NATIONAL SCHOOL DISTRICT

2013-14 BUDGET

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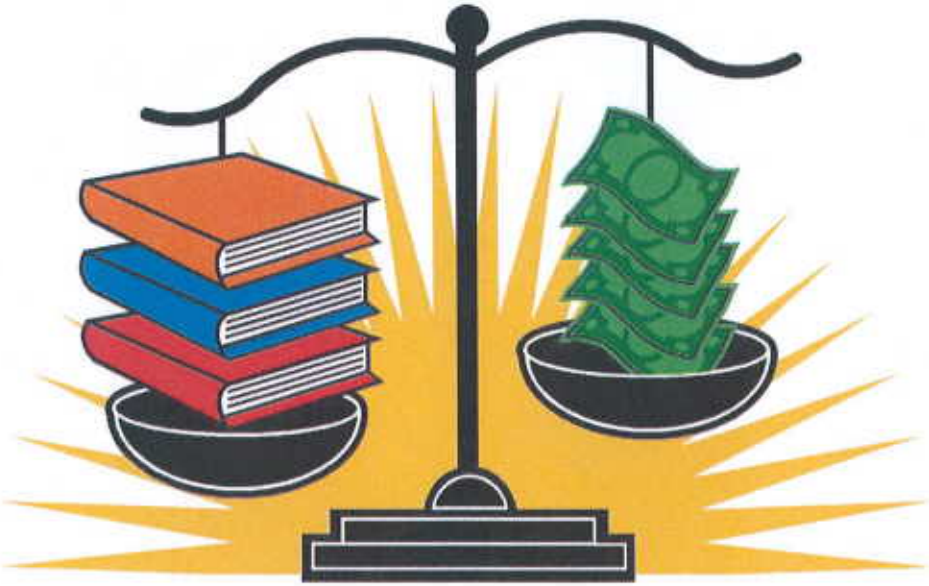
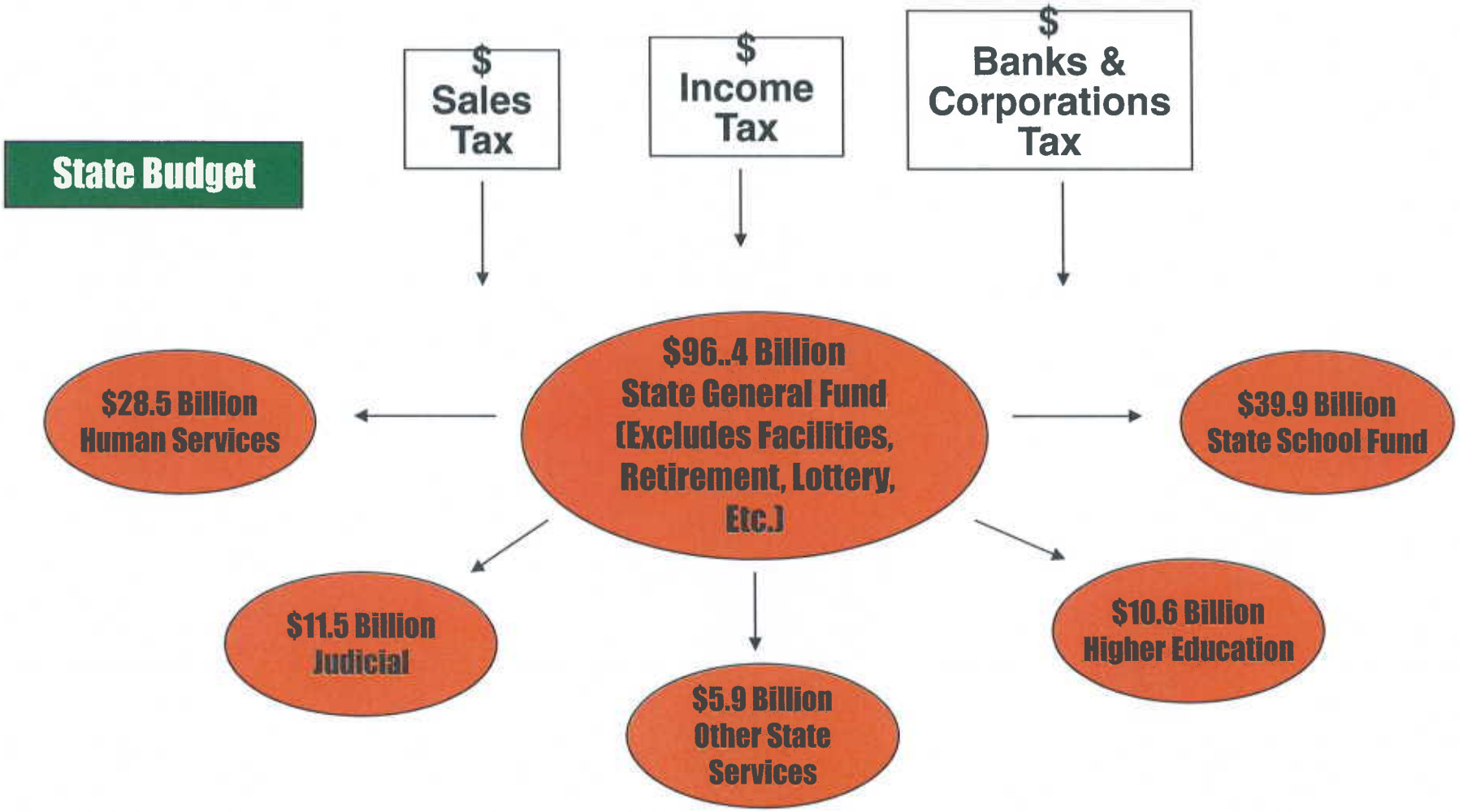
STATE BUDGET



2013-14 STATE SOURCES OF INCOME

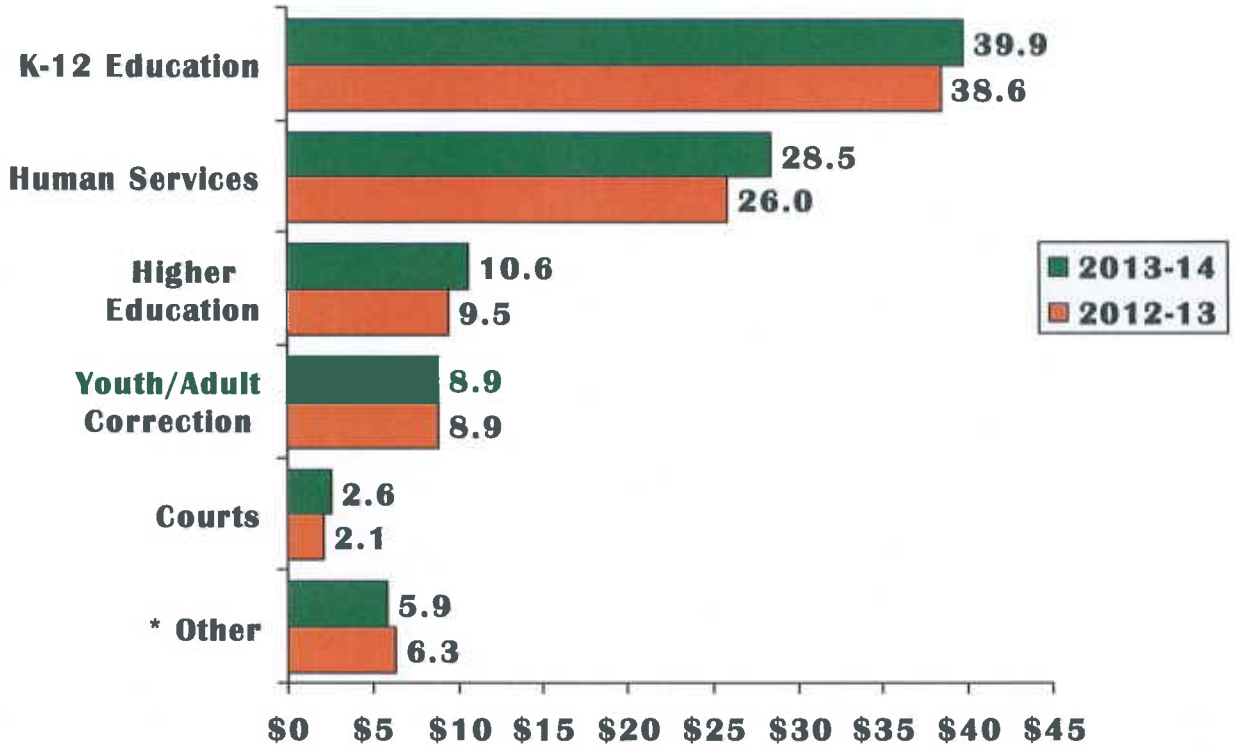
FOR CALIFORNIA K-12 SCHOOL DISTRICTS



Two-Year Comparison

State General Fund Expenditures

(In Billions)



