

**2015-2016**

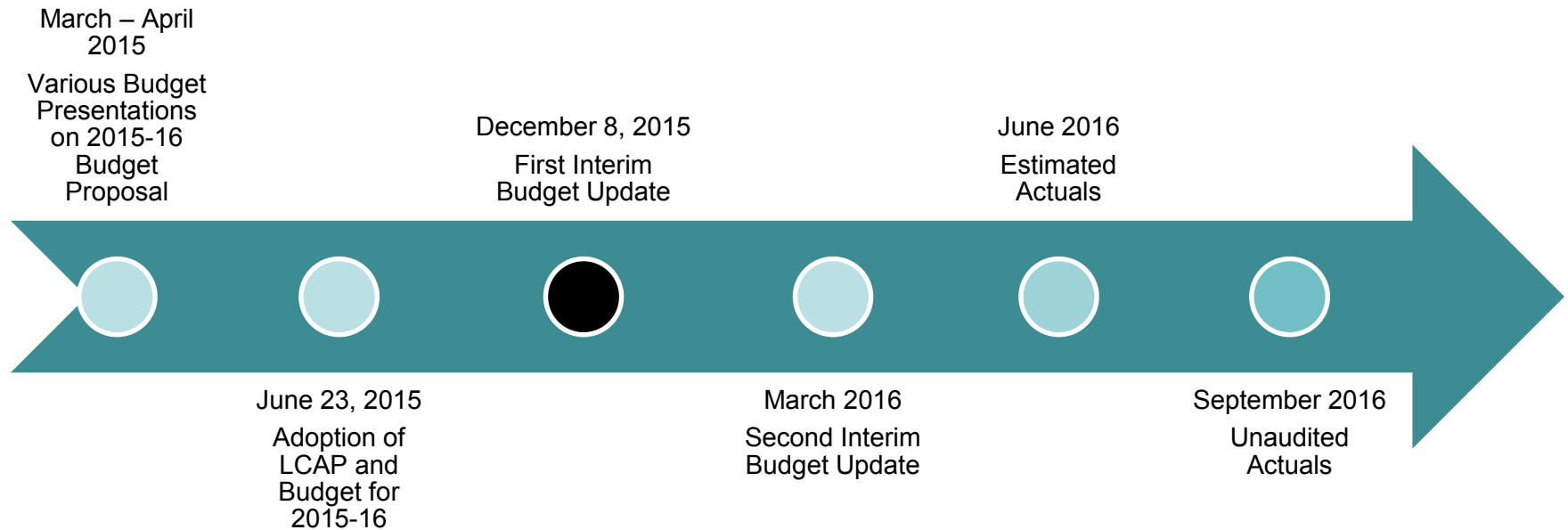
**First Interim**

**Budget Update**

**December 8, 2015**

# 2015-2016 Budget – First Interim Update

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# 2015-2016 Budget – First Interim Update

## Agenda

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- 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 – First Interim Update

## Background

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- 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 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 – First Interim Update

## Changes from Budget Adoption

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- One time revenue reduced from \$601/ADA to \$530/ADA
  - “Other State Revenue” dropped by \$651K
- Contribution to Adult Education removed
  - Decrease in unrestricted expenditures by \$480K
  - Combined three year impact of \$1.4M after reallocation
- Savings from positions eliminated at the District Office
  - Decrease in expenditures by \$500K
- Beginning Teacher Support & Assessment (BTSA) transferred from unrestricted to the restricted budget

# 2015-2016 Budget – First Interim Update

## Changes from Budget Adoption (Continued)

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- Restricted revenue and expenditures increase by \$2.5M to show STRS on-behalf payment
  - No cash implication
- Components of Ending Fund Balance from 2014-15 unaudited actuals are now part of 2015-16 budget
  - Summer construction projects \$941K (increase in Capital Outlay)
  - Textbook purchases \$608K

# 2015-2016 Budget – First Interim Update

## Assumptions

Categories	Source	2014-15	2015-16	2016-17	2017-18	2018-19
District Enrollment	CALPADS	9,499	9,453	9,453	9,453	9,453
→ District Funded ADA-Actual/Projected	Projection	9,091	9,056	9,056	9,056	9,056
ADA as a Percentage of Total Enrollment	Projection	95.71%	95.80%	95.80%	95.80%	95.80%
→ Unduplicated EL/FRM Count	CALPADS	3,690	3,207	3,207	3,207	3,207
COLA	SSC	0.85	1.02%	1.60%	2.48%	2.87%
LCFF GAP Funding Percentage	DOF/SSC	30.16	51.52%	35.55%	18.11%	20.42%
→ Public Employee Retirement	COE Advisory	11.77%	11.85%	13.05%	16.60%	18.20%
→ State Teacher's Retirement	COE Advisory	8.88%	10.73%	12.58%	14.43%	16.28%

