



Huntington Beach Union High School District

2012-2013 Second Interim Budget

March 11, 2013

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Board Certification of Interim Report

- Board action is required to certify the financial condition of the district in accordance with the State adopted Criteria and Standards.
- Second Interim includes actual revenue receipts and expenditures through January 31, 2013 and budget projections through June 30, 2013.
- Positive Certification – based on current projections, the district will be able to meet its financial obligations for the current and subsequent two fiscal years.

Changes Since First Interim 12/11/12

Source	Change
Revenue Limit	\$12,355
Federal Revenues	\$0
State Revenues	\$214,556
Local Revenues	\$9,700
Total Revenues	<u>\$236,611</u>
Salaries & Benefits	\$1,420,479
Books/Supplies/ Svcs/Capital Outlay	\$199,658
Other Outgo	\$0
Total Expenditures	<u>\$1,620,137</u>
Beginning Balance	<u>\$27,708,722</u>
Ending Balance	<u>\$22,725,296</u>

- Lottery
- Misc. local revenue

- Current staffing
- Capital Outlay

Assumptions for Multi-Year Projections

- Statutory COLAs (LCFF not used):
 - 2013-14 1.65% (\$128/ADA)
 - 2014-15 2.20%
 - 2015-16 2.40%
- Revenue Limit Deficit 22.272%
- ADA Projections (demographers – DecisionInsite):
 - 2013-14 (97)
 - 2014-15 (128)
 - 2015-16 (298)
- Step increases included.
- No potential increases for Health & Welfare included.
- Flexibility options included.
- Federal Sequestration included effective 2013-14.
- Projected positive fund balances in each of the projection years.

Federal Sequestration

- 52 Federal programs subject to the sequestration.
 - Represents a loss of \$87.6 million for education in California.
 - Reduction estimated at 5.9% based on agreement to extend tax cuts and increase income tax on high-income earners.
 - Programs affected for HBUHSD include: Special Education IDEA local assistance, Title I, Title II, Title III, Workability, Career Technical and Indian Education (funds mostly salaries).
 - Reductions estimated at \$700,000 and included in multi-year projections.
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Multi-Year Projections

Unrestricted General Fund

	2012-13	2013-14	2014-15	2015-16
Projected Ending Fund Balance	\$22,344,396	*\$19,459,034	*\$17,106,406	*\$16,403,319
Reserve for Revolving Cash	\$76,000	\$76,000	\$76,000	\$76,000
Designated for Economic Uncertainty (3%)	\$4,377,693	\$4,323,928	\$4,347,568	\$4,349,404
Other	\$17,890,703	\$15,059,106	\$12,682,838	\$11,977,915
	12.26%	10.45%	8.75%	8.26%

*No health & welfare increases, federal sequestration estimate included.

Local Control Funding Formula (LCFF)

- The LCFF establishes a unique funding target for every district. Begins with a base grant that is adjusted for COLA and other factors.
- Base grant is different by grade spans: K-3 (\$6,342), 4-6 (\$6,437), 7-8 (\$6,628) and 9-12 (\$7,680).
- K-3 (11.23%) and 9-12 (2.8%) adjustment add-on.
- Supplemental grant of 35% (as determined by the district's unduplicated count of pupils eligible for free and reduced meals and English Learners).
- Concentration grant of 35% if unduplicated percent is greater than 50%.
- Add-on for TIIG and Transportation Funding.
- Targeted for full implementation by 2020-21.

LCFF – Huntington Beach Union High School District

	2012-13 Deficited Actual	2012-13 Undeficited Prop 98 guarantee	2013-14 LCFF	2014-15 LCFF	2020-21 LCFF
Revenue per ADA	\$6,011	\$7,733	\$7,437	\$7,713	\$10,117
Categorical Add-on	<u>\$1,141</u>	<u>\$1,141</u>			
	\$7,152	\$8,874			*\$10,397

* Projected BRL in 2020-21 under fully funded Prop. 98, assuming an annual COLA of 2% on a 2012-13 base of \$8,874.

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California Economy

- State still recovering, employment is expected to grow 1.3% in 2013 and 2.4% in 2014.
- Proposition 30 provides a way for state investment in education but does not address the issues of the way California funds the state government for the long-term.

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Questions?
