

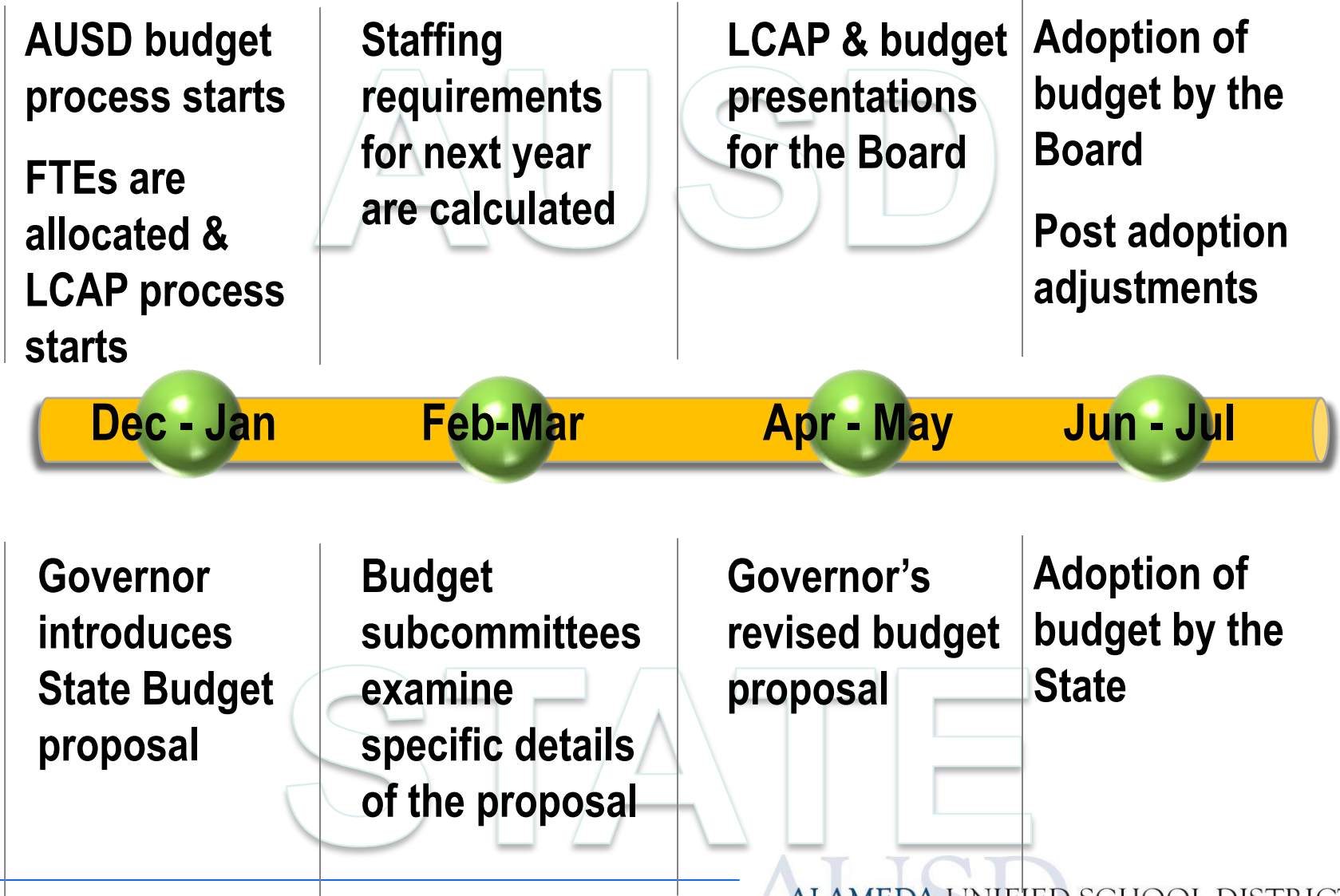
Governor's Budget Proposal for Fiscal Year 2018-19

January 23, 2018

2018-2019 Budget – Governor's Budget Proposal Agenda

- Background
- Proposal Highlights & Impact on AUSD
- Multi-year Projections
- Next Steps

2018-2019 Budget – Governor’s Budget Proposal Timeline



2018-2019 Budget – Governor's Budget Proposal Highlights

- For 2018-19, revenues will be higher than previously forecast; however, subsequent year-to-year growth will be slightly lower
 - Future increases flatten out and are well below projected cost increases
- Significant one-time unrestricted dollars
- Many unknowns exist at the federal level

2018-2019 Budget – Governor’s Budget Proposal

LCFF (Base & Supplemental Grant)

