



# OAKLAND UNIFIED SCHOOL DISTRICT

*Community Schools, Thriving Students*

**2013-14 Budget Development Update**

**Governor's May Revise Budget**

**May 22, 2013**



**Draft v3**

# Themes for the May Revision

1-2

- Economic growth, though the pace is slow, and the passage of Proposition 30 provide the state with more revenue in 2012-13
  - But the Governor projects slower growth for 2013-14
- The level of Proposition 98 is increased by the higher revenues
  - Much of the increase is used to quicken the pace of deferral buy backs and to fund a one-time augmentation for Common Core State Standards (CCSS)
  - Funding in 2013-14 for individual districts is increased only minimally over the Governor's January proposal
- The Local Control Funding Formula (LCFF) remains the centerpiece of the Governor's State Budget proposal
  - The theory and motivations are unquestionably good
  - But many mechanical and policy issues remain unresolved
- There is plenty of work left to be done by the Legislature



# The May Revision in Broad Strokes

1-3

- Most major policy issues remain as proposed in January
- The state recognizes a substantial increase of \$4.5 billion in revenues for 2012-13, most of which are committed by statute to Proposition 98
  - The Governor has the responsibility for determining how much of the revenue is one time or ongoing and then adjusting his State Budget proposal accordingly
  - No major increases are proposed for any area of the State Budget other than education
- Higher revenues are good news, but the real story is in the distribution system for education funding
  - The LCFF provides widely disparate increases
    - No district loses funding, but some don't gain much



# Major Proposals by the Governor

1-4

- Maintains the LCFF essentially as proposed in January
  - Provides some relief for Adult Education and Regional Occupational Centers and Programs (ROC/P)
  - Adds very restrictive accountability provisions
- Buys down deferrals faster than planned
- Funds the CCSS implementation on a one-time basis
- Backfills the loss of federal special education funding



# The California Economy

1-8

- The California economy continues its slow path of recovery
  - Inflation-adjusted personal income is expected to increase 1.4% in 2013 and 3.6% in 2014, according to UCLA
  - By 2014, the California unemployment rate is expected to fall to 8.4%, one percentage point higher than the U.S. rate, but 1.4% lower than currently
- Of concern, however, is the bifurcated path of the state economy
  - The inland regions are characterized by continuing high unemployment and ailing housing markets
  - The coastal regions enjoy relatively low unemployment, improving housing markets, and higher average incomes
  - This situation has led to out migration from the inland counties and net inflows into coastal counties



# General Fund Revenues – Current Year

1-15

- Two major tax increases have combined to boost current-year revenues above the Governor's Budget forecast:
  - The passage of Proposition 30 in November 2012, which raised the sales tax on all consumers and the income tax on high-income earners
  - The increase in federal tax rates for high-income earners, causing an acceleration of income recognition
- Also, an improving economy is adding payroll jobs, but there may be a decline in hours worked per week
- These factors have resulted in an upward revision in current-year General Fund revenue of \$2.8 billion
- The question for state revenue forecasters: How much of the current-year gain has come at the expense of 2013-14 revenues, and how much will be ongoing?





# General Fund Revenues in 2013-14

1-16

- The January Governor's Budget forecasted General Fund revenues and transfers in 2013-14 of \$98.5 billion, a 3.3% gain over the expected current year total, reflecting an expanding economy
- The May Revision, however, lowers the forecast for the budget year to \$97.2 billion, a reduction of \$1.3 billion from the January estimate
  - With this revision, General Fund revenues decline 1% from 2012-13
    - Most of this decline is in the personal income tax, with the outlook for capital gains income falling significantly
- The Administration's long-term forecast, however, shows a substantial boost in 2014-15, with revenues from the three major taxes growing a combined 9.3%, or almost \$8 billion



- Today – the primary source of unrestricted funding comes from revenue limits
  - Established in the 1970s, formed the basis for equalization of funding differences among school districts
  - Average revenue limit for all districts in 2011-12 is \$5,347 per ADA
  - Since 2007-08, revenue limits have been reduced more than 22% from the statutory entitlement
  - Revenue limits still vary among school districts based on historical and state funding differences – most cluster around the average, but some are higher
- LCFF – would, at full implementation, fund every student at the same base rate
  - Establishes the 2007-08 undeficit average BRL per ADA, adjusted for inflation, as the target
  - \$6,816 per ADA – adjusted for four grade span differentials
  - All school district and charter school base grant funding will equalize to this level





