

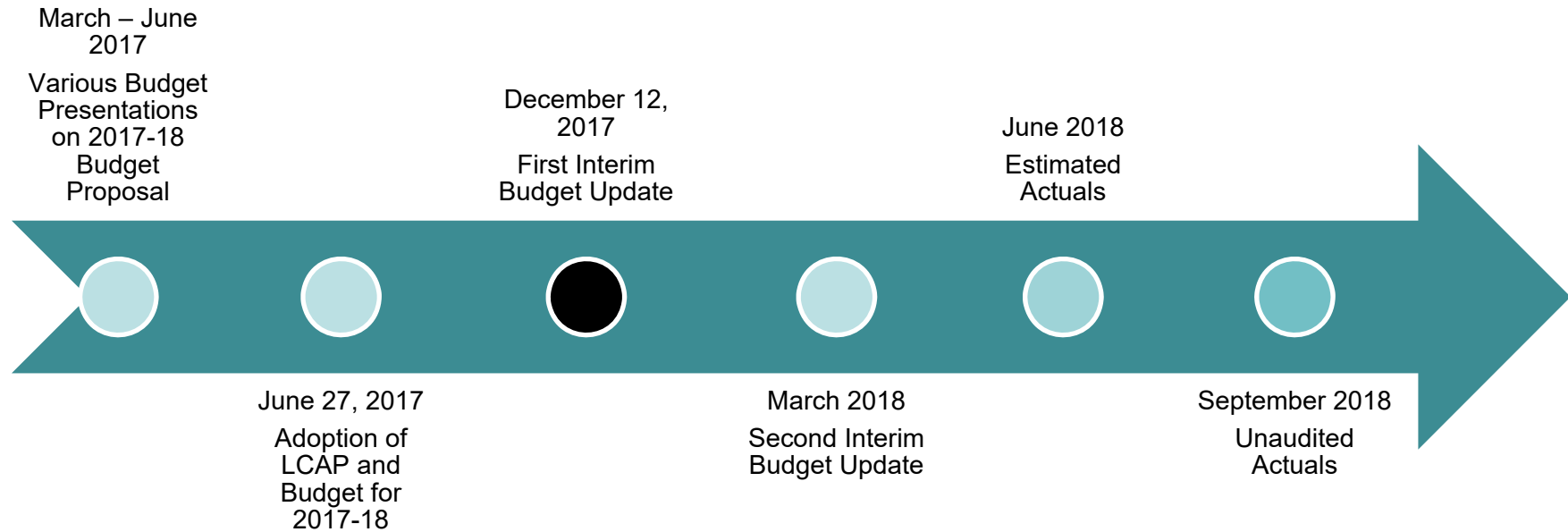
2017-2018

First Interim

Budget Update

December 12, 2017

2017-2018 Budget – First Interim Update




2017-2018 Budget – First Interim Update

Agenda

- Background
- Budget update assumptions
- 2017-18 budget update for General Fund
- Multi-year projections
- Additional material
 - General fund details
 - Other funds
 - Glossary of terms

2017-2018 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 2017-18, 2018-19, and 2019-20 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

2017-2018 Budget – First Interim Update

Changes from Budget Adoption

- Measure B1 Parcel Tax Contingency Planning
- Increase in Parcel Tax (Measure A) Revenue - \$278K annually
 - 160 new parcels
 - Adjustment of square footage by the County
- Increase in enrollment - \$202K in 17-18
- State-level direct certification for Free & Reduced Meal Eligibility
 - Increase in Supplemental grant
- Recognition of one-time funds - \$1.3M

2017-2018 Budget – First Interim Update Changes from Budget Adoption

- Savings from temporary relocation of Lum Elementary students - \$386K
- Deferred maintenance budget for 18-19 and 19-20 - \$2.4M
 - Eases the pain, but not a cure
- Savings from vacancies and unused FTEs - \$370K
- Teacher induction program moved from Restricted to Unrestricted General Fund - \$230K annually
- Carried over Restricted funds have been budgeted

