

**2017-2018**

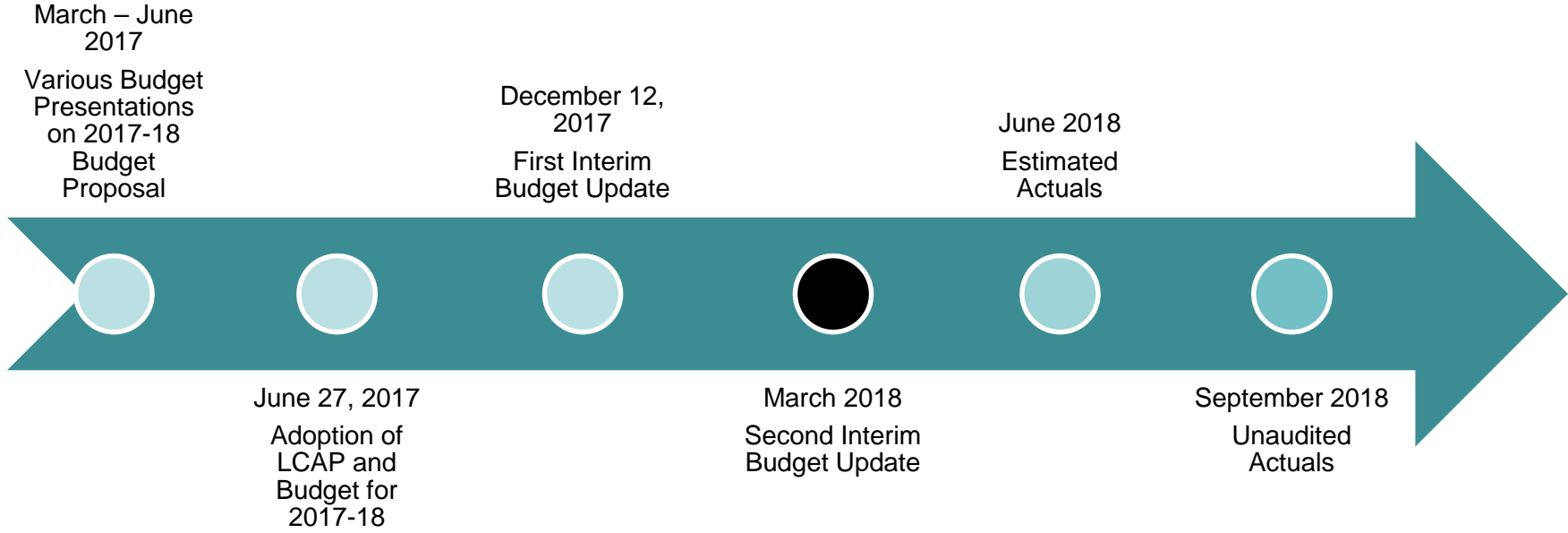
**Second Interim**

**Budget Update**

**March 13, 2018**

# 2017-2018 Budget – Second Interim Update

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# 2017-2018 Budget – Second Interim Update

## Agenda


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- 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 – Second Interim Update

## Background

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- Per State Law, AUSD’s Board must pass Second Interim budget update by March 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 First Interim to the Second Interim

	2017-2018	2018-2019	2019-2020	Total
Additional LCFF Revenue	\$ 65,024	\$ 1,567,899	\$ 1,475,329	\$ 3,108,252
One-time funds	\$ -	\$ 2,684,500		\$ 2,684,500
Change in PERS Rate	\$ -	\$ 67,279	\$ 137,961	\$ 205,240
eRate Reduction	\$ -	\$ (200,000)	\$ (200,000)	\$ (400,000)
Supplies/Services	\$ 442,000	\$ 450,000	\$ 460,000	\$ 1,352,000
<b>Total</b>	<b>\$ 507,024</b>	<b>\$ 4,569,678</b>	<b>\$ 1,873,290</b>	<b>\$ 6,949,992</b>