# SSC's 2013-14 Deficit Factor Estimate

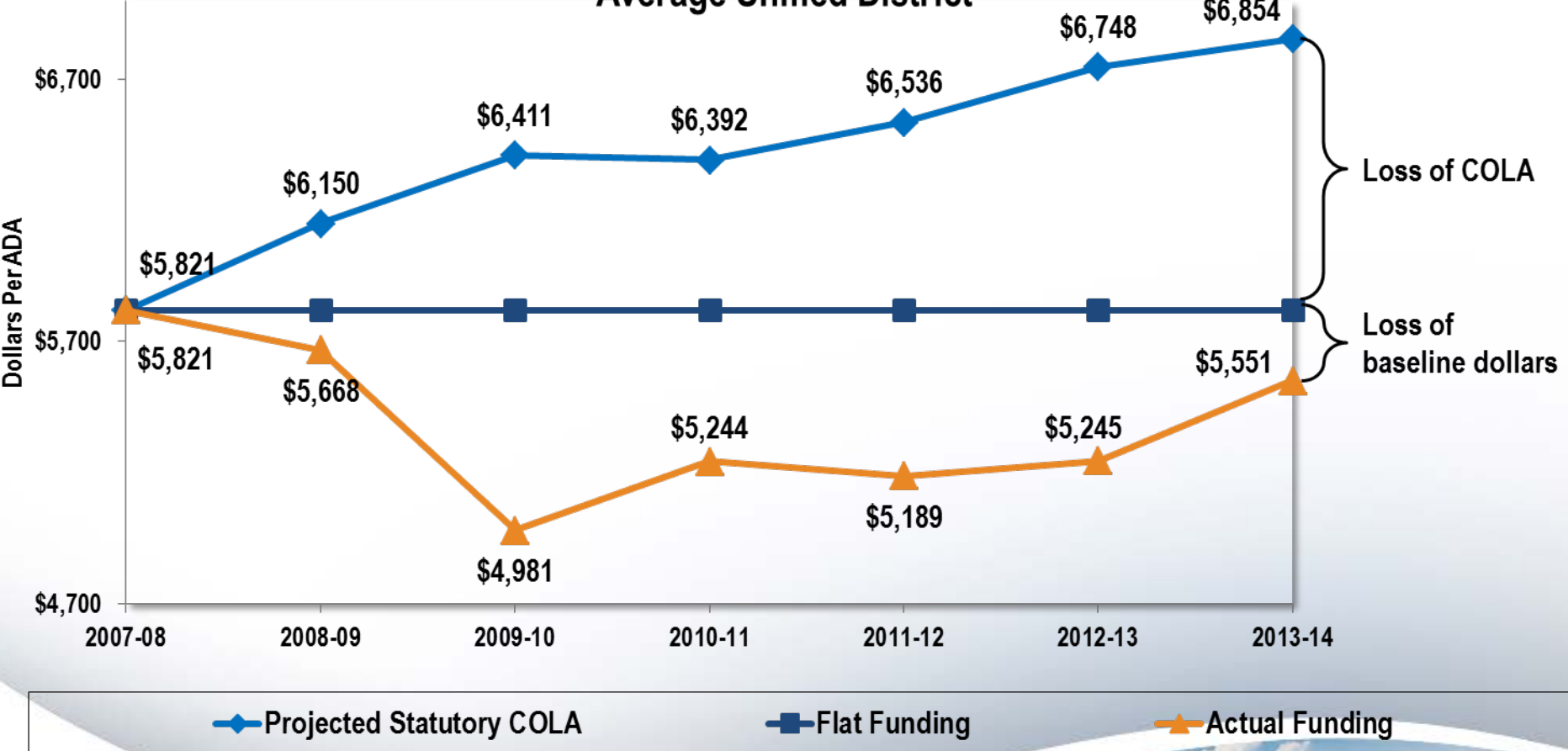
2-6

- Because Governor Brown proposes to repeal revenue limits, neither the January Governor's Budget nor the May Revision includes an estimate of the deficit factor for 2013-14
  - The 2012-13 deficit factor is 22.272%
- School Services of California, Inc., however, has provided a means to estimate your district's 2013-14 funding under revenue limits in the event that Governor Brown's LCFF is not enacted for the budget year
- SSC estimates the deficit factor to be 18.997% in 2013-14, assuming the funding proposed in the May Revision is instead applied to the revenue limit model
  - \$1.84 billion is available to fund the 1.565% COLA and a reduction in the deficit factor of 3.275%



# Funding Per ADA – Actual vs. Statutory Level

Average Unified District



# Major LCFF Elements

2-14

- The LCFF would replace revenue limits and most categorical programs
  - Funding allocated through the formula, however, would now be subject to additional accountability requirements
- Elements of the proposed formula
  - Base grant targets derived from the 2012-13 undeficitated statewide average BRL per ADA – \$6,816 (prior to the 1.565% statutory COLA)
  - Differential adjustments for early primary, primary, middle, and high school grade spans; added funding for K-3 Class-Size Reduction (CSR) and grades 9-12 Career-Technical Education (CTE)
  - Additional funding based on the demographics of the school district:
    - English learner population, pupils eligible for free and reduced-price meals, and foster youth



# Categorical Program Highlights

3-1

- The May Revision contains many of the same proposals as the Governor's January Budget:
  - Home-to-school transportation and TIIG funding will be an "add on" to the LCFF and flexible
    - Funding from these programs can be used for any educational purpose
  - K-3 CSR is still phased in to 24:1, unless bargained otherwise
- Adult education proposal has been revised and the timeline for implementation extended
- Regional Occupational Centers and Programs (ROC/Ps) are direct funded for two additional years
- The January proposal for technology-based instruction has been postponed until 2014-15



## ■ Issue:

- The LCFF specifies that districts must reduce class size in grades K-3, eventually reaching a student to teacher ratio of 24:1 by 2019-20, unless an alternate ratio is locally negotiated
- During the intervening years, districts are to meet intermediate targets, based on the funding provided to move all districts to their LCFF target
- A district's failure to meet the target at one school site would result in the loss of all K-3 CSR funds districtwide – a penalty that is likely to be out of proportion to the error

## ■ May Revision – Fixed or Not: No

- The severe penalties remain in place



- May Revision proposes maintaining the status quo for existing K-12 and community college adult education programs for two years
  - Includes \$30 million in 2013-14 for two-year planning and implementation grants
- The proposal allows school districts to retain authority to continue existing adult education programs
  - Over time, the expectation is to join a regional adult education consortium in order to:
    - Gain access to additional dedicated adult education funding
    - Ensure coordination with other local adult education providers





