

**FRESNO UNIFIED SCHOOL DISTRICT  
BOARD OF EDUCATION**

**AGENDA ITEM A-4**

<b>AGENDA SECTION</b> <i>(Check Box Below)</i>			
<b>A</b> CONSENT	<b>B</b> DISCUSSION	<b>C</b> RECEIVE	<b>RECOGNIZE/ PRESENT</b>
<b>X</b>			

<b>BOARD MEETING DATE:</b> February 7, 2018
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<b>ACTION REQUESTED:</b> <i>(Adopt, Approve, Ratify, Discuss, Receive, etc.)</i>	<b>Approve</b>
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**TITLE AND SUBJECT: Approve Budget Revision No. 3 for Fiscal Year 2017/18**

**DESCRIPTION/DISCUSSION:** Included in the Board binders is Budget Revision No. 3 for fiscal year 2017/18. Periodic updates to the district's budget are presented to the Board of Education for approval. Budget Revision No. 3 includes adjustments for updated information and necessary adjustments to support the acceptance of various grant awards.

The following items are included in Budget Revision No. 3 for fiscal year 2017/18:

- Expense changes to reflect items reported in the First Interim Financial Report presented to the Board on December 13, 2017
- Program adjustments and grant revisions

**FINANCIAL SUMMARY:** As a result, the Unrestricted General Fund Reserve for Economic Uncertainties is estimated at approximately \$86.5 million at June 30, 2018.

<b>PREPARED BY:</b> <i>Kim Kelstrom</i> Kim Kelstrom, Executive Officer, Fiscal Services	<b>DIVISION:</b> Administrative Services <b>PHONE:</b> (559) 457-6226
<b>CABINET LEVEL APPROVAL:</b> Ruth F. Quinto, Deputy Superintendent/CFO <i>(Signature Required)</i> <i>Ruth F. Quinto</i>	<b>SUPERINTENDENT APPROVAL:</b> <i>Robert L. Nelson</i>

**Unrestricted General Fund Adjustments and Revisions**

As presented in the 2017/18 First Interim Financial Report approved by the Board on December 13, 2017, the following adjustments are being made:

- Increase of \$806,000 in unrestricted and restricted Lottery funding
- Increase of \$600,000 for interest income due to current interest rates
- Increase of \$700,000 for Medical Administrative Activity (MAA) reimbursement for 2014/15
- Decrease of \$2.2 million in salaries and benefits based on current vacancies
- Increase of \$1.25 million in current supplies, services and capital outlay, due to preparation for curriculum and advertising for substitutes in the event of a work stoppage
- Increase of \$425,000 for the Education Center cooling system
- Increase of \$970,000 in contribution to Special Education due to increased contract obligations for special education private placements

**Revisions to the 2017/18 Budget Recommended for Approval**

The following items are also included for the Board's consideration and approval:

- \$93,000 for African American Acceleration to fund at \$1.0 million
- \$57,000 for instructional supply allocations based on October 31, 2017 actual enrollment
- \$167,000 for ShotSpotter contract presented to the Board of Education on August 23, 2017
- \$400,000 for salaries and supplies due to preparation for curriculum and hiring for substitutes in the event of a work stoppage
- Increase of \$152,000 in One-time Mandate funds and the Block Grant funds released by the State on November 7, 2017

The chart below shows new grants, revisions to existing grants, and entitlements:

Name	2017/18 Current Budget Allocation	2017/18 Adjusted Award Amount	Revised Budget Allocation
California Partnership Academies	\$606,716	\$1,620	\$608,336
Kaiser Grant – Student Wellness	27,001	33,000	60,001
Lottery: Instructional Materials	3,128,101	544,182	3,672,283
Special Education IDEA Mental Health Services	794,128	(9,103)	785,025
Special Education Apportionment	94,325,686	970,000	95,295,686
Title IV Part A – Student Support and Academic Enrichment	0	979,240	979,240
<b>Total</b>	<b>\$98,881,632</b>	<b>\$2,518,939</b>	<b>\$101,400,571</b>

