

El Camino Real Charter High School

2015-16 Revised Budget

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for Charter Schools

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Financial Presentation Agenda



- State Budget Update
- Revised 2015-16 Budget
- Financial Exhibits

State Budget Update: 2015-16 Final Budget Act

Governor signed the final budget for the 2015-16 fiscal year



- The budget includes:
 - Increases ongoing funding for implementation of the LCFF by nearly \$6 billion
 - Closes the remaining gap between a school's actual LCFF funding and its target rate at full LCFF implementation by 51.52 percent (down from the 53.08% proposed in the May Revise)
 - Target LCFF rates will receive a Cost of Living Adjustment of 1.02% over the 2014-15 targets
 - Eliminates all inter-year deferrals for the first time since the 2000-01 fiscal year

- The Final Budget also approved spending on other K-12 programs:
 - Provides a total of \$3.2 billion for one-time discretionary funds (approx. \$530 per 2014-15 P2 ADA). This is down from the \$601/ADA proposed in the May Revise and is now included in El Camino Real's budget.
 - Provides \$490 million for one-time grants to provide professional development to teachers and administrators. This was not in the May Revise and will not be included in the budget until more information on the distribution of funds is released.

2015-16 Revised Budget

2015-16 Revised Budget

Net income in 2015-16 is estimated to be \$3.68M after depreciation, a \$2.27M increase since the June approved budget.



EL CAMINO REAL CHARTER HIGH SCHOOL				
		2015/16	2015/16	2015/16
		Approved Budget	Current Forecast	Variance (Approved Budget vs. Current Forecast)
SUMMARY				
Revenue				
	General Block Grant	29,547,494	29,491,430	(56,064)
	Federal Revenue	1,127,458	1,038,719	(88,739)
	Other State Revenues	2,657,708	4,612,401	1,954,694
	Local Revenues	1,112,523	1,112,523	0
	Fundraising and Grants	-	200,000	200,000
	Total Revenue	34,445,182	36,455,073	2,009,891
Expenses				
	Compensation and Benefits	25,401,784	25,244,564	157,219
	Books and Supplies	2,739,469	2,608,127	131,342
	Services and Other Operating Expenditures	4,625,591	4,654,681	(29,090)
	Capital Outlay	-	-	-
	Total Expenses	32,766,844	32,507,373	259,471
	Operating Income (excluding Depreciation)	1,678,338	3,947,700	
	<i>Operating Income (including Depreciation)</i>	1,414,020	3,683,382	2,269,362
Fund Balance				
	Beginning Balance (Unaudited)	13,768,488	13,768,488	-
	Audit Adjustment	-	-	-
	Beginning Balance (Audited)	13,768,488	13,768,488	-
	Operating Income (including Depreciation)	1,414,020	3,683,382	2,269,362
	Ending Fund Balance (including Depreciation)	15,182,508	17,451,870	2,269,362
	<i>Ending Fund Balance as a % of Expenses</i>	46%	54%	

FY16-FY20 LCFF Rates

Revenue projections heavily dependent on state budget; revised expectation of 51.52% LCFF implementation in 15-16



	2015-16	2016-17	2017-18	2018-19	2019-20
COLA	1.02%	1.60%	2.48%	2.87%	2.50%
LCFF Gap Closure %	51.52%	35.6%	35.1%	19.9%	-
EPA as % of adj. Revenue Limit	23.00%	22.0%	21.0%	10.5%	-
Total Effective Implementation %	70.12%	80.7%	87.5%	90.0%	-
Effective Rate per ADA	8,415	8,729	9,009	9,167	9,167

Once LCFF reaches full implementation, the funding rate will level out.

Revenues: June Board Approved Budget v. Current Forecast

6% increase overall in revenues, largely due to the addition of one-time funds for mandated cost reimbursements



	June Board Approved Budget	Revised 15/16 Budget	Variance	% Change
LCFF Entitlement	29,547,494	29,491,430	(56,064)	-0.2%
Federal Revenue	1,127,458	1,038,719	(88,739)	-7.9%
Other State Revenue	2,657,708	4,612,401	1,954,694	73.5%
Local Revenue	1,112,523	1,112,523	0	0.0%
Fundraising	-	200,000	200,000	-
Total	34,445,182	36,455,073	2,009,891	5.8%

- LCFF implementation rate decreased from 53.08% in the May Revise to 51.52% in the State Budget
- Revised estimate for Title 1 funding, from \$440/eligible student to \$300/eligible student
- +\$1.9M for one-time funds for mandated cost reimbursements (estimated at \$530 per prior year ADA)
- +\$59K in state SPED funding based on LAUSD SELPA Option 3 rates for 15-16
- +\$200K in fundraising, which is expected to offset against fundraising expenses

Expenses: Salaries & Benefits

0.6% decrease overall in compensation and benefits



	June Board Approved Budget	Revised 15/16 Budget	Variance	% Change
Certificated Staff	14,617,130	14,217,587	(399,543)	-2.7%
Classified Staff	3,469,914	3,620,770	150,856	4.3%
Benefits	7,314,739	7,406,207	91,468	1.3%
Total	25,401,784	25,244,564	(157,219)	-0.6%

- The Board approved budget in June included a 7% increase over 14-15 forecasted figures for certificated salaries. The 14-15 actuals landed approximately \$487K less than budgeted. The revised budget reflects an 8% increase over 14-15 actuals.
- The variance in classified staff is primarily due to adding 6% in retro pay on base salaries.
- The largest change in benefits was adding \$150K to the Retiree Trust but the net change in benefits was +\$91K.