# 2017-2018 Budget – Second Interim Update

## Items to Watch

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- Affordable Care Act penalties
  - \$300/year contingency built in the budget
- Rising pension costs
  - Over 100% increase in contribution to employee pension systems
- Rising Special Education expenditures
  - Special Education funding and LCFF funding formula
- Assembly Bill 2808
  - Move California toward the national average in per-pupil funding

# 2017-2018 Budget – Second Interim Update

## Assumptions

Categories	Source	2016-2017	2017-2018	2017-18	2017-18	2018-2019	2019-2020
		Actual	Budget Adoption	First Interim	Second Interim	Projected	Projected
District Enrollment	Projection	9,481	9,481	9,500	9,500	9,500	9,500
District Funded ADA-Actual/Projected	Projection	9,082	9,082	9,100	9,100	9,100	9,100
ADA as a Percentage of Total Enrollment	Projection	95.79%	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	3,431
Unduplicated EL/FRM Count (Percentage)	CALPADS	34.89%	34.89%	36.12%	36.12%	36.12%	36.12%
COLA	DOF	0.00%	1.56%	1.56%	1.56%	2.51%	2.41%
LCFF GAP Funding Percentage	DOF/SSC	55.03%	43.97%	43.19%	44.97%	100.00%	0.00%
District's contribution to:							
State Teachers Retirement (STRS)	COE Advisory	12.58%	14.43%	14.43%	14.43%	16.28%	18.13%
Public Employees Retirement (PERS)	COE Advisory	13.88%	15.53%	15.53%	15.53%	17.70%	20.00%
One-time Funds							
Teacher Contingency for Additional Enrollment (FTE)	Projection		3	-	-	3	3

# 2017-2018 Budget – Second Interim Update

## General Fund

	Unrestricted		Restricted		Total General Fund
	Totally Unrestricted	LCFF Supplemental Grant	Restricted Without Parcel Tax	Parcel Tax	
<b>REVENUES</b>					
LCFF Revenue	\$ 72,117,822	\$ 4,982,077	\$ 571,373	\$ -	\$ 77,671,272
Federal	\$ 3,418		\$ 4,210,663	\$ -	\$ 4,214,081
Other State	\$ 3,115,721		\$ 8,138,958	\$ -	\$ 11,254,679
Other Local	\$ 1,706,113		\$ 5,104,344	\$ -	\$ 6,810,457
Parcel Tax	\$ -	\$ -	\$ -	\$ 12,439,922	\$ 12,439,922
<b>Revenues</b>	<b>\$ 76,943,074</b>	<b>\$ 4,982,077</b>	<b>\$ 18,025,338</b>	<b>\$ 12,439,922</b>	<b>\$ 112,390,411</b>
<b>EXPENDITURES</b>					
Salaries & Benefits	\$ 48,289,956	\$ 4,209,619	\$ 24,583,200	\$ 11,623,127	\$ 88,705,902
Books/Supplies & Outlay	\$ 3,532,400	\$ 166,150	\$ 4,765,872	\$ 375,872	\$ 8,840,294
Services & Op. Expenses	\$ 8,693,036	\$ 728,211	\$ 9,971,156	\$ 94,679	\$ 19,487,082
Other Outgo & Transfers	\$ (1,630,340)	\$ -	\$ 1,602,997	\$ 368,128	\$ 340,785
<b>Expenditures</b>	<b>\$ 58,885,052</b>	<b>\$ 5,103,980</b>	<b>\$ 40,923,225</b>	<b>\$ 12,461,806</b>	<b>\$ 117,374,063</b>
Other Sources (Uses)	\$ (19,972,931)		\$ 19,972,931		\$ -
<b>Net Inc. (Dec) in Fund Bal.</b>	<b>\$ (1,914,909)</b>	<b>\$ (121,903)</b>	<b>\$ (2,924,956)</b>	<b>\$ (21,884)</b>	<b>\$ (4,983,652)</b>
<b>Beginning Balance</b>	<b>\$ 12,999,196</b>	<b>\$ 834,849</b>	<b>\$ 4,143,538</b>	<b>\$ 35,325</b>	<b>\$ 18,012,908</b>
<b>Ending Balance</b>	<b>\$ 11,084,286</b>	<b>\$ 712,947</b>	<b>\$ 1,218,582</b>	<b>\$ 13,441</b>	<b>\$ 13,029,256</b>



