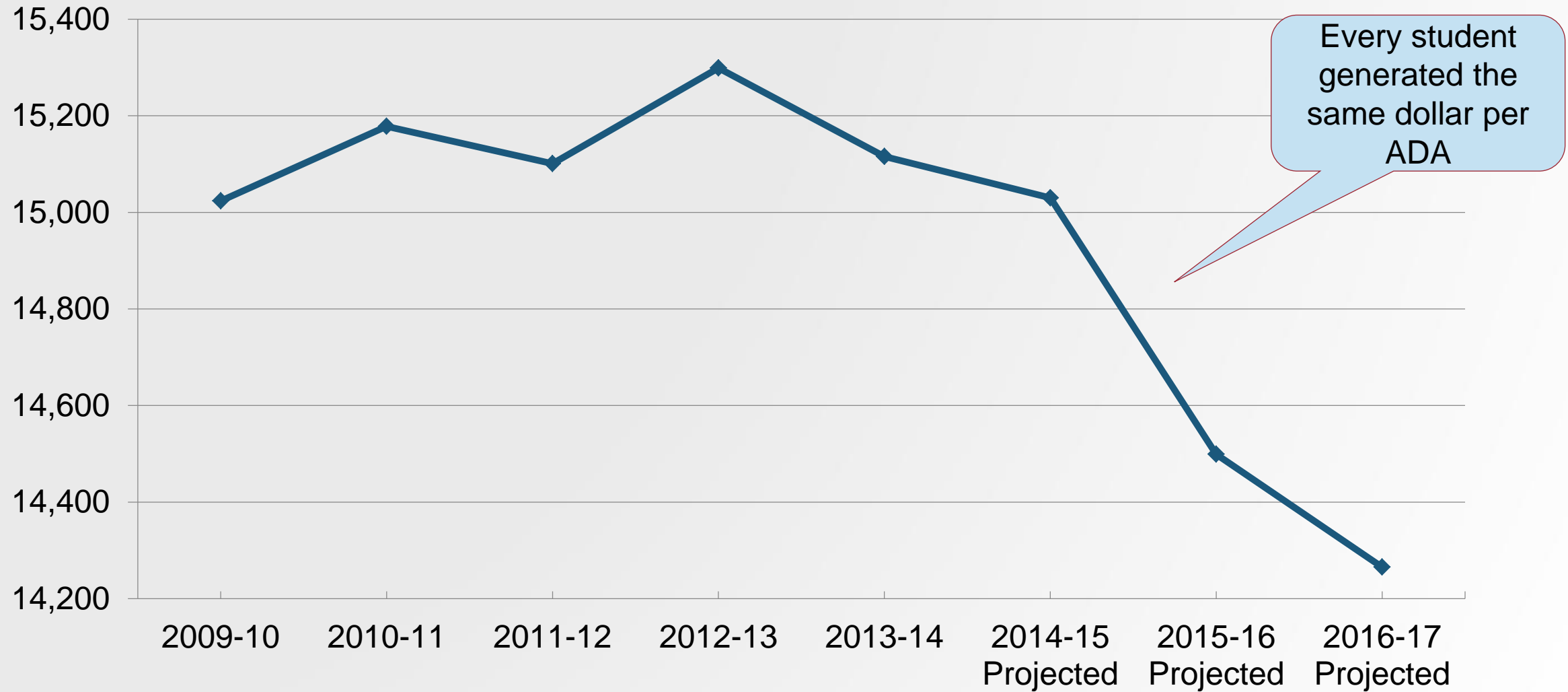
Factors Influencing LCFF & District Budget