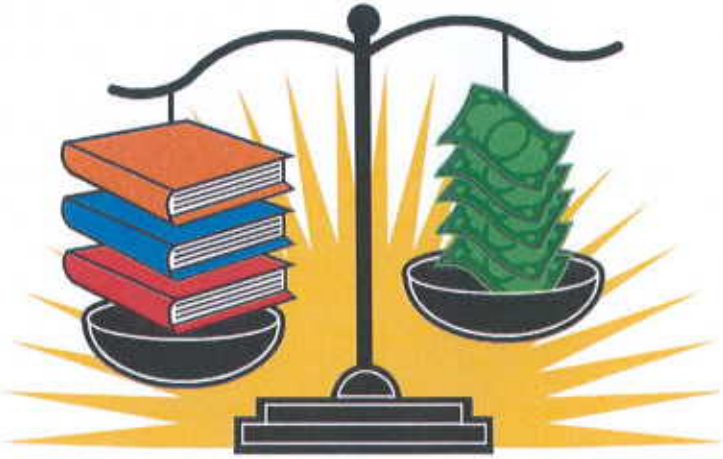
*Other categories not shown include: Resources, Tax Relief, State and Consumer Services, Business, Transportation and Housing, and Environmental Protection.

Source: Governor's 2013-14 May Revise Budget Summary

2013-14 State Budget

- The $1.3 Billion increase in K-12 Education funding is to provide:
  - Funded Cost of Living Adjustment of 1.565%
  - Change in funding model from Revenue Limit to Local Control Funding Formula
  - Funded approximately $170/Average Daily Attendance for professional development, instructional materials, and computers for Common Core Standards

GOVERNOR'S MAY REVISE HIGHLIGHTS



STATE OF THE ECONOMY

MAY REVISE HIGHLIGHTS
2013-14

STATE OF ECONOMY

- The State economy depends on three major taxes:
  - ❖Personal Income Tax
  - ❖Sale Tax
  - ❖Corporate Tax

- The Collapse of the state and national economies has driven all forms of state tax revenues down.

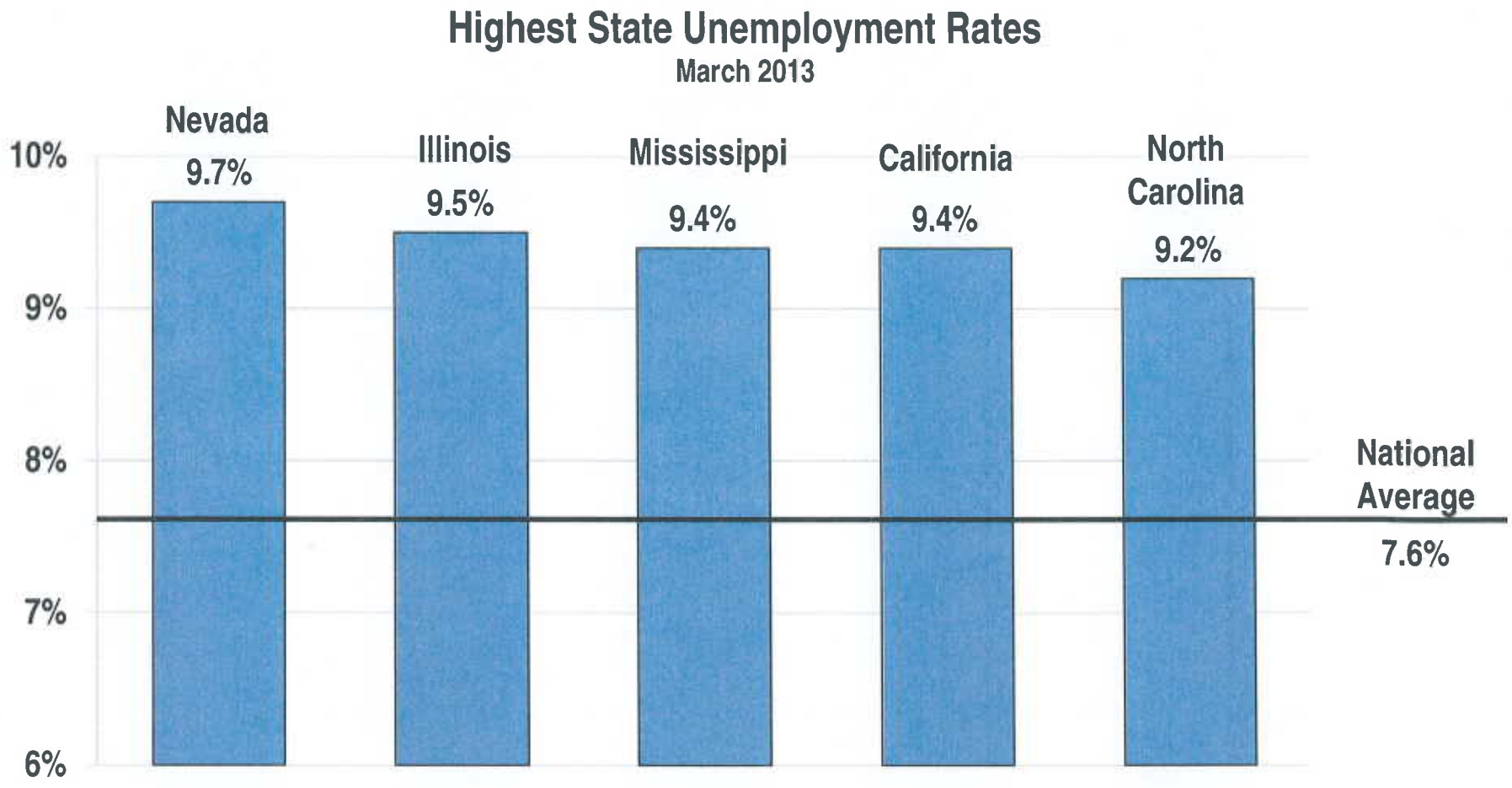
- This trend has begun to reverse in 2012-13, aided by the passage of Proposition 30

MAY REVISE HIGHLIGHTS 2013-14

STATE OF ECONOMY (cont'd)

- The National and California economies continue to recover at a modest pace.
- Positive signs of recovery:
  - ❖ Increased Exports point to increased manufacturing
  - ❖ Decreases in the Unemployment Rates across the country, including California (9.4% in March 2013)
- Negatives still weighing upon the economy:
  - ❖ Revenues
  - ❖ Unemployment
  - ❖ Federal Budget/Sequestration

California's Unemployment Rate vs. Other States



Source: Bureau of Labor Statistics, March 2013

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GOVERNOR'S PROPOSALS
K-12 EDUCATION

MAY REVISE HIGHLIGHTS 2013-14

GOVERNOR'S PROPOSAL

- The Governor proposes the following:
  - Cost-of-Living-Adjustment (COLA) of 1.565% (from 1.65% in January)
  - Local Control Funding Formula (LCFF) to replace the Revenue Limit
  - Approximately $170/Average Daily Attendance (ADA) to fund costs related to Common Core Standards implementation
    - Instructional Materials
    - Staff Development
    - Computer Equipment/Software

MAY REVISE HIGHLIGHTS 2013-14

GOVERNOR'S PROPOSAL (cont'd)

- The Governor's January Budget Proposal proposed $1.8 billion in 2013-14 to further reverse the interyear apportionment deferrals.
  - Deferrals were approximately 45% of state aid at the peak of the recession, causing the greatest impact on district's (like National School District) that rely heavily on this funding.

