

# **2014-15 Unaudited Actuals**



**Glendale Unified School District**

**Board of Education Meeting – September 15, 2015 – Discussion Report No. 1**

# 2014-15 UNAUDITED Actuals

## 2014-15 Unrestricted General Fund Balance

| Unrestricted General Fund                           |  | Projected            | Final                |
|---|--|----------------------|----------------------|
|   |  | June 16, 2015        |                      |
| Designated for Economic Uncertainty                 |  | \$ 7,502,474         | \$ 7,263,669         |
| Revolving Cash, Warehouse & Prepaid Expense         |  | 169,928              | 2,221,021            |
| School Site & Program Carry Overs                   |  | 612,235              | 2,667,678            |
| Reserve for Medical Administrative Activity (MAA)   |  | 935,059              | 935,059              |
| Reserve for Accreditation for City of Glendale Loan |  | 355,000              | 266,000              |
| Reserve for ROP/Supplemental/Operational Draw Down  |  | 737,069              | 2,470,397            |
| Reserve for 2014-15 Salary Increases                |  | -                    | 6,913,122            |
| Unassigned Reserve                                  |  | 13,604,683           | 9,755,874            |
| <b>Total Unrestricted General Fund Balance</b>      |  | <b>\$ 23,916,448</b> | <b>\$ 32,492,820</b> |

**\$3,848,809 Decrease**  
**Negative Impact in Multi-Year Projections**

# The “Great Squeeze”

## ➤ The CalSTRS employer rate increase:

|           |        |             |
|-----------|--------|-------------|
| • 2014-15 | 8.88%  | \$ 674,226  |
| • 2015-16 | 10.73% | \$2,654,096 |
| • 2016-17 | 12.58% | \$4,673,326 |
| • 2017-18 | 14.43% | \$6,726,750 |

## ➤ The CalPERS employer rate increase:

|           |         |             |
|-----------|---------|-------------|
| • 2014-15 | 11.771% | \$ 96,134   |
| • 2015-16 | 11.847% | \$ 118,341  |
| • 2016-17 | 15.000% | \$1,039,646 |
| • 2017-18 | 16.605% | \$1,507,165 |

## ➤ Pending salary increase negotiations

## ➤ Implementation of new services to targeted students

# Concerns

## Reserves Available in Other Funds May be More Restricted in Future Years

| <b>Reserves Utilized between 2012-13 to 2016-17<br/>to Support the General Fund</b> | <b>In<br/>Millions</b> |
|---|------------------------|
| Special Education Reserve   | \$ 1.1                 |
| Retiree Health Benefits - Fund 20.0   | 2.8                    |
| Early Retirement Benefits - Fund 67.2   | 4.0                    |
| Restricted Major Maintenance Reserve  | 1.7                    |
| Debt Service - Fund 56.0  | <u>2.7</u>             |
| <b>Total Remaining to Budget</b>  | <b>\$ 12.3</b>         |

## Concerns (cont.)

- Proposition 30 – Temporary Taxes Expiring:
  - The 0.25% sales tax increase expires in 2016 (i.e. the 2016-17 fiscal year)
  - The high-bracket personal income tax increase expires in 2018 (i.e. the 2018-19 fiscal year)
  - Governor Jerry Brown has made it clear that “he” does not support extending them.
  
- Potential loss of 2014-15 TK-3 Class Size Reduction (CSR) of \$1.6 million
  
- Ongoing loss of \$1.8 million to increase staffing to preserve future year CSR funds

## Concerns (cont.)

- To maintain sufficient reserves to see us through what could be a very tough time when Proposition 30 expires
- Need to think long term when making program, funding, and compensation decisions
- Where will we cut back if the state reduces funding in the future?
- State has broken its promise to education many times in the last decade

# GLENDALE UNIFIED SCHOOL DISTRICT



2014-15 Unaudited Actuals  
and  
2015-16 Budget (June Adoption)  
September 15, 2015