# 2017-2018 Budget – Second Interim Update

## MYP (Summary), Unrestricted Gen. Fund

Line		2017-18	2018-19	2019-20	2020-21
		Budgeted	Projected	Projected	Projected
A	<b>Beginning Balance, July 1</b>	\$ 13,834,045	\$ 11,797,233	\$ 11,478,311	\$ 7,626,627
B1	Revenues	\$ 79,518,847	\$ 81,944,627	\$ 83,953,246	\$ 86,171,915
B2	Transfer from Deferred Maintenance	\$ 2,406,304	\$ 2,406,304	\$ 2,406,304	\$ -
B3	One-time Funds	\$ -	\$ 2,684,500	\$ -	\$ -
C1	Expenditures	\$ 63,989,032	\$ 65,495,457	\$ 67,283,669	\$ 68,867,818
C2	Contribution to Restricted Fund	\$ 19,972,931	\$ 21,858,896	\$ 22,927,565	\$ 23,685,601
D	Strategic Budget Reduction				
<b>E = B-C-D</b>	<b>Surplus (Deficit)</b>	<b>\$ (2,036,812)</b>	<b>\$ (318,922)</b>	<b>\$ (3,851,684)</b>	<b>\$ (6,381,504)</b>
F = A-E	Ending Balance	\$ 11,797,233	\$ 11,478,311	\$ 7,626,627	\$ 1,245,123
G	<b>Components of Ending Fund Bal. (EFB)</b>	\$ 703,588	\$ 3,614,885	\$ 3,648,462	\$ 3,654,830
H = F-G	<b>Unassigned/Unappropriated Ending Fund Balance</b>	<b>\$ 11,093,645</b>	<b>\$ 7,863,426</b>	<b>\$ 3,978,165</b>	<b>\$ (2,409,707)</b>