# 2015-2016 Budget – First Interim Update

## General Fund

	Unrestricted		Restricted		Total
	Totally Unrestricted	LCFF Supplemental Grant	Restricted without Parcel Tax	Parcel Tax	General Fund
<b><u>REVENUES</u></b>					
LCFF Revenue	\$ 67,488,845	\$ 4,092,200	\$ 406,281	\$ -	\$ 71,987,326
Federal	\$ 16,195		\$ 4,064,915	\$ -	\$ 4,081,110
Other State	\$ 6,344,165		\$ 5,294,220	\$ -	\$ 11,638,385
Other Local	\$ 1,150,885		\$ 6,581,183	\$ -	\$ 7,732,068
Parcel Tax	\$ -	\$ -	\$ -	\$ 12,212,774	\$ 12,212,774
<b>Revenues</b>	<b>\$ 75,000,090</b>	<b>\$ 4,092,200</b>	<b>\$ 16,346,599</b>	<b>\$ 12,212,774</b>	<b>\$ 107,651,663</b>
<b><u>EXPENDITURES</u></b>					
Salaries & Benefits	\$ 47,722,084	\$ 3,205,747	\$ 22,386,032	\$ 11,109,577	\$ 84,423,441
Books/Supplies & Outlay	\$ 2,740,100	\$ 50,362	\$ 6,417,422	\$ 670,571	\$ 9,878,455
Services & Op. Expenses	\$ 8,180,237	\$ 343,812	\$ 5,915,131	\$ 234,570	\$ 14,673,750
Other Outgo & Transfers	\$ (1,650,835)		\$ 1,668,973	\$ 362,181	\$ 380,319
<b>Expenditures</b>	<b>\$ 56,991,586</b>	<b>\$ 3,599,921</b>	<b>\$ 36,387,558</b>	<b>\$ 12,376,899</b>	<b>\$ 109,355,965</b>
Other Sources (Uses)	\$ (18,042,493)		\$ 17,105,012		\$ (937,481)
<b>Net Inc. (Dec) in Fund Bal.</b>	<b>\$ (33,989)</b>	<b>\$ 492,279</b>	<b>\$ (2,935,947)</b>	<b>\$ (164,125)</b>	<b>\$ (2,641,782)</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>\$ 9,725,591</b>	<b>\$ 492,279</b>	<b>\$ 986,216</b>	<b>\$ 0</b>	<b>\$ 11,204,086</b>

# 2015-2016 Budget – First Interim Update

## General Fund

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)
<b>A. REVENUES</b>					
1) LCFF Sources		8010-8099	72,219,732.00	71,987,326.00	15,048,641.98
2) Federal Revenue		8100-8299	3,623,023.00	4,081,110.37	428,703.68
3) Other State Revenue		8300-8599	9,154,396.00	11,638,385.00	917,496.20
4) Other Local Revenue		8600-8799	18,161,746.00	19,944,842.07	2,589,404.33
<b>5) TOTAL, REVENUES</b>			103,158,897.00	107,651,663.44	18,984,246.19
<b>B. EXPENDITURES</b>					
1) Certificated Salaries		1000-1999	50,839,781.00	49,212,211.88	11,989,191.39
2) Classified Salaries		2000-2999	16,279,682.00	16,588,329.09	4,615,798.05
3) Employee Benefits		3000-3999	16,483,138.00	18,622,899.53	4,614,845.48
4) Books and Supplies		4000-4999	3,581,297.00	6,083,399.04	1,181,772.42
5) Services and Other Operating Expenditures		5000-5999	13,282,491.00	14,673,750.19	3,139,325.06
6) Capital Outlay		6000-6999	417,500.00	3,795,056.00	1,258,107.41
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299			
		7400-7499	481,391.00	582,775.00	50,174.98
8) Other Outgo - Transfers of Indirect Costs		7300-7399	(202,456.00)	(202,456.00)	0.00
<b>9) TOTAL, EXPENDITURES</b>			101,162,824.00	109,355,964.73	26,849,214.79
<b>C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)</b>			1,996,073.00	(1,704,301.29)	(7,864,968.60)