# Budget Book 2015-16

## Budget Composition ( Pages 1-4)

| Fund Name                                   | Total Budget<br>(in millions) |
|---|-------------------------------|
| Combined General Fund # 01.0                | \$ 302.7                      |
| Unrestricted General Fund \$261.3m          |                               |
| Restricted General Fund \$41.4m             |                               |
| Special Education Pass-Through Fund #10.0   | -                             |
| Child Development Fund - Fund #12.0         | 4.1                           |
| Nutrition Service Fund - Fund #13.0         | 14.8                          |
| Deferred Maintenance Fund - Fund #14.0      | 5.1                           |
| Post-Employment Benefits Fund - Fund # 20.0 | -                             |
| Measure K Building Fund - Fund #21.0        | -                             |
| Measure S Building Fund - Fund #21.1        | 76.2                          |
| Clean Renewable Energy Bond - Fund #21.2    | 0.6                           |



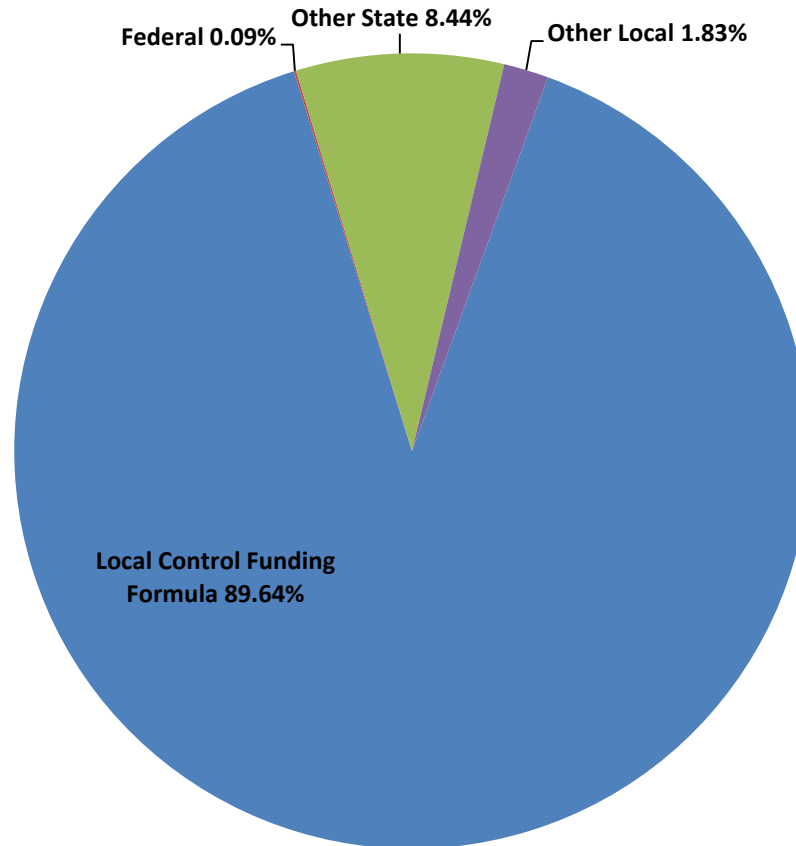
# Budget Book 2015-16

## Budget Composition ( Pages 1-4) - Continued

| Fund Name  | Total Budget<br>(in millions) |
|--|-------------------------------|
| Developer Fee Fund - Fund #25.0                                    | 10.4                          |
| Capital Projects Funds-County Schools Facilities Fund - Fund #35.0 | 0.1                           |
| Capital Projects Fund - Fund #40.1                                 | 16.8                          |
| Capital Projects Nutrition Services - Fund #40.2                   | 1.2                           |
| Bond Interest & Redemption Fund (County Administered) - Fund #51.0 | 32.2                          |
| Debt Service Fund - Fund #56.0                                     | 15.4                          |
| Health & Welfare Fund - Fund #67.0                                 | 7.2                           |
| Workers Compensation Fund - Fund #67.1                             | 7.0                           |
| Early Retirement Benefits Fund - Fund #67.2                        | 3.2                           |
| McLennan & Other Scholarships Trust Fund - Fund #73.0              | 0.3                           |
| <b>District's 2015-16 Budget - All Funds</b>                       | <b>\$ 497.2</b>               |