**FRESNO UNIFIED SCHOOL DISTRICT  
GENERAL FUND  
BUDGET REVISION #3**

DESCRIPTION	2017/18 ADOPTED BUDGET	11/8/2017 2017/18 CURRENT BUDGET	2/7/2018 2017/18 BUDGET REVISION #3	DIFFERENCE BETWEEN CURRENT AND BR#2	DIFFERENCE BETWEEN ADOPTED AND BR#2
<b>Revenues</b>					
LCFF Sources	\$ 699,048,126	\$ 698,621,200	\$ 698,621,200	\$ -	\$ (426,926)
Federal Revenues	81,941,706	93,259,847	94,239,087	979,240	12,297,381
Other State Revenues	100,846,156	115,882,416	117,568,019	1,685,603	16,721,863
Other Local Revenues	12,555,310	13,340,380	13,969,277	628,897	1,413,967
<b>Total Revenues</b>	<b>\$ 894,391,298</b>	<b>\$ 921,103,843</b>	<b>\$ 924,397,583</b>	<b>\$ 3,293,740</b>	<b>\$ 30,006,285</b>
<b>Expenditures</b>					
Certificated Salaries	\$ 387,372,643	\$ 387,157,311	\$ 385,358,317	\$ (1,798,994)	\$ (2,014,326)
Classified Salaries	118,441,345	118,437,901	118,530,901	93,000	89,556
Employee Benefits	239,617,801	240,627,152	240,294,019	(333,133)	676,218
Book and Supplies	54,124,095	72,721,949	72,745,872	23,923	18,621,777
Services & Operating	97,039,754	108,342,461	111,818,872	3,476,411	14,779,118
Capital Outlay	28,411,443	29,184,952	29,184,952	-	773,509
Other Outgo	2,572,852	13,871,329	14,841,329	970,000	12,268,477
Direct/Indirect Costs	(2,526,607)	(2,687,218)	(2,687,218)	-	(160,611)
<b>Total Expenditures</b>	<b>\$ 925,053,326</b>	<b>\$ 967,655,837</b>	<b>\$ 970,087,044</b>	<b>\$ 2,431,207</b>	<b>\$ 45,033,718</b>
<b>Other Sources/(Uses)</b>					
Transfers In	\$ 3,374,709	\$ 3,374,709	\$ 3,374,709	\$ -	\$ -
Transfers Out	\$ (4,856,409)	\$ (4,856,409)	\$ (4,856,409)	\$ -	\$ 1,500,000
Other Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Contribution	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Sources/(Uses)</b>	<b>\$ (1,481,700)</b>	<b>\$ (1,481,700)</b>	<b>\$ (1,481,700)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Increase/Decrease in Fund Balance</b>	<b>\$ (32,143,728)</b>	<b>\$ (48,033,694)</b>	<b>\$ (47,171,161)</b>	<b>\$ 862,533</b>	<b>\$ (15,027,433)</b>
<b>Beginning Fund Balance - Unaudited Audit Adjustment</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Beginning Balance</b>	<b>\$ 131,501,019</b>	<b>\$ 155,814,837</b>	<b>\$ 155,814,837</b>	<b>\$ -</b>	<b>\$ 24,313,818</b>
<b>Ending Fund Balance</b>	<b>\$ 99,357,291</b>	<b>\$ 107,781,143</b>	<b>\$ 108,643,676</b>	<b>\$ 862,533</b>	<b>\$ 8,423,852</b>
<b>Components of Ending Balance</b>					
Revolving Cash	\$ 39,929	\$ 39,929	\$ 39,929	\$ -	\$ -
Stores	1,632,378	1,632,378	1,632,378	-	-
Prepaid Expense	191,560	191,560	191,560	-	-
Restricted	3,862,579	3,862,579	3,862,579	-	-
Assigned: Other Assignments	16,400,000	16,400,000	16,400,000	-	-
Reserve for Economic Uncertainties	77,230,846	85,654,698	86,517,231	862,533	9,286,385
Reserve Level %	8.31%	8.81%	8.87%		
<b>Total Ending Fund Balance</b>	<b>\$ 99,357,291</b>	<b>\$ 107,781,143</b>	<b>\$ 108,643,676</b>	<b>\$ 862,533</b>	<b>\$ 9,286,385</b>

**FRESNO UNIFIED SCHOOL DISTRICT  
UNRESTRICTED GENERAL FUND  
ADJUSTMENT SUMMARY**

DESCRIPTION	2017/18 ADOPTED BUDGET UNRESTRICTED	11/8/2017 2017/18 CURRENT BUDGET UNRESTRICTED	2/7/2018 2017/18 BUDGET REVISION #3 UNRESTRICTED	DIFFERENCE BETWEEN CURRENT AND BR#3	DIFFERENCE BETWEEN ADOPTED AND BR#3
Revenues					
LCFF Sources	\$ 699,048,126	\$ 698,621,200	\$ 698,621,200	\$ -	\$ (426,926)
Federal Revenues	-	-	-	-	-
Other State Revenues	13,390,594	23,213,634	24,353,435	1,139,801	10,962,841
Other Local Revenues	8,465,714	8,465,714	9,070,714	605,000	605,000
Total Revenues	\$ 720,904,434	\$ 730,300,548	\$ 732,045,349	\$ 1,744,801	\$ 11,140,915
Expenditures					
Certificated Salaries	\$ 304,653,197	\$ 304,516,496	\$ 302,711,496	\$ (1,805,000)	\$ (1,941,701)
Classified Salaries	79,487,467	79,575,068	79,668,068	93,000	180,601
Employee Benefits	162,219,438	162,294,391	161,960,324	(334,067)	(259,114)
Book and Supplies	37,938,125	44,276,997	44,296,619	19,622	6,358,494
Services & Operating	64,879,496	66,413,126	68,352,750	1,939,624	3,473,254
Capital Outlay	25,140,723	25,753,645	25,753,645	-	612,922
Other Outgo	1,992,852	13,290,368	13,290,368	-	11,297,516
Direct/Indirect Costs	(10,524,563)	(11,382,199)	(11,383,110)	(911)	(858,547)
Total Expenditures	\$ 665,786,735	\$ 684,737,892	\$ 684,650,160	\$ (87,732)	\$ 18,863,425
Other Sources/(Uses)					
Transfers In	\$ 18,300	\$ 18,300	\$ 18,300	-	-
Transfers Out	(1,500,000)	(1,500,000)	(1,500,000)	-	1,500,000
Other Sources	-				
Other Uses					
Restricted Contribution	\$ (84,018,316)	\$ (84,186,076)	\$ (85,156,076)	\$ (970,000)	\$ (1,137,760)
Total Sources/(Uses)	\$ (85,500,016)	\$ (85,667,776)	\$ (86,637,776)	\$ (970,000)	\$ (1,137,760)
Net Increase/Decrease in Fund Balance	\$ (30,382,317)	\$ (40,105,120)	\$ (39,242,587)	\$ 862,533	\$ (8,860,270)
Beginning Fund Balance - Adopted	\$ 125,877,029	\$ 147,886,263	\$ 147,886,263	-	\$ 22,009,234
Beginning Balance	\$ 125,877,029	\$ 147,886,263	\$ 147,886,263	-	\$ 22,009,234
Ending Fund Balance	\$ 95,494,712	\$ 107,781,143	\$ 108,643,676	\$ 862,533	\$ 12,286,431