Factors Influencing LCFF

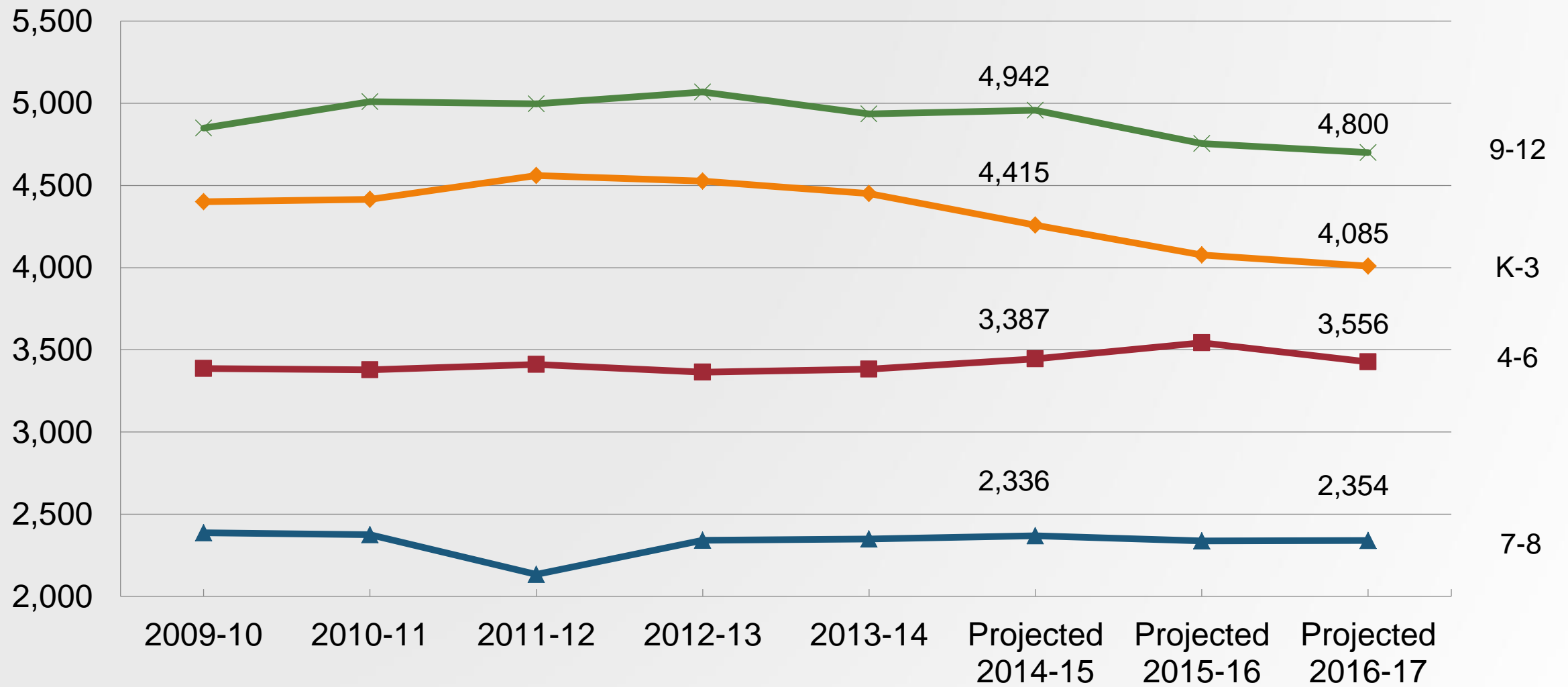


- State Economy
- State Politics
- District Specific Factors:
 - Enrollment
 - Future Grade Level Cohort year-to-year changes
 - District declining enrollment
 - Student Demographic Changes
 - Unduplicated Count (FRM + EL + Foster Youth)
 - COLA
 - GAP Funding Percent Changes

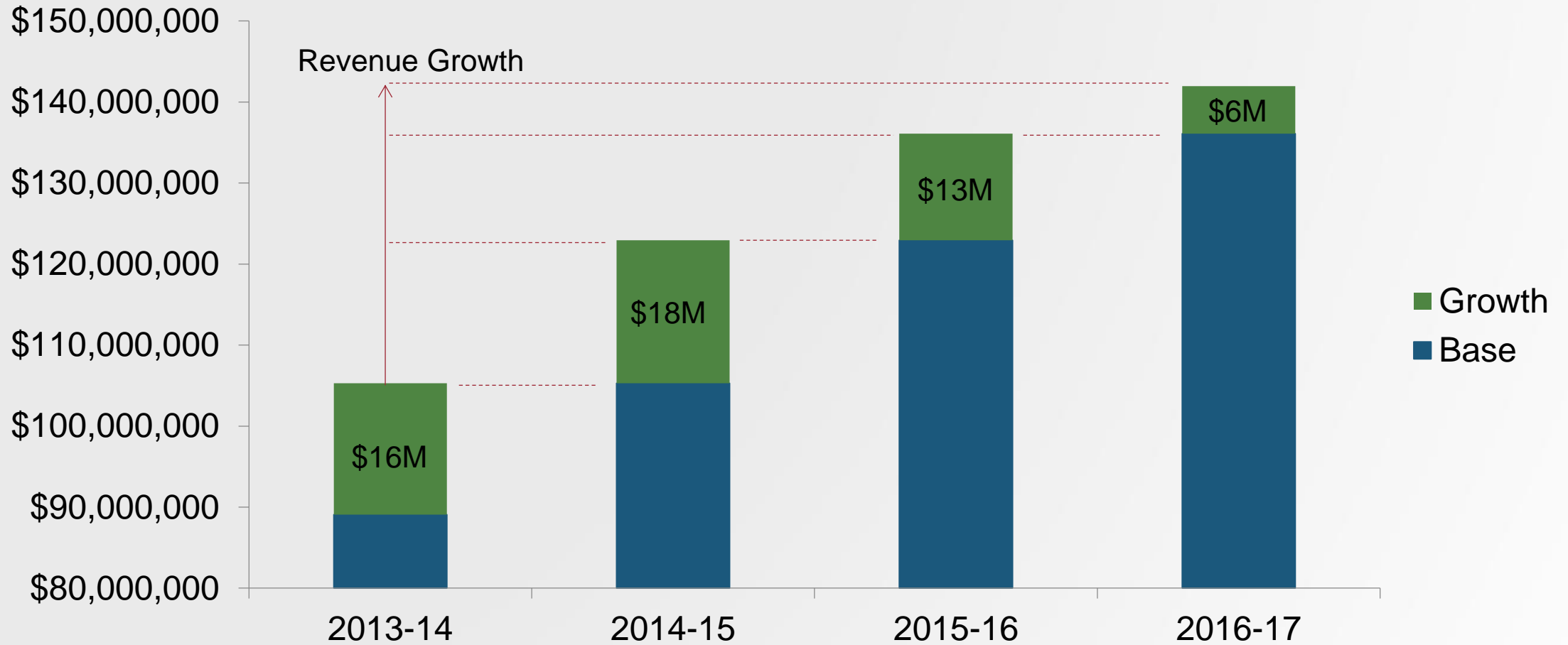
Total District ADA Trends under "old" Revenue Limit system