# 2015-16 Adopted Budget

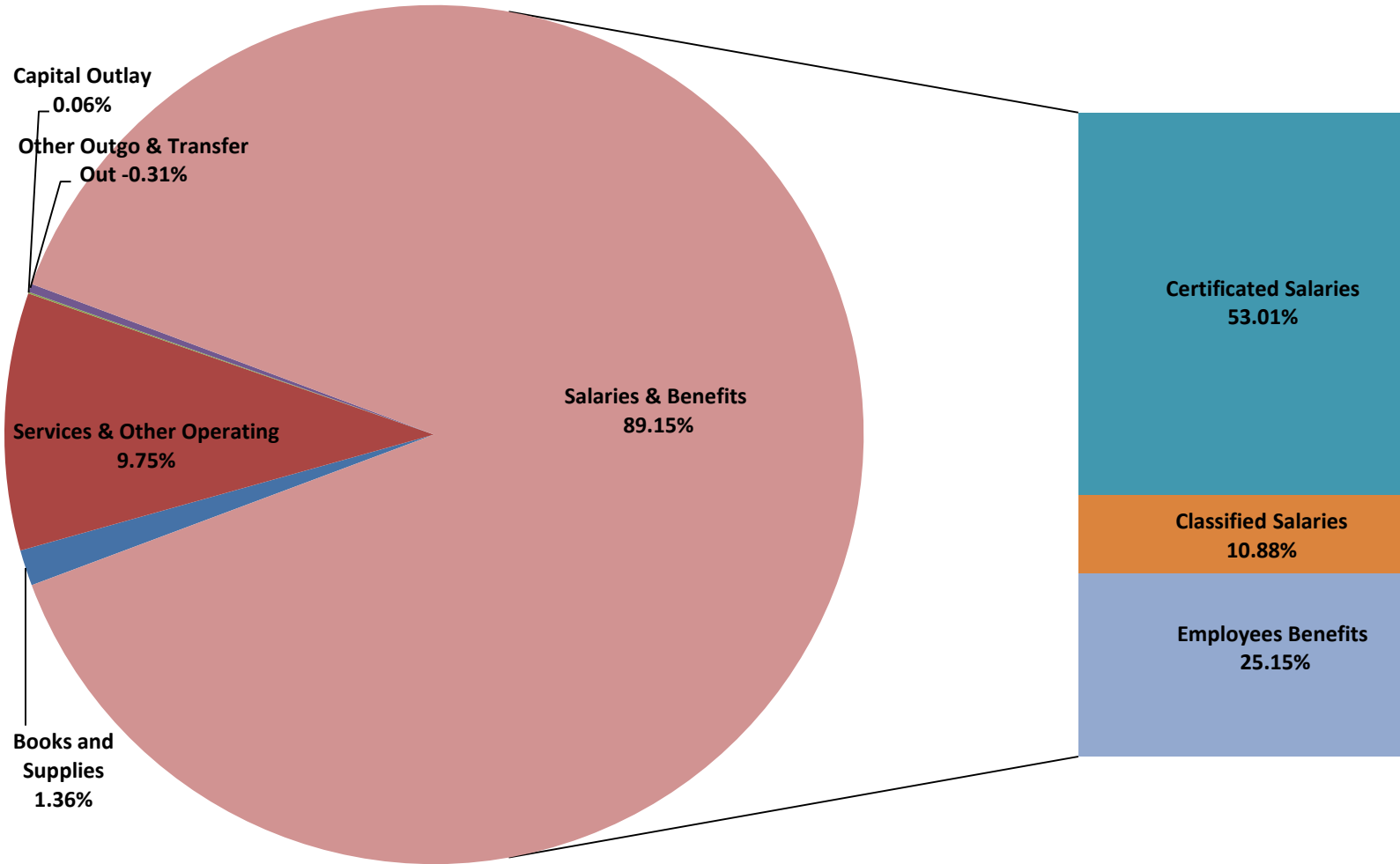
## TOTAL REVENUE – UNRESTRICTED GENERAL FUND