2017-2018 Budget – First Interim Update

Items to Watch

- Affordable Care Act penalties
- Pension costs
- Special Education expenditures

2017-2018 Budget – First Interim Update

Assumptions

Categories	Source	2016-2017	2017-2018	2017-18	2018-2019	2019-2020
		Actual	Budget Adoption	First Interim	Projected	Projected
District Enrollment	Projection	9,481	9,481	9,500	9,500	9,500
District Funded ADA-Actual/Projected	Projection	9,082	9,082	9,100	9,100	9,100
ADA as a Percentage of Total Enrollment	Projection	95.79%	95.79%	95.79%	95.79%	95.79%
Unduplicated EL/FRM Count (Count)	CALPADS	3,308	3,308	3,431	3,431	3,431
Unduplicated EL/FRM Count (Percentage)	CALPADS	34.89%	34.89%	36.12%	36.12%	36.12%
COLA	DOF	0.00%	1.56%	1.56%	2.15%	2.35%
LCFF GAP Funding Percentage	DOF/SSC	55.03%	43.97%	43.19%	66.12%	64.92%
District's contribution to:						
State Teachers Retirement (STRS)	COE Advisory	12.58%	14.43%	14.43%	16.28%	18.13%
Public Employees Retirement (PERS)	COE Advisory	13.88%	15.53%	15.53%	18.10%	20.80%
One-time Funds						
Teacher Contingency for Additional Enrollment (FTE)	Projection	3	3	-	3	3

2017-2018 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	\$ 72,060,820	\$ 4,974,054	\$ 571,371	\$ -	\$ 77,606,245
Federal	\$ 3,418		\$ 4,147,129	\$ -	\$ 4,150,547
Other State	\$ 3,075,771		\$ 6,966,816	\$ -	\$ 10,042,587
Other Local	\$ 1,656,113		\$ 4,865,507	\$ -	\$ 6,521,620
Parcel Tax	\$ -	\$ -	\$ -	\$ 12,426,481	\$ 12,426,481
Revenues	\$ 76,796,122	\$ 4,974,054	\$ 16,550,823	\$ 12,426,481	\$ 110,747,480
EXPENDITURES					
Salaries & Benefits	\$ 48,339,439	\$ 4,270,494	\$ 24,658,474	\$ 11,623,127	\$ 88,891,533
Books/Supplies & Outlay	\$ 3,726,569	\$ 164,428	\$ 4,726,548	\$ 380,579	\$ 8,998,124
Services & Op. Expenses	\$ 8,944,227	\$ 728,417	\$ 9,359,831	\$ 89,972	\$ 19,122,448
Other Outgo & Transfers	\$ (1,657,664)	\$ -	\$ 1,630,514	\$ 368,128	\$ 340,978
Expenditures	\$ 59,352,571	\$ 5,163,339	\$ 40,375,367	\$ 12,461,806	\$ 117,353,082
Other Sources (Uses)	\$ (19,876,454)		\$ 19,876,454		\$ -
Net Inc. (Dec) in Fund Bal.	\$ (2,432,903)	\$ (189,285)	\$ (3,948,090)	\$ (35,325)	\$ (6,605,603)
Beginning Balance	\$ 12,999,195	\$ 834,849	\$ 4,143,538	\$ 35,325	\$ 18,012,907
Ending Balance	\$ 10,566,292	\$ 645,565	\$ 195,447	\$ -	\$ 11,407,305

2017-2018 Budget – Original Budget Adopted on 6/27/17 MYP (Summary), Unrestricted Gen. Fund

Line		2017-2018	2018-2019	2019-2020
		Proposed Budget	Projected	Projected
A	Beginning Balance, July 1	\$ 10,580,142	\$ 7,056,126	\$ 463,265
B1	Revenues	\$ 77,712,377	\$ 79,386,913	\$ 82,253,384
B2	Deferred Maintenance Transfer	\$ 2,406,304		
C1	Expenditures	\$ 63,820,827	\$ 65,808,358	\$ 67,609,271
C2	Contribution to Restricted Programs	\$ 19,821,870	\$ 21,371,416	\$ 22,556,226
D	Strategic Budget Cuts		\$ (1,200,000)	\$ (8,000,000)
E = B-C-D	Surplus (Deficit)	\$ (3,524,016)	\$ (6,592,861)	\$ 87,887
F = A+E	Ending Balance	\$ 7,056,126	\$ 463,265	\$ 551,152
G	Assignments/Commitments	\$ 382,167	\$ 382,167	\$ 382,167
H = F-G	Unassigned/Unappropriated Ending Fund Balance	\$ 6,673,959	\$ 81,098	\$ 168,985

