

**2015-2016**

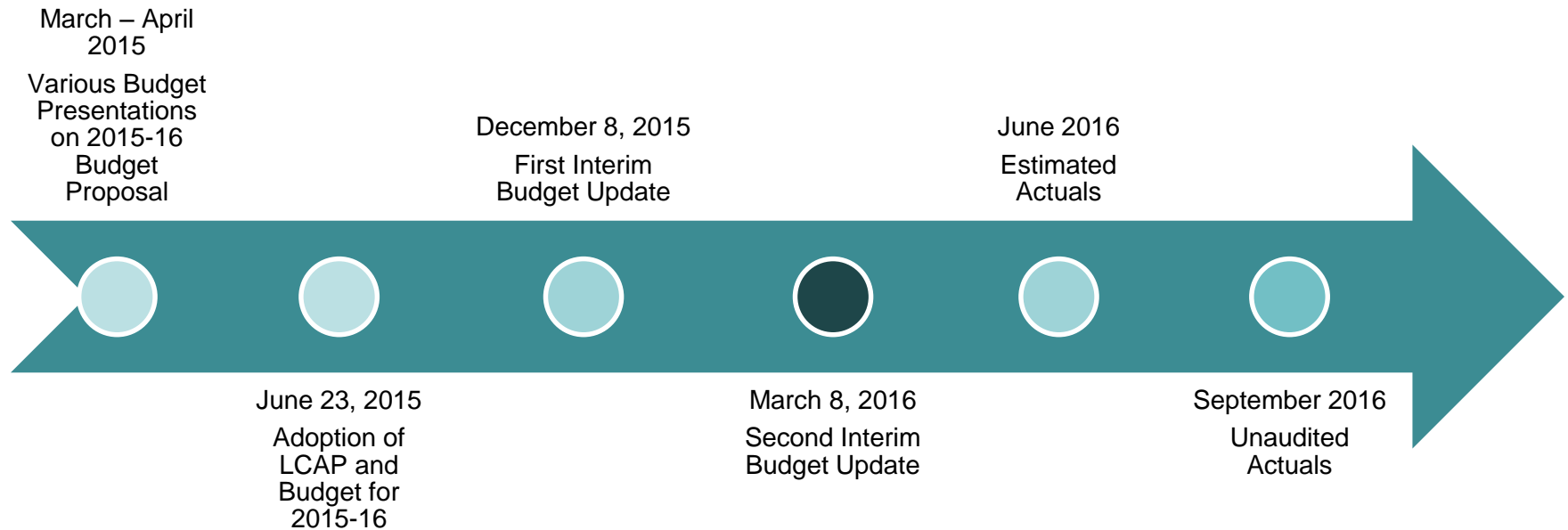
**Second Interim**

**Budget Update**

**March 8, 2016**

# 2015-2016 Budget – Second Interim Update

---



# 2015-2016 Budget – Second Interim Update

## Agenda

---

- Background
- Budget update assumptions
- 2015-16 Budget update for General Fund
- Multi-year projections
- Additional material
  - General fund details
  - Other funds
  - Glossary of terms

# 2015-2016 Budget – Second Interim Update

## Background

---

- 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 2015-16, 2016-17, and 2017-18 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

# 2015-2016 Budget – Second Interim Update

## Changes from First Interim Update

---

- Revenue
  - One time revenue of \$1.9 Million in 2016-17
  - New GAP funding rate for 2016-17 and 2017-18, additional \$521K in 16-17 and \$646K in 17-18
- Expenditures
  - Full Day Kindergarten in 2016-17 - \$435K per year
  - Special Education transportation contract increase – \$600K per year from 2016-17 onwards
  - Cost to access internet – \$150K per year expenditure increase
    - eRate savings reduced for 2015-16 onwards
  - Innovative programs now part of MYP – \$207K expenditure increase from 2016-17 onwards

# 2015-2016 Budget – Second Interim Update

## Changes from First Interim Update (Continued)

---

- Savings
  - Removed Affordable Care Act penalties from 2015-16 – 250K expenditure reduction
    - Expenditure stays for 2016-17 onwards
- No Impact Change
  - \$2.5M for STRS on-behalf payment in 2016-17 and 2017-18
    - No cash implication, at First Interim it was only part of 15-16 budget