- The May Revision indicates the Administration's intent is to provide \$500 million in Proposition 98 funds effective 2015-16 to fund adult education schools jointly operated by regional consortia of K-12 and community college districts
  - At least \$350 million of the proposed \$500 million must be apportioned to existing adult education providers
- Planning grant applications must identify how the consortia will integrate existing programs with the new partnership program, including how to best serve adults in local correctional facilities
- CDE and the Chancellor's Office will review the plans and allocate future funding



- Priority for funding will be given to programs for:
  - English as a second language
  - Citizenship
  - High school diploma
  - General education development (GED)
  - Workplace education
- The consortia will be required to develop course sequencing pathways, providing adult learners with planning tools to attain their goals
- The proposal requires districts in each consortium to maintain their current level of adult education spending in 2013-14, 2014-15, and into the future to generate the new funding



# Common Core State Standards Update

3-2

- The Common Core State Standards (CCSS) is an initiative that established a single set of educational standards for kindergarten through grade 12 in English language arts and mathematics
  - Voluntarily adopted by states
- The goal of the CCSS is to provide a consistent and clear set of shared goals and expectations for the knowledge and skills students need in English language arts and mathematics at each grade level to be prepared to graduate college and be career ready
- California adopted the CCSS in 2010



# Common Core State Standards Funding

3-5

- To date, there has been no new funding for LEAs to use for the implementation of the CCSS, and there is no accepted estimate of the cost of full implementation
  - There are estimates anywhere from \$1.5 billion to \$3 billion statewide
- In the May Revision, Governor Brown proposes an increase of \$1 billion in one-time Proposition 98 General Fund dollars in 2012-13 to support LEAs' implementation of the CCSS
  - LEAs should receive the funding in 2013-14, distributed on a per-ADA basis
    - About \$170 per ADA
  - LEAs must develop a plan to spend the money over the next two years by June 30, 2015, and will be required to hold a public hearing on the plan



# The LCFF Accountability System

5-1

## Local Control and Accountability Plan (LCAP)

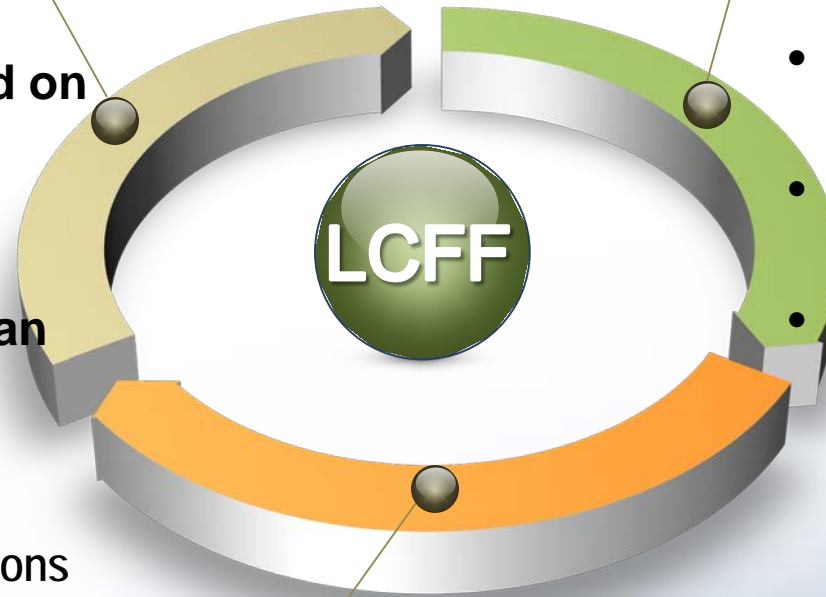
- Local goals focused on improved student outcomes
- Goals aligned with annual spending plan

## State Requirements

- Performance expectations
- Expenditure requirements
- Proportionality rule
- Annual audit

## County and State Superintendent Oversight

- Technical assistance
- Approval and disapproval of local plans
- Review data on eligible student counts
- Stay and rescind actions of a local governing board



# Accountability Maintenance of Effort

4-14

- The May Revision's LCFF proposal includes an MOE requirement to provide support to eligible students based on the 2012-13 expenditure level
- In preparation for the potential implementation of the LCFF, school agencies should assess expenditures by program
  - This will allow for a successful implementation through the transfer of expenditures where appropriate
- The accountability measures related to the MOE:
  - Require that expenditures in subsequent years shall be no less than the total expenditures in fiscal year 2012-13
  - Require that school agencies demonstrate that the funds are spent on English learner students
    - Tracking can be accomplished through the Goal Code or locally designated account field in order to demonstrate MOE





# MAY REVISE IMPACT ON OUSD 2013-14

- Scenario 1: Flat funding

- Results in deficit spending of \$1.2M

- Scenario 2: Cost of Living Adjustment (COLA) of 1.565% and deficit reduction of 3.275%

- Results in \$9.4M increase

- Scenario 3: Local Control Funding Formula (LCFF)