Expenses: Books & Supplies

5% decrease overall in books and supplies



	June Board Approved Budget	Revised 15/16 Budget	Variance	% Change
Books & Curriculum	527,254	427,254	(100,000)	-19%
Materials & Supplies	1,132,215	1,000,873	(131,342)	-12%
Noncapitalized Equip.	700,000	800,000	100,000	14%
Food	380,000	380,000	-	0%
Total	2,739,469	2,608,127	(131,342)	-5%

- The decrease in Books will offset the increase in Noncapitalized equipment.
- The Microsoft Surface Pro program accounts for the increase in Noncapitalized equipment.
- Estimate for Materials & Supplies was adjusted down based on actuals and anticipated expenditures.

Expenses: Services & Other Ops

1% increase overall in services and other operating expenses



	June Board Approved Budget	Revised 15/16 Budget	Variance	% Change
Conferences & Travel	130,000	190,000	60,000	46%
Dues & Membership	150,000	150,000	-	0%
Insurance	177,562	177,562	-	0%
Ops & Housekeeping	615,037	615,037	-	0%
Rentals, Leases, Repairs	680,456	680,456	-	0%
Other Services & Ops	2,822,537	2,791,627	(30,910)	-1%
Communication	50,000	50,000	-	0%
Total	4,625,591	4,654,681	29,090	1%

- +\$60K for anticipated increase in expenditures for Conferences
- Addition of back-office service fees offset by a larger decrease in non-instructional consultant fees

Multi-year Projection

Operating income remains positive, and ECR's ending fund balance shows a steady incline for the next three years.

EL CAMINO REAL CHARTER HIGH SCHOOL					
		2015/16	2016/17	2017/18	2018/19
		Current Forecast	Preliminary Budget	Preliminary Budget	Preliminary Budget
SUMMARY					
Revenue					
	General Block Grant	29,491,430	30,590,541	31,573,973	32,126,210
	Federal Revenue	1,038,719	1,028,950	1,028,950	1,028,950
	Other State Revenues	4,612,401	2,713,941	2,713,941	2,713,941
	Local Revenues	1,112,523	1,114,000	1,114,000	1,114,000
	Fundraising and Grants	200,000	206,000	210,120	214,322
	Total Revenue	36,455,073	35,653,432	36,640,984	37,197,424
Expenses					
	Compensation and Benefits	25,244,564	25,245,167	26,471,901	27,553,216
	Books and Supplies	2,608,127	2,674,971	2,743,820	2,814,734
	Services and Other Operating Expenditures	4,654,681	4,617,145	4,741,674	4,865,311
	Capital Outlay	-	500,000	2,000,000	-
	Total Expenses	32,507,373	33,037,282	35,957,395	35,233,262
Operating Income (excluding Depreciation)		3,947,700	2,616,150	683,590	1,964,162
<i>Operating Income (including Depreciation)</i>		3,683,382	2,968,992	2,559,076	1,373,300
Fund Balance					
	Beginning Balance (Unaudited)	13,768,488	17,451,870	20,420,862	22,979,938
	Audit Adjustment	-	-	-	-
	Beginning Balance (Audited)	13,768,488	17,451,870	20,420,862	22,979,938
	Operating Income (including Depreciation)	3,683,382	2,968,992	2,559,076	1,373,300
Ending Fund Balance (including Depreciation)		17,451,870	20,420,862	22,979,938	24,353,238
<i>Ending Fund Balance as a % of Expenses</i>		54%	62%	64%	69%

Highlights of Multi-year Projection



□ Revenue

- LCFF funding is increasing per rates of implementation but is expected to flatten in 2019
- All other state and local revenue sources remain flat in out years

□ Expenses

- Not including 15-16 retro pay, certificated salaries are growing on average 2% per year based on LAUSD salary schedule
- Non-administrative, classified salaries are expected to increase approximately 20% by 2019 with changes in minimum wage laws and movement on step-and-column
- Benefits are increasing on average 7% per year
- Costs for books and supplies are increasing at 3% for inflation
- Majority of services and other operating expenses are also increasing at 3% per year for inflation
 - Decrease between 15/16 and 16/17 is due to decrease in legal fees and fundraising expenses
- Capital Outlay is for a potential renovation project - \$500K is budgeted for soft costs in 16/17 and \$2M for construction that would begin in 17/18

Risks and Opportunities



- Opportunities
 - Potential one-time funds in 15-16 for professional development
 - Fundraising goals
- Risks
 - Enrollment changes and/or attrition
 - Staffing/salary changes
 - LCFF funding rate changes
 - State deferrals if economic conditions change

Exhibits

15-16 Budget and Multi-year Projections