Grade Span ADA Trends under “new” LCFF system



Projected Annual LCFF Revenue Increases





Components of 2nd Interim Budget

Budget Basics

Revenues

Expenses

Multi Year Projections (MYP)

Fund Balance

Cash Flow



Total Revenues Received

- Encroachment

= Net Revenues

-Expenses

= Surplus / Deficit Spending

*(added to **or subtracted from** Beginning Fund Balance)*

Beginning Fund Balance

*(increased by Surplus / **decreased by Deficit Spending**)*

= Ending Fund Balance

(Reserves)

Unrestricted Revenues



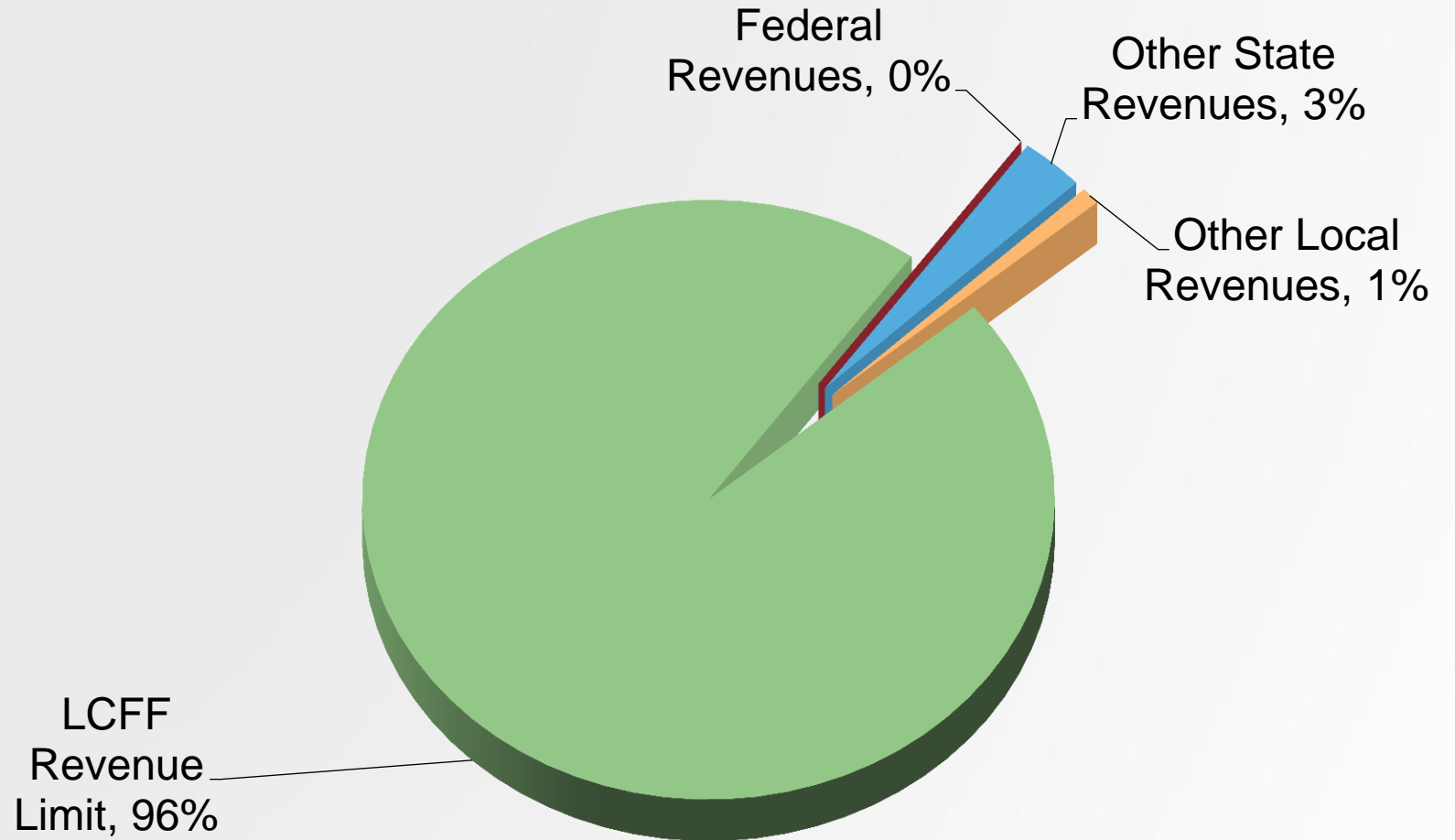
The District has budgeted \$127,963,355 in Unrestricted Revenues for 2014 -15 at 2nd Interim.