- Results in \$12.5M increase



# MAY REVISE SCENARIO 1 FLAT FUNDING – GENERAL FUND UNRESTRICTED FOR 2013-14

GENERAL FUND - UNRESTR (FLAT Version)		2013-14 Bgt Dev	2012-13 3rd Interim	Difference
Revenues		\$ 263,657,306	\$ 262,678,125	\$ 979,181
Other Sources (Transfers-In)		734,067	1,323,260	(589,193)
Indirect Cost Offset		3,756,723	5,287,734	(1,531,011)
<b>Total Rev , Other Sources &amp; Indirect</b>	<b>A</b>	<b>\$ 268,148,096</b>	<b>\$ 269,289,119</b>	<b>\$ (1,141,023)</b>
<b>Total Uses (Contrib. &amp; State Loan Debt Service)</b>	<b>B</b>	<b>\$ 46,951,463</b>	<b>\$ 45,451,463</b>	<b>\$ 1,500,000</b>
<b>Net Available for Exps (Objs 1000-6999)</b>	<b>A-B=C</b>	<b>\$ 221,196,633</b>	<b>\$ 223,837,656</b>	<b>\$ (2,641,023)</b>
Total School Site Budgets		\$ 163,284,909	\$ 162,631,432	\$ 653,477
Total Central Office Budgets		50,761,346	49,440,139	1,321,207
Districtwide Budgets (Site 998 & 999)		10,830,263	11,456,408	(626,145)
<b>Total Expenses (Objs 1000-6999)</b>	<b>D</b>	<b>\$ 224,876,518</b>	<b>\$ 223,527,979</b>	<b>\$ 1,348,539</b>
<b>Net Incr/(Decr) in Fund Balance</b>	<b>C-D=E</b>	<b>\$ (3,679,885)</b>	<b>\$ 309,678</b>	<b>\$ (3,989,563)</b>
Total One-Time Items in Expenses	F	\$ 2,474,717	\$ 3,864,870	\$ (1,390,153)
<b>Est (Deficit) / Surplus - After One-Time Exp Items</b>	<b>E+F=G</b>	<b>\$ (1,205,168)</b>	<b>\$ 4,174,548</b>	<b>\$ (5,379,716)</b>

**MAY REVISE SCENARIO 2 COLA of 1.565% AND DEFICIT REDUCTION  
OF 3.275% – GENERAL FUND UNRESTRICTED FOR 2013-14**

<b>GENERAL FUND - UNRESTR (Version 2)</b>		<b>2013-14 Bgt Dev</b>	<b>2012-13 3rd Interim</b>	<b>Difference</b>
Revenues		\$ 274,282,592	\$ 262,678,125	\$ 11,604,467
Other Sources (Transfers-In)		734,067	1,323,260	(589,193)
Indirect Cost Offset		3,756,723	5,287,734	(1,531,011)
<b>Total Rev , Other Sources &amp; Indirect</b>	<b>A</b>	\$ 278,773,382	\$ 269,289,119	\$ 9,484,263
<b>Total Uses (Contrib. &amp; State Loan Debt Service)</b>	<b>B</b>	\$ 46,951,463	\$ 45,451,463	\$ 1,500,000
<b>Net Available for Exps (Objs 1000-6999)</b>	<b>A-B=C</b>	\$ 231,821,919	\$ 223,837,656	\$ 7,984,263
Total School Site Budgets		\$ 163,284,909	\$ 162,631,432	\$ 653,477
Total Central Office Budgets		50,761,346	49,440,139	1,321,207
Districtwide Budgets (Site 998 & 999)		10,830,263	11,456,408	(626,145)
<b>Total Expenses (Objs 1000-6999)</b>	<b>D</b>	\$ 224,876,518	\$ 223,527,979	\$ 1,348,539
<b>Net Incr/(Decr) in Fund Balance</b>	<b>C-D=E</b>	\$ 6,945,401	\$ 309,678	\$ 6,635,723
Total One-Time Items in Expenses	<b>F</b>	\$ 2,474,717	\$ 3,864,870	\$ (1,390,153)
<b>Est (Deficit) / Surplus - After One-Time Exp Items</b>	<b>E+F=G</b>	\$ 9,420,118	\$ 4,174,548	\$ 5,245,570