# 2015-2016 Budget – First 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	\$ 10,217,870	\$ 8,435,269	\$ 4,358,682
B	Revenues	\$ 79,092,290	\$ 75,532,873	\$ 75,688,656	\$ 77,196,252
C	Expenditures	\$ 60,591,507	\$ 59,504,504	\$ 61,211,470	\$ 62,768,233
D	Contribution to Restricted Fund	\$ 18,042,493	\$ 17,810,970	\$ 19,453,773	\$ 32,269,966
E	Strategic Budget Reduction			\$ (900,000)	\$ (900,000)
F = B-C-D-E	Surplus (Deficit)	\$ 458,290	\$ (1,782,601)	\$ (4,076,587)	\$ (16,941,947)
F = A+E	Ending Balance	\$ 10,217,870	\$ 8,435,269	\$ 4,358,682	\$ (12,583,265)
G	<b>Components of Ending Fund Bal. (EFB)</b>	\$ 3,776,860	\$ 4,205,949	\$ 4,348,883	\$ 4,513,329
H = F - G	<b>Unassigned/Unappropriated Ending Fund Balance</b>	\$ 6,441,010	\$ 4,229,320	\$ 9,799	\$ (17,096,594)

# 2015-2016 Budget – First Interim Update

## Unrestricted Gen. Fund – Operational Budget

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Excluding One Time Revenues & Expenditures

	2015-16	2015-16	2015-16
	First Interim Budget	One Time Revenue & Expenditures	Operational Budget
Revenues	\$ 79,092,290	\$ (4,800,000)	\$ 74,292,290
Expenditures	\$ 60,591,507	\$ (1,600,000)	\$ 59,041,507
Contribution to Restricted Fund	\$ 18,042,493		\$ 18,042,493
Surplus (Deficit)	\$ 458,290	\$ (3,200,000)	\$ (2,791,710)

One time funds  
set aside for  
textbook  
adoptions

# 2015-2016 Budget – First Interim Update

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

Description	2015-2016	2016-2017	2017-2018
<b>Ending Fund Balance**</b>	<b>\$ 10,217,870</b>	<b>\$ 8,435,269</b>	<b>\$ 4,358,682</b>
<b>Components of Ending Fund Balance</b>			
Revolving Cash	\$ 50,000	\$ 50,000	\$ 50,000
Textbook Adoptions	\$ 3,200,000	\$ 3,200,000	\$ 3,200,000
Additional LCFF Supplemental Fund	\$ 492,279	\$ 886,788	\$ 995,141
Healthy Families Act (sick leave for substitute employees)	\$ 34,581	\$ 69,161	\$ 103,742
<b>Total - Components</b>	<b>\$ 3,776,860</b>	<b>\$ 4,205,949</b>	<b>\$ 4,348,883</b>
<b>Net Unassigned Ending Fund Balance</b>	<b>\$ 6,441,010</b>	<b>\$ 4,229,320</b>	<b>\$ 9,799</b>

\*Also known as set-asides

\*\*2017-18 Ending Fund Balance after \$900K in strategic budget reductions

# ADDITIONAL MATERIALS

# 2015-2016 Budget – First Interim Update

## MYP (Details), Unrestricted Gen. Fund

	2015-16	2016-17	2017-18	2018-19
<b><u>REVENUES</u></b>				
LCFF	\$ 71,581,045	\$ 72,796,393	\$ 72,952,176	\$ 74,459,772
Federal	\$ 16,195	\$ 17,000	\$ 17,000	\$ 17,000
Other State	\$ 6,344,165	\$ 1,519,480	\$ 1,519,480	\$ 1,519,480
Other Local	\$ 1,150,885	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
<b>Revenues</b>	<b>\$ 79,092,290</b>	<b>\$ 75,532,873</b>	<b>\$ 75,688,656</b>	<b>\$ 77,196,252</b>
<b><u>EXPENDITURES</u></b>				
Salaries & Benefits	\$ 50,927,831	\$ 51,730,469	\$ 53,195,157	\$ 54,503,101
Books/Supplies & Outlay	\$ 2,790,462	\$ 1,460,153	\$ 1,489,452	\$ 1,519,542
Services & Operating Expenses	\$ 8,524,049	\$ 7,888,086	\$ 8,101,064	\$ 8,319,793
Other Outgo & Transfers	\$ (1,650,835)	\$ (1,574,203)	\$ (1,574,203)	\$ (1,574,203)
Strategic Budget Reduction			\$ (900,000)	\$ (900,000)
<b>Expenditures</b>	<b>\$ 60,591,507</b>	<b>\$ 59,504,505</b>	<b>\$ 60,311,470</b>	<b>\$ 61,868,233</b>
Other Sources (Uses)	\$ (18,042,493)	\$ (17,810,970)	\$ (19,453,773)	\$ (32,269,966)
Net Inc/Dec in Fund Balance	\$ 458,290	\$ (1,782,602)	\$ (4,076,587)	\$ (16,941,947)
<b>Beginning Balance</b>	<b>\$ 9,759,580</b>	<b>\$ 10,217,870</b>	<b>\$ 8,435,269</b>	<b>\$ 4,358,683</b>
<b>Ending Balance</b>	<b>\$ 10,217,870</b>	<b>\$ 8,435,268</b>	<b>\$ 4,358,682</b>	<b>\$ (12,583,264)</b>
<b>Components of Ending Fund balance</b>				
Assigned / Legally Restricted	\$ 3,776,860	\$ 4,205,949	\$ 4,348,883	\$ 4,513,329
<b>Unassigned/Unappropriated EFB</b>	<b>\$ 6,441,010</b>	<b>\$ 4,229,319</b>	<b>\$ 9,799</b>	<b>\$ (17,096,593)</b>

