

2014-2015

First Interim

Budget Update

December 9, 2014

2014-2015 Budget – First Interim Update

- June 24 , 2014 LCAP and budget adoption
- October 14 , 2014 Budget update
- **December 9, 2014** **1st Interim budget update**
- March 10, 2015 2nd Interim budget update
- September 8, 2015 Unaudited Actuals

2014-2015 Budget – First Interim Update Agenda

- Background
- Budget update assumptions
- 2014-15 budget update for General Fund
- Multi-year projections
- Additional Material
 - Budget Assumptions
 - Other Funds
 - Glossary of Terms

2014-2015 Budget – First Interim Update

Background

- Per State Law AUSD’s Board must pass First Interim budget update by December 15 of each year.
- Board must certify that the District’s projected financial outlook for 2014-15, 2015-16 and 2016-17 is one of the following:
 - **Positive: WILL MEET** the financial obligations for the current and two subsequent years
 - **Qualified: MAY NOT MEET** the financial obligations for the current and two subsequent fiscal years
 - **Negative: WILL BE UNABLE TO MEET** the financial obligations for the remainder of the current fiscal year and two subsequent fiscal years
- Staff recommends a positive certification



2014-2015 Budget – First Interim Update

Fiscal Update

- Revenue Still below 2007-08 level
- Proposition 2 passed
 - Strengthens the State's reserves
 - Imposes a cap on district's reserve's for economic uncertainties
 - Cap may not create any short term impact
- Healthy Families Act
 - Sick leave for substitute employees (1 hr. for each 30 hrs. worked)
- Increased costs associated with State Teachers Retirement System (STRS) and Public Employees Retirement System (PERS)

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Assumptions

Categories	Source	14/15	15/16	16/17
District Enrollment	CALPADS	9,477	9,477	9,477
District Funded ADA-Actual/Projected	Projection	9,084	9,084	9,084
ADA as a Percentage of Total Enrollment	Projection	95.85%	95.85%	95.85%
Unduplicated EL/FRM Count	CALPADS	3,794	3,794	3,794
COLA	SSC	0.85%	2.10%	2.30%
LCFF GAP Funding Percentage*	SSC	29.56%	7.90%	8.20%
State Teacher's Retirement System	COE Advisory	8.88%	10.73%	12.58%
Public Employee Retirement System	COE Advisory	11.77%	12.60%	15.00%
Additional Teacher FTE Contingency	Projection	-	5	5
I-20 Foreign Students	Projection	30	20	20
Bond Election (Only for 14-15)		\$ 300,000	\$ -	\$ -
Affordable Care Act (On going)		\$ 300,000	\$ 300,000	\$ 300,000
Textbook Adoption Fund		\$ -	\$ 400,000	\$ 400,000

*Department of Finance GAP funding rate for 15/16 and 16/17 is 20.68% and 25.48% respectively