The majority of District funding is now coming from the State's LCFF Revenue Limit sources.

The District also incurs \$17,353,829 in encroachment to cover other District programs that are NOT fully funded by the program sources, which results in a net revenue of \$110,609,526.

Other State Revenues are primarily CSR and Mandated Costs funds.

Other Local Revenues are primarily R.O.P. funds.

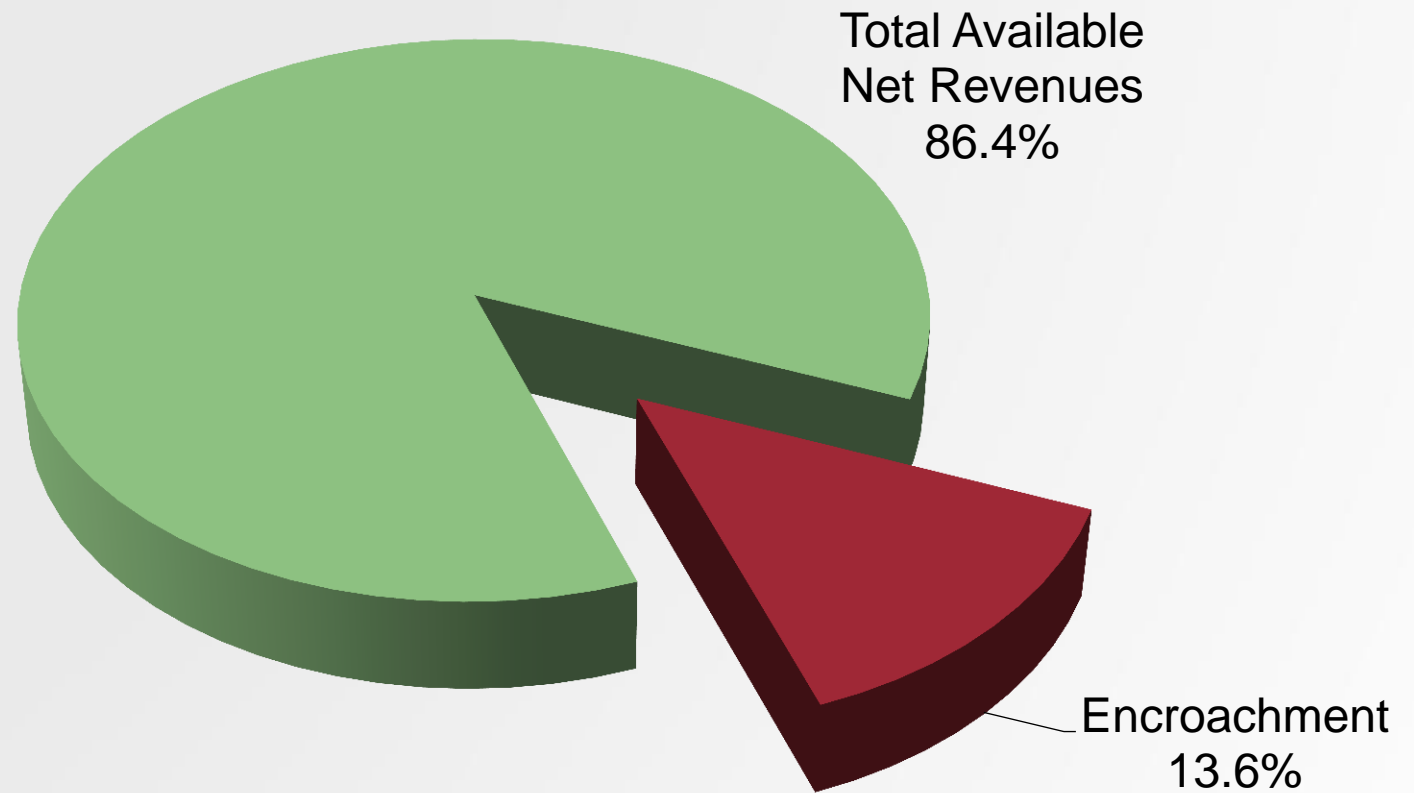


District Encroachment