# 2015-2016 Budget – First Interim Update

## MYP (Details), Restricted Gen. Fund

	2015-16	2016-17	2017-18	2018-19
<b><u>REVENUES</u></b>				
LCFF transfers from Unrestricted	\$ 406,281	\$ 402,331	\$ 402,331	\$ 402,331
Federal	\$ 4,064,915	\$ 3,623,023	\$ 3,623,023	\$ 3,623,023
Other State	\$ 5,294,220	\$ 4,385,385	\$ 4,385,385	\$ 4,385,385
Other Local	\$ 6,637,523	\$ 4,922,301	\$ 4,862,787	\$ 4,862,787
Parcel Tax	\$ 12,156,434	\$ 12,141,814	\$ 12,141,814	\$ -
<b>Revenues</b>	<b>\$ 28,559,373</b>	<b>\$ 25,474,854</b>	<b>\$ 25,415,340</b>	<b>\$ 13,273,526</b>
<b><u>EXPENDITURES</u></b>				
Salaries & Benefits	\$ 33,495,609	\$ 34,264,144	\$ 35,092,920	\$ 35,906,203
Books/Supplies & Outlay	\$ 7,087,993	\$ 2,592,326	\$ 2,662,318	\$ 2,734,201
Services & Operating Expenses	\$ 6,149,701	\$ 5,122,432	\$ 5,260,737	\$ 5,402,777
Other Outgo & Transfers	\$ 2,031,154	\$ 1,853,138	\$ 1,853,138	\$ 1,500,311
<b>Expenditures</b>	<b>\$ 48,764,457</b>	<b>\$ 43,832,040</b>	<b>\$ 44,869,113</b>	<b>\$ 45,543,492</b>
Other Sources (Uses)	\$ 17,105,012	\$ 17,810,970	\$ 19,453,773	\$ 32,269,966
Net Inc/Dec in Fund Balance	\$ (3,100,072)	\$ (546,216)	\$ -	\$ -
<b>Beginning Balance</b>	<b>\$ 4,086,288</b>	<b>\$ 986,216</b>	<b>\$ 440,000</b>	<b>\$ 440,000</b>
<b>Legally Restricted Fund Balance*</b>	<b>\$ 986,216</b>	<b>\$ 440,000</b>	<b>\$ 440,000</b>	<b>\$ 440,000</b>
<b>Unassigned/Unappropriated</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# 2015-2016 Budget – First Interim Update

