



2014-2015 ADOPTED BUDGET

Wednesday, June 25, 2014

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Life Academy

EXECUTIVE SUMMARY

Executive Summary

- Budget reflects the Board's priorities:
 - Building a professional culture.
 - Developing quality schools in every neighborhood.
- Percentage of Costs of Education Expended for Classroom Compensation (CEA calculation) met at 55%.
- Administrator to Teacher Ratio target met.
- What's Changed Since First Reading?
 - Net change is **\$2.6 million** additional (on-going) revenues over expenses
 - Health and Welfare costs adjusted to actual rates for 2014-15:
 - Had assumed a 8% increase for budget development.
 - Actual rate for 2014-15 has been confirmed at close to 2%.
 - Self-Insurance Fund rate reduced:
 - Need to increase our Self-Insurance Fund Balance over time by increasing the rate that's charged to all programs/offices.
 - The rate was reduced from 8% to 6.5%, which is still an increase over 2013-14.
 - Amount available for on-going items increases from **\$3.6 million** to **\$6.2 million**.

Executive Summary – What about Changes from Governor's May Revise?

- Legislature has passed a budget for 2014-15 that is slightly different from the Governor's proposed budget.
- Governor had not signed by the agenda deadline for this Board meeting.
- If Legislature's budget is signed by the Governor, OUSD can expect to see an additional **\$1.8 million** of available unrestricted resources:
 - STRS increase reduced from governor's proposal of 9.50% to 8.88%, freeing up approximately **\$0.9 million**.
 - LCFF Gap funding (the portion of the gap between current funding and target funding that the State will add in 2014-15) increases from 28% to 29%, generating **\$0.9 million** more in LCFF funds for OUSD.
- State will make **\$400.5 million** in payments toward mandated costs (statewide) – not sure what OUSD portion will be. This will be a one-time resource.
- OUSD has **45 days** from when the State Budget is signed to revise OUSD's Budget and resubmit to the Alameda County Office of Education (ACOE). Revised numbers will be presented to the Board in August before submitting to ACOE.



Dewey Academy

OUSD BUDGET OVERVIEW

UNRESTRICTED GENERAL FUND

Unrestricted General Fund		2014-15 BGT ADOPTION	2013-14 3rd Interim	Diff
LCFF Revenues		\$ 282,694,111	\$ 257,103,718	\$ 25,590,393
Other State & Federal Revenue		9,075,477	8,243,991	831,486
Local Revenue		26,207,225	25,902,436	304,789
Transfer-In & Sources		734,067	734,067	-
Total Revenues & Sources	a	318,710,880	291,984,213	26,726,668
Salaries,Supplies,Services & Equipment		269,582,396	258,813,294	10,769,102
Other Outgo (Pass Throughs / Debt Service)		8,351,091	7,519,605	831,486
Indirect Cost (Expense Offset)		(3,779,733)	(5,685,127)	1,905,394
Contributions & Transfers Out		38,354,270	36,057,085	2,297,185
Total Expenses & Uses	b	312,508,024	296,704,857	15,803,167
Change in Fund Balance	a-b=c	\$ 6,202,856	\$ (4,720,645)	\$ 10,923,500
Beginning Fund Balance	d	14,095,544	18,816,189	(4,720,645)
Ending Fund Balance	c+d=e	\$ 20,298,400	\$ 14,095,544	\$ 6,202,856

UNRESTRICTED GENERAL FUND - FUND BALANCE DETAILS

Unrestricted General Fund	2014-15 BGT ADOPTION	2013-14 3rd Interim	Diff
Ending Fund Balance	\$ 20,298,400	\$ 14,095,544	\$ 6,202,856
Components of the Ending Fund Balance:			
Reserve for Economic Uncertainty	\$ 8,281,172	\$ 13,050,286	\$ (4,769,115)
Designated for the Following:			
Audit & Audit Findings (ONE-TIME)	4,769,115		4,769,115
Set Aside for Ongoing Items (ON-GOING)	6,202,856		6,202,856
Early Retirement Pgm Approved 2011-12 (ONE-TIME)	895,258	895,258	-
Revolving Cash (ONE-TIME)	150,000	150,000	-
Total Ending Fund Balance	\$ 20,298,400	\$ 14,095,544	\$ 6,202,856
Reserve for Economic Uncertainty is the 2% minimum required for OUSD per State Dept. of Ed, however the Board policy requires 3%. Staff has been directed by the board to lower this reserve to the 2% required by the State and designate the difference to Audit and Audit Findings			