

San Mateo County Office of Education

Budget Assumptions – Interim Reports

District: Millbrae School District

Fiscal Year: 10/11

GENERAL FUND REVENUES

Revenue Limit

- Explain any significant changes from Adopted Budget or First Interim report in average daily attendance (ADA) or enrollment projections, including the methodology or basis used for the projections (e.g., cohort survival, actual count, etc.).

2010-2011 2nd Interim was developed using estimated, 2010-2011 P2 Average Daily Attendance (ADA). Non Public School ADA and ADA for students in county special day classes have been revised to reflect current projected student enrollment for a combined total of 2163 ADA, which is an increase of 13 ADA.

- Explain other significant changes in the revenue limit calculation that are non ADA- related.

2011-2011 2nd Interim projections continue to reflect School Services October Dartboard projections of (.39%) negative COLA with a deficit of 17.963%. The October State Adopted Budget eliminated the 3.85% deficit on Other Revenue Limit Adjustments.

- Identify the estimated COLA, equalization (if applicable), and other major components of the revenue limit calculation.

2011-2011 2nd Interim projections continue to reflect School Services October Dartboard projections of (.39%) negative COLA with a deficit of 17.963%. The October State Adopted Budget eliminated the 3.85% deficit on Other Revenue Limit Adjustments.

Federal Revenues

- Explain any significant increases or decreases from the Adopted Budget or First Interim.

2010-2011 2nd Interim Federal Revenue has been revised to reflect final ARRA SFSF adjusted allocation.

Lottery Revenues

- Indicate the per ADA funding rate used for Unrestricted and Restricted lottery revenue projections.

2010-2011 Lottery Projections are estimated at \$112.50 per 2010-2011 estimated annual ADA for Non Prop 20 Funding and \$17.50 per 2010-2011 estimated annual ADA for Prop 20 Funding as per School Services dartboard projections.

Categorical Program Revenues

- Explain any significant changes from the Adopted Budget or First Interim.
2010-2011 2nd Interim projections have been revised to reflect actual revised categorical flexibility allocations.

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New Tax and Revenue Anticipation Notes (TRANS)

- For any new TRANS, identify the issue amount, costs, repayment schedule, and arbitrage.

As of 2010-2011 2nd Interim, the District has not issued and does not anticipate issuing a TRANS for the 2010-2011 school year.

Other significant changes in revenues

- Explain any significant change from Adopted Budget or First Interim in other local revenues such as leases, rentals, etc.

2010-2011 2nd Interim local revenues have been revised to reflect actual local donations, local grants, and mandated cost revenue received as of 2nd Interim.

One-time Revenues

- Explain any significant changes from Adopted Budget or First Interim in one-time revenues.

2010-2011 2nd Interim includes one time Federal ARRA revenue, one time mandated cost revenue as well as local donations and local grants.

GENERAL FUND EXPENDITURES

Certificated and classified salaries

- Describe the current status of negotiations with the collective bargaining groups.

Negotiations have been settled with all bargaining units for salary concessions for the 2010-2011 school year.

- Identify unsettled salary increases included in the interim report, if any.

N/A

- Identify assumptions used regarding the costs of step and column increases, attrition, and finalized collective bargaining agreements.

2010-2011 2nd Interim includes all known step and column changes as of October 2010.

- Describe the costs associated with other staffing changes and class size adjustments.

The District's 2010-2011 2nd Interim Budget continues to reflect additional staffing reinstated since budget adoption due to increased enrollment.

Employee benefits

- Identify the rates used in projecting benefits for STRS, PERS, Social Security, Medicare, Unemployment Insurance, and Workers' Compensation.

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Fringe benefit rates are based on San Mateo County Office of Education's 2010-2011 Employer Rates: STRS (.0825), PERS-Employer Share (.10707), PERS-Employee Share (.07), OASDI (.062), Medicare (.0145), Unemployment (.0072), Workers Compensation (.026515), and Pers Reduction (.02313).

- Identify unsettled increases in benefits included in the interim report, if any.

N/A

- Identify assumptions used regarding the component costs of the health and welfare benefit packages, identifying self-funded portions and explaining any applicable caps.

The District provides health and welfare benefit coverage per unit, based on single, double or family coverage up to the District cap (per unit) that is prorated at the employee's FTE.

Retirement packages

- Briefly summarize district policy, the number of retirees covered, the costs of the current benefits, the assumptions used to project, and the object and fund in which these costs are recorded.

Eligible employees may select retiree health and welfare benefits at their current district contribution cap (prorated at the employees FTE) for a maximum of five (5) years or the rate of \$347.00 per month prorated at the employees FTE for a maximum of 10 years. Note: The District applied for a waiver to use sale of surplus property proceeds, which was approved to partially fund OPEB for 2010-2011 and future years. The District has transferred the approved amount of \$3,137,430 to Fund 17; of this amount \$2,737,430 is designated to partially fund OPEB. The District will need to set up a trust to account for the annual OPEB contribution before the District can recognize the future savings in General Fund.

- Identify the costs associated with a golden handshake or other retirement package, including multi-year costs included in the interim report.

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N/A

Other significant expenditures (Objects 4000 through 7000)

- Explain any significant changes from Adopted Budget or First Interim in one-time expenses, such as spending carryover balances, one-time capital outlay, or facilities improvements.

N/A

- Describe all major obligations including COPs, lease-purchases, and/or bond repayments.

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During the 2008-2009 school year, the District issued a new COP. Ongoing income from the City of Millbrae for the licensing agreement is used to pay the annual debt service payment for the entire life of the COP. In addition, during the 2008-2009 school year, the District issued \$12,000,000 in General Obligation Bonds as per election of 2008. The District is currently in the process of issuing the remaining 18,000,000 of the approved 30,000,000 in General Obligation Bonds.

- Identify amounts due in the budget year and the basic terms of the obligations.

The District's 2010-2011 Budget includes an annual COP debt service payment of \$120,000 that is paid from the annual revenue received from the License Agreement with the City of Millbrae. Property taxes are levied to pay the principal and interest on the Bonds.

- Explain the purpose of any major transfers between funds.

The District's 10/11 2nd Interim includes a transfer from Fund 40 to Fund 17 of \$ 3,137,430 for the sale of site funds from Millbrae School Site that was approved by the State Allocation Board in August 2010 for approved one time expenditures.

Components of ending fund balance

- Explain any material changes from Adopted Budget or First Interim in the component amounts.

The 2010-2011 Ending Fund balance for 2nd Interim reflects an additional increase in ADA, along with mandated cost funding and SFSF- ARRA revenue received since 1st Interim.

- Explain the designated components of the ending fund balances.

The District continues to maintain the required 3% Reserve Designated for Economic Uncertainties. The District continues to utilize the remaining ending fund balance to help offset a portion of the budget cuts in 2011-2012 due to the loss of \$ 349.00 per ADA.

Net change in fund balance – General Fund

- Explain any significant budgeted unrestricted deficits. Description should detail the causes and explain whether the deficits are ongoing or one-time. If ongoing, an explanation should be provided on how and when the deficits will be eliminated.

The District has utilized one time ending fund balance to help offset additional cuts in year 10/11 and continues to utilize ending fund balance to help offset potential cuts in 11/12 of 349.00 per ADA if state tax election fails.

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OTHER FUNDS

Significant changes in revenues, expenditures, or transfers

- Explain any material differences in the other funds from Adopted Budget or First Interim report in revenues, expenditures, or transfers.

Fund# N/A

Fund# _____

Fund# _____

Fund# _____

Fund# _____

Fund# _____