# 2017-2018 Budget – Second Interim Update

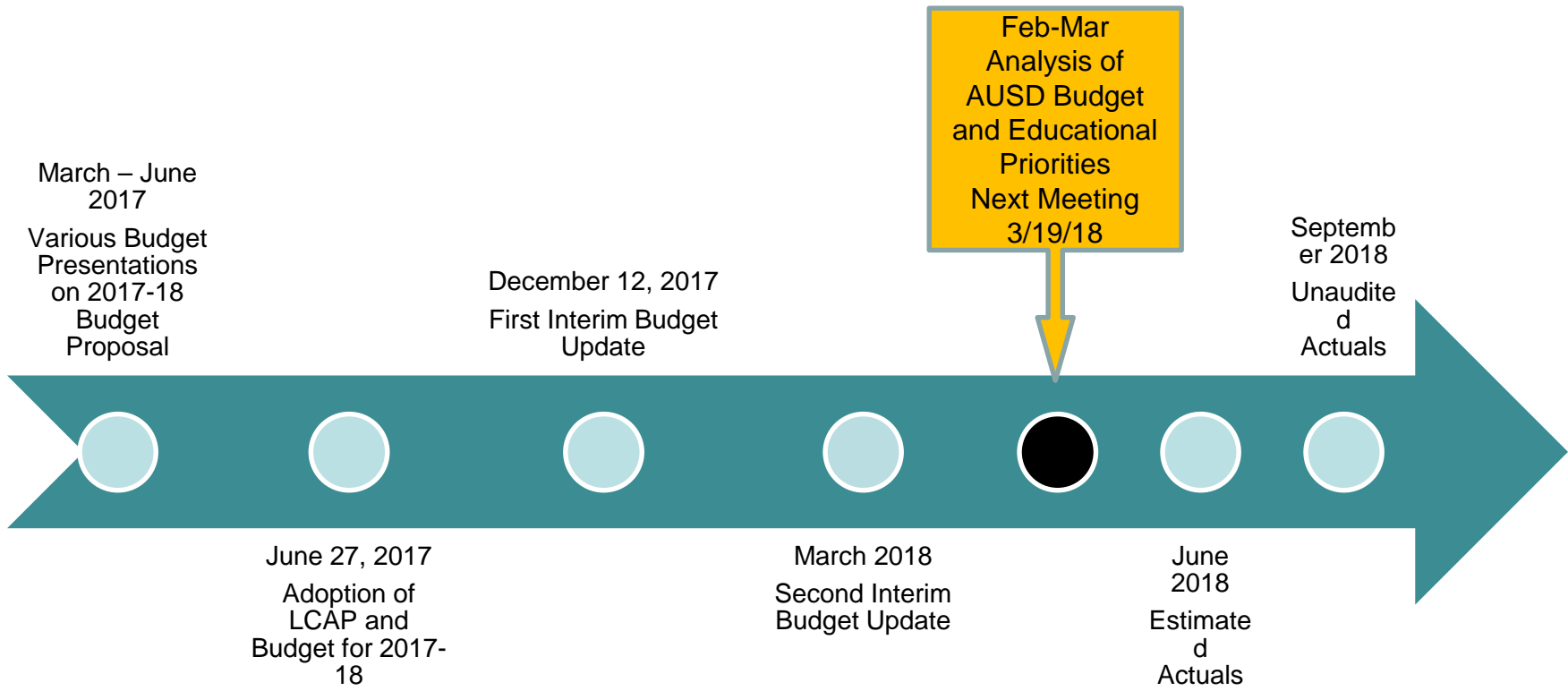
## Components of Ending Fund Balance (EFB)\*

Description	2017-2018	2018-2019	2019-2020	2020-2021
<b>Ending Fund Balance*</b>	<b>\$ 11,797,233</b>	<b>\$ 11,478,311</b>	<b>\$ 7,626,627</b>	<b>\$ 1,245,123</b>
<b>Components of Ending Fund Balance</b>				
Revolving Cash	\$ 50,000	\$ 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	\$ 167,684
Additional LCFF Supplemental Funds	\$ 8,023	\$ 402,535	\$ 596,855	\$ 752,646
One time funds		\$ 2,684,500	\$ 2,684,500	\$ 2,684,500
<b>Total - Components</b>	<b>\$ 703,588</b>	<b>\$ 3,614,885</b>	<b>\$ 3,648,462</b>	<b>\$ 3,654,830</b>
<b>Net Unassigned Ending Fund Balance</b>	<b>\$ 11,093,645</b>	<b>\$ 7,863,426</b>	<b>\$ 3,978,165</b>	<b>\$ (2,409,707)</b>