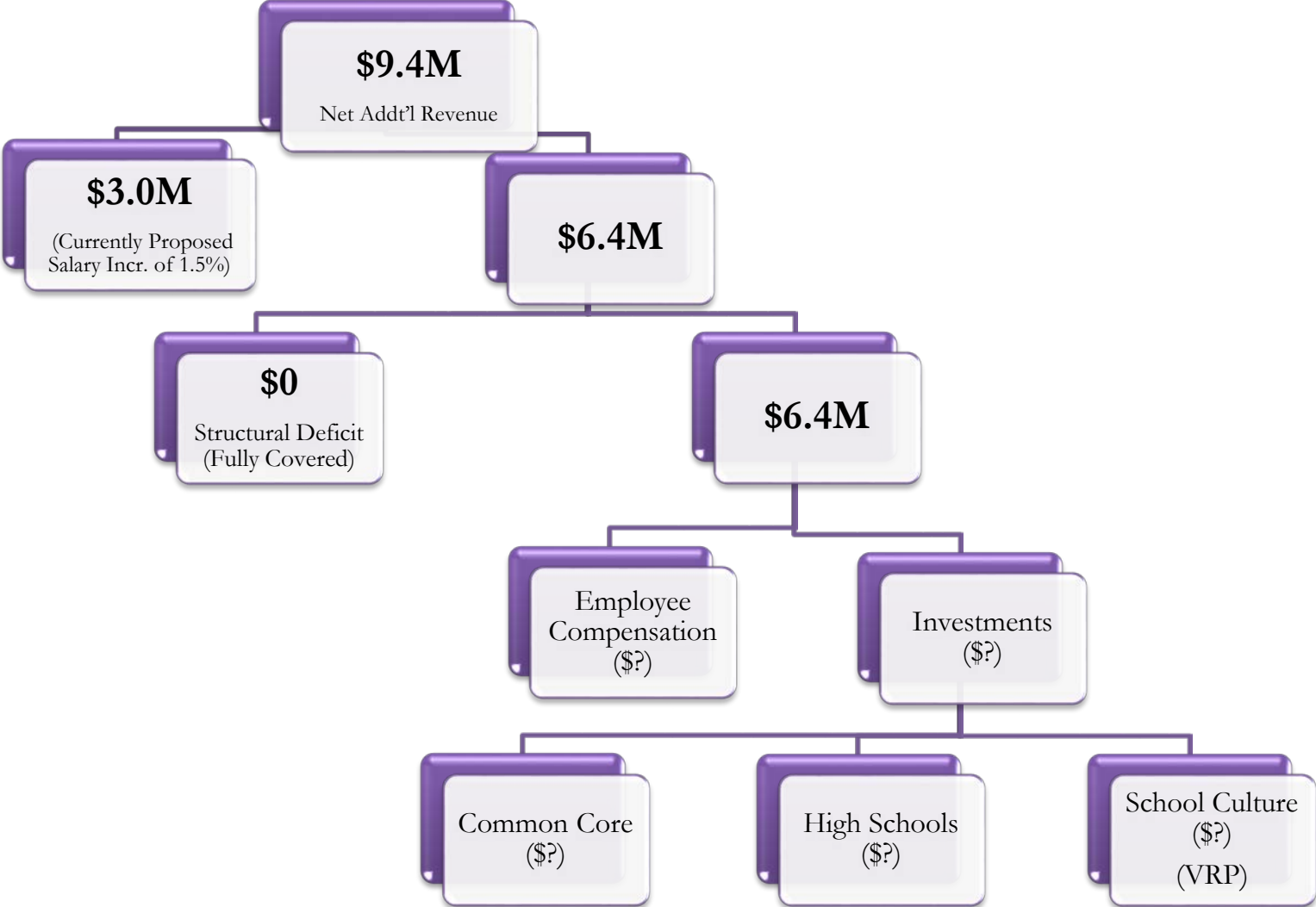
# **MAY REVISE SCENARIO 3 LOCAL CONTROL FUNDING FORMULA – GENERAL FUND UNRESTRICTED FOR 2013-14**

## LCFF Assumptions:

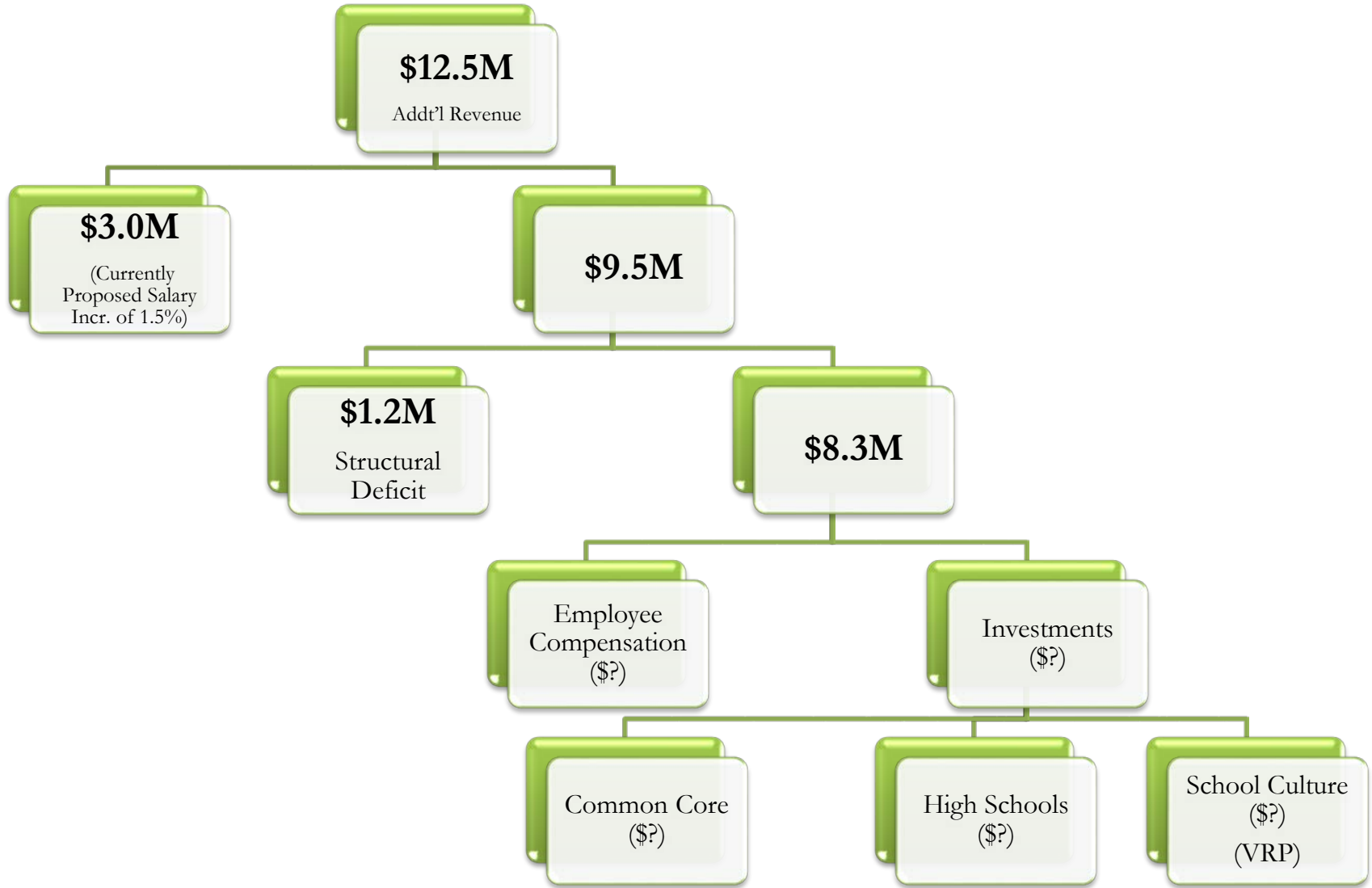
- COLA of 1.565%
- ADA 34,693
- % of eligible students [English Language Learners (ELL), students qualified for Free & Reduced Meal Program & Foster Youth] – 80%
- Average Base Grant - \$6,878/ADA
- Average Supplemental Grant - \$1,926/ADA
- Average Concentration Grant - \$722/ADA
- Funding of difference – 11.74%

