

2014-2015

Second Interim

Budget Update

March 10, 2015

2014-2015 Budget – Second Interim Update

- June 24 , 2014 LCAP and budget adoption
- October 14 , 2014 Budget update
- December 9, 2014 1st Interim budget update
- **March 10, 2015** **2nd Interim budget update**
- September 8, 2015 Unaudited Actuals

2014-2015 Budget – Second Interim Update

Agenda

- Background
- Budget update assumptions
- 2014-2015 budget update for General Fund
- Multi-year projections
- Additional Materials
 - Budget Assumptions
 - Other Funds
 - Glossary of Terms

2014-2015 Budget – Second Interim Update

Background

- Per State Law AUSD’s Board must pass Second Interim budget update by March 17 of each year.
- Board must certify that the District’s projected financial outlook for 2014-2015, 2015-2016 and 2016-2017 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

2014-2015 Budget – Second Interim Update

Fiscal Update

- GAP Rate for 2015-2016
- One Time Mandate Reimbursement
- Healthy Families Act
 - Sick leave for substitute employees (1 hr. for each 30 hrs. worked)
- Increased costs associated with State Teachers Retirement System (STRS) and Public Employees Retirement System (PERS)

2014-2015 Budget – Second Interim Update

Assumptions

Categories	Source	2014-2015	2015-2016	2016-17
District Enrollment	CALPADS	9,499	9,499	9,499
District Funded ADA-Actual/Projected	Projection	9,105	9,105	9,105
ADA as a Percentage of Total Enrollment	Projection	95.85%	95.85%	95.85%
Unduplicated EL/FRM Count	CALPADS	3,688	3,688	3,688
COLA	SSC	0.85%	1.58%	2.17%
LCFF GAP Funding Percentage*	SSC	29.15%	32.19%	11.25%
Mandate Reimbursement	COE Advisory		\$ 1,556,955	
State Teacher's Retirement System	COE Advisory	8.88%	10.73%	12.58%
Public Employee Retirement System	COE Advisory	11.77%	12.60%	15.00%
Additional Teacher FTE Contingency	Projection	-	5	5
I-20 Foreign Students	Projection	30	20	20
Bond Election (Only for 14-15)		\$ 300,000	\$ -	\$ -
Affordable Care Act (On going)		\$ -	\$ 300,000	\$ 300,000
Contribution to Fund 14			1% of Expenditures	2% of Expenditures

*Department of Finance GAP funding rate for 2016-2017 is 23.71%

2014-2015 Budget – Second Interim Update

GAP funding rate for 2016-2017

	2014-2015	2015-2016	2016-2017
School Services GAP Rate	29.15%	32.19%	11.25%
Dept. of Finance GAP Rate	29.15%	32.19%	23.71%
Additional Revenue, if Dept. of Finance GAP Rate is used			\$ 1,345,140

2014-2015 Budget – Second Interim Update

General Fund

	Unrestricted		Restricted		Total General Fund
	Totally Unrestricted	LCFF Supplemental Grant	Restricted without Parcel Tax	Parcel Tax	
REVENUES					
LCFF Revenue	\$ 62,896,036	\$ 2,622,371	\$ 414,304	\$ -	\$ 65,932,711
Federal	\$ 19,055		\$ 3,957,368	\$ -	\$ 3,976,423
Other State	\$ 2,459,067		\$ 2,142,941	\$ -	\$ 4,602,008
Other Local	\$ 1,253,908		\$ 6,836,115	\$ -	\$ 8,090,023
Parcel Tax	\$ -	\$ -	\$ -	\$ 12,012,886	\$ 12,012,886
Revenues	\$ 66,628,066	\$ 2,622,371	\$ 13,350,727	\$ 12,012,886	\$ 94,614,050
EXPENDITURES					
Salaries & Benefits	\$ 43,635,839	\$ 2,442,136	\$ 18,558,159	\$ 10,571,332	\$ 75,207,466
Books/Supplies & Outlay	\$ 2,676,850	\$ 98,009	\$ 5,454,895	\$ 524,503	\$ 8,754,256
Services & Op. Expenses	\$ 8,981,213	\$ 268,354	\$ 5,978,078	\$ 356,447	\$ 15,584,092
Other Outgo & Transfers	\$ (1,526,809)		\$ 1,550,453	\$ 360,387	\$ 384,031
Expenditures	\$ 53,767,093	\$ 2,808,499	\$ 31,541,585	\$ 11,812,669	\$ 99,929,846
Other Sources (Uses)	\$ (15,414,779)	\$ 186,128	\$ 14,978,606	\$ (257,481)	\$ (507,526)
Net Inc. (Dec) in Fund Bal.	\$ (2,553,806)	\$ -	\$ (3,212,252)	\$ (57,264)	\$ (5,823,322)
Beginning Balance	\$ 9,214,448	\$ -	\$ 3,221,921	\$ 57,264	\$ 12,493,633
Ending Balance	\$ 6,660,642	\$ -	\$ 9,669	\$ -	\$ 6,670,312