\*Also known as set-asides

# 2017-2018 Budget – Second Interim Update

## Next Steps



# ADDITIONAL MATERIALS

# 2017-2018 Budget – Second Interim Update

## MYP (Details), Unrestricted Gen. Fund

	2017-18	2018-19	2019-20
<b>REVENUES</b>			
LCFF	\$ 77,099,899	\$ 81,103,628	\$ 83,112,247
Federal	\$ 3,418	\$ -	
Other State	\$ 3,115,721	\$ 4,425,690	\$ 1,741,190
Other Local	\$ 1,706,113	\$ 1,506,113	\$ 1,506,113
<b>Revenues</b>	<b>\$ 81,925,151</b>	<b>\$ 87,035,431</b>	<b>\$ 86,359,550</b>
<b>EXPENDITURES</b>			
Certificated Salaries	\$ 31,787,270	\$ 32,962,316	\$ 33,301,222
Classified Salaries	\$ 9,802,427	\$ 9,783,224	\$ 9,885,700
Employee Benefits	\$ 10,909,878	\$ 12,754,598	\$ 13,751,813
Books/Supplies	\$ 3,178,871	\$ 1,584,427	\$ 1,632,277
Services & Operating Expenses	\$ 9,421,248	\$ 9,992,230	\$ 10,293,996
Capital Outlay	\$ 519,679	\$ -	\$ -
Other Outgo & Transfers	\$ (1,630,340)	\$ (1,581,338)	\$ (1,581,338)
Strategic Budget Reduction			
<b>Expenditures</b>	<b>\$ 63,989,033</b>	<b>\$ 65,495,457</b>	<b>\$ 67,283,670</b>
Other Sources (Uses)	\$ (19,972,931)	\$ (21,858,896)	\$ (22,927,565)
Net Inc/Dec in Fund Balance	\$ (2,036,813)	\$ (318,922)	\$ (3,851,685)
<b>Beginning Balance</b>	<b>\$ 13,834,045</b>	<b>\$ 11,797,231</b>	<b>\$ 11,478,309</b>
<b>Ending Balance</b>	<b>\$ 11,797,231</b>	<b>\$ 11,478,309</b>	<b>\$ 7,626,626</b>
<b>Components of Ending Fund Balance</b>			
Assigned / Legally Restricted	\$ 703,588	\$ 3,614,885	\$ 3,648,462
<b>Unassigned/Unappropriated EFB</b>	<b>\$ 11,093,643</b>	<b>\$ 7,863,424</b>	<b>\$ 3,978,164</b>

# 2017-2018 Budget – Second Interim Update

## MYP (Details), Restricted Gen. Fund

	2017-18	2018-19	2019-20
<b>REVENUES</b>			
LCFF transfers from Unrestricted	\$ 571,373	\$ 571,373	\$ 571,373
Federal	\$ 4,210,663	\$ 3,656,418	\$ 3,742,344
Other State	\$ 8,138,958	\$ 6,110,022	\$ 6,132,129
Other Local	\$ 5,104,344	\$ 4,488,308	\$ 4,488,309
Parcel Tax*	\$ 12,439,922	\$ 12,374,954	\$ 12,374,954
<b>Revenues</b>	<b>\$ 30,465,260</b>	<b>\$ 27,201,075</b>	<b>\$ 27,309,109</b>
<b>EXPENDITURES</b>			
Certificated Salaries	\$ 18,005,329	\$ 17,792,124	\$ 17,974,034
Classified Salaries	\$ 7,734,271	\$ 7,627,678	\$ 7,707,986
Employee Benefits	\$ 10,466,727	\$ 11,203,615	\$ 11,800,563
Books/Supplies	\$ 4,435,035	\$ 2,676,331	\$ 2,757,156
Services & Operating Expenses	\$ 10,065,835	\$ 7,613,795	\$ 7,843,732
Capital Outlay	\$ 706,709	\$ 224,305	\$ 231,080
Other Outgo & Transfers	\$ 1,971,125	\$ 1,922,123	\$ 1,922,123
<b>Expenditures</b>	<b>\$ 53,385,031</b>	<b>\$ 49,059,971</b>	<b>\$ 50,236,674</b>
Other Sources (Uses)	\$ 19,972,931	\$ 21,858,896	\$ 22,927,565
Net Inc/Dec in Fund Balance	\$ (2,946,840)	\$ -	\$ -
<b>Beginning Balance</b>	<b>\$ 4,178,863</b>	<b>\$ 1,232,023</b>	<b>\$ 1,232,023</b>
<b>Legally Restricted Fund Balance*</b>	<b>\$ 1,232,023</b>	<b>\$ 1,232,023</b>	<b>\$ 1,232,023</b>
<b>Unassigned/Unappropriated</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