Year		COLA	GAP Funding Rate	LCFF Revenue	Gain (Loss)
2017-18	1st Interim	1.56%	43.19%	\$ 77,534,874	\$ 65,024
	Jan Proposal	1.56%	44.97%	\$ 77,599,898	
2018-19	1st Interim	2.15%	66.12%	\$ 80,035,729	\$ 1,567,899
	Jan Proposal	2.51%	100.00%	\$ 81,603,628	
2019-20	1st Interim	2.35%	64.92%	\$ 82,136,918	\$ 1,475,329
	Jan Proposal	2.41%	-	\$ 83,612,247	
2020-21	1st Interim	2.57%	100.00%	\$ 85,386,534	\$ 538,078
	Jan Proposal	2.80%	-	\$ 85,924,612	

2018-2019 Budget – Governor’s Budget Proposal

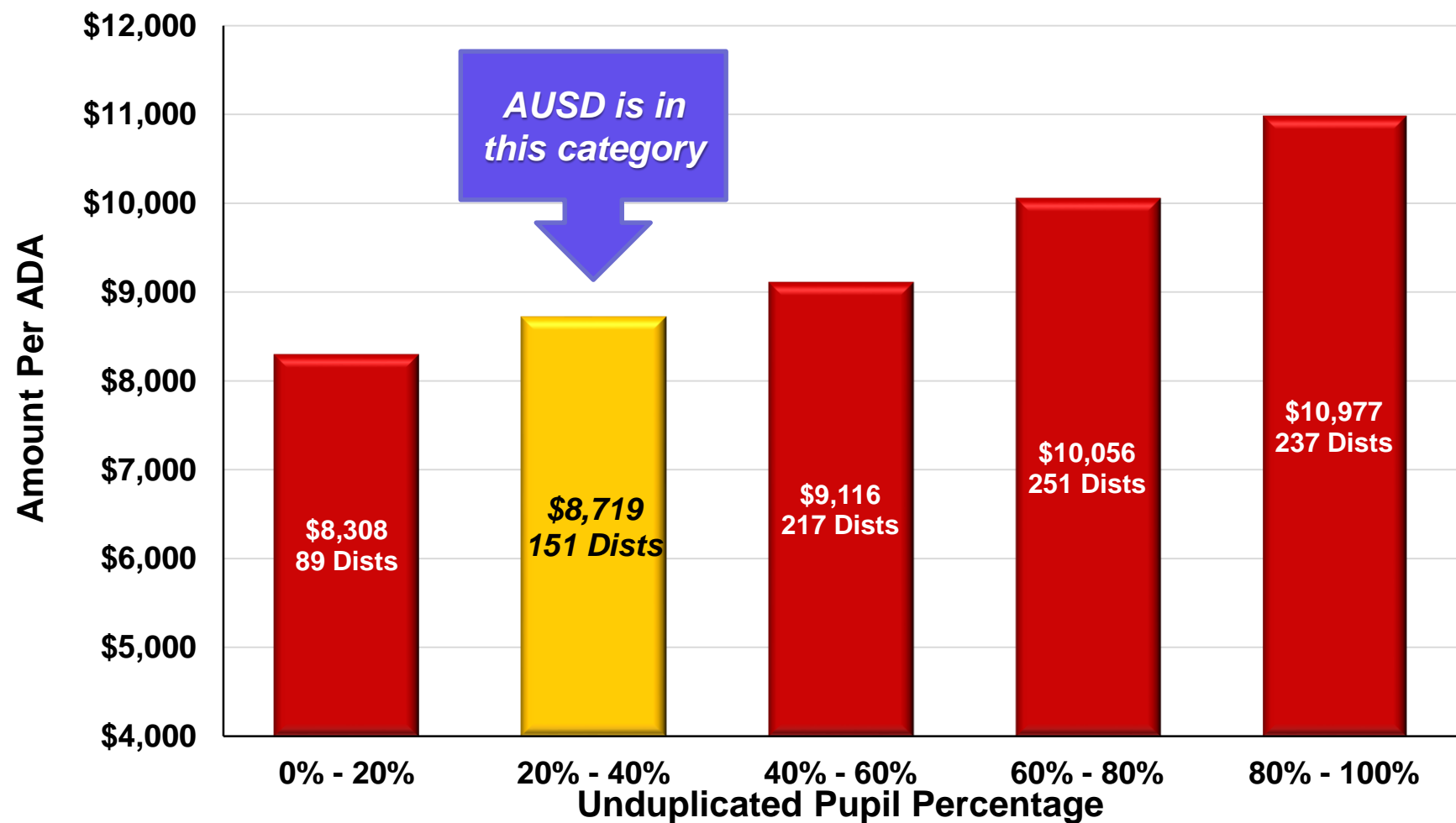
LCFF Supplemental Grant

Year		COLA	GAP Funding Rate	LCFF Supplemental Revenue	Gain (Loss)
2017-18	1st Interim	1.56%	43.19%	\$ 4,974,054	\$ 8,023
	Jan Proposal	1.56%	44.97%	\$ 4,982,077	
2018-19	1st Interim	2.15%	66.12%	\$ 5,227,588	\$ 149,001
	Jan Proposal	2.51%	100.00%	\$ 5,376,589	
2019-20	1st Interim	2.35%	64.92%	\$ 5,435,603	\$ 135,306
	Jan Proposal	2.41%	-	\$ 5,570,909	
2020-21	1st Interim	2.57%	100.00%	\$ 5,690,447	\$ 36,253