- The Governor's May Revise includes an additional $1.6 billion in 2012-13 to decrease interyear deferrals.

MAY REVISE HIGHLIGHTS 2013-14

GOVERNOR'S PROPOSAL (cont'd)

- Local Control Funding Formula (LCFF)
  - ❖The Governor proposed spending $1.9 billion on this program in 2013-14
  - ❖Current Revenue Limit per Child is the base plus most state categorical programs
  - ❖35% of Base added for English Language (EL) Learners and High Poverty Students
  - ❖35% of Base Concentration Grant for EL Learners and High Poverty Students in excess of 50% of total number of students

MAY REVISE HIGHLIGHTS
2013-14

GOVERNOR'S PROPOSAL (cont'd)

- Categorical Programs that would be rolled in to the LCFF Base include the following:
  - ❖Economic Impact Aid (EIA)
  - ❖Professional Development Block Grant
  - ❖School and Library Improvement Block Grant
  - ❖Instructional Materials Block Grant (IMFRP)
  - ❖Gifted and Talented Education (GATE)
  - ❖Arts and Music Block Grant
  - ❖K-3 Class Size Reduction
  - ❖Deferred Maintenance
  - ❖Home-to-School and Special Education Transportation

MAY REVISE HIGHLIGHTS
2013-14

GOVERNOR'S PROPOSALS (cont'd)

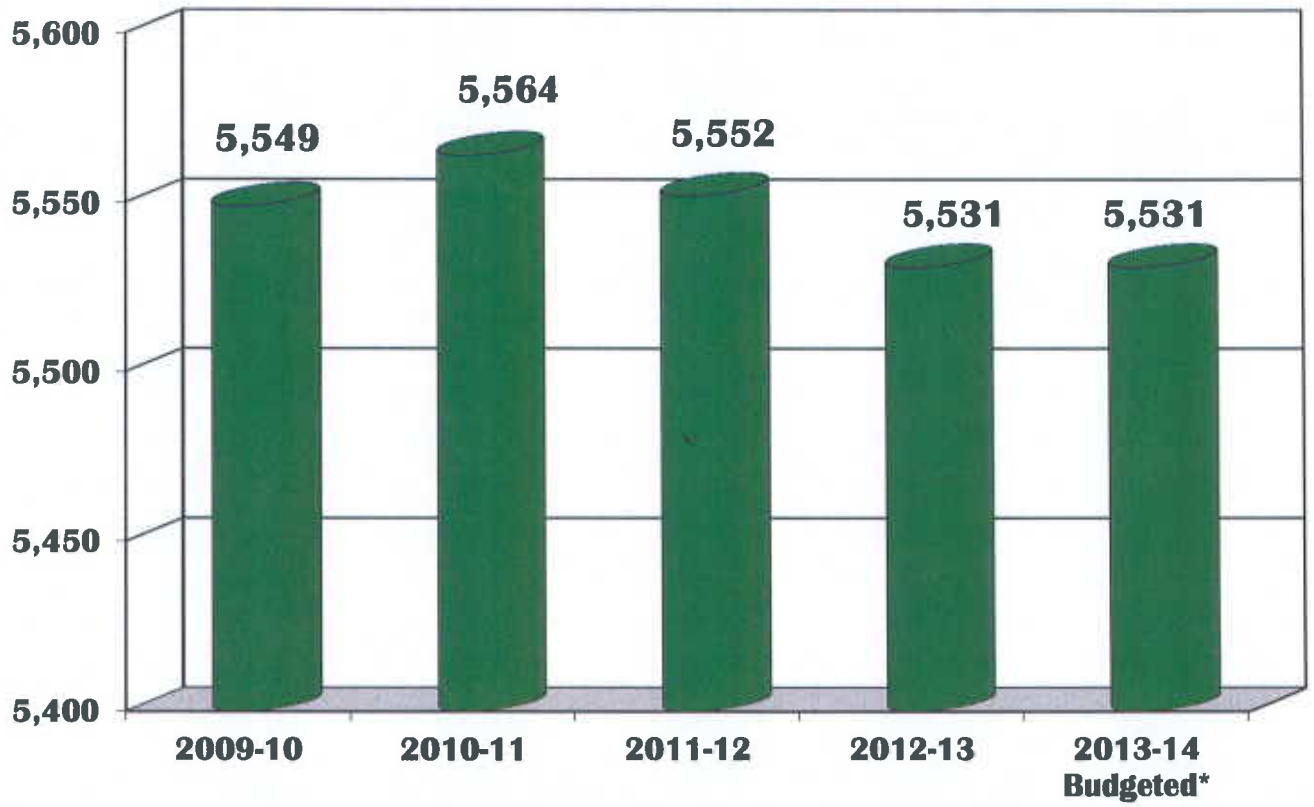
	2012-13	2013-14
Revenue Limit Deficit	22.272%	18.997%
Statutory COLA	3.24%	1.565%
Funded COLA*	1.08%	5.85%
K-3 CSR Deficit	0%	0%
Special Education Deficit	0%	0%
Categorical Program Cuts	0%	0%
Categorical Program Flexibility	Yes	Yes
Hourly Program Deficit	19.84%	19.84%
Deferred Maintenance	0%	0%

2012-13 funded COLA due to repayment of 2011-12 mid-year cuts to Transportation funding.

AVERAGE DAILY ATTENDANCE

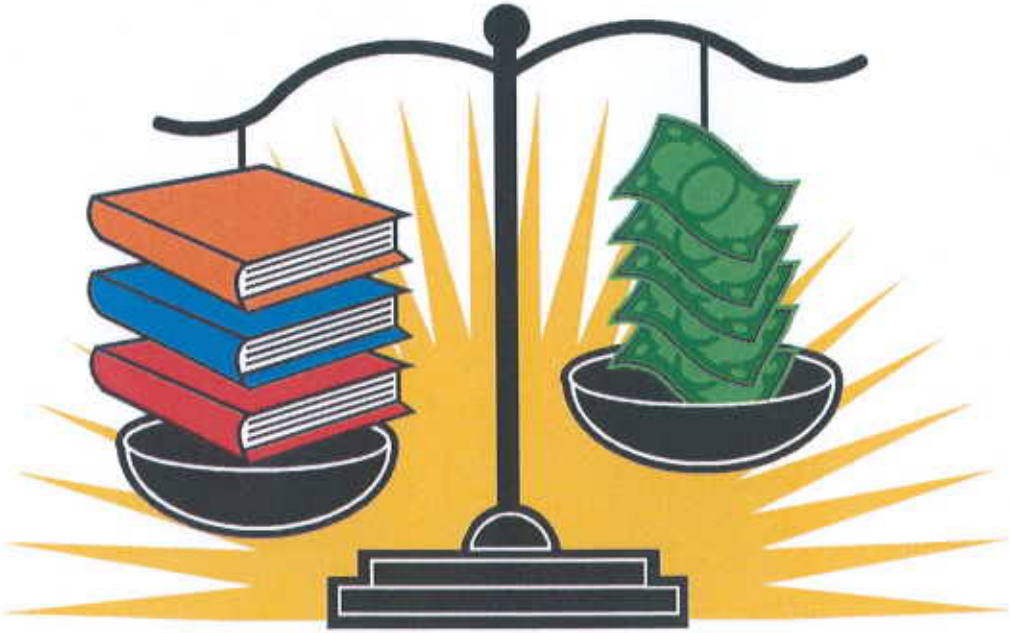
NATIONAL SCHOOL DISTRICT

P-2 ADA COMPARISON



** State allows Districts with declining enrollment a one year grace period.*
Gains in enrollment are paid in the year of the growth, and are therefore budgeted.