# 2017-2018 Budget – Second Interim Update

## MYP (Details), Combined Gen. Fund

	2017-18	2018-19	2019-20
<b>REVENUES</b>			
LCFF	\$ 77,671,272	\$ 81,675,001	\$ 83,683,620
Federal	\$ 4,214,081	\$ 3,656,418	\$ 3,742,344
Other State	\$ 11,254,679	\$ 10,535,712	\$ 7,873,319
Other Local	\$ 6,810,457	\$ 5,994,421	\$ 5,994,421
Parcel Tax	\$ 12,439,922	\$ 12,374,954	\$ 12,374,954
<b>Revenues</b>	<b>\$ 112,390,411</b>	<b>\$ 114,236,506</b>	<b>\$ 113,668,660</b>
<b>EXPENDITURES</b>			
Certificated Salaries	\$ 49,792,599	\$ 50,754,440	\$ 51,275,255
Classified Salaries	\$ 17,536,698	\$ 17,410,901	\$ 17,593,687
Employee Benefits	\$ 21,376,605	\$ 23,958,213	\$ 25,552,377
Books/Supplies	\$ 7,613,906	\$ 4,260,757	\$ 4,389,432
Services & Operating Expenses	\$ 19,487,081	\$ 17,606,026	\$ 18,137,728
Capital Outlay	\$ 1,226,388	\$ 224,306	\$ 231,080
Other Outgo & Transfers	\$ 340,785	\$ 340,785	\$ 340,785
Strategic Budget Reduction			
<b>Expenditures</b>	<b>\$ 117,374,062</b>	<b>\$ 114,555,428</b>	<b>\$ 117,520,344</b>
Other Sources (Uses)			
Net Inc/Dec in Fund Balance	\$ (4,983,651)	\$ (318,922)	\$ (3,851,684)
<b>Beginning Balance</b>	<b>\$ 18,012,907</b>	<b>\$ 13,029,256</b>	<b>\$ 12,710,334</b>
<b>Ending Balance</b>	<b>\$ 13,029,256</b>	<b>\$ 12,710,334</b>	<b>\$ 8,858,650</b>
<b>Components of Ending Fund balance</b>			
Assigned / Legally Restricted	\$ 1,935,611	\$ 4,846,908	\$ 4,880,485
<b>Unassigned/Unappropriated EFB</b>	<b>\$ 11,093,645</b>	<b>\$ 7,863,426</b>	<b>\$ 3,978,165</b>

# 2017-2018 Budget – Second Interim Update

## Fund 11, 12 & 13

	Adult Education Fund 11	Child Development Fund 12	Child Nutrition Fund 13
<b><u>REVENUES</u></b>			
Federal	\$ 276,088	\$ 335,751	\$ 1,720,000
State	\$ 789,967	\$ 1,173,871	\$ 87,438
Local	\$ 48,965	\$ 361,405	\$ 1,078,522
<b>Revenues</b>	<b>\$ 1,115,020</b>	<b>\$ 1,871,027</b>	<b>\$ 2,885,960</b>
<b><u>EXPENDITURES</u></b>			
Salaries & Benefits	\$ 1,112,467	\$ 1,650,736	\$ 1,814,318
Supplies	\$ 120,878	\$ 275,518	\$ 1,043,616
Services & Operating Expenses	\$ 55,625	\$ 14,933	\$ 38,458
Capital Outlay	\$ 11,172	\$ -	
Other Outgo & Transfers	\$ -	\$ 95,734	\$ 150,170
<b>Expenditures</b>	<b>\$ 1,300,142</b>	<b>\$ 2,036,921</b>	<b>\$ 3,046,562</b>
Other Sources (Uses)		\$ -	
Net Inc/Dec in Fund Balance	\$ (185,122)	\$ (165,894)	\$ (160,602)
<b>Beginning Balance</b>	<b>\$ 392,145</b>	<b>\$ 239,658</b>	<b>\$ 797,866</b>
<b>Ending Balance</b>	<b>\$ 207,023</b>	<b>\$ 73,764</b>	<b>\$ 637,264</b>
<b>Restrictions/Commitments/Assignments</b>			
Legally Rest./Assigned Ending Fund Balance	\$ 207,023	\$ 73,764	\$ 637,264
<b>Unassigned/Unappropriated</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