# 2015-2016 Budget – First Interim Update

## Assumptions

Categories	Source	2014-15	2015-16	2016-17	2017-18	2018-19
District Enrollment	CALPADS	9,499	9,454	9,454	9,454	9,454
→ District ADA-Actual/Projected	Projection	9,094	9,056	9,056	9,056	9,056
District Funded ADA-Actual/Projected	Projection	9,094	9,083	9,056	9,056	9,056
→ ADA as a Percentage of Total Enrollment	Projection	95.74%	96.08%	95.79%	95.79%	95.79%
Unduplicated EL/FRM Count	CALPADS	3,690	3,388	3,388	3,388	3,388
COLA	SSC	0.85	1.02%	0.47%	2.13%	2.65%
→ LCFF GAP Funding Percentage	DOF/SSC	30.16	51.97%	49.08%	18.11%	20.42%
→ Public Employee Retirement	COE Advisory	11.77%	11.85%	13.05%	16.60%	18.20%

# 2015-2016 Budget – Second Interim Update

## General Fund

	Unrestricted		Restricted		Total
	Totally Unrestricted	LCFF Supplemental Grant	Restricted without Parcel Tax	Parcel Tax	General Fund
<b>REVENUES</b>					
LCFF Revenue	\$ 67,521,215	\$ 4,155,222	\$ 406,281	\$ -	\$ 72,082,718
Federal	\$ 16,195		\$ 4,018,606	\$ -	\$ 4,034,801
Other State	\$ 6,507,343		\$ 5,374,414	\$ -	\$ 11,881,757
Other Local	\$ 1,628,177		\$ 6,858,069	\$ -	\$ 8,486,246
Parcel Tax	\$ -	\$ -	\$ -	\$ 12,212,774	\$ 12,212,774
<b>Revenues</b>	<b>\$ 75,672,930</b>	<b>\$ 4,155,222</b>	<b>\$ 16,657,370</b>	<b>\$ 12,212,774</b>	<b>\$ 108,698,296</b>
<b>EXPENDITURES</b>					
Salaries & Benefits	\$ 47,313,802	\$ 3,022,339	\$ 22,363,819	\$ 11,111,207	\$ 83,811,167
Books/Supplies & Outlay	\$ 2,794,705	\$ 38,122	\$ 6,266,556	\$ 663,327	\$ 9,762,710
Services & Op. Expenses	\$ 8,051,530	\$ 539,460	\$ 6,451,462	\$ 240,184	\$ 15,282,636
Other Outgo & Transfers	\$ (1,643,197)		\$ 1,668,973	\$ 362,181	\$ 387,957
<b>Expenditures</b>	<b>\$ 56,516,840</b>	<b>\$ 3,599,921</b>	<b>\$ 36,750,810</b>	<b>\$ 12,376,899</b>	<b>\$ 109,244,470</b>
Other Sources (Uses)	\$ (18,042,493)		\$ 17,105,012		\$ (937,481)
<b>Net Inc. (Dec) in Fund Bal.</b>	<b>\$ 1,113,597</b>	<b>\$ 555,301</b>	<b>\$ (2,988,428)</b>	<b>\$ (164,125)</b>	<b>\$ (1,483,655)</b>
<b>Beginning Balance</b>	<b>\$ 9,759,580</b>	<b>\$ -</b>	<b>\$ 3,922,163</b>	<b>\$ 164,125</b>	<b>\$ 13,845,869</b>
<b>Ending Balance</b>	<b>\$ 10,873,177</b>	<b>\$ 555,301</b>	<b>\$ 933,735</b>	<b>\$ 0</b>	<b>\$ 12,362,214</b>
<b>Components of Ending Fund Balance or Legally Restricted</b>	<b>\$ 3,284,581</b>	<b>\$ 555,301</b>	<b>\$ 933,735</b>		<b>\$ 4,773,617</b>
<b>Unassigned/ Unappropriated Ending Fund Balance</b>	<b>\$ 7,588,596</b>	<b>\$ -</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 7,588,597</b>