2014-2015 Budget – First Interim Update

General Fund

	Unrestricted		Restricted		Total General Fund
	Totally Unrestricted	LCFF Supplemental Grant	Restricted without Parcel Tax	Parcel Tax	
REVENUES					
LCFF Revenue	\$ 62,916,838	\$ 2,665,018	\$ 370,297	\$ -	\$ 65,952,153
Federal	\$ -		\$ 3,842,354	\$ -	\$ 3,842,354
Other State	\$ 2,413,814		\$ 1,927,996	\$ -	\$ 4,341,810
Other Local	\$ 1,149,766		\$ 6,358,018	\$ -	\$ 7,507,784
Parcel Tax	\$ -	\$ -	\$ -	\$ 12,012,886	\$ 12,012,886
Revenues	\$ 66,480,418	\$ 2,665,018	\$ 12,498,664	\$ 12,012,886	\$ 93,656,986
EXPENDITURES					
Salaries & Benefits	\$ 44,588,956	\$ 2,301,141	\$ 18,599,864	\$ 10,591,591	\$ 76,081,552
Books/Supplies & Outlay	\$ 2,700,810	\$ 91,269	\$ 5,294,244	\$ 513,194	\$ 8,599,516
Services & Op. Expenses	\$ 7,544,602	\$ 272,608	\$ 5,558,560	\$ 365,137	\$ 13,740,907
Other Outgo & Transfers	\$ (1,546,264)		\$ 1,569,908	\$ 352,827	\$ 376,471
Expenditures	\$ 53,288,104	\$ 2,665,018	\$ 31,022,576	\$ 11,822,749	\$ 98,798,447
Other Sources (Uses)	\$ (15,561,705)		\$ 15,311,660	\$ (247,401)	\$ (497,446)
Net Inc. (Dec) in Fund Bal.	\$ (2,369,391)	\$ -	\$ (3,212,252)	\$ (57,264)	\$ (5,638,907)
Beginning Balance	\$ 9,214,448	\$ -	\$ 3,221,921	\$ 57,264	\$ 12,493,633
Ending Balance	\$ 6,845,057	\$ -	\$ 9,669	\$ -	\$ 6,854,727

2014-2015 Budget – First Interim Update

MYP (Summary), Unrestricted Gen. Fund

Line		2014-15	2015-16	2016-17
		Projected	Projected	Projected
A	Beginning Balance, July 1	\$ 9,214,448	\$ 6,845,057	\$ 3,800,544
B	Revenues	\$ 69,145,436	\$ 69,396,161	\$ 70,595,598
C	Expenditures	\$ 55,953,122	\$ 56,319,859	\$ 57,502,116
D	Contribution to Restricted Fund	\$ 15,561,705	\$ 16,120,815	\$ 17,109,584
E = B-C-D	Surplus (Deficit)	\$ (2,369,391)	\$ (3,044,513)	\$ (4,016,102)
F = A+E	Ending Balance	\$ 6,845,057	\$ 3,800,544	\$ (215,558)
	Components of Ending Fund Bal. (EFB)			
G	Revolving Cash	\$ 50,000	\$ 50,000	\$ 50,000
H	Textbook Adoptions	\$ 608,942	\$ 608,942	\$ 608,942
I = G+H	Total - Components of EFB	\$ 658,942	\$ 658,942	\$ 658,942
J = F-I	Unassigned/Unappropriated Ending Fund Balance	\$ 6,186,115	\$ 3,141,602	\$ (874,500)

2014-2015 Budget – First Interim Update

MYP (Summary), Restricted Gen. Fund

Line		2014-15	2015-16	2016-17
		Projected	Projected	Projected
A	Beginning Balance, July 1	\$ 3,279,185	\$ 9,669	\$ -
B	Revenues	\$ 24,511,551	\$ 22,908,409	\$ 22,908,409
C	Expenditures	\$ 42,845,326	\$ 38,541,447	\$ 39,520,547
D	Contribution from Unrestricted Fund	\$ 15,064,259	\$ 15,623,369	\$ 16,612,138
E = B-C+D	Surplus (Deficit)	\$ (3,269,516)	\$ (9,669)	\$ -
F = A+E	Ending Balance	\$ 9,669	\$ -	\$ -
	Components of Ending Fund Bal. (EFB)			
G	Legally Restricted	\$ 9,669	\$ -	\$ -
I = F-G	Unassigned/Unappropriated Ending Fund Balance	\$ -	\$ -	\$ -