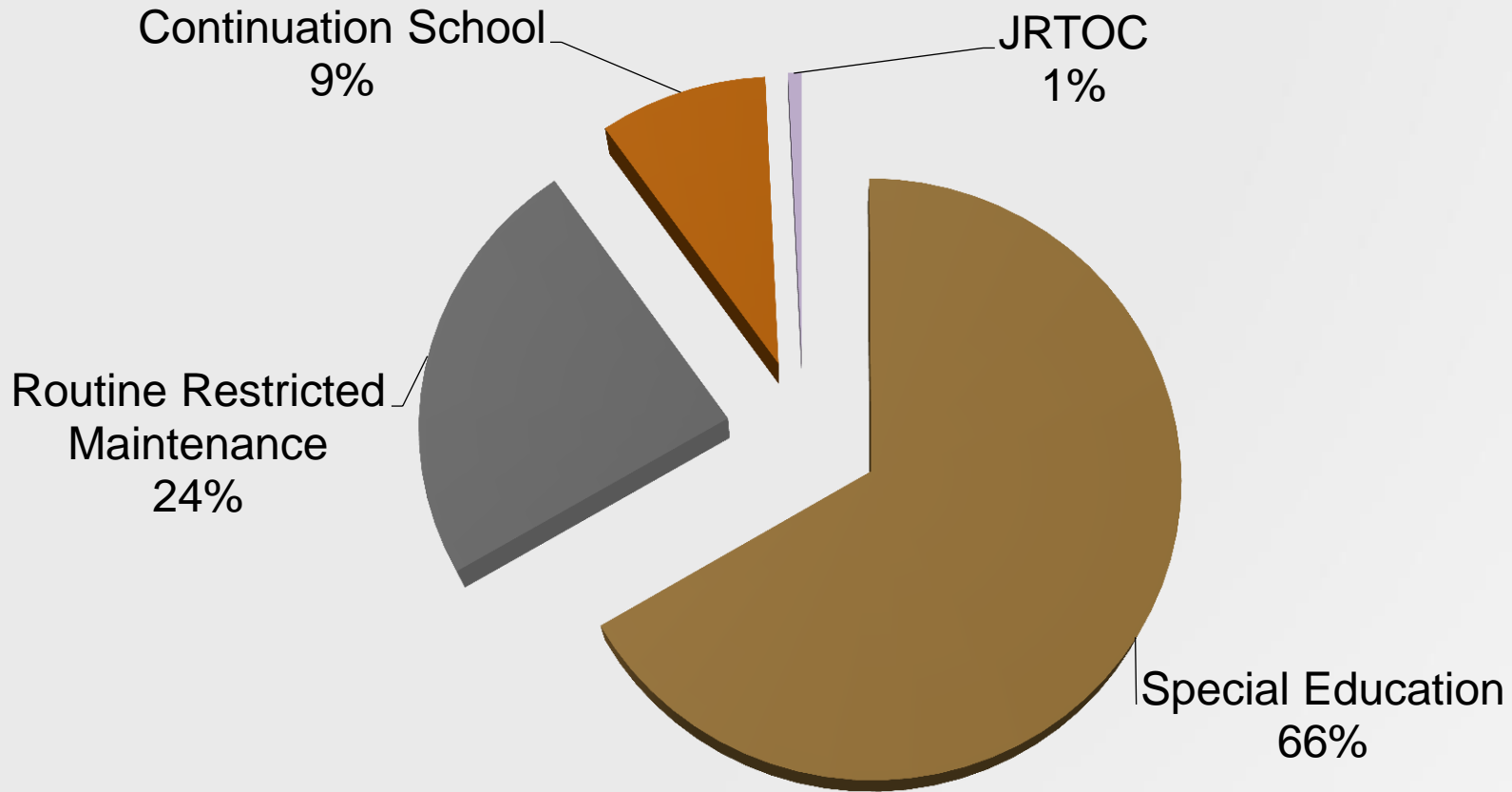


Total Revenues of \$127,963,355 are reduced by encroachment, which reduces the overall available revenue for operational needs by \$17,353,829. The total available net revenues after encroachment is \$110,609,526

Encroachment (or District Contribution) is used to cover other District programs NOT fully funded:
Special Education,
Continuation School,
JROTC, and
Routine Restricted Maintenance.