Total Revenues = \$228,791,755

# 2015-16 Adopted Budget

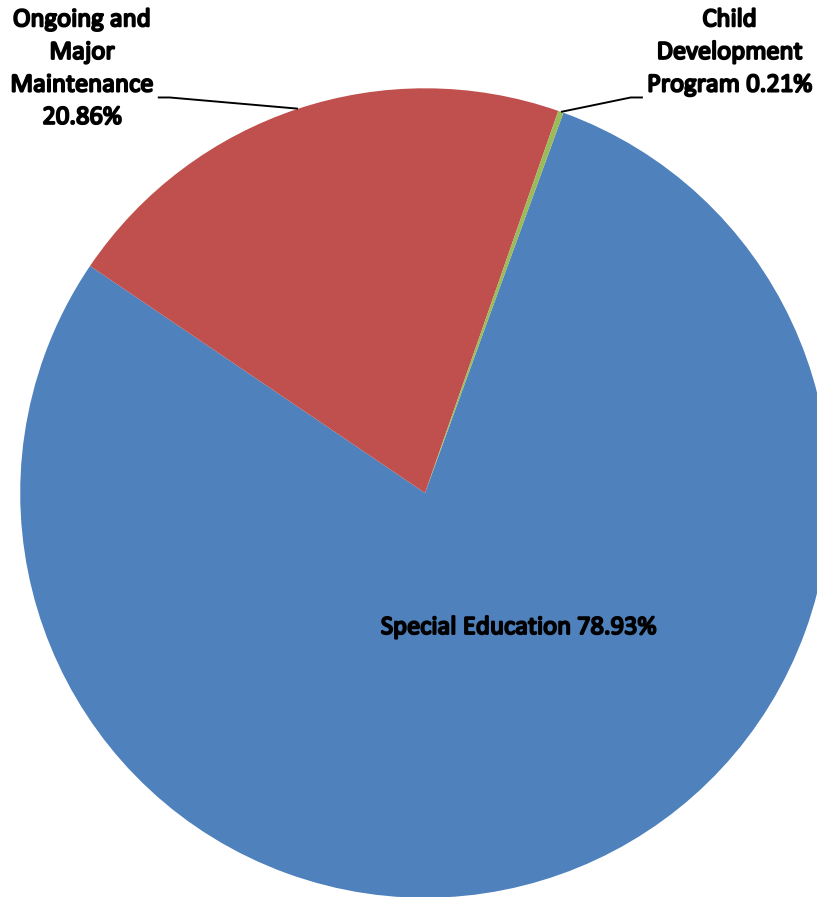
## TOTAL EXPENDITURES – UNRESTRICTED GENERAL FUND



Total Expenditures = \$173,930,230

# 2015-16 Adopted Budget

## TOTAL CONTRIBUTION FROM UNRESTRICTED GENERAL FUND



Equivalent to \$27.8 million. This is the amount that State and Federal Governments short fund Special Education. Special Education serves 2,735 students and this shortfall is equal to approximately \$10,000 per student.

**Total Contributions = \$34,960,364**

# Budget Book 2014-15

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## RECALCULATED STRUCTURAL DEFICIT

|   | 2014-15<br>Unaudited Actuals | 2015-16<br>Budget |
|---|------------------------------|-------------------|
| Deficit Spending 6/30/2015 Adopted Budget             | 1.27                         | 19.90             |
| Solvency Transfers                                    | (2.40)                       |                   |
| 2014-15 Designated for Salary Increase                | (6.90)                       | (6.90)            |
| 2014-15 Designated Carry Over (Tier III, Sites, etc.) | (6.30)                       |                   |
| 2013-14 Designated Carry Over (Tier III, Sites, etc.) | 6.97                         |                   |
| Initial August Adjustments                            |                              |                   |
| Revised LCFF Funding Variables                        |                              | (0.63)            |
| Workers Comp Rate Adjustment                          |                              | 0.48              |
| CCSS Program - Supply Allocation                      |                              | (0.30)            |
| Chromebook Order - Carried Forward                    |                              | (0.63)            |
| Additional CSR Teachers                               |                              | (1.80)            |
| Loss of CSR Funds                                     |                              | (1.67)            |
| One Time Mandated Cost                                |                              | (15.10)           |
| <b>Net Adjustment</b>                                 | <b>(8.63)</b>                | <b>(26.55)</b>    |
|   |                              |                   |
| <b>Structural Deficit</b>                             | <b>(7.36)</b>                | <b>(6.65)</b>     |

Future Adjustments – Staffing Changes  
Negotiated Salary Changes

**Questions?**