2014-2015 Budget – First Interim Update

MYP (Summary), Combined Gen. Fund

Line		2014-15	2015-16	2016-17
		Projected	Projected	Projected
A	Beginning Balance, July 1	\$ 12,493,633	\$ 6,854,728	\$ 3,800,546
B	Revenues	\$ 93,656,987	\$ 92,304,570	\$ 93,504,007
C	Expenditures	\$ 99,295,892	\$ 95,358,752	\$ 97,520,109
D = B-C	Surplus (Deficit)	\$ (5,638,905)	\$ (3,054,182)	\$ (4,016,102)
E = A+D	Ending Balance	\$ 6,854,728	\$ 3,800,546	\$ (215,556)
	Components of Ending Fund Bal. (EFB)			
F	Revolving Cash	\$ 50,000	\$ 50,000	\$ 50,000
G	Textbook Adoptions	\$ 608,942	\$ 608,942	\$ 608,942
H = F+G	Total - Components of EFB	\$ 658,942	\$ 658,942	\$ 658,942
I = E-H	Unassigned/Unappropriated Ending Fund Balance	\$ 6,195,786	\$ 3,141,604	\$ (874,498)

ADDITIONAL MATERIALS

2014-2015 Budget – First Interim Update

MYP (Details), Unrestricted Gen. Fund

	2014-15	2015-16	2016-17
REVENUES			
LCFF	\$ 65,581,856	\$ 66,589,443	\$ 67,788,880
Federal	\$ -	\$ -	\$ -
Other State	\$ 2,413,814	\$ 1,656,952	\$ 1,656,952
Other Local	\$ 1,149,766	\$ 1,149,766	\$ 1,149,766
Revenues	\$ 69,145,436	\$ 69,396,161	\$ 70,595,598
EXPENDITURES			
Salaries & Benefits	\$ 46,890,097	\$ 48,438,684	\$ 49,322,346
Books/Supplies & Outlay	\$ 2,792,078	\$ 1,968,964	\$ 2,014,701
Services & Operating Expenses	\$ 7,817,210	\$ 7,463,258	\$ 7,716,116
Other Outgo & Transfers	\$ (1,546,264)	\$ (1,551,047)	\$ (1,551,047)
Strategic Budget Reduction			\$ (874,500)
Expenditures	\$ 55,953,121	\$ 56,319,859	\$ 56,627,616
Other Sources (Uses)	\$ (15,561,705)	\$ (16,120,815)	\$ (17,109,584)
Net Inc/Dec in Fund Balance	\$ (2,369,390)	\$ (3,044,513)	\$ (3,141,602)
Beginning Balance	\$ 9,214,448	\$ 6,845,058	\$ 3,800,546
Ending Balance	\$ 6,845,058	\$ 3,800,545	\$ 658,944
Restrictions/Commitments/Assignments			
Revolving Cash	\$ 50,000	\$ 50,000	\$ 50,000
Textbook Adoption	\$ 608,942	\$ 608,942	\$ 608,942
Unassigned/Unappropriated EFB	\$ 6,186,116	\$ 3,141,603	\$ 2

2014-2015 Budget – First Interim Update

MYP (Details), Restricted Gen. Fund

	2014-15	2015-16	2016-17
REVENUES			
LCFF transfers from Unrestricted	\$ 370,297	\$ 370,297	\$ 370,297
Federal	\$ 3,842,354	\$ 3,906,544	\$ 3,906,544
Other State	\$ 1,927,996	\$ 1,927,996	\$ 1,927,996
Other Local	\$ 6,358,018	\$ 4,762,572	\$ 4,762,572
Parcel Tax	\$ 12,012,886	\$ 11,941,000	\$ 11,941,000
Revenues	\$ 24,511,551	\$ 22,908,409	\$ 22,908,409
EXPENDITURES			
Salaries & Benefits	\$ 29,191,455	\$ 29,479,223	\$ 30,279,765
Books/Supplies & Outlay	\$ 5,807,438	\$ 2,582,404	\$ 2,635,842
Services & Operating Expenses	\$ 5,923,697	\$ 4,599,154	\$ 4,724,274
Other Outgo & Transfers	\$ 1,922,736	\$ 1,880,666	\$ 1,880,666
Expenditures	\$ 42,845,326	\$ 38,541,447	\$ 39,520,547
Other Sources (Uses)	\$ 15,064,259	\$ 15,623,369	\$ 16,612,138
Net Inc/Dec in Fund Balance	\$ (3,269,516)	\$ (9,669)	\$ -
Beginning Balance	\$ 3,279,185	\$ 9,669	\$ 0
Legally Restricted Fund Balance*	\$ 9,669	\$ 0	\$ 0
Unassigned/Unappropriated	\$ -	\$ -	\$ -