REVENUES



PROPOSED BUDGET
2013-14

(UR) Income

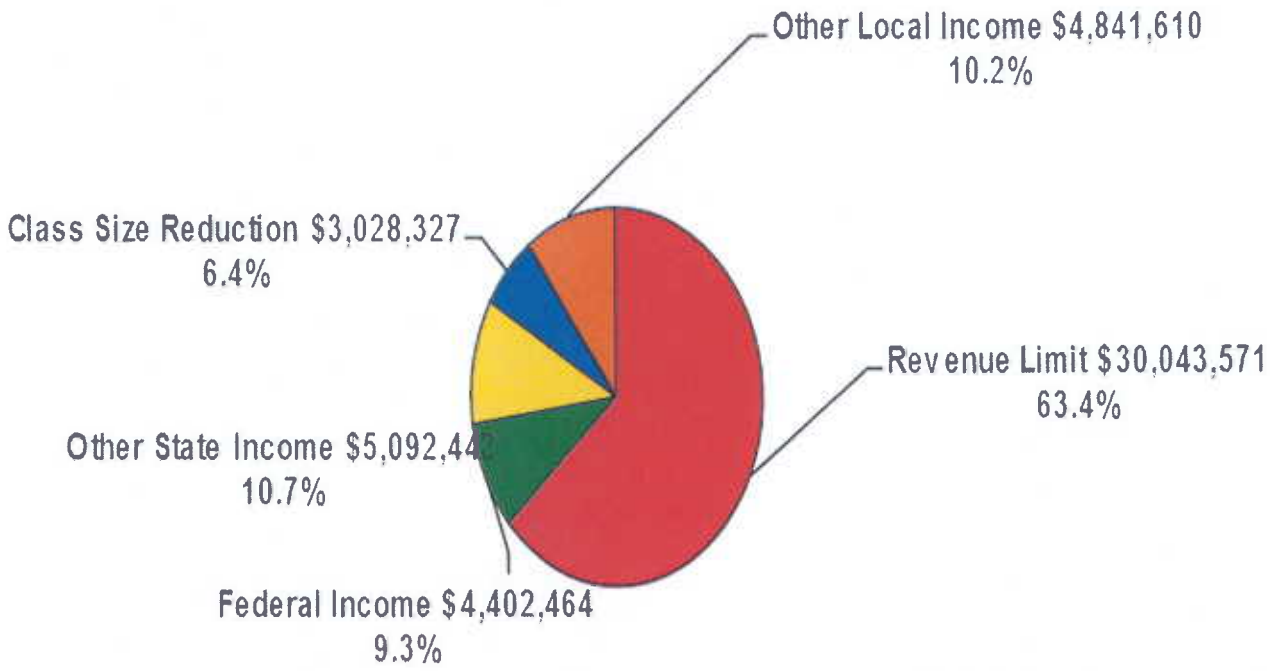
1. 2013-14 R/L ADA*	5,531
2. ADA Increase	0.0
3. Statutory COLA	1.565 %
4. Funded COLA	5.85%
5. Lottery (UR)/ADA	$124.00

***Based on 2012-13 P-2 Attendance**

NATIONAL SCHOOL DISTRICT

2013-14 Budget

Combined Revenues (UR) (R)



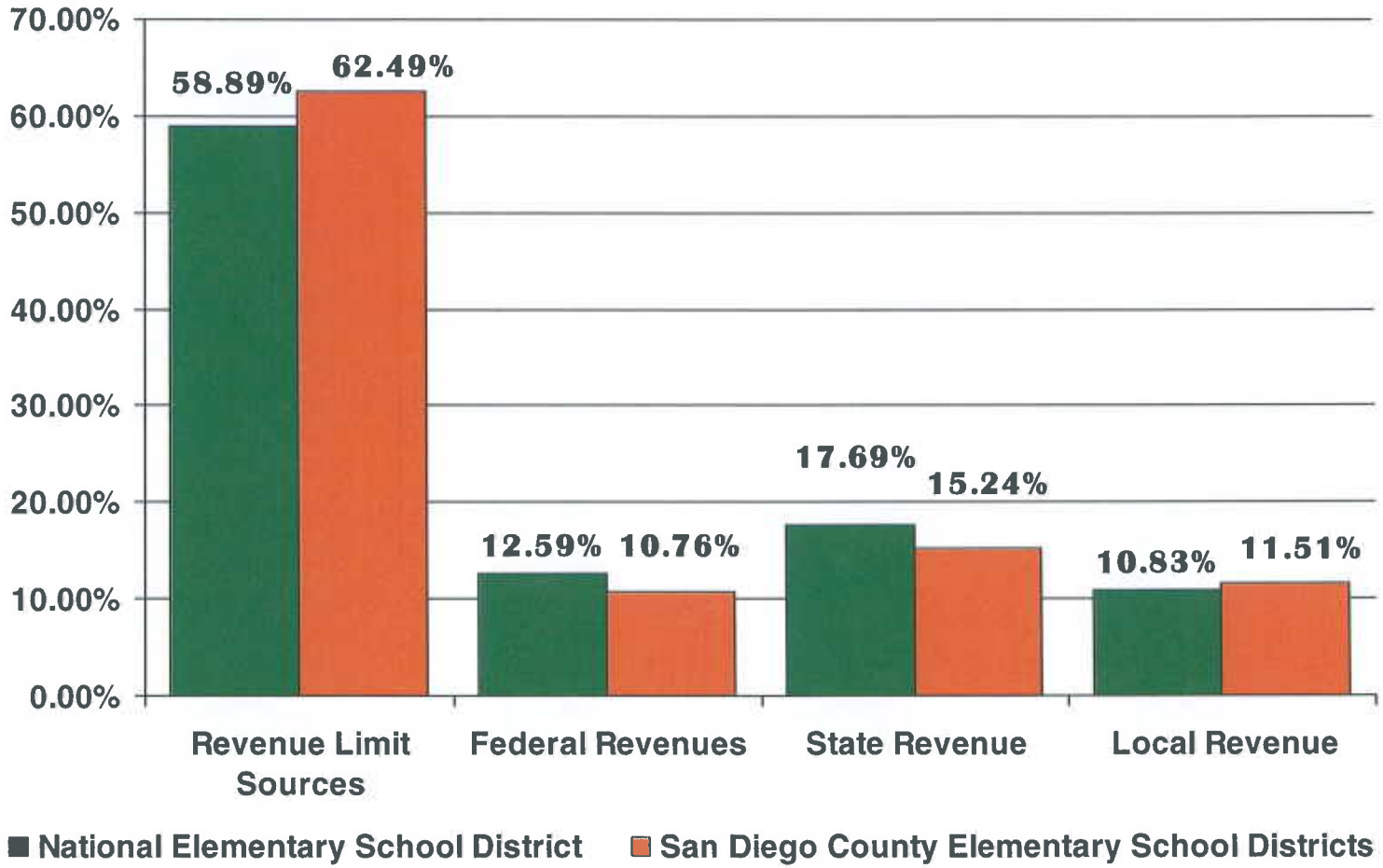
Total Revenues

$47,408,414

REVENUE COMPARISON

National Elementary vs SDCOE

2010-11 Revenue (UR) (R)



REVENUE SUMMARY

UNRESTRICTED

• Revenue Limit	$ 28,899,851
• Federal	100,000
• State	5,308,160
• Local	224,528
• Encroachment	(4,162,879)

Total Unrestricted Revenue $ 30,369,660

REVENUE SUMMARY

RESTRICTED

• Revenue Limit	$ 1,143,720
• Federal	4,302,464
• State	2,812,609
• Local	4,617,082
• Encroachment	4,162,879
Total Restricted Revenue	$ 17,038,754

GENERAL OPERATING UNRESTRICTED INCOME

GENERAL OPERATING INCOME

2012-13 Projected Year End Budget & 2013-14 Proposed Budget

UNRESTRICTED

Sources of Unrestricted Income	2012-13 Projected Year End	2013-14 Proposed	2012-13 to Proposed 2013-14
Revenue Limit Sources	27,458,127	28,899,851	1,441,724
Medi-Cal Administrative Activities (MAA)	**140,000**	100,000	(40,000)
Supplemental Hours	**67,521**	67,521	0
Class Size Reduction Grades K-3	**3,017,007**	3,028,327	11,320
Lottery w/prior yr. adjustment	**749,512**	716,329	(33,183)
Mandated Costs	0	0	0
Other State	0	0	0
Tier III Categorical Programs - State	**1,470,911**	1,495,983	25,072
Interagency Services - Integrity Charter	**37,689**	37,689	0
Rents/Leases	**35,619**	35,619	0
Interest	**43,000**	88,050	45,050
CA Literacy Project	63,170	63,170	0
Gifts/Local Income	83,288	0	(83,288)
General Fund Support:			
Special Education Statutory Cont.	(358,521)	(358,521)	0
Special Education Encroachment	(1,902,899)	(1,896,087)	6,812
Transportation/Regular Education	(371,408)	(380,891)	(9,483)
Transportation/Special Education	(337,380)	(334,541)	2,839
Routine Maintenance	(1,564,907)	(1,192,839)	372,068
TOTALS:	**28,630,729**	**30,369,660**	**1,738,931**