# 2015-2016 Budget – Second Interim Update

## MYP (Summary), Unrestricted Gen. Fund

Line		2015-16	2016-17	2017-18	2018-19
		Budgeted	Projected	Projected	Projected
A	<b>Beginning Balance, July 1</b>	\$ 9,759,580	\$ 11,428,478	\$ 10,435,149	\$ 6,686,513
B	Revenues	\$ 79,828,152	\$ 77,489,412	\$ 75,707,425	\$ 77,468,252
C	Expenditures	\$ 60,116,761	\$ 60,385,011	\$ 62,320,928	\$ 63,902,346
D	Contribution to Restricted Fund	\$ 18,042,493	\$ 18,097,730	\$ 19,035,133	\$ 31,135,853
E	Strategic Budget Reduction			\$ (1,900,000)	
F = B-C-D-E	Surplus (Deficit)	\$ 1,668,898	\$ (993,329)	\$ (3,748,636)	\$ (17,569,947)
F = A+E	Ending Balance	\$ 11,428,478	\$ 10,435,149	\$ 6,686,513	\$ (10,883,434)
G	<b>Components of Ending Fund Bal. (EFB)</b>	\$ 3,839,882	\$ 6,387,727	\$ 6,677,628	\$ 6,677,628
H = F - G	<b>Unassigned/Unappropriated Ending Fund Balance</b>	\$ 7,588,596	\$ 4,047,422	\$ 8,885	\$ (17,561,062)

# 2015-2016 Budget – Second Interim Update

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

Description	2015-2016	2016-2017	2017-2018
<b>Ending Fund Balance**</b>	<b>\$ 11,428,478</b>	<b>\$ 10,435,149</b>	<b>\$ 6,686,513</b>
<b>Components of Ending Fund Balance</b>			
Revolving Cash	\$ 50,000	\$ 50,000	\$ 50,000
One Time Funds in 2016-17	\$ -	\$ 1,937,770	\$ 1,937,770
Textbook Adoptions	\$ 3,200,000	\$ 3,200,000	\$ 3,200,000
Additional LCFF Supplemental Fund	\$ 555,301	\$ 1,130,796	\$ 1,386,116
Healthy Families Act (sick leave for substitute employees)	\$ 34,581	\$ 69,161	\$ 103,741
<b>Total - Components</b>	<b>\$ 3,839,882</b>	<b>\$ 6,387,727</b>	<b>\$ 6,677,627</b>
<b>Net Unassigned Ending Fund Balance</b>	<b>\$ 7,588,596</b>	<b>\$ 4,047,422</b>	<b>\$ 8,886</b>

\*Also known as set-asides

\*\*2017-18 Ending Fund Balance after \$1.9M in strategic budget reductions

# ADDITIONAL MATERIALS

# 2015-2016 Budget – Second Interim Update

## MYP (Details), Unrestricted Gen. Fund

	2015-16	2016-17	2017-18
<b><u>REVENUES</u></b>			
LCFF	\$ 71,676,437	\$ 72,796,393	\$ 72,952,176
Federal	\$ 16,195	\$ 17,000	\$ 17,000
Other State	\$ 6,507,343	\$ 3,467,611	\$ 1,529,841
Other Local	\$ 1,628,177	\$ 1,208,408	\$ 1,208,408
<b>Revenues</b>	<b>\$ 79,828,152</b>	<b>\$ 77,489,412</b>	<b>\$ 75,707,425</b>
<b><u>EXPENDITURES</u></b>			
Salaries & Benefits	\$ 50,336,141	\$ 51,806,317	\$ 53,493,900
Books/Supplies & Outlay	\$ 2,832,827	\$ 1,516,284	\$ 1,545,045
Services & Operating Expenses	\$ 8,590,990	\$ 8,713,244	\$ 8,932,818
Other Outgo & Transfers	\$ (1,643,197)	\$ (1,650,835)	\$ (1,650,835)
Strategic Budget Reduction	\$ -	\$ -	\$ (1,900,000)
<b>Expenditures</b>	<b>\$ 60,116,761</b>	<b>\$ 60,385,010</b>	<b>\$ 60,420,928</b>
Other Sources (Uses)	\$ (18,042,493)	\$ (18,097,730)	\$ (19,035,133)
Net Inc/Dec in Fund Balance	\$ 1,668,898	\$ (993,328)	\$ (3,748,636)
<b>Beginning Balance</b>	<b>\$ 9,759,580</b>	<b>\$ 11,428,478</b>	<b>\$ 10,435,151</b>
<b>Ending Balance</b>	<b>\$ 11,428,478</b>	<b>\$ 10,435,150</b>	<b>\$ 6,686,515</b>
<b>Components of Ending Fund balance</b>			
Assigned / Legally Restricted	\$ 3,839,882	\$ 6,387,727	\$ 6,677,627
<b>Unassigned/Unappropriated EFB</b>	<b>\$ 7,588,596</b>	<b>\$ 4,047,423</b>	<b>\$ 8,888</b>