**These assumptions result in an increase in funding of \$12.5M**

# MAY REVISE SCENARIO 2 COLA OF 1.565% AND DEFICIT REDUCTION OF 3.275%– GENERAL FUND UNRESTRICTED FOR 2013-14



# MAY REVISE SCENARIO 3 LOCAL CONTROL FUNDING FORMULA – GENERAL FUND UNRESTRICTED FOR 2013-14





# Appendix

# MAY REVISE SCENARIO 1 FLAT FUNDING DETAIL – GENERAL FUND UNRESTRICTED FOR 2013-14

OUSD Bgt Dev 2013-14 Unrestricted General Fund (FLAT Version)					Comments
		2013-14 Bgt Dev	2012-13 3rd Interim	Difference	
<b>Revenues</b>					
Rev Limit		177,003,284	176,806,857	196,427	35 less ADA than 3rd Interim Based on Lower Proj Enrol, less on-time negative adj in 2012/13
Unrestr Fed		70,096	70,096	-	
Other State		60,801,637	60,086,530	715,107	Primarily More Mandated Block Grant (\$48/ADA FY13-14 vs \$28/ADA FY12-14)
Local		25,782,289	25,714,642	67,647	\$100K more rental inc less one-time amt in 2012/13
<b>Total Revenues</b>	a	<b>263,657,306</b>	<b>262,678,125</b>	<b>979,181</b>	
<b>Other Sources</b>					
Transfers In (Self Ins & other Funds to cover costs)		734,067	734,067	-	
Transfers In (from state loan to cover state loan pmt)			589,193	(589,193)	State Loan fully depleted in FY 12-13. No amt avail for FY 13-14
<b>Total Other Sources</b>	b	<b>734,067</b>	<b>1,323,260</b>	<b>(589,193)</b>	
<b>Indirect Costs Offset</b>					
Interprogram		2,395,558	3,956,276	(1,560,718)	Amt for 13-14 reduced to budget Adopted amt for 12-13
Interfund		1,361,165	1,331,458	29,707	
<b>Total Indirect Cost Offset</b>	c	<b>3,756,723</b>	<b>5,287,734</b>	<b>(1,531,011)</b>	
<b>Total Revenues, Other Sources &amp; Indirect</b>	a+b+c=d	<b>\$ 268,148,096</b>	<b>\$ 269,289,119</b>	<b>\$ (1,141,023)</b>	
<b>Uses (Other than exps)</b>					
Other Outgo		8,951,416	8,951,416	-	
Transfers Out		-	1,000,000	(1,000,000)	Transfer to Adult Ed Fund assumed to be eliminated
Contributions		38,000,047	35,500,047	2,500,000	Primarily Incr to RRMA transfer. Current yr amt is low due to use of one-time monies in Fd 40
<b>Total Uses</b>	e	<b>\$ 46,951,463</b>	<b>\$ 45,451,463</b>	<b>\$ 1,500,000</b>	
<b>Net Available for Exps (Objs 1000-6999)</b>	d-e=f	<b>\$ 221,196,633</b>	<b>\$ 223,837,656</b>	<b>\$ (2,641,023)</b>	