Encroachment Detail



Encroachment \$17,353,829

- Special Education
- Routine Restricted Maintenance
- Continuation School
- JRTOC

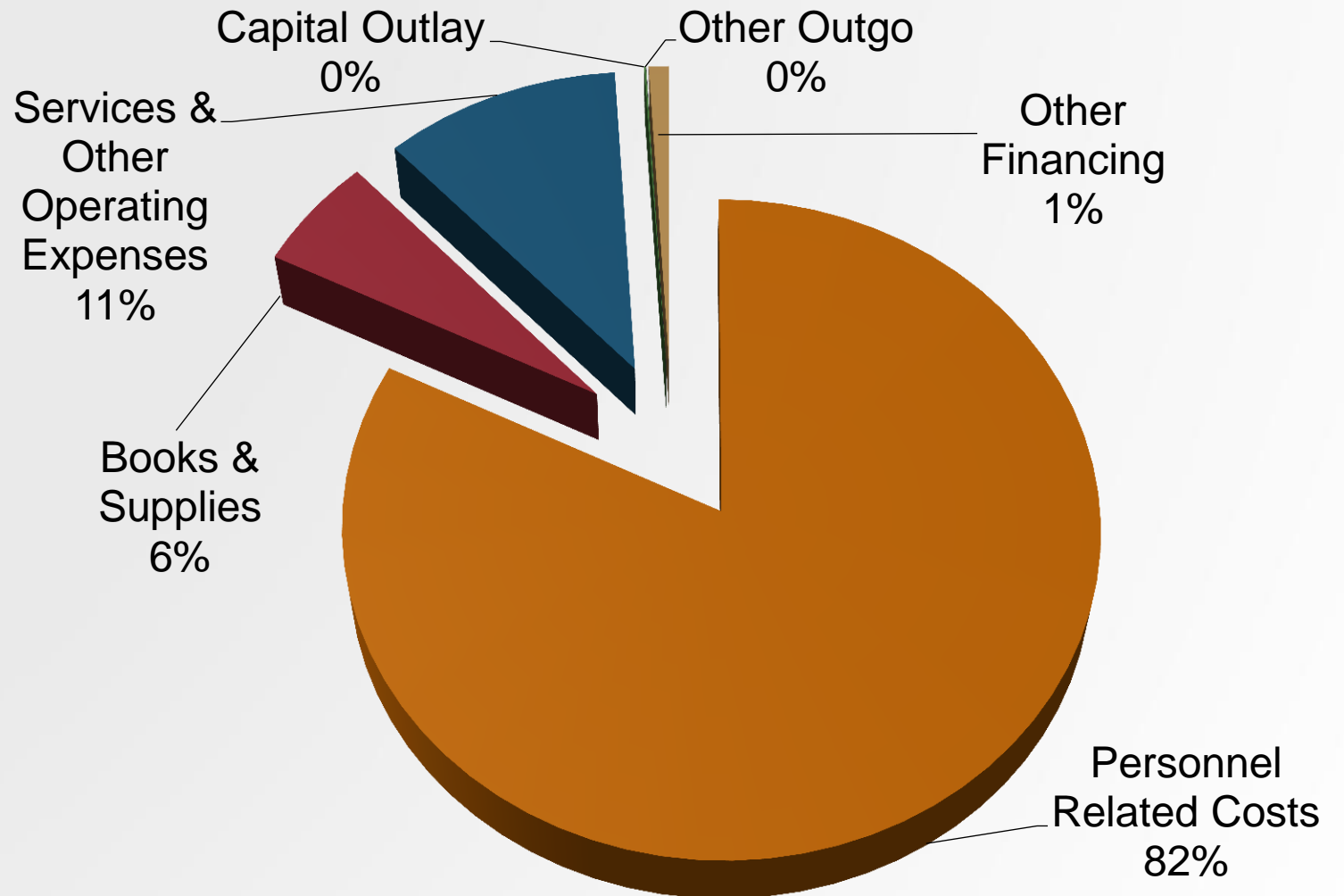
Unrestricted Expenses



The District has budgeted \$113,427,235 in total operational Unrestricted Expenses at 2nd Interim.

Education is primarily a service related industry, consequently as an organization the District spends the majority share of its budgetary resources in personnel related areas.

Employee salaries account for approximately 61% of all expenses and employee benefits alone account for approximately 21%. All personnel related expenses comprise approximately 82% of all District expenses.





- 1st Interim to 2nd Interim Comparison Summary

GF Unrestricted	1 st Interim	2 nd interim	Difference
Revenues (after Encroachment)	\$108,558,513	\$110,609,526	\$2,051,013
Expenditures	\$112,773,165	\$113,427,235	\$654,070
Surplus / (Structural Deficit)	(\$4,214,652)	(\$2,817,709)	(\$1,396,943)
Beginning Fund Balance	\$15,926,661	\$14,968,205	(\$958,456)
Ending Fund Balance	\$11,712,009	\$12,150,496	\$438,487