# 2015-2016 Budget – Second Interim Update

## MYP (Details), Restricted Gen. Fund

	2015-16	2016-17	2017-18
<b><u>REVENUES</u></b>			
LCFF transfers from Unrestricted	\$ 406,281	\$ 406,281	\$ 406,281
Federal	\$ 4,018,606	\$ 3,638,859	\$ 3,673,490
Other State	\$ 5,374,414	\$ 4,556,693	\$ 4,578,344
Other Local	\$ 6,914,409	\$ 5,719,681	\$ 5,660,167
Parcel Tax	\$ 12,156,434	\$ 12,156,434	\$ 12,156,434
<b>Revenues</b>	<b>\$ 28,870,144</b>	<b>\$ 26,477,948</b>	<b>\$ 26,474,716</b>
<b><u>EXPENDITURES</u></b>			
Salaries & Benefits	\$ 33,475,026	\$ 34,391,425	\$ 35,131,225
Books/Supplies & Outlay	\$ 6,929,883	\$ 2,579,343	\$ 2,644,342
Services & Operating Expenses	\$ 6,691,646	\$ 5,133,757	\$ 5,263,128
Other Outgo & Transfers	\$ 2,031,154	\$ 2,031,154	\$ 2,031,154
<b>Expenditures</b>	<b>\$ 49,127,709</b>	<b>\$ 44,135,679</b>	<b>\$ 45,069,849</b>
Other Sources (Uses)	\$ 17,105,012	\$ 18,097,730	\$ 19,035,133
Net Inc/Dec in Fund Balance	\$ (3,152,553)	\$ 439,999	\$ 440,000
<b>Beginning Balance</b>	<b>\$ 4,086,288</b>	<b>\$ 933,735</b>	<b>\$ 1,373,734</b>
<b>Legally Restricted Fund Balance</b>	<b>\$ 933,735</b>	<b>\$ 1,373,734</b>	<b>\$ 1,813,734</b>
<b>Unassigned/Unappropriated</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# 2015-2016 Budget – Second Interim Update

## MYP (Details), Combined Gen. Fund

	2015-16	2016-17	2017-18
<b><u>REVENUES</u></b>			
LCFF	\$ 72,082,718	\$ 73,202,674	\$ 73,358,457
Federal	\$ 4,034,801	\$ 3,655,859	\$ 3,690,490
Other State	\$ 11,881,757	\$ 8,024,304	\$ 6,108,185
Other Local	\$ 8,542,586	\$ 6,928,089	\$ 6,868,575
Parcel Tax	\$ 12,156,434	\$ 12,156,434	\$ 12,156,434
<b>Revenues</b>	<b>\$ 108,698,296</b>	<b>\$ 103,967,360</b>	<b>\$ 102,182,141</b>
<b><u>EXPENDITURES</u></b>			
Salaries & Benefits	\$ 83,811,168	\$ 86,197,742	\$ 88,625,127
Books/Supplies & Outlay	\$ 9,762,710	\$ 4,095,627	\$ 4,189,387
Services & Operating Expenses	\$ 15,282,636	\$ 13,847,001	\$ 14,195,946
Other Outgo & Transfers	\$ 387,957	\$ 380,319	\$ 380,316
Strategic Budget Reduction	\$ -	\$ -	\$ (1,900,000)
<b>Expenditures</b>	<b>\$ 109,244,471</b>	<b>\$ 104,520,689</b>	<b>\$ 105,490,776</b>
Other Sources (Uses)	\$ (937,481)	\$ -	\$ -
Net Inc/Dec in Fund Balance	\$ (1,483,656)	\$ (553,329)	\$ (3,308,635)
<b>Beginning Balance</b>	<b>\$ 13,845,869</b>	<b>\$ 12,362,213</b>	<b>\$ 11,808,884</b>
<b>Ending Balance</b>	<b>\$ 12,362,213</b>	<b>\$ 11,808,884</b>	<b>\$ 8,500,249</b>
<b>Components of Ending Fund balance</b>			
Assigned / Legally Restricted	\$ 4,773,617	\$ 7,761,460	\$ 8,491,362
<b>Unassigned/Unappropriated EFB</b>	<b>\$ 7,588,596</b>	<b>\$ 4,047,424</b>	<b>\$ 8,887</b>