GENERAL OPERATING RESTRICTED INCOME

GENERAL OPERATING INCOME

2012-13 Projected Year End Budget & 2013-14 Proposed Budget

RESTRICTED

Sources of Restricted Income	2012-13 Projected Year End	2013-14 Proposed	2012-13 to Proposed 2013-14
Revenue Limit Sources	1,169,511	1,143,720	(25,791)
Title I	2,292,403	1,824,911	(467,492)
Title I - ARRA	0	0	0
Federal Stimulus - SFSF	0	0	0
IDEA	1,169,045	1,151,741	(17,304)
Title IV - Drug Free	0	0	0
Title II - Teacher Quality	462,238	424,334	(37,904)
Title II - EETT	0	0	0
Title V - Innovative Strategies	0	0	0
Title III - Immigrant Education	0	0	0
Title III - LEP	504,888	366,069	(138,819)
Medical	201,654	185,118	(16,536)
Other Federal	535,781	350,291	(185,490)
Lottery IM	205,871	173,760	(32,111)
Special Education Mental Health	335,870	342,605	6,735
EIA	2,054,083	2,088,104	34,021
Transportation/Regular Education	70,643	70,643	0
Transportation/Special Education	134,986	134,986	0

GENERAL OPERATING RESTRICTED INCOME

GENERAL OPERATING INCOME

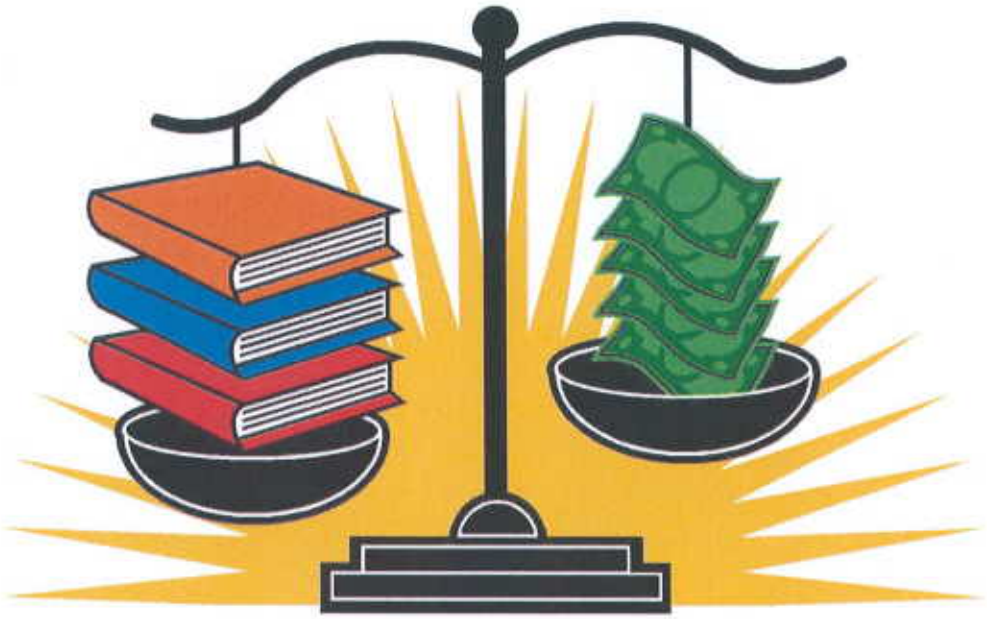
2012-13 Projected Year End Budget & 2013-14 Proposed Budget

RESTRICTED

Sources of Restricted Income	2012-13 Projected Year End	2013-14 Proposed	2012-13 to Proposed 2013-14
PAR	0	0	0
Professional Development Block Grant	0	0	0
SIP Block Grant	0	0	0
Other State	2,511	2,511	0
Special Education Local	2,378,788	2,404,297	25,509
Other Local	2,296,637	2,212,785	(83,852)
Special Education Statutory Cont.	358,521	358,521	0
Special Education Encroachment	1,902,899	1,896,087	(6,812)
Transportation/Regular Encroachment	371,408	380,891	9,483
Transportation/Special Encroachment	337,380	334,541	(2,839)
Routine Maintenance Encroachment	1,564,907	1,192,839	(372,068)
TOTALS:	18,350,024	17,038,754	(1,311,270)

Note: Encroachment listed in blue

EXPENDITURES



2013-14 PROPOSED BUDGET

Key Assumptions

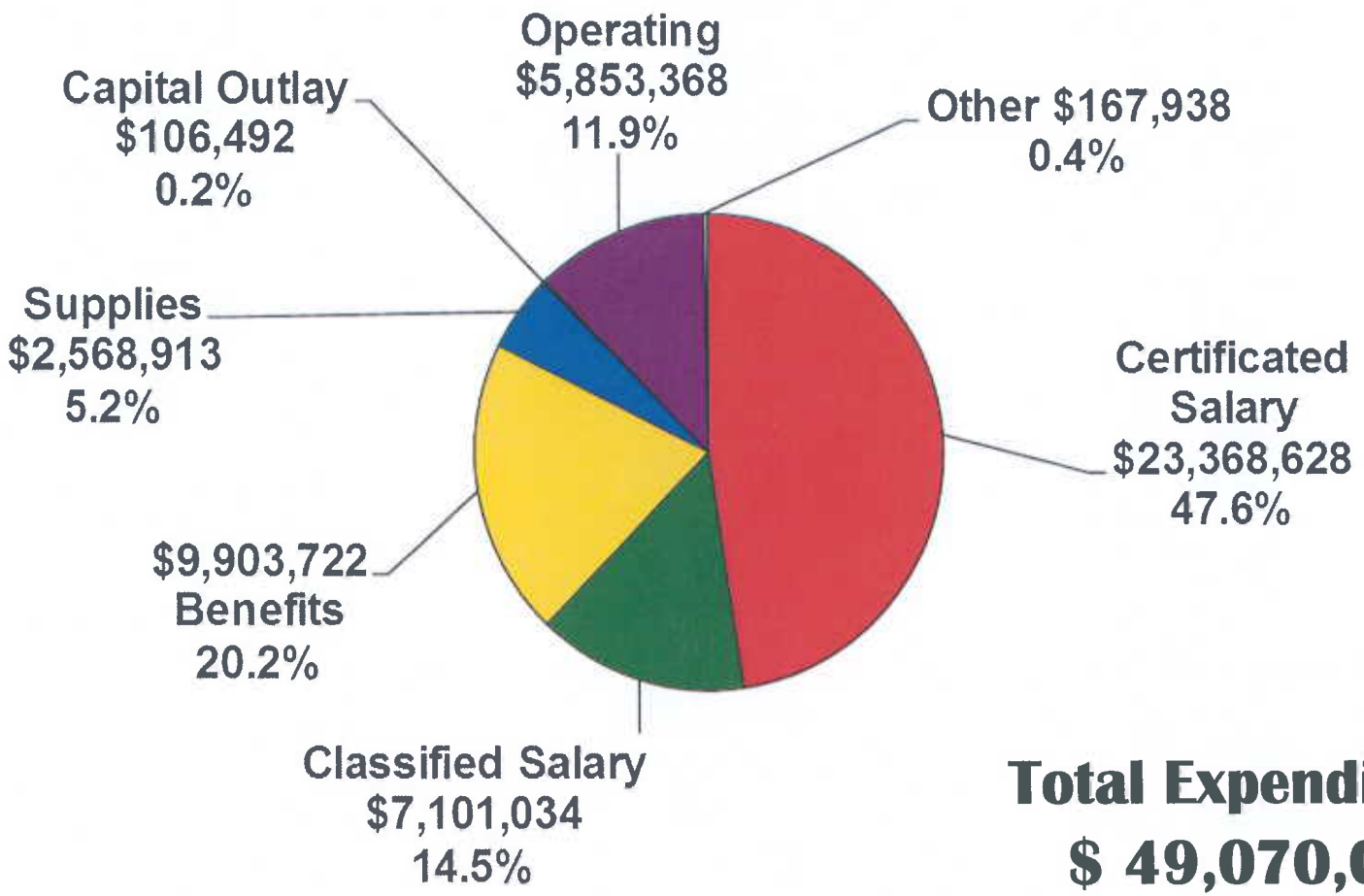
Expenditures (UR)