# MAY REVISE SCENARIO 1 FLAT FUNDING DETAIL – GENERAL FUND UNRESTRICTED FOR 2013-14

OUSD Bgt Dev 2013-14 Unrestricted General Fund (FLAT Version)					Comments
<b>Central Office Exps (Objs 1000-6999)</b>					
Central Offices		50,161,346	49,440,139	721,207	Central Redesign, Invest in Fiscal Operations, Custodial Services (Health Clinics), \$225K for Nurses
One-Time Summer School for High Schools		600,000		600,000	One-Time Summer Schl for High School
Centrally Bgtd Site Exps - Site 998		6,592,063	6,373,921	218,142	FY 13-14 Bgt based on Adopted 12-13 which includes Meas G Art to be alloc during the yr to Schls
Centrally Bgtd Site Exps - Site 999		3,738,200	3,575,478	162,722	FY 13-14 Bgt based on Adopted 12-13 bgt less one-time Items
One-Time Items-Consultants for Audit Issues - Site 999		500,000	635,000	(135,000)	Est. Reduction in the Support Needed for an Independent Financial Audit for FY 13-14
Board/Bond (Measure J) Election Expense - Site 999			267,267	(267,267)	One-time Item for 12-13
Payment of Early Retirement Program - Site 999			604,742	(604,742)	One-time Item for 12-13
<b>Total Central Budgets</b>	g	<b>61,591,609</b>	<b>60,896,547</b>	<b>695,062</b>	
<b>School Site Budgets Exps (1000-6999)</b>					
School Site Budgets		156,589,595	156,535,836	53,758	
Net Decr Not Made for Fall Revisions Based on Actual Enroll.			1,054,305	(1,054,305)	At Fall Revision for 12-13, This Amt was to be Reduced Based on Actual 20th day Enroll Counts but Wasn't Due to Need
Measure G Art			366,626	(366,626)	Amt for FY 13-14 Included in Ctrl Site 998 Bgt to be Allocated During FY 13-14
Balancing Pool Awards		5,740,597	4,081,945	1,658,652	Amt Set Aside for Balancing Pool for Fy 13-14 was \$3M. Amt Exceeded by \$2.2M
TSA Strategy		592,719	592,719	-	
Newcomer Programs		361,998		361,998	New One-Time Allocation for FY 13-14
<b>Total School Site Budgets</b>	h	<b>163,284,909</b>	<b>162,631,432</b>	<b>653,477</b>	
<b>Total Expenses (Objs 1000-6999)</b>	g+h=i	<b>\$ 224,876,518</b>	<b>\$ 223,527,979</b>	<b>\$ 1,348,539</b>	
<b>Net Incr/(Decr) in Fund Balance</b>	f-i=j	<b>\$ (3,679,885)</b>	<b>\$ 309,678</b>	<b>\$ (3,989,563)</b>	
<b>One-Time Items in Expenses</b>					
One-time costs for Administrator on Special Assignment (ASA)			172,000	(172,000)	
TSA Strategy (Three year strategy)		592,719	592,699	20	
Summer School for High Schools		600,000		600,000	
Payment of Early Retirement Program			604,742	(604,742)	
Prior Year Adjustments			438,857	(438,857)	
Write-offs		100,000	100,000	-	
Decr Not Made at Schls for Fall Revisions Based on Act Enroll			1,054,305	(1,054,305)	
One-time Support for Audit work		500,000	635,000	(135,000)	
One-time Investment in Barack Obama		320,000		320,000	
Board/Bond (Measure J) Election Expense			267,267	(267,267)	
Newcomer Programs		361,998		361,998	
<b>Total One-time Items in Exps</b>	k	<b>\$ 2,474,717</b>	<b>\$ 3,864,870</b>	<b>\$ (1,390,153)</b>	
<b>Est (Deficit) / Surplus - After One-Time Exp Items</b>	j+k=l	<b>\$ (1,205,168)</b>	<b>\$ 4,174,548</b>	<b>\$ (5,379,716)</b>	

**MAY REVISE SCENARIO 1 FLAT FUNDING FUND  
BALANCE DETAIL – GENERAL FUND  
UNRESTRICTED FOR 2013-14**

Unrestricted General Fund (FLAT Version)	Bgt Dev 2013-14	2012-13 2nd Interim	Difference
<b>Ending Fund Balance</b>	\$ 29,498,882	\$ 33,178,766	(3,679,885)
Components of the Ending Fund Balance:			
Reserve for Economic Uncertainty	\$ 12,584,862	\$ 12,584,862	\$ -
Revolving Cash	150,000	150,000	-
Audit Findings & One-time Items	7,500,000	7,500,000	-
Designated for Early Retirement Pgm Approved 2011-12	895,258	895,258	-
Designated For One-Time Employee Compensation	6,000,000	-	6,000,000
Designated for One-Time Invest in Priorities (VPR; High Schl; Common Core)	1,525,283	-	1,525,283
Designated for Cash Deferred Pmts from the State & Other Designations	843,479	12,048,647	(11,205,168)
<b>Total Ending Fund Balance</b>	<b>\$ 29,498,882</b>	<b>\$ 33,178,766</b>	<b>\$ (3,679,885)</b>

# MAY REVISE SCENARIO 2 COLA of 1.565% AND DEFICIT REDUCTION OF 3.275% DETAIL – GENERAL FUND UNRESTRICTED FOR 2013-14

OUSD Bgt Dev 2013-14 Unrestricted General Fund (Version 2)					Comments
		2013-14 Bgt Dev	2012-13 3rd Interim	Difference	
<b>Revenues</b>					
Rev Limit		187,628,570	176,806,857	10,821,713	35 less ADA than 3rd Interim Based on Lower Proj Enrol, \$305.66/ADA Incr due to lower Deficit & funded COLA
Unrestr Fed		70,096	70,096	-	
Other State		60,801,637	60,086,530	715,107	Primarily More Mandated Block Grant (\$48/ADA FY13-14 vs \$28/ADA FY12-14)
Local		25,782,289	25,714,642	67,647	\$100K more rental inc less one-time amt in 2012/13
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<b>Other Sources</b>					
Transfers In (Self Ins & other Funds to cover costs)		734,067	734,067	-	
Transfers In (from state loan to cover state loan pmt)			589,193	(589,193)	State Loan fully depleted in FY 12-13. No amt avail for FY 13-14
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<b>Indirect Costs Offset</b>					
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Contributions		38,000,047	35,500,047	2,500,000	Primarily Incr to RRMA transfer. Current yr amt is low due to use of one-time monies in Fd 40
<b>Total Uses</b>	e	<b>\$ 46,951,463</b>	<b>\$ 45,451,463</b>	<b>\$ 1,500,000</b>	
<b>Net Available for Exps (Objs 1000-6999)</b>	d-e=f	<b>\$ 231,821,919</b>	<b>\$ 223,837,656</b>	<b>\$ 7,984,263</b>	