# 2015-2016 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	\$ 256,361	\$ 468,454	\$ 1,552,000
State	\$ 653,329	\$ 914,749	\$ 93,700
Local	\$ 80,255	\$ 233,867	\$ 901,528
<b>Revenues</b>	<b>\$ 989,945</b>	<b>\$ 1,617,070</b>	<b>\$ 2,547,228</b>
<b><u>EXPENDITURES</u></b>			
Salaries & Benefits	\$ 896,480	\$ 1,487,954	\$ 1,548,013
Supplies	\$ 51,317	\$ 26,712	\$ 1,042,985
Services & Operating Expenses	\$ 38,299	\$ 6,275	\$ 29,975
Capital Outlay		\$ 7,440	\$ 155,127
Other Outgo & Transfers		\$ 91,809	\$ 110,647
<b>Expenditures</b>	<b>\$ 986,096</b>	<b>\$ 1,620,190</b>	<b>\$ 2,886,747</b>
Other Sources (Uses)		\$ -	
Net Inc/Dec in Fund Balance	\$ 3,849	\$ (3,120)	\$ (339,519)
<b>Beginning Balance</b>	<b>\$ 65,538</b>	<b>\$ 86,914</b>	<b>\$ 749,965</b>
<b>Ending Balance</b>	<b>\$ 69,387</b>	<b>\$ 83,794</b>	<b>\$ 410,446</b>
<b>Restrictions/Commitments/Assignments</b>			
Legally Restricted Ending Fund Balance	\$ 69,387	\$ 83,794	\$ 410,446
<b>Unassigned/Unappropriated</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>\$ 0</b>

# 2015-2016 Budget – Second 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
<b>REVENUES</b>					
LCFF Sources	\$ 968,768				
State					
Local	\$ 512	\$ 17,079	\$ 147,513	\$ 1,037,987	\$ 483,734
<b>Revenues</b>	<b>\$ 969,280</b>	<b>\$ 17,079</b>	<b>\$ 147,513</b>	<b>\$ 1,037,987</b>	<b>\$ 483,734</b>
<b>EXPENDITURES</b>					
Salaries & Benefits			\$ 299,730		\$ 114,251
Supplies			\$ 16,227		
Services & Operating Exp.			\$ 75,499	\$ 24,214	\$ 570,000
Capital Outlay	\$ 17,741		\$ 12,404,614	\$ 348,846	
Other Outgo & Transfers				\$ 613,104	
<b>Expenditures</b>	<b>\$ 17,741</b>	<b>\$ -</b>	<b>\$ 12,796,070</b>	<b>\$ 986,164</b>	<b>\$ 684,251</b>
Other Sources (Uses)		\$ 937,481			
Net Inc/Dec in Fund Balance	\$ 951,539	\$ 954,560	\$ (12,648,557)	\$ 51,823	\$ (200,517)
<b>Beginning Balance</b>	<b>\$ 483,765</b>	<b>\$ 8,733,667</b>	<b>\$ 89,425,676</b>	<b>\$ 4,031,040</b>	<b>\$ 1,534,289</b>
<b>Ending Balance</b>	<b>\$ 1,435,304</b>	<b>\$ 9,688,227</b>	<b>\$ 76,777,119</b>	<b>\$ 4,082,863</b>	<b>\$ 1,333,772</b>
<b>Restrictions/Commitments/Assignments</b>					
Facilities Related Projects	\$ 1,435,304		\$ 76,777,119	\$ 4,082,863	\$ 133,772
Additional Reserve Equal to One Month's Payroll		\$ 6,420,462			
District Office Rental Reserve					\$ 1,200,000
Reserved for Economic Uncertainties		\$ 3,267,765			
<b>Unassigned/Unappropriated</b>	<b>\$ (0)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (0)</b>



# 2015-2016 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 cash transfer to a restricted program which is unable to meet its expenditures
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	Transfer of Indirect cost from restricted to unrestricted funds, Debt Payment
& Uses	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