	Jan Proposal	2.80%	-	\$ 5,726,700	

At full implementation of LCFF, the district would need to increase Supplemental Grant spending in excess of the new LCFF revenues it would receive in that year.

2018-2019 Budget – Governor’s Budget Proposal

Average LCFF Funding



2018-2019 Budget – Governor’s Budget Proposal

One-Time Discretionary Funds

2014-15	2015-16	2016-17	2017-18	2018-19 Proposed
\$67	\$529	\$214	\$147	\$295

- Approximately \$2.6M for AUSD
- These funds will offset AUSD’s outstanding mandate reimbursement claims on a dollar-for-dollar basis.
 - According to Dept. of Finance, less than \$163/ADA will be left in outstanding mandates after the proposed 2018-19 payment.
- These one-time funds may be used for any one-time expenditure at the discretion of the Board of Education.

2018-2019 Budget – Governor’s Budget Proposal

Pension Contribution Rates

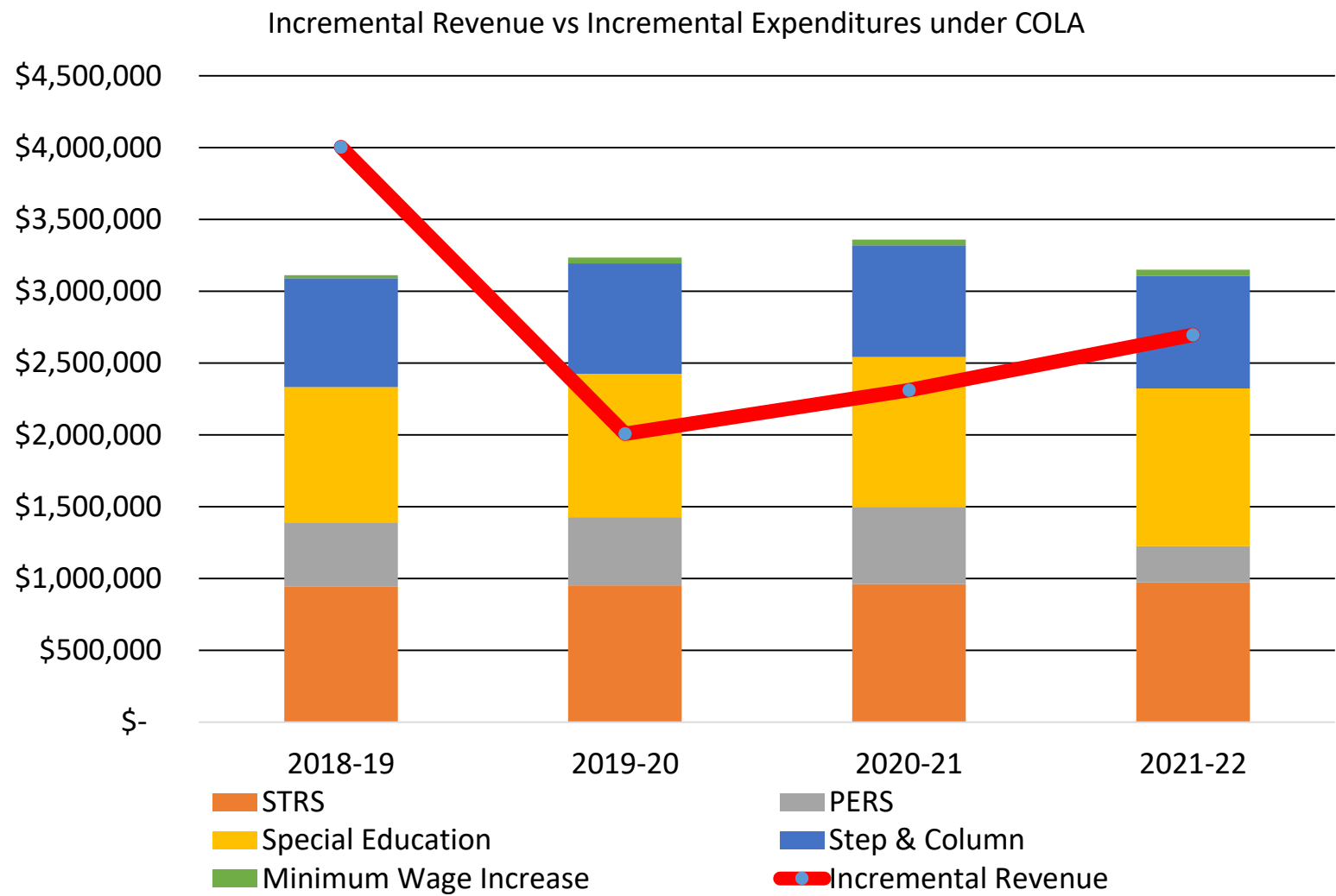
- No specific funds are provided to cover increase in pension contribution rates