Unrestricted Multi-Year Projections



- 2nd Interim MYP Overview 2014-15 thru 2016-17

GF Unrestricted	2014-15	2015-16	2016-17
Revenues (after Encroachment)	\$110,609,526	\$122,001,803	\$127,874,340
Expenditures	\$113,427,235	\$120,937,932	\$129,381,214
Surplus / (Structural Deficit)	(\$2,817,709)	\$1,063,871	(\$1,506,874)
Beginning Fund Balance	\$14,968,205	\$12,150,496	\$13,214,367
Ending Fund Balance	\$12,150,496	\$13,214,367	\$11,707,493



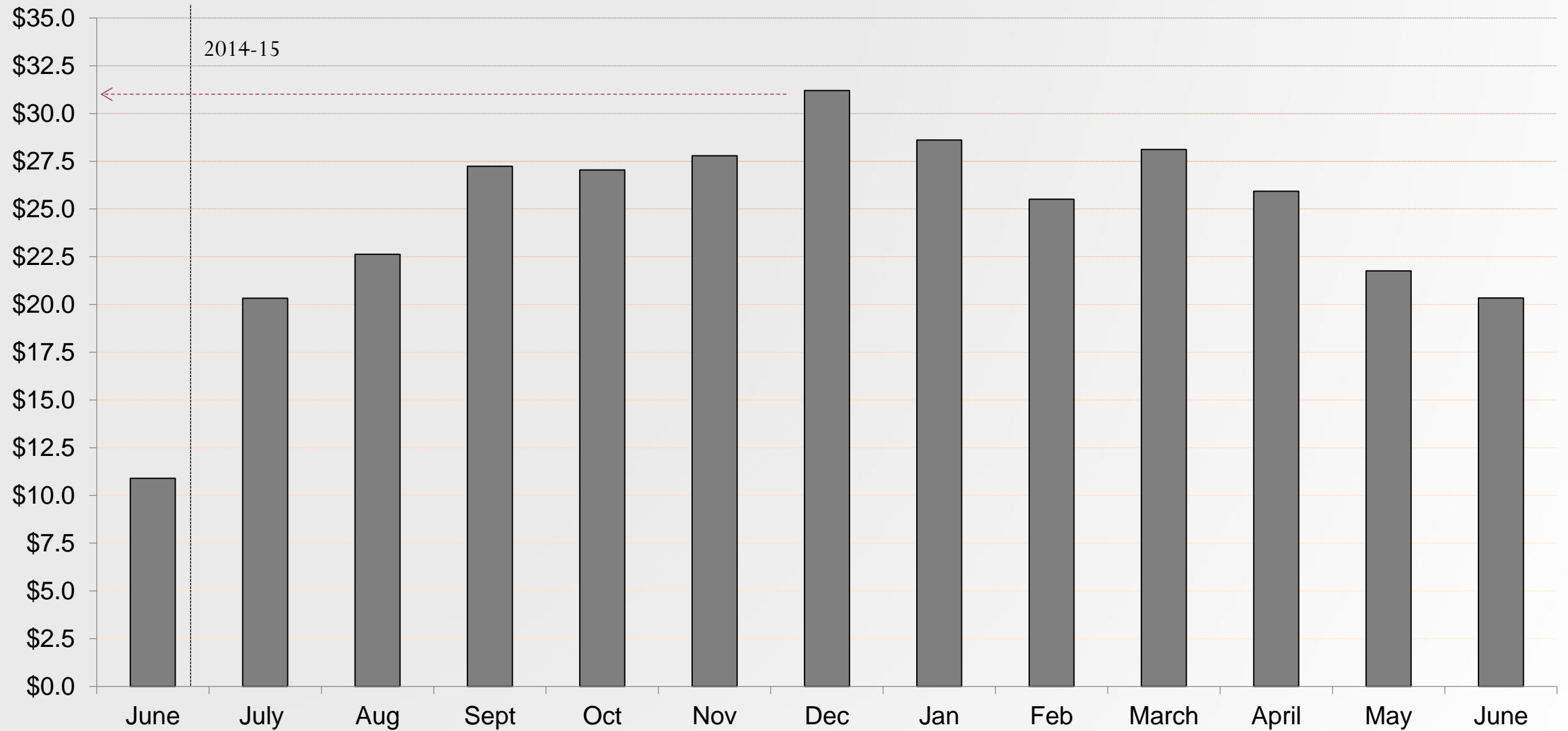
Fund Balance Components



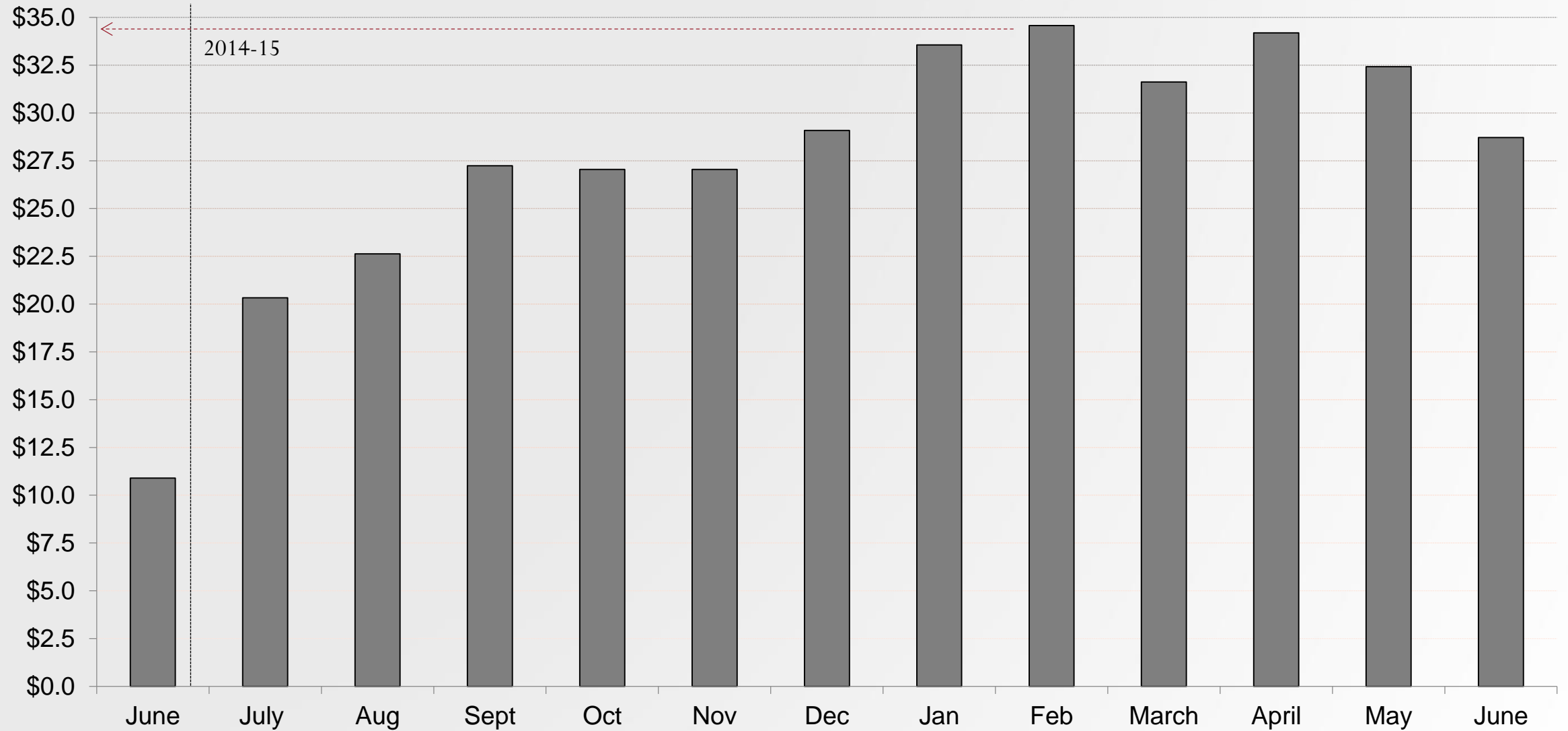
- 2nd Interim MYP Overview 2014-15 thru 2016-17

2 nd Interim Budget	2013-14	2014-15	2015-16
Beginning Fund Balance	\$14,968,205	\$12,150,496	\$13,214,367
Ending Fund Balance	\$12,150,496	\$13,214,367	\$11,707,493
Revolving Cash	\$40,000	\$40,000	\$40,000
Stores/Warehouse	\$300,000	\$300,000	\$300,000
3% -- Designated for Economic Uncertainty	\$10,900,000	\$10,900,000	\$10,900,000
Remaining Unassigned	\$910,496.41	\$1,974,367	\$467,493

2014-15 1st Interim Cash Flow Projections



2014-15 2nd Interim Cash Flow Projections





Next Steps

March 11, 2015

March – June

June

- Approval of 2nd Interim Budget
- Governor & Legislative actions
- LCAP and Budget Public Hearings & Adoptions

Next Steps?



March

- ✓ Tonight approve 2nd Interim Budget
 - Action Item 4.1A, details budget adjustments & transfers
 - “POSITIVE CERTIFICATION”
 - Does not require a 3rd interim budget update in May

Next Steps?



March – June (State level)

- Governor & Legislators debate Governor's January Budget Proposal
- Governor's May Revise
- June 15th Constitutional deadline for Legislature to present balanced budget
- Governor has twelve (12) working days to sign or veto the budget bill
 - Approved budget goes into effect on July 1st

June (District)

- Draft LCAP & Budget Public Hearings
- LCAP review of current year + approval of “new” 3-year Plan
- Budget Adoption + 3-year Multiple Year Projections

Questions ?

