

2013-14 BUDGET

GLENDALE UNIFIED SCHOOL DISTRICT

Board of Education Meeting – July 16, 2013

Discussion Report No. 2

Eva Rae Lueck, Chief Business & Financial Officer
Mike Lee, Controller



2013-14 BUDGET

■ June 18, 2013 Budget – “Placeholder”

- ▶ Assumes Revenue Limit and Deficit Factor

■ July 16, 2013 Revisions

- ▶ Replace LCFF in lieu of Revenue Limit Funding

	ROP Excluded Scenario A
Additional on-going LCFF revenue	\$4.8 M
Less: Categorical Funds	(\$1.4 M)
Estimated Available Increase	\$3.4 M

- ▶ Deletion of \$300,000 for Tech Leaders and Learning Leaders
- ▶ Decreasing Health Insurance Projection for 2014-15 and Future Years by \$950,000

Scenario A – Most Optimistic

LACOE Continues to Fund ROP Net of CTE

LCFF Funding Includes Categorical Programs Except ROP (In Millions)				
Major Changes	2013-14	2014-15	2015-16	2016-17
Adopted Budget 2013-14 Ending Balance	\$ 26.0	\$ 36.4	\$ 24.7	\$ 12.9
<u>Budget Adjustments</u>				
2014-15 Health & Welfare Inflation Adjustment	-	1.0	1.0	1.0
2015-16 Health & Welfare Inflation Adjustment	-	-	1.0	1.0
2016-17 Health & Welfare Inflation Adjustment	-	-	-	1.0
Technology Leaders/Learning Leaders Savings	0.3	0.3	0.3	0.3
LCFF Additional Funding	3.4	3.4	3.4	3.4
Cumulative Impact to Ending Balance	\$ 3.7	\$ 8.4	\$ 14.1	\$ 20.7
Adjusted Ending Balance Projection	\$ 29.7	\$ 44.8	\$ 38.8	\$ 33.6
Adjusted Balance in Excess of Assigned and 3% Reserve	\$ 21.3	\$ 36.3	\$ 30.2	\$ 25.0
STRUCTURAL DEFICIT	\$ (8.14)	\$ (7.60)	\$ (6.04)	\$ (5.20)

*Negotiated Items – Does Not Include:

- Removal of Furlough Days – approx. \$3 million
- Any Potential Pay Increase – approx. 1% = \$1.5 million

Class Size Scenarios

Grade	Scenario 1 (21 additional FTE – approx. \$1.8M)	Scenario 2 (8 additional FTE – approx. \$0.7 M)	Scenario 3 (8 additional FTE – approx. \$0.7M)	Scenario 4 (12 additional FTE – approx. \$1.0 M)
TK	24.94	24.90	24.90	25.90
K	24.94	24.90	24.90	25.90
1	24.94	26.90	25.90	25.90
2	24.94	26.90	26.90	25.90
3	24.94	26.90	27.90	25.90
4-6	31.90	31.90	31.90	31.90

Class Size Scenario I (21 Additional FTE – Approx. \$1.8)

LCFF Funding Includes Categorical Programs Except ROP (In Millions)				
Major Changes	2013-14	2014-15	2015-16	2016-17
Adopted Budget 2013-14 Ending Balance	\$ 26.0	\$ 36.4	\$ 24.7	\$ 12.9
<u>Initial 2013-14 Budget Adjustments</u>				
2014-15 Health & Welfare Inflation Adjustment	-	1.0	1.0	1.0
2015-16 Health & Welfare Inflation Adjustment	-	-	1.0	1.0
2016-17 Health & Welfare Inflation Adjustment	-	-	-	1.0
Technology Leaders/Learning Leaders Savings	0.3	0.3	0.3	0.3
LCFF Additional Funding	3.4	3.4	3.4	3.4
TK-3 Class Size Reduction (21 Additional FTE)	(1.8)	(1.8)	(1.8)	(1.8)
Grades TK-3 @ 24.94				
Grades 4-6 @ 31.90				
Cumulative Impact to Ending Balance	\$ 2.0	\$ 4.9	\$ 8.7	\$ 13.5
Adjusted Ending Balance Projection	\$ 28.0	\$ 41.3	\$ 33.4	\$ 26.4
Adjusted Balance in Excess of Assigned and 3% Reserve	\$ 19.5	\$ 32.8	\$ 24.8	\$ 17.8
STRUCTURAL DEFICIT	\$ (9.92)	\$ (9.38)	\$ (7.82)	\$ (6.98)

*Negotiated Items – Does Not Include:

- Removal of Furlough Days – approx. \$3 million
- Any Potential Pay Increase – approx. 1% = \$1.5 million

Class Size Scenario 2

(8 Additional FTE – Approx. \$0.7 M)