**FRESNO UNIFIED SCHOOL DISTRICT  
RESTRICTED GENERAL FUND  
ADJUSTMENT SUMMARY**

DESCRIPTION	2017/18 ADOPTED BUDGET RESTRICTED	11/8/2017 2017/18 CURRENT BUDGET RESTRICTED	2/7/2018 2017/18 BUDGET REVISION #3 RESTRICTED	DIFFERENCE BETWEEN CURRENT AND BR#2	DIFFERENCE BETWEEN ADOPTED AND BR#2
<b>Revenues</b>					
LCFF Sources	\$ -	\$ -	\$ -	-	\$ -
Federal Revenues	81,941,706	93,259,847	94,239,087	979,240	\$ 12,297,381
Other State Revenues	87,455,562	92,668,782	93,214,584	545,802	\$ 5,759,022
Other Local Revenues	4,089,596	4,874,666	4,898,563	23,897	\$ 808,967
<b>Total Revenues</b>	<b>\$ 173,486,864</b>	<b>\$ 190,803,295</b>	<b>\$ 192,352,234</b>	<b>\$ 1,548,939</b>	<b>\$ 18,865,370</b>
<b>Expenditures</b>					
Certificated Salaries	\$ 82,719,446	\$ 82,640,815	\$ 82,646,821	\$ 6,006	\$ (72,625)
Classified Salaries	38,953,878	38,862,833	38,862,833	-	\$ (91,045)
Employee Benefits	77,398,363	78,332,761	78,333,695	\$ 934	\$ 935,332
Book and Supplies	16,185,970	28,444,952	28,449,253	\$ 4,301	\$ 12,263,283
Services & Operating	32,160,258	41,929,335	43,466,122	\$ 1,536,787	\$ 11,305,864
Capital Outlay	3,270,720	3,431,307	3,431,307	-	\$ 160,587
Other Outgo	580,000	580,961	1,550,961	\$ 970,000	\$ 970,961
Direct/Indirect Costs	7,997,956	8,694,981	8,695,892	\$ 911	\$ 697,936
<b>Total Expenditures</b>	<b>\$ 259,266,591</b>	<b>\$ 282,917,945</b>	<b>\$ 285,436,884</b>	<b>\$ 2,518,939</b>	<b>\$ 26,170,293</b>
<b>Other Sources/(Uses)</b>					
Transfers In	3,356,409	3,356,409	3,356,409	-	-
Transfers Out	(3,356,409)	(3,356,409)	(3,356,409)	-	-
Other Sources					
Other Uses					
Restricted Contribution	84,018,316	84,186,076	85,156,076	970,000	1,137,760
<b>Total Sources/(Uses)</b>	<b>\$ 84,018,316</b>	<b>\$ 84,186,076</b>	<b>\$ 85,156,076</b>	<b>\$ 970,000</b>	<b>\$ 1,137,760</b>
<b>Net Increase/Decrease in Fund Balance</b>	<b>\$ (1,761,411)</b>	<b>\$ (7,928,574)</b>	<b>\$ (7,928,574)</b>	<b>\$ -</b>	<b>\$ (6,167,163)</b>
<b>Beginning Fund Balance - Adopted</b>	<b>\$ 5,623,990</b>	<b>\$ 7,928,574</b>	<b>\$ 7,928,574</b>	<b>\$ -</b>	<b>\$ 2,304,585</b>
<b>Beginning Balance</b>	<b>\$ 5,623,990</b>	<b>\$ 7,928,574</b>	<b>\$ 7,928,574</b>	<b>\$ -</b>	<b>\$ 2,304,585</b>
<b>Ending Fund Balance</b>	<b>\$ 3,862,579</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ -</b>	<b>\$ (3,862,578)</b>