## MYP (Details), Combined Gen. Fund

	2015-16	2016-17	2017-18	2018-19
<b><u>REVENUES</u></b>				
LCFF	\$ 71,987,326	\$ 73,198,724	\$ 73,354,507	\$ 74,862,103
Federal	\$ 4,081,110	\$ 3,640,023	\$ 3,640,023	\$ 3,640,023
Other State	\$ 11,638,385	\$ 5,904,865	\$ 5,904,865	\$ 5,904,865
Other Local	\$ 7,788,408	\$ 6,122,301	\$ 6,062,787	\$ 6,062,787
Parcel Tax	\$ 12,156,434	\$ 12,141,814	\$ 12,141,814	\$ -
<b>Revenues</b>	<b>\$ 107,651,663</b>	<b>\$ 101,007,727</b>	<b>\$ 101,103,996</b>	<b>\$ 90,469,778</b>
<b><u>EXPENDITURES</u></b>				
Salaries & Benefits	\$ 84,423,441	\$ 85,994,614	\$ 88,288,076	\$ 90,409,304
Books/Supplies & Outlay	\$ 9,878,455	\$ 4,052,479	\$ 4,151,770	\$ 4,253,743
Services & Operating Expenses	\$ 14,673,750	\$ 13,010,518	\$ 13,361,802	\$ 13,722,570
Other Outgo & Transfers	\$ 380,319	\$ 278,935	\$ 278,938	\$ (73,892)
Strategic Budget Reduction			\$ (900,000)	\$ (900,000)
<b>Expenditures</b>	<b>\$ 109,355,965</b>	<b>\$ 103,336,546</b>	<b>\$ 105,180,586</b>	<b>\$ 107,411,725</b>
Other Sources (Uses)	\$ (937,481)			
Net Inc/Dec in Fund Balance	\$ (2,641,783)	\$ (2,328,819)	\$ (4,076,590)	\$ (16,941,947)
<b>Beginning Balance</b>	<b>\$ 13,845,869</b>	<b>\$ 11,204,086</b>	<b>\$ 8,875,268</b>	<b>\$ 4,798,679</b>
<b>Ending Balance</b>	<b>\$ 11,204,086</b>	<b>\$ 8,875,267</b>	<b>\$ 4,798,678</b>	<b>\$ (12,143,268)</b>
<b>Components of Ending Fund balance</b>				
Assigned / Legally Restricted	\$ 4,763,076	\$ 4,645,949	\$ 4,788,882	\$ 4,953,329
<b>Unassigned/Unappropriated EFB</b>	<b>\$ 6,441,010</b>	<b>\$ 4,229,318</b>	<b>\$ 9,796</b>	<b>\$ (17,096,597)</b>

# 2015-2016 Budget – First 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	\$ 80,200	\$ 181,098	\$ 641,600
<b>Revenues</b>	<b>\$ 989,890</b>	<b>\$ 1,564,301</b>	<b>\$ 2,287,300</b>
<b><u>EXPENDITURES</u></b>			
Salaries & Benefits	\$ 844,480	\$ 1,376,819	\$ 2,037,403
Supplies	\$ 35,522	\$ 90,573	\$ 33,350
Services & Operating Expenses	\$ 30,601	\$ 5,100	\$ 100,127
Capital Outlay		\$ 3,120	
Other Outgo & Transfers		\$ 91,809	\$ 110,647
<b>Expenditures</b>	<b>\$ 910,603</b>	<b>\$ 1,567,421</b>	<b>\$ 2,281,527</b>
Other Sources (Uses)		\$ -	
Net Inc/Dec in Fund Balance	\$ 79,287	\$ (3,120)	\$ 5,773
<b>Beginning Balance</b>	<b>\$ 65,538</b>	<b>\$ 86,914</b>	<b>\$ 749,965</b>
<b>Ending Balance</b>	<b>\$ 144,825</b>	<b>\$ 83,794</b>	<b>\$ 755,738</b>
<b>Restrictions/Commitments/Assignments</b>			
Legally Restricted Ending Fund Balance	\$ 144,825	\$ 83,794	\$ 755,738
<b>Unassigned/Unappropriated</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ 0</b>

# 2015-2016 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
<b>REVENUES</b>					
LCFF Sources	\$ 968,768				
State					
Local	\$ 250	\$ 14,800	\$ 154,000	\$ 206,000	\$ 483,256
<b>Revenues</b>	<b>\$ 969,018</b>	<b>\$ 14,800</b>	<b>\$ 154,000</b>	<b>\$ 206,000</b>	<b>\$ 483,256</b>
<b>EXPENDITURES</b>					
Salaries & Benefits			\$ 299,730		\$ 114,251
Supplies			\$ 3,227		
Services & Operating Exp.			\$ 53,499	\$ 24,214	\$ 570,000
Capital Outlay	\$ 17,741		\$ 12,439,614	\$ 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	\$ 951,277	\$ 952,281	\$ (12,642,070)	\$ (780,164)	\$ (200,995)
<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>\$ 1,435,042</b>	<b>\$ 9,685,948</b>	<b>\$ 76,783,606</b>	<b>\$ 3,250,876</b>	<b>\$ 1,333,294</b>
<b>Restrictions/Commitments/Assignments</b>					
Facilities Related Projects	\$ 1,435,042		\$ 76,783,606	\$ 3,250,876	\$ 133,294
Additional Reserve Equal to One Month's Payroll		\$ 6,420,462			
District Office Rental Reserve					\$ 1,200,000
Reserved for Economic Uncertainties		\$ 3,265,486			
<b>Unassigned/Unappropriated</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ -</b>

# 2015-2016 Budget – First Interim Update

## Glossary of Terms

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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