2017-2018 Budget – First Interim Update

Changes from Budget Adoption to the First Interim

	2017-2018	2018-2019	2019-2020	Total
Deferred Maintenance Transfer		\$ 2,406,304	\$ 2,406,304	\$ 4,812,608
One-time Funds	\$ 1,335,054	\$ -	\$ -	\$ 1,335,054
Savings from diversion of Lum Students	\$ 386,993	\$ 386,993	\$ 386,993	\$ 1,160,979
Teacher & Admin. Induction Support		\$ (230,000)	\$ (230,000)	\$ (460,000)
Additional Revenue due to ADA growth	\$ 202,296	\$ 83,433	\$ 33,919	\$ 319,648
Increase in Parcel Tax Revenue	\$ 278,000	\$ 278,000	\$ 278,000	\$ 834,000
Recognition of Mandate Block Grant	\$ -	\$ 337,416	\$ 337,416	\$ 674,832
Misc. Items	\$ 370,417	\$ -	\$ -	\$ 370,417
Total	\$ 2,572,760	\$ 3,262,146	\$ 3,212,632	\$ 9,047,538

2017-2018 Budget – First Interim Update MYP (Summary), Unrestricted Gen. Fund

Line		2017-2018	2018-2019	2019-2020
		Budget	Projected	Projected
A	Beginning Balance, July 1	\$ 13,834,044	\$ 11,211,857	\$ 6,343,344
B1	Revenues	\$ 78,028,818	\$ 80,486,778	\$ 82,587,968
B2	Deferred Maintenance Transfer	\$ 2,406,304	\$ 2,406,304	\$ 2,406,304
B3	One-time Funds	\$ 1,335,054	\$ -	\$ -
C1	Expenditures	\$ 64,515,909	\$ 65,717,830	\$ 67,522,088
C2	Contribution to Restricted Programs	\$ 19,876,454	\$ 22,043,765	\$ 23,139,334
D	Strategic Budget Cuts	\$ -	\$ -	\$ -
E = B-C-D	Surplus (Deficit)	\$ (2,622,187)	\$ (4,868,513)	\$ (5,667,150)
F = A+E	Ending Balance	\$ 11,211,857	\$ 6,343,344	\$ 676,194
G	Assignments/Commitments	\$ 695,565	\$ 781,384	\$ 828,656
H = F-G	Unassigned/Unappropriated Ending Fund Balance	\$ 10,516,292	\$ 5,561,960	\$ (152,462)

2017-2018 Budget – First Interim Update

Components of Ending Fund Balance (EFB)*

Description	2017-2018	2018-2019	2019-2020
Ending Fund Balance**	\$ 11,211,857	\$ 6,343,344	\$ 676,194
Components of Ending Fund Balance			
Revolving Cash	\$ 50,000	\$ 50,000	\$ 50,000
Ruby Bridges and Paden Elementary Innovative Program (funded out of LCFF Supplemental Grant)	\$ 645,565	\$ 477,850	\$ 317,107
Additional LCFF Supplemental Funds	\$ -	\$ 253,534	\$ 461,549
Total - Components	\$ 695,565	\$ 781,384	\$ 828,656
Net Unassigned Ending Fund Balance	\$ 10,516,292	\$ 5,561,960	\$ (152,462)