2014-2015 Budget – Second Interim Update

MYP (Summary), Unrestricted Gen. Fund

Line		2014-2015	2015-2016	2016-2017
		Projected	Projected	Projected
A	Beginning Balance, July 1	\$ 9,214,448	\$ 6,660,642	\$ 7,865,714
B	Revenues	\$ 69,250,437	\$ 73,645,746	\$ 72,229,445
C	Expenditures	\$ 56,575,592	\$ 56,319,859	\$ 57,502,116
D	Contribution to Restricted Fund	\$ 15,228,651	\$ 16,120,815	\$ 17,109,584
E = B-C-D	Surplus (Deficit)	\$ (2,553,806)	\$ 1,205,072	\$ (2,382,255)
F = A+E	Ending Balance	\$ 6,660,642	\$ 7,865,714	\$ 5,483,459
	Components of Ending Fund Bal. (EFB)			
G	Revolving Cash	\$ 50,000	\$ 50,000	\$ 50,000
H	Assigned Balances	\$ 608,942	\$ 2,200,478	\$ 2,200,478
I = G+H	Total - Components of EFB	\$ 658,942	\$ 2,250,478	\$ 2,250,478
J = F-I	Unassigned/Unappropriated Ending Fund Balance	\$ 6,001,700	\$ 5,615,236	\$ 3,232,981

2014-2015 Budget – Second Interim Update

Components of Ending Fund Balance (EFB)

Program	2014-2015	2015-2016	2016-2017
Revolving Cash	\$ 50,000	\$ 50,000	\$ 50,000
Textbook Adoptions	\$ 608,942	\$ 608,942	\$ 608,942
One Time Mandate Reimbursement for One Time Expenditures (Intended for Common Core)	\$ -	\$ 1,556,955	\$ 1,556,955
Healthy Families Act (sick leave for substitute employees)	\$ -	\$ 34,581	\$ 34,581
Total	\$ 658,942	\$ 2,250,478	\$ 2,250,478

ADDITIONAL MATERIALS

2014-2015 Budget – Second Interim Update

MYP (Summary), Restricted Gen. Fund

Line		2014-2015	2015-2016	2016-2017
		Projected	Projected	Projected
A	Beginning Balance, July 1	\$ 3,279,185	\$ 9,669	\$ -
B	Revenues	\$ 25,363,613	\$ 22,908,409	\$ 22,908,409
C	Expenditures	\$ 43,354,254	\$ 38,541,447	\$ 39,520,547
D	Contribution from Unrestricted Fund	\$ 14,721,125	\$ 15,623,369	\$ 16,612,138
E = B-C+D	Surplus (Deficit)	\$ (3,269,516)	\$ (9,669)	\$ -
F = A+E	Ending Balance	\$ 9,669	\$ -	\$ -
	Components of Ending Fund Bal. (EFB)			
G	Legally Restricted	\$ 9,669	\$ -	\$ -
I = F-G	Unassigned/Unappropriated Ending Fund Balance	\$ -	\$ -	\$ -

2014-2015 Budget – Second Interim Update

MYP (Summary), Combined Gen. Fund

Line		2014-2015	2015-2016	2016-2017
		Projected	Projected	Projected
A	Beginning Balance, July 1	\$ 12,493,633	\$ 6,670,311	\$ 7,865,713
B	Revenues	\$ 94,614,050	\$ 96,554,154	\$ 95,137,854
C	Expenditures	\$ 100,437,372	\$ 95,358,752	\$ 97,520,108
D = B-C	Surplus (Deficit)	\$ (5,823,322)	\$ 1,195,402	\$ (2,382,254)
E = A+D	Ending Balance	\$ 6,670,311	\$ 7,865,713	\$ 5,483,459
	Components of Ending Fund Bal. (EFB)			
F	Revolving Cash	\$ 50,000	\$ 50,000	\$ 50,000
G	Assigned & Restricted Balances	\$ 618,611	\$ 2,210,147	\$ 2,210,147
H = F+G	Total - Components of EFB	\$ 668,611	\$ 2,260,147	\$ 2,260,147
I = E-H	Unassigned/Unappropriated Ending Fund Balance	\$ 6,001,700	\$ 5,605,566	\$ 3,223,312

2014-2015 Budget – Second Interim Update

MYP (Details), Unrestricted Gen. Fund

	2014-2015	2015-2016	2016-2017
<u>REVENUES</u>			
LCFF	\$ 65,518,407	\$ 69,282,003	\$ 69,504,676
Federal	\$ 19,055	\$ -	\$ -
Other State	\$ 2,459,067	\$ 3,213,977	\$ 1,575,003
Other Local	\$ 1,253,908	\$ 1,149,766	\$ 1,149,766
Revenues	\$ 69,250,437	\$ 73,645,746	\$ 72,229,445
<u>EXPENDITURES</u>			
Salaries & Benefits	\$ 46,077,975	\$ 48,438,684	\$ 49,322,346
Books/Supplies & Outlay	\$ 2,774,858	\$ 1,968,964	\$ 2,014,701
Services & Operating Expenses	\$ 9,249,567	\$ 7,463,258	\$ 7,716,116
Other Outgo & Transfers	\$ (1,526,809)	\$ (1,551,047)	\$ (