2014-2015 Budget – First Interim Update

“One Time” Restricted Activities in 14-15

Program	Amount	Funding Type	Funding Source
Common Core Implementation	\$ 801,924	Fund Balance	Common Core Grant
Energy Efficiency Projects	\$ 366,956	Fund Balance	Clean Energy Act Grant
Textbooks	\$ 337,394	Fund Balance	Restricted Lottery
Mental Health Svcs. f/ Special Ed.	\$ 360,039	Fund Balance	Mental Health Grant
Local Donations	\$ 970,987	Fund Balance	Local Donations for Schools
PTA Donations	\$ 126,781	Fund Balance	PTA Donations for Schools
Recycling at Sites	\$ 25,095	Fund Balance	Altamont Grant
Technology Projects	\$ 57,264	Fund Balance	Measure A Parcel Tax
Encinal Swimming Pool	\$ 1,192,827	New Revenue	City of Alameda
Total	\$ 4,239,267		

2014-2015 Budget – First Interim Update

MYP (Details), Combined Gen. Fund

	2014-15	2015-16	2016-17
REVENUES			
LCFF	\$ 65,952,153	\$ 66,959,740	\$ 68,159,177
Federal	\$ 3,842,354	\$ 3,906,544	\$ 3,906,544
Other State	\$ 4,341,810	\$ 3,584,948	\$ 3,584,948
Other Local	\$ 7,507,784	\$ 5,912,338	\$ 5,912,338
Parcel Tax	\$ 12,012,886	\$ 11,941,000	\$ 11,941,000
Revenues	\$ 93,656,987	\$ 92,304,570	\$ 93,504,007
EXPENDITURES			
Salaries & Benefits	\$ 76,081,552	\$ 77,917,907	\$ 79,602,111
Books/Supplies & Outlay	\$ 8,599,516	\$ 4,551,368	\$ 4,650,543
Services & Operating Expenses	\$ 13,740,907	\$ 12,062,412	\$ 12,440,390
Other Outgo & Transfers	\$ 376,471	\$ 329,619	\$ 329,619
Strategic Budget Reduction			
Expenditures	\$ 98,798,446	\$ 94,861,306	\$ 97,022,663
Other Sources (Uses)	\$ (497,446)	\$ (497,446)	\$ (497,446)
Net Inc/Dec in Fund Balance	\$ (5,638,905)	\$ (3,054,182)	\$ (4,016,102)
Beginning Balance	\$ 12,493,633	\$ 6,854,728	\$ 3,800,546
Ending Balance	\$ 6,854,728	\$ 3,800,546	\$ (215,556)
Restrictions/Commitments/Assignemtns			
Revolving Cash	\$ 50,000	\$ 50,000	\$ 50,000
Textbook Adoption	\$ 608,942	\$ 608,942	\$ 608,942
Unassigned/Unappropriated	\$ 6,195,786	\$ 3,141,604	\$ (874,498)