Fiscal Year	CalPERS* Employer Rate (Projected)	CalSTRS** Employer Rate (Statutory)
2016-17	13.88%	12.58%
2017-18	15.53%	14.43%
2018-19	18.10%	16.28%
2019-20	20.80%	18.13%
2020-21	23.80%	19.10%
2021-22	25.20%	Not Available
2022-23	26.10%	Not Available

*California Public Employee Retirement System

**California State Teachers Retirement System

2018-2019 Budget – Governor’s Budget Proposal Beyond GAP Funding – COLA Only Years



2018-2019 Budget – Governor’s Budget Proposal

MYP (Summary), Unrestricted Gen. Fund – Presented at First Interim 2017-18 on December 12, 2017

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)

2018-2019 Budget – Governor’s Budget Proposal

MYP (Summary), Unrestricted Gen. Fund – First Interim 2017-18

with Additional Funds PROPOSED by the Governor for 2018-19

Line		2017-2018	2018-2019	2019-2020
		Budget	Projected	Projected
A	Beginning Balance, July 1	\$ 13,834,044	\$ 11,276,881	\$ 10,660,767
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	\$ 2,684,500	\$ -
B4	On-going Revenue from January Proposal	\$ 65,024	\$ 1,567,899	\$ 1,475,329
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)	\$ (2,557,163)	\$ (616,114)	\$ (4,191,821)
F = A+E	Ending Balance	\$ 11,276,881	\$ 10,660,767	\$ 6,468,946
G	Assignments/Commitments	\$ 695,565	\$ 781,384	\$ 828,656
H = F-G	Unassigned/Unappropriated Ending Fund Balance	\$ 10,581,316	\$ 9,879,383	\$ 5,640,290

2018-2019 Budget – Governor’s Budget Proposal MYP (Summary), Unrestricted Gen. Fund – First Interim 2017-18 with Additional Funds PROPOSED by the Governor for 2018-19

One-time revenue budgeted as One-time expenditure

Line		2017-2018	2018-2019	2019-2020
		Budget	Projected	Projected
A	Beginning Balance, July 1	\$ 13,834,044	\$ 11,276,881	\$ 7,976,267
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	\$ 2,684,500	\$ -
B4	On-going Revenue from January Proposal	\$ 65,024	\$ 1,567,899	\$ 1,475,329
C1	Expenditures	\$ 64,515,909	\$ 68,402,330	\$ 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)	\$ (2,557,163)	\$ (3,300,614)	\$ (4,191,821)
F = A+E	Ending Balance	\$ 11,276,881	\$ 7,976,267	\$ 3,784,446
G	Assignments/Commitments	\$ 695,565	\$ 781,384	\$ 828,656
H = F-G	Unassigned/Unappropriated Ending Fund Balance	\$ 10,581,316	\$ 7,194,883	\$ 2,955,790

2018-2019 Budget – Governor's Budget Proposal

What's Not in the Budget

- No new proposal to increase AB 602 base funding for Special Education
- No new funding for Home-to-School Transportation
- No funding to pay the growing local obligation for the CalSTRS and CalPERS pension programs

2018-2019 Budget – Governor's Budget Proposal

Next Steps

- Second Interim Budget Update
- May Revise
- Adoption of the 2018-19 Budget

2018-2019 Budget – Governor’s Budget Proposal

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