# MAY REVISE SCENARIO 2 COLA of 1.565% AND DEFICIT REDUCTION OF 3.275% DETAIL – GENERAL FUND UNRESTRICTED FOR 2013-14

OUSD Bgt Dev 2013-14 Unrestricted General Fund (Version 2)					Comments
<b>Central Office Exps (Objs 1000-6999)</b>					
Central Offices		50,161,346	49,440,139	721,207	Central Redesign, Invest in Fiscal Operations, Custodial Services (Health Clinics), \$225K for Nurses
One-Time Summer School for High Schools		600,000		600,000	One-Time Summer Schl for High School
Centrally Bgtd Site Exps - Site 998		6,592,063	6,373,921	218,142	FY 13-14 Bgt based on Adopted 12-13 which includes Meas G Art to be alloc during the yr to Schls
Centrally Bgtd Site Exps - Site 999		3,738,200	3,575,478	162,722	FY 13-14 Bgt based on Adopted 12-13 bgt less one-time Items
One-Time Items-Consultants for Audit Issues - Site 999		500,000	635,000	(135,000)	Est. Reduction in the Support Needed for an Independent Financial Audit for FY 13-14
Board/Bond (Measure J) Election Expense - Site 999			267,267	(267,267)	One-time Item for 12-13
Payment of Early Retirement Program - Site 999			604,742	(604,742)	One-time Item for 12-13
<b>Total Central Budgets</b>	g	<b>61,591,609</b>	<b>60,896,547</b>	<b>695,062</b>	
<b>School Site Budgets Exps (1000-6999)</b>					
School Site Budgets		156,589,595	156,535,836	53,758	
Net Decr Not Made for Fall Revisions Based on Actual Enroll.			1,054,305	(1,054,305)	At Fall Revision for 12-13, This Amt was to be Reduced Based on Actual 20th day Enroll Counts but Wasn't Due to Need
Measure G Art			366,626	(366,626)	Amt for FY 13-14 Included in Ctrl Site 998 Bgt to be Allocated During FY 13-14
Balancing Pool Awards		5,740,597	4,081,945	1,658,652	Amt Set Aside for Balancing Pool for Fy 13-14 was \$3M. Amt Exceeded by \$2.2M
TSA Strategy		592,719	592,719	-	
Newcomer Programs		361,998		361,998	New One-Time Allocation for FY 13-14
<b>Total School Site Budgets</b>	h	<b>163,284,909</b>	<b>162,631,432</b>	<b>653,477</b>	
<b>Total Expenses (Objs 1000-6999)</b>	g+h=i	<b>\$ 224,876,518</b>	<b>\$ 223,527,979</b>	<b>\$ 1,348,539</b>	
<b>Net Incr/(Decr) in Fund Balance</b>	f-i=j	<b>\$ 6,945,401</b>	<b>\$ 309,678</b>	<b>\$ 6,635,723</b>	
<b>One-Time Items in Expenses</b>					
One-time costs for Administrator on Special Assignment (ASA)			172,000	(172,000)	
TSA Strategy (Three year strategy)		592,719	592,699	20	
Summer School for High Schools		600,000		600,000	
Payment of Early Retirement Program			604,742	(604,742)	
Prior Year Adjustments			438,857	(438,857)	
Write-offs		100,000	100,000	-	
Decr Not Made at Schls for Fall Revisions Based on Act Enroll			1,054,305	(1,054,305)	
One-time Support for Audit work		500,000	635,000	(135,000)	
One-time Investment in Barack Obama		320,000		320,000	
Board/Bond (Measure J) Election Expense			267,267	(267,267)	
Newcomer Programs		361,998		361,998	
<b>Total One-time Items in Exps</b>	k	<b>\$ 2,474,717</b>	<b>\$ 3,864,870</b>	<b>\$ (1,390,153)</b>	
<b>Est (Deficit) / Surplus - After One-Time Exp Items</b>	j+k=l	<b>\$ 9,420,118</b>	<b>\$ 4,174,548</b>	<b>\$ 5,245,570</b>	

**MAY REVISE SCENARIO 2 COLA of 1.565% AND DEFICIT REDUCTION  
OF 3.275% FUND BALANCE DETAIL – GENERAL FUND  
UNRESTRICTED FOR 2013-14**

<b>Unrestricted General Fund (Version 2)</b>	<b>Bgt Dev 2013-14</b>	<b>2012-13 2nd Interim</b>	<b>Difference</b>
<b>Ending Fund Balance</b>	\$ 40,124,168	\$ 33,178,766	6,945,401
<b>Components of the Ending Fund Balance:</b>			
Reserve for Economic Uncertainty	\$ 12,584,862	\$ 12,584,862	\$ -
Revolving Cash	150,000	150,000	-
Audit Findings & One-time Items	7,500,000	7,500,000	-
Designated for Early Retirement Pgm Approved 2011-12	895,258	895,258	-
Designated For One-Time Employee Compensation	6,000,000	-	6,000,000
Designated for One-Time Invest in Priorities (VPR; High Schl; Common Core)	1,525,283	-	1,525,283
Designated for Cash Deferred Pmts from the State & Other Designations	11,468,765	12,048,647	(579,882)
<b>Total Ending Fund Balance</b>	\$ 40,124,168	\$ 33,178,766	\$ 6,945,401