1. Step & Column	1.5%
2. Salary & Benefits	Budgeted
3. Benefits	10%
4. Insurance Rates	
- Property & Liability	5%
- Workers Compensation	0%
5. Utilities	5%

NATIONAL SCHOOL DISTRICT

2013-14 Budget

Combined Expenditures (UR) (R)



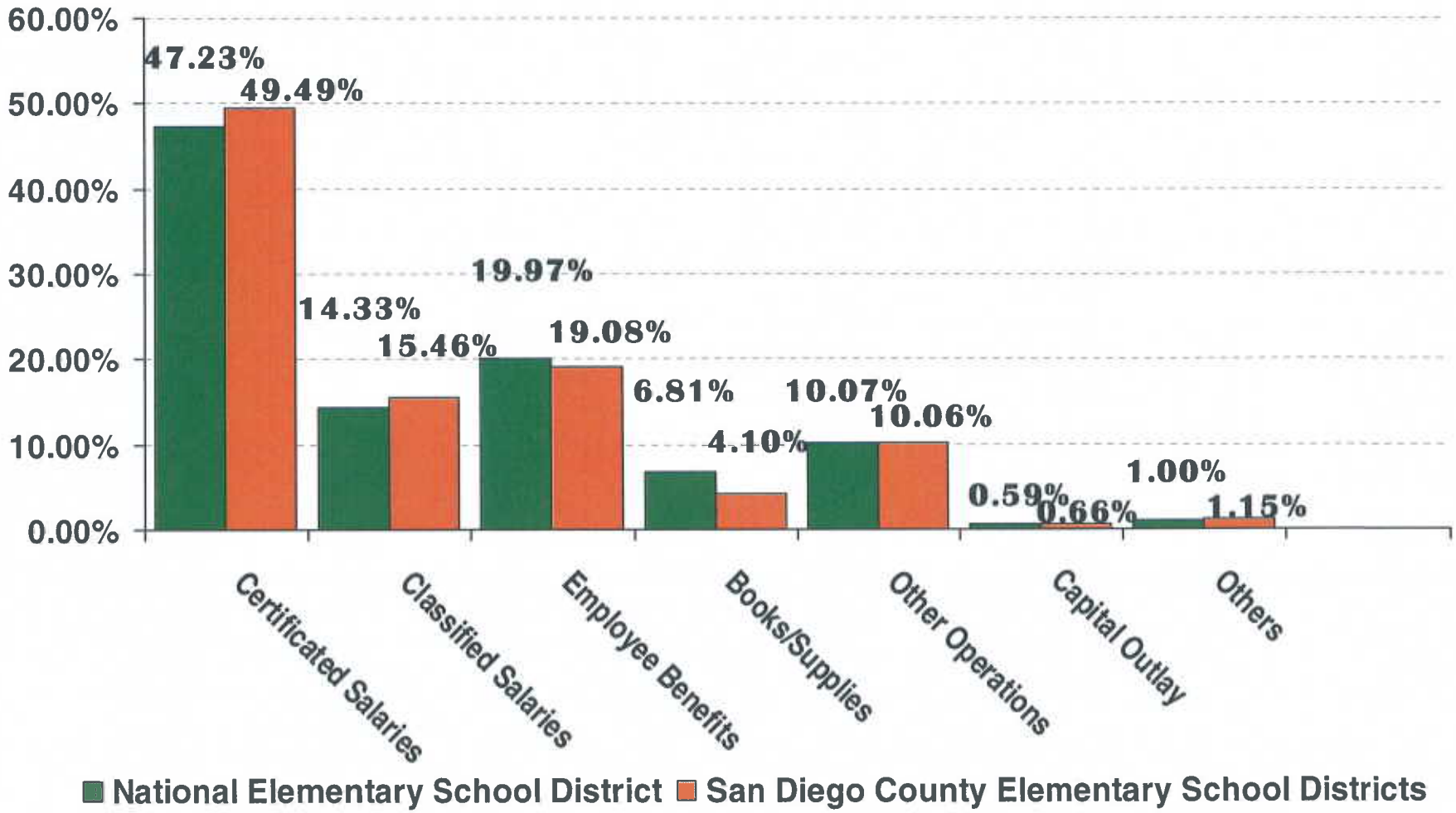
Total Expenditures

$ 49,070,095

EXPENDITURE COMPARISON

National Elementary vs SDCOE

2010-11 Expenditures (UR) (R)



GENERAL OPERATING EXPENDITURES

UNRESTRICTED

2012-13 Projected Year End Budget & 2013-14 Proposed Budget

Expenditures	2012-13 Projected Year End	2013-14 Proposed	2012-13 to Proposed 2013-14
1000 Certificated Salaries	16,734,175	17,330,008	(595,833)
2000 Classified Salaries	4,178,050	4,310,434	(132,384)
3000 Benefits/All Salaries	6,989,420	7,664,750	(675,330)
4000 Supplies	2,889,231	1,092,049	1,797,182
5000 Contracts, etc.	2,053,206	2,237,614	(184,408)
6000 Capital Outlay	160,889	5,320	155,569
7000 Transfers/Other Outgo *	(772,831)	(608,834)	(163,997)
Unrestricted Totals:	**32,232,140**	**32,031,341**	**200,799**

Includes: Indirect Costs, Lease Payments, and Charter School In Lieu Property Taxes

GENERAL OPERATING EXPENDITURES

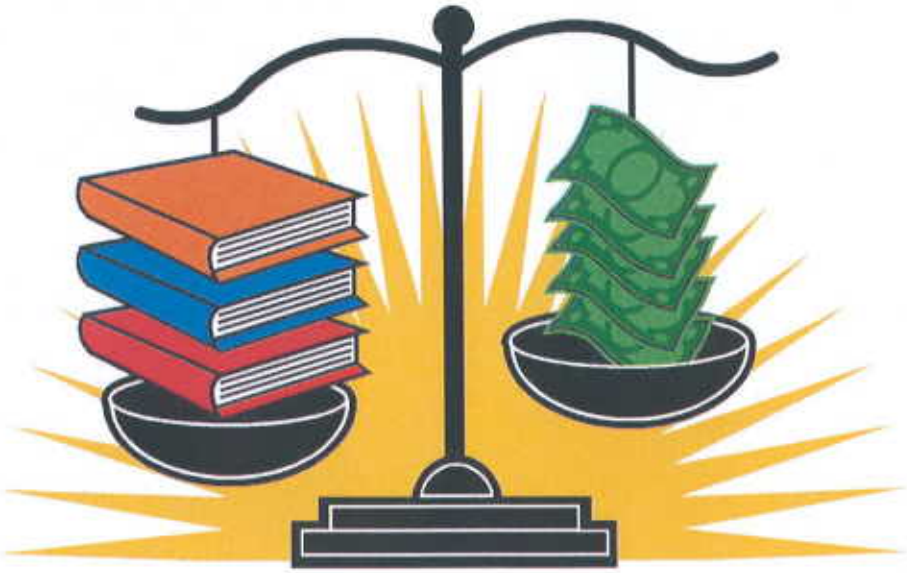
RESTRICTED

2012-13 Projected Year End Budget & 2013-14 Proposed Budget

Expenditures	2012-13 Projected Year End	2013-14 Proposed	2012-13 to Proposed 2013-14
1000 Certificated Salaries	6,800,116	6,038,620	761,496
2000 Classified Salaries	3,287,107	2,790,600	496,507
3000 Benefits/All Salaries	2,349,168	2,238,972	110,196
4000 Supplies	2,288,028	1,476,864	811,164
5000 Contracts, etc.	3,704,782	3,615,754	89,028
6000 Capital Outlay	277,165	101,172	175,993
7000 Transfers/Other Outgo *	1,305,723	776,772	528,951
Restricted Totals:	**20,012,089**	**17,038,754**	**2,973,335**