LCFF Funding Includes Categorical Programs Except ROP (In Millions)				
Major Changes	2013-14	2014-15	2015-16	2016-17
Adopted Budget 2013-14 Ending Balance	\$ 26.0	\$ 36.4	\$ 24.7	\$ 12.9
<u>Initial 2013-14 Budget Adjustments</u>				
2014-15 Health & Welfare Inflation Adjustment	-	1.0	1.0	1.0
2015-16 Health & Welfare Inflation Adjustment	-	-	1.0	1.0
2016-17 Health & Welfare Inflation Adjustment	-	-	-	1.0
Technology Leaders/Learning Leaders Savings	0.3	0.3	0.3	0.3
LCFF Additional Funding	3.4	3.4	3.4	3.4
TK-3 Class Size Reduction (8 Additional FTE)	(0.7)	(0.7)	(0.7)	(0.7)
Grades TK-K @ 24.90				
Grades 1-3 @ 26.90				
Grades 4-6 @ 31.90				
Cumulative Impact to Ending Balance	\$ 3.1	\$ 7.1	\$ 12.1	\$ 18.0
Adjusted Ending Balance Projection	\$ 29.1	\$ 43.5	\$ 37.0	\$ 31.0
Adjusted Balance in Excess of Assigned and 3% Reserve	\$ 21.0	\$ 35.0	\$ 28.2	\$ 22.3
STRUCTURAL DEFICIT	\$ (8.82)	\$ (8.28)	\$ (6.72)	\$ (5.88)

*Negotiated Items – Does Not Include:

- Removal of Furlough Days – approx. \$3 million
- Any Potential Pay Increase – approx. 1% = \$1.5 million

Class Size Scenario 3

(8 Additional FTE – Approx. \$0.7 M)

LCFF Funding Includes Categorical Programs Except ROP (In Millions)				
Major Changes	2013-14	2014-15	2015-16	2016-17
Adopted Budget 2013-14 Ending Balance	\$ 26.0	\$ 36.4	\$ 24.7	\$ 12.9
<u>Initial 2013-14 Budget Adjustments</u>				
2014-15 Health & Welfare Inflation Adjustment	-	1.0	1.0	1.0
2015-16 Health & Welfare Inflation Adjustment	-	-	1.0	1.0
2016-17 Health & Welfare Inflation Adjustment	-	-	-	1.0
Technology Leaders/Learning Leaders Savings	0.3	0.3	0.3	0.3
LCFF Additional Funding	3.4	3.4	3.4	3.4
TK-3 Class Size Reduction (8 Additional FTE)	(0.7)	(0.7)	(0.7)	(0.7)
Grades TK-K @ 24.90				
Grade 1 @ 25.90				
Grade 2 @ 26.90				
Grade 3 @ 27.90				
Grades 4-6 @ 31.90				
Cumulative Impact to Ending Balance	3.1	7.1	12.0	18.0
Adjusted Ending Balance Projection	\$ 29.1	\$ 43.5	\$ 37.0	\$ 31.0
Adjusted Balance in Excess of Assigned and 3% Reserve	\$ 21.0	\$ 35.0	\$ 28.2	\$ 22.3
STRUCTURAL DEFICIT	\$ (8.82)	\$ (8.28)	\$ (6.72)	\$ (5.88)

*Negotiated Items – Does Not Include:

- Removal of Furlough Days – approx. \$3 million
- Any Potential Pay Increase – approx. 1% = \$1.5 million

Class Size Scenario 4 (12 Additional FTE – Approx. \$1.0 M)

LCFF Funding Includes Categorical Programs Except ROP (In Millions)

Major Changes	2013-14	2014-15	2015-16	2016-17
Adopted Budget 2013-14 Ending Balance	\$ 26.0	\$ 36.4	\$ 24.7	\$ 12.9
<u>Initial 2013-14 Budget Adjustments</u>				
2014-15 Health & Welfare Inflation Adjustment	-	1.0	1.0	1.0
2015-16 Health & Welfare Inflation Adjustment	-	-	1.0	1.0
2016-17 Health & Welfare Inflation Adjustment	-	-	-	1.0
Technology Leaders/Learning Leaders Savings	0.3	0.3	0.3	0.3
LCFF Additional Funding	3.4	3.4	3.4	3.4
TK-3 Class Size Reduction (12 Additional FTE)	(1.0)	(1.0)	(1.0)	(1.0)
Grades TK-3 @ 25.90				
Grades 4-6 @ 31.90				
Cumulative Impact to Ending Balance	\$ 2.7	\$ 6.4	\$ 11.0	\$ 16.6
Adjusted Ending Balance Projection	\$ 28.7	\$ 42.8	\$ 35.7	\$ 29.5
Adjusted Balance in Excess of Assigned and 3% Reserve	\$ 20.3	\$ 34.3	\$ 27.2	\$ 20.9
STRUCTURAL DEFICIT	\$ (9.16)	\$ (8.62)	\$ (7.06)	\$ (6.22)

*Negotiated Items – Does Not Include:

- Removal of Furlough Days – approx. \$3 million
- Any Potential Pay Increase – approx. 1% = \$1.5 million

Superintendent's Recommendation

Class Size Scenario 2 (8 Additional FTE – Approx. \$0.7 M)

TK-K @ 24.90; 1-3 @ 26.90; 4-6 @ 31.90	In Millions			
	2013-14	2014-15	2015-16	2016-17
Adjusted Balance in Excess of Assigned and 3% Reserve	\$ 21.0	\$ 35.0	\$ 28.2	\$ 22.3
STRUCTURAL DEFICIT	\$ (8.82)	\$ (8.28)	\$ (6.72)	\$ (5.88)

*Negotiated Items – Does Not Include:

- Removal of Furlough Days – approx. \$3 million
- Any Potential Pay Increase – approx. 1% = \$1.5 million