*Also known as set-asides

ADDITIONAL MATERIALS

2017-2018 Budget – First Interim Update

MYP (Details), Unrestricted Gen. Fund

	2017-18	2018-19	2019-20
REVENUES			
LCFF	\$ 77,034,874	\$ 79,535,729	\$ 81,636,918
Federal	\$ 3,418	\$ -	\$ -
Other State	\$ 3,075,771	\$ 1,701,240	\$ 1,701,240
Other Local	\$ 1,656,113	\$ 1,656,113	\$ 1,656,113
Revenues	\$ 81,770,176	\$ 82,893,082	\$ 84,994,271
EXPENDITURES			
Certificated Salaries	\$ 31,765,191.00	\$ 32,940,046.00	\$ 33,278,812.00
Classified Salaries	\$ 9,883,321.00	\$ 9,867,326.00	\$ 9,971,235.00
Employee Benefits	\$ 10,961,420	\$ 13,051,548	\$ 14,066,812
Books/Supplies	\$ 3,370,414	\$ 1,569,805	\$ 1,617,213
Services & Operating Expenses	\$ 9,672,644	\$ 9,897,767	\$ 10,196,679
Capital Outlay	\$ 520,583	\$ -	\$ -
Other Outgo & Transfers	\$ (1,657,664)	\$ (1,608,662)	\$ (1,608,662)
Strategic Budget Reduction			
Expenditures	\$ 64,515,909	\$ 65,717,830	\$ 67,522,089
Other Sources (Uses)	\$ (19,876,454)	\$ (22,043,765)	\$ (23,139,334)
Net Inc/Dec in Fund Balance	\$ (2,622,187)	\$ (4,868,513)	\$ (5,667,152)
Beginning Balance	\$ 13,834,045	\$ 11,211,857	\$ 6,343,344
Ending Balance	\$ 11,211,857	\$ 6,343,344	\$ 676,194
Components of Ending Fund Balance			
Assigned / Legally Restricted	\$ 695,565	\$ 781,384	\$ 828,656
Unassigned/Unappropriated EFB	\$ 10,516,292	\$ 5,561,960	\$ (152,462)

2017-2018 Budget – First Interim Update

MYP (Details), Restricted Gen. Fund

	2017-18	2018-19	2019-20
REVENUES			
LCFF transfers from Unrestricted	\$ 571,371	\$ 571,371	\$ 571,371
Federal	\$ 4,147,129	\$ 3,631,979	\$ 3,717,331
Other State	\$ 6,966,816	\$ 6,003,477	\$ 6,025,691
Other Local	\$ 4,917,034	\$ 4,442,034	\$ 4,442,034
Parcel Tax*	\$ 12,374,954	\$ 12,374,954	\$ 12,374,954
Revenues	\$ 28,977,304	\$ 27,023,815	\$ 27,131,381
EXPENDITURES			
Certificated Salaries	\$ 18,143,312	\$ 18,013,136	\$ 18,197,548
Classified Salaries	\$ 7,615,068	\$ 7,530,511	\$ 7,609,044
Employee Benefits	\$ 10,523,221	\$ 11,343,730	\$ 11,974,957
Books/Supplies	\$ 4,525,175	\$ 2,691,499	\$ 2,772,783
Services & Operating Expenses	\$ 9,449,804	\$ 7,322,028	\$ 7,543,153
Capital Outlay	\$ 581,952	\$ 217,035	\$ 223,590
Other Outgo & Transfers	\$ 1,998,642	\$ 1,949,640	\$ 1,949,640
Expenditures	\$ 52,837,174	\$ 49,067,579	\$ 50,270,715
Other Sources (Uses)	\$ 19,876,454	\$ 22,043,765	\$ 23,139,334
Net Inc/Dec in Fund Balance	\$ (3,983,416)		\$ -
Beginning Balance	\$ 4,178,863		
Legally Restricted Fund Balance*	\$ 195,447	\$ -	\$ -
Unassigned/Unappropriated	\$ -	\$ -	\$ -

*Measure A for 2017-18 and Measure B1 for 2018-19 and 2019-20

2017-2018 Budget – First Interim Update

MYP (Details), Combined Gen. Fund

	2017-18	2018-19	2019-20
REVENUES			
LCFF	\$ 77,606,245	\$ 80,107,100	\$ 82,208,289
Federal	\$ 4,150,547	\$ 3,631,979	\$ 3,717,331
Other State	\$ 10,042,587	\$ 7,704,717	\$ 7,726,931
Other Local	\$ 6,573,147	\$ 6,098,147	\$ 6,098,147
Parcel Tax	\$ 12,374,954	\$ 12,374,954	\$ 12,374,954
Revenues	\$ 110,747,480	\$ 109,916,897	\$ 112,125,654
EXPENDITURES			
Certificated Salaries	\$ 49,908,503	\$ 50,953,182	\$ 51,476,360
Classified Salaries	\$ 17,498,389	\$ 17,397,838	\$ 17,580,279
Employee Benefits	\$ 21,484,641	\$ 24,395,278	\$ 26,041,769
Books/Supplies	\$ 7,895,589	\$ 4,261,304	\$ 4,389,996
Services & Operating Expenses	\$ 19,122,448	\$ 17,219,795	\$ 17,739,832
Capital Outlay	\$ 1,102,535	\$ 217,035	\$ 223,590
Other Outgo & Transfers	\$ 340,978	\$ 340,978	\$ 340,978
Strategic Budget Reduction			
Expenditures	\$ 117,353,083	\$ 114,785,410	\$ 117,792,804
Other Sources (Uses)			
Net Inc/Dec in Fund Balance	\$ (6,605,603)	\$ (4,868,513)	\$ (5,667,150)
Beginning Balance	\$ 18,012,908	\$ 11,407,305	\$ 6,538,792
Ending Balance	\$ 11,407,305	\$ 6,538,792	\$ 871,642
Components of Ending Fund balance			
Assigned / Legally Restricted	\$ 891,013	\$ 976,832	\$ 1,024,104
Unassigned/Unappropriated EFB	\$ 10,516,292	\$ 5,561,960	\$ (152,462)

2017-2018 Budget – First Interim Update

Fund 11, 12 & 13

	Adult Education Fund 11	Child Development Fund 12	Child Nutrition Fund 13
REVENUES			
Federal	\$ 199,780	\$ 335,751	\$ 1,840,850
State	\$ 789,967	\$ 1,089,729	\$ 92,438
Local	\$ 36,688	\$ 360,893	\$ 1,077,280
Revenues	\$ 1,026,435	\$ 1,786,373	\$ 3,010,568
EXPENDITURES			
Salaries & Benefits	\$ 857,888	\$ 1,650,736.00	\$ 1,814,511
Supplies	\$ 124,028	\$ 191,376	\$ 1,047,816
Services & Operating Expenses	\$ 33,344	\$ 14,933	\$ 34,258
Capital Outlay	\$ 11,172		
Other Outgo & Transfers		\$ 95,734	\$ 149,977
Expenditures	\$ 1,026,432	\$ 1,952,779	\$ 3,046,562
Other Sources (Uses)		\$ -	
Net Inc/Dec in Fund Balance	\$ 3	\$ (166,406)	\$ (35,994)
Beginning Balance	\$ 392,145	\$ 239,658	\$ 797,866
Ending Balance	\$ 392,148	\$ 73,252	\$ 761,872
Restrictions/Commitments/Assignments			
Legally Rest./Assigned Ending Fund Balance	\$ 392,148	\$ 73,252	\$ 761,872
Unassigned/Unappropriated	\$ 0	\$ 0	\$ 0

2017-2018 Budget – First Interim Update

Fund 14, 17, 21, 25 & 40

	Deferred Maintenance Fund 14	Special Reserve Non-Capital Outlay Fund 17	Building Fund (Measure I Proceeds) Fund 21	Capital Facilities Fund 25	Special Reserve Capital Outlay Fund 40
REVENUES					
LCFF Sources	\$ 500,000				
State					
Local	\$ 4,368	\$ 51,944	\$ 231,754	\$ 426,970	\$ 219,991
Revenues	\$ 504,368	\$ 51,944	\$ 231,754	\$ 426,970	\$ 219,991
EXPENDITURES					
Salaries & Benefits			\$ 445,206		\$ 72,674
Supplies			\$ 410		
Services & Operating Exp.			\$ 153,133	\$ 49,571	\$ 300,000
Capital Outlay	\$ 504,000		\$ 51,311,076	\$ 75,247	\$ 500,075
Other Outgo & Transfers					
Expenditures	\$ 504,000	\$ -	\$ 51,909,825	\$ 124,818	\$ 872,749
Other Sources (Uses)			\$ 27,000,000		
Net Inc/Dec in Fund Balance	\$ 368	\$ 51,944	\$ (24,678,071)	\$ 302,152	\$ (652,758)
Beginning Balance	\$ 1,370,177	\$ 8,112,381	\$ 64,826,820	\$ 5,754,073	\$ 917,547
Ending Balance	\$ 1,370,545	\$ 8,164,325	\$ 40,148,749	\$ 6,056,225	\$ 264,789
Restrictions/Commitments/Assignments					
Legally Rest./Assigned Ending Fund Balance	\$ 1,370,545	\$ 4,643,733	\$ 40,148,749	\$ 6,056,225	\$ 264,789
Reserved for Economic Uncertainties		\$ 3,520,592			
Unassigned/Unappropriated	\$ 0	\$ (0)	\$ 0	\$ -	\$ 0

2017-2018 Budget – First Interim Update

Acronyms

AB	Assembly Bill	FAPE	Free and Appropriate Public Education FCMAT
ACA	Affordable Care Act	FCMAT	Fiscal Crisis & Management Assistance Team
ADA	Average Daily Attendance	FERPA	Family Educational Rights and Privacy Act
AP	Advanced Placement	FRPM	Free and Reduced-Price Meals
API	Academic Performance Index	FTE	Full-Time Equivalent
AYP	Adequate Yearly Progress	GAAP	Generally Accepted Accounting Principles
BTSA	Beginning Teacher Support and Assessment	GASB	Governmental Accounting Standards Board
CAASPP	California Assessment of Student Performance and Progress	IEP	Individualized Education Program
CALPADS	California Longitudinal Pupil Achievement Data System	LAO	Legislative Analyst's Office
CalPERS	California Public Employees Retirement System	LCAP	Local Control and Accountability Plan
CalSTRS	California State Teachers Retirement System	LCFF	Local Control Funding Formula
CALTIDES	California Longitudinal Teacher Integrated Data Education System	LEA	Local Educational Agency
CARS	Consolidated Application and Reporting System	LRE	Least Restrictive Environment
CASEMIS	California Special Education Management Information System	MAA	Medi-Cal Administrative Activities
CBA	Collective Bargaining Agreement	MOU	Memorandum of Understanding
CBEDS	California Basic Educational Data System	MTSS	Multi-Tiered Systems of Support
CCSS	Common Core State Standards	MYP	Multiyear Projection
CDE	California Department of Education	OPEB	Other Postemployment Benefits
CELDT	California English Language Development Test	OPSC	Office of Public School Construction
CNIPS	Child Nutrition Information Payment System	P-1	First Principal (Apportionment)
COE	County Office of Education	P-2	Second Principal (Apportionment)
COLA	Cost-of-Living Adjustment	PAR	Peer Assistance and Review
COP	Certificate of Participation	PEPRA	Public Employees Pension Reform Act
CPI	Consumer Price Index	PI	Program Improvement
CTE	Career Technical Education	PTA	Parent Teachers Association
DOF	Department of Finance	RDA	Redevelopment Agency
DSA	Division of the State Architect	SACS	Standardized Account Code Structure
EC	Education Code	SBE	State Board of Education
EL	English Learner	SDC	Special Day Class
EPA	Education Protection Account	SELPA	Special Education Local Plan Area
ERAF	Education Revenue Augmentation Fund	SPSA	Single Plan for Student Achievement
ESL	English as a Second Language	TK	Transitional Kindergarten
ESSA	Every Student Succeeds Act	TRANS	Tax and Revenue Anticipation Notes
ESY	Extended School Year	UPP	Unduplicated Pupil Percentage