* Includes: Indirect Costs and Transfer to Deferred Maintenance Fund

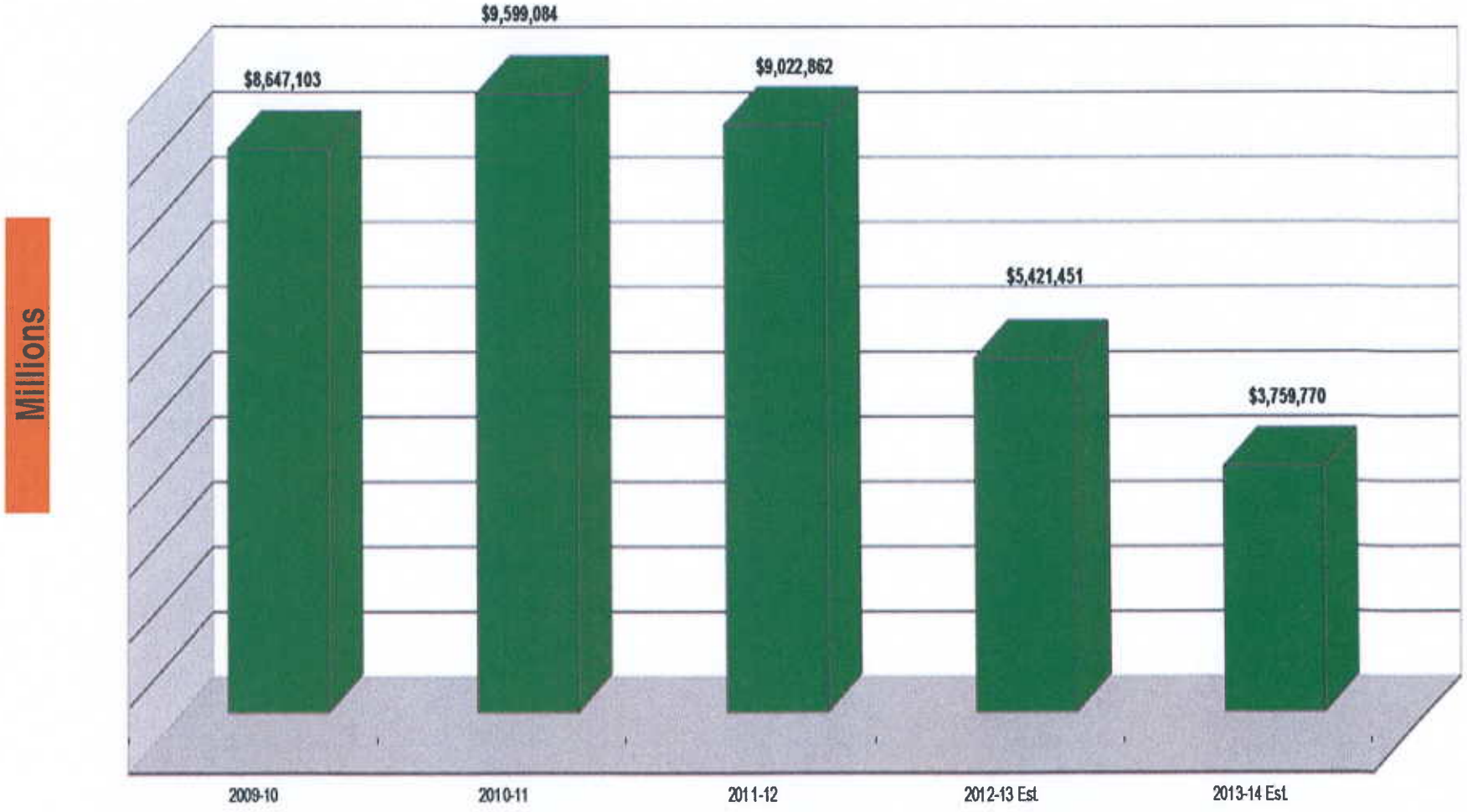
FUND BALANCES



National School District

Five-Year Ending Balance Comparison

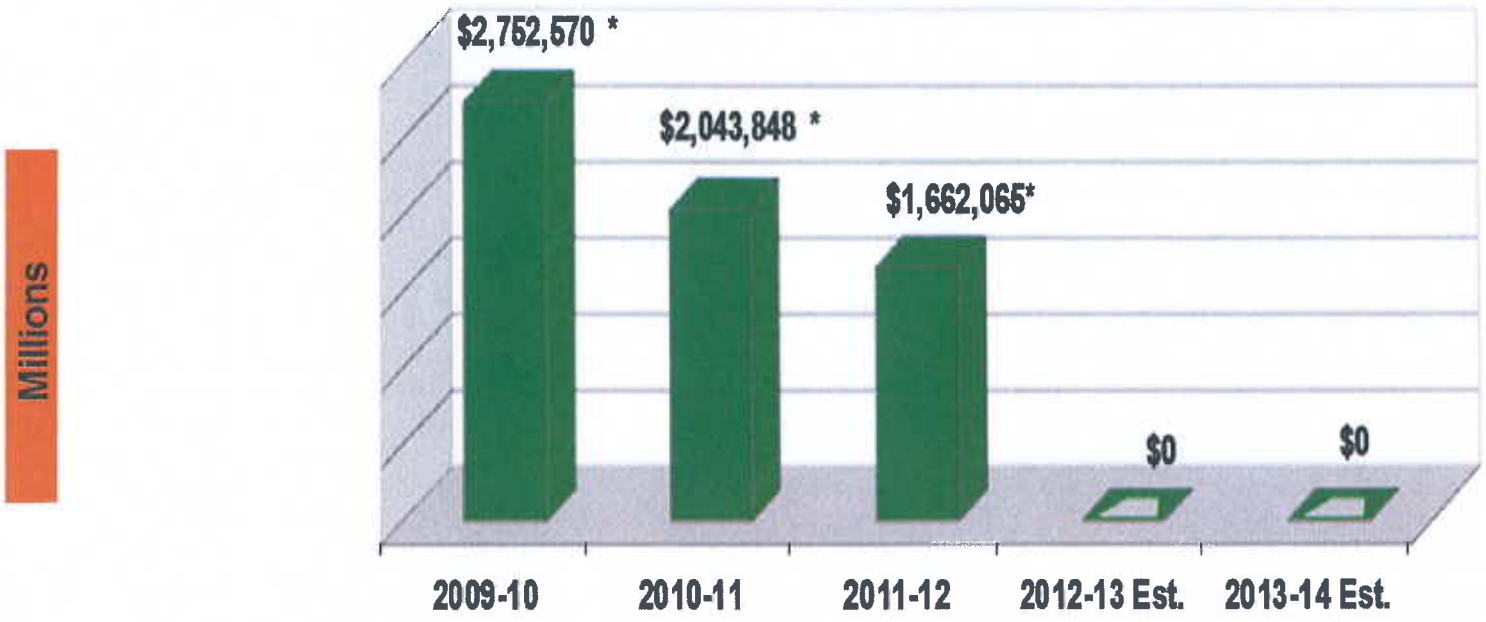
(Unrestricted Budget)



National School District

Five-Year Ending Balance Comparison

(Restricted Budget)



***Ending Balances are carryover funds at year end.**

NATIONAL SCHOOL DISTRICT

Ending Balance and Reserves

Unrestricted Reserve

GENERAL FUND	2012-13 Proposed	2013-14 Proposed
Revenues	$ 28,630,729	$ 30,369,660
Expenditures	$ 32,232,140	$ 32,031,341
Change in Fund Balance	$ (3,601,411)	$ (1,661,681)
Beginning Balance	**$ 9,022,862**	**$ 5,421,451**

ENDING BALANCE:	2012-13 Proposed	2013-14 Proposed
Ending Fund Balance	**$ 5,421,451**	**$ 3,759,770**
Designated Reserves:		
Designation for Economic Uncertainty	$ 1,567,327	$ 1,472,103
Stores/Prepaids/Revolving Cash	$ 165,175	$ 165,175
Fringe Benefit Pool Reserve	$ 71,042	$ 71,042
Mandated Costs (one-time)	$ 1,333,345	$ 1,333,345
Department/Site Carry Over	$ -	$ -
Total Designated Reserves:	**$ 3,136,889**	**$ 3,041,665**
Unappropriated Fund Balance	**$ 2,284,562**	**$ 718,105**