2014-2015 Budget – First Interim Update

Fund 11, 12 & 13

	Adult Education Fund 11	Child Development Fund 12	Child Nutrition Fund 13
REVENUES			
Federal	\$ 247,821	\$ 429,319	\$ 1,629,839
State		\$ 865,896	\$ 95,617
Local	\$ 87,884	\$ 213,688	\$ 459,235
Revenues	\$ 335,705	\$ 1,508,903	\$ 2,184,691
EXPENDITURES			
Salaries & Benefits	\$ 750,961	\$ 1,284,284	\$ 2,187,095
Supplies	\$ 33,478	\$ 78,693	\$ 19,871
Services & Operating Expenses	\$ 24,072	\$ 12,302	\$ 10,800
Capital Outlay		\$ 48,000	
Other Outgo & Transfers		\$ 92,626	\$ 117,288
Expenditures	\$ 808,511	\$ 1,515,905	\$ 2,335,054
Other Sources (Uses)	\$ 470,436	\$ -	
Net Inc/Dec in Fund Balance	\$ (2,370)	\$ (7,002)	\$ (150,363)
Beginning Balance	\$ 31,255	\$ 72,927	\$ 568,770
Ending Balance	\$ 28,885	\$ 65,925	\$ 418,406
Restrictions/Commitments/Assignments			
Legally Restricted Ending Fund Balance	\$ 1,086	\$ 65,905	\$ 418,278
Unassigned/Unappropriated	\$ 27,799	\$ 21	\$ 128

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Fund 14, 17, 25 & 40

	Deferred Maintenance Fund 14	Special Reserve Non-Capital Outlay Fund 17	Capital Facilities Fund 25	Special Reserve Capital Outlay Fund 40
REVENUES				
LCFF Sources	\$ 365,384			
State				
Local	\$ 500	\$ 13,630	\$ 63,000	\$ 462,750
Parcel Tax				
Revenues	\$ 365,884	\$ 13,630	\$ 63,000	\$ 462,750
EXPENDITURES				
Salaries & Benefits				\$ 113,771
Supplies				\$ -
Services & Operating Exp.	\$ 365,884		\$ 13,212	\$ 561,760
Capital Outlay			\$ 27,500	\$ 11,250
Other Outgo & Transfers			\$ 148,273	
Expenditures	\$ 365,884	\$ -	\$ 188,985	\$ 686,781
Other Sources (Uses)		\$ -		
Net Inc/Dec in Fund Balance	\$ -	\$ 13,630	\$ (125,985)	\$ (224,031)
Beginning Balance	\$ 121,636	\$ 8,709,577	\$ 2,430,877	\$ 1,581,534
Ending Balance	\$ 121,636	\$ 8,723,207	\$ 2,304,893	\$ 1,357,503
Restrictions/Commitments/Assignments				
Facilities Related Projects	\$ 121,636		\$ 1,569,893	\$ 157,503
COP Loan Repayment			\$ 735,000	
Measure H Parcel Tax Contingent Liability		\$ 5,800,000		
District Office Rental Reserve				\$ 1,200,000
Reserved for Economic Uncertainties		\$ 2,923,207		
Unassigned/Unappropriated	\$ (0)	\$ -	\$ -	\$ -

2014-2015 Budget – First Interim Update

Glossary of Terms

ACA	Affordable Care Act aka Obama Care
ACOE / COE	Alameda County Office of Education / County Office of Education
CBEDS	California Basic Educational Data Systems
Certificated	Teachers, Substitute Teachers, Counselors, Principals, Vice Principals, Nurses, Psychologists, Directors in Education Services, Superintendent
Classified	Office Managers, Accountants, Custodians, Food Service Assistants, Directors in Business Services
COLA	Cost of Living Allowance
Contributions	General fund contribution to a program which is unable to meet its expenditures using Federal or State funding
CPI	Consumer Price Index
DOF	Depart of Finance
EFB	Ending Fund Balance
EL	English Learners
FCMAT	Fiscal Crisis and Management Assistance Team
FRM	Free or Reduced Priced Meal
FTE	Full Time Equivalent
LCAP	Local Control Accountability Plan
LCFF	Local Control Funding Formula
MYP	Multi Year Projections
Other Outgo & Uses	Transfer of Indirect cost from restricted to unrestricted funds, Debt Payment Contribution to restricted programs, primarily Special Education, Student Transportation
RL	Revenue Limit (old State funding formula for Education)
Services	Utility Bills, Legal Fees, Insurance, Software Subscriptions, Internet Access, Special Education Non Public Schools
SSC	School Services of California
Supplies	Classroom Supplies, Textbooks, Janitorial Supplies, Office Supplies, Technology Equipment