# 2017-2018 Budget – Second Interim Update

## Fund 14, 17 & 21

	Deferred Maintenance Fund 14	Special Reserve Fund 17	Building Fund 21
<b>REVENUES</b>			
LCFF Sources	\$ 500,000	\$ -	\$ -
State	\$ -	\$ -	\$ -
Local	\$ 10,368	\$ 75,424	\$ 531,754
<b>Revenues</b>	<b>\$ 510,368</b>	<b>\$ 75,424</b>	<b>\$ 531,754</b>
<b>EXPENDITURES</b>			
Salaries & Benefits	\$ -	\$ -	\$ 445,206
Supplies	\$ -	\$ -	\$ 410
Services & Operating Expenses	\$ -	\$ -	\$ 58,877
Capital Outlay	\$ 504,000	\$ -	\$ 51,405,332
Other Outgo & Transfers	\$ -	\$ -	\$ -
<b>Expenditures</b>	<b>\$ 504,000</b>	<b>\$ -</b>	<b>\$ 51,909,825</b>
Other Sources (Uses)	\$ -	\$ -	\$ 27,000,000
Net Inc/Dec in Fund Balance	\$ 6,368	\$ 75,424	\$ (24,378,071)
<b>Beginning Balance</b>	<b>\$ 1,370,177</b>	<b>\$ 8,112,381</b>	<b>\$ 64,826,820</b>
<b>Ending Balance</b>	<b>\$ 1,376,545</b>	<b>\$ 8,187,805</b>	<b>\$ 40,448,749</b>
<b>Restrictions/Commitments/Assignments</b>			
Legally Rest./Assigned Ending Fund Balance	\$ 1,376,545	\$ 8,187,805	\$ 40,448,749
<b>Unassigned/Unappropriated</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# 2017-2018 Budget – Second Interim Update

## Fund 25, 35 & 40

	Capital Facilities Fund 25	County School Facilities Fund 35	Special Reserve Fund for Capital Fund 40
<b>REVENUES</b>			
LCFF Sources	\$ -	\$ -	\$ -
State	\$ -	\$ 16,072,768	\$ -
Local	\$ 883,169	\$ -	\$ 719,548
<b>Revenues</b>	<b>\$ 883,169</b>	<b>\$ 16,072,768</b>	<b>\$ 719,548</b>
<b>EXPENDITURES</b>			
Salaries & Benefits	\$ -	\$ -	\$ 72,674
Supplies	\$ -	\$ -	\$ -
Services & Operating Expenses	\$ 53,571	\$ -	\$ 313,640
Capital Outlay	\$ 75,247	\$ -	\$ 349,515
Other Outgo & Transfers	\$ -	\$ -	\$ -
<b>Expenditures</b>	<b>\$ 128,818</b>	<b>\$ -</b>	<b>\$ 735,829</b>
Other Sources (Uses)	\$ -	\$ -	\$ -
Net Inc/Dec in Fund Balance	\$ 754,351	\$ 16,072,768	\$ (16,281)
<b>Beginning Balance</b>	<b>\$ 5,754,073</b>	<b>\$ -</b>	<b>\$ 917,547</b>
<b>Ending Balance</b>	<b>\$ 6,508,424</b>	<b>\$ 16,072,768</b>	<b>\$ 901,266</b>
<b>Restrictions/Commitments/Assignments</b>			
Legally Rest./Assigned Ending Fund Balance	\$ 6,508,424	\$ 16,072,768	\$ 901,266
<b>Unassigned/Unappropriated</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# 2017-2018 Budget – Second 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