NATIONAL SCHOOL DISTRICT
Five Year Historical Fund Balance
Unrestricted Budget

GENERAL FUND	09-10 Actual	10-11 Actual	11-12 Actual	12-13 Proposed	13-14 Proposed
Revenues	28,532,627	30,299,774	29,365,381	28,630,729	30,369,660
Expenditures	(29,046,640)	(29,347,793)	(29,941,603)	(32,232,140)	(32,031,341)
Change in Fund Balance	(514,013)	951,981	(576,222)	(3,601,411)	(1,661,681)
Beginning Balance	9,161,116	8,647,103	9,599,084	9,022,862	5,421,451
ENDING BALANCE - JUNE 30	**$ 8,647,103**	**$ 9,599,084**	**$ 9,022,862**	**$ 5,421,451**	**$ 3,759,770**
Designated Reserve	(7,381,175)	(6,660,808)	(5,913,289)	(3,136,889)	(3,041,665)
Categorical Reserve	-	-	-	-	-
UNAPPROPRIATED FUND BALANCE	**$ 1,265,928**	**$ 2,938,276**	**$ 3,109,573**	**$ 2,284,562**	**$ 718,105**

NATIONAL SCHOOL DISTRICT
Five Year Historical Fund Balance
Restricted Budget

GENERAL FUND	09-10 Actual	10-11 Actual	11-12 Actual	12-13 Proposed	13-14 Proposed
Revenues	17,801,288	17,840,700	18,963,405	18,350,024	17,038,754
Expenditures	(18,151,800)	(18,549,422)	(19,345,188)	(20,012,089)	(17,038,754)
Change in Fund Balance	(350,512)	(708,722)	(381,783)	(1,662,065)	0
Beginning Balance	3,103,082	2,752,570	2,043,848	1,662,065	(0)
ENDING BALANCE - JUNE 30	**$ 2,752,570**	**$ 2,043,848**	**$ 1,662,065**	**0**	**0**
Designated Reserve	-	-	-	-	-
Categorical Reserve	(2,752,570)	(2,043,848)	(1,662,065)	-	-
UNAPPROPRIATED FUND BALANCE	**$ -**	**-**	**-**	**0**	**0**

NATIONAL SCHOOL DISTRICT

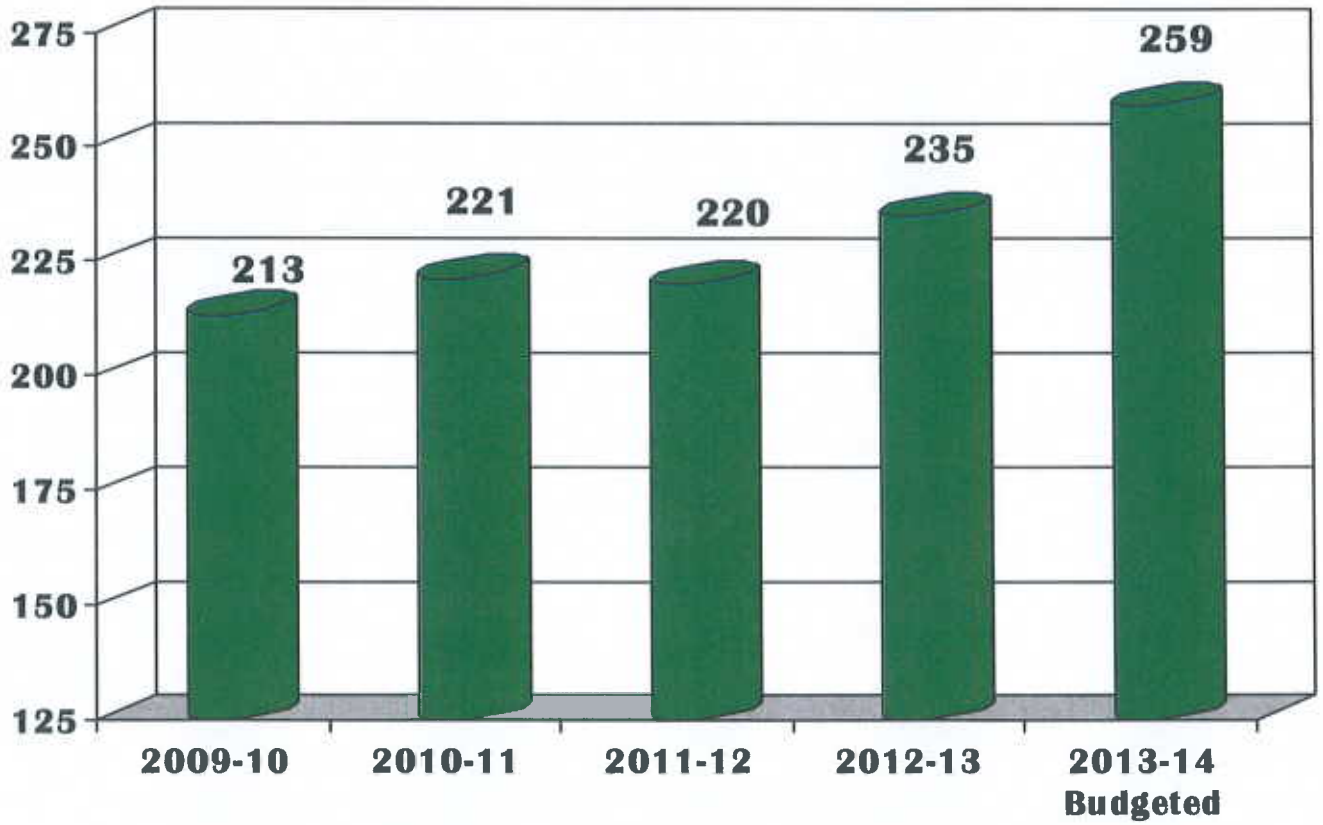
Five Year Historical Fund Balance

Unrestricted and Restricted Budget

GENERAL FUND	09-10 Actual	10-11 Actual	11-12 Actual	12-13 Proposed	13-14 Proposed
Revenues	46,333,914	48,140,475	48,328,786	46,980,753	47,408,414
Expenditures	(47,198,440)	(47,897,215)	(49,286,791)	(52,244,229)	(49,070,095)
Change in Fund Balance	(864,526)	243,260	(958,005)	(5,263,476)	(1,661,681)
Beginning Balance	12,264,198	11,399,672	11,642,932	10,684,927	5,421,451
ENDING BALANCE - JUNE 30	**$ 11,399,672**	**$ 11,642,932**	**$ 10,684,927**	**$ 5,421,451**	**$ 3,759,770**
Designated Reserve	(7,381,174)	(6,660,808)	(5,913,289)	(3,136,889)	(3,041,665)
Categorical Reserve	(2,752,570)	(2,043,848)	(1,662,065)	-	-
UNAPPROPRIATED FUND BALANCE	**$ 1,265,928**	**$ 2,938,276**	**$ 3,109,573**	**$ 2,284,562**	**$ 718,105**

INTEGRITY CHARTER SCHOOL

P-2 ADA COMPARISON



INTEGRITY CHARTER SCHOOL
Five Year Historical Fund Balance
Unrestricted / Restricted Budget

GENERAL FUND	09-10 Actual	10-11 Actual	11-12 Actual	12-13 Proposed	13-14 Proposed
Revenues	1,791,408	2,098,406	2,127,201	2,108,952	2,302,327
Expenditures	(1,678,738)	(1,847,667)	(2,011,789)	(2,217,861)	(2,224,482)
Change in Fund Balance	112,670	250,739	115,413	(108,909)	77,845
Beginning Balance	621,315	733,985	984,724	1,100,137	991,228
ENDING BALANCE - JUNE 30	**$ 733,985**	**$ 984,724**	**$ 1,100,137**	**$ 991,228**	**$ 1,069,073**
Designated Reserve	-	-	-	-	-
UNAPPROPRIATED FUND BALANCE	**$ 733,985**	**$ 984,724**	**$ 1,100,137**	**$ 991,228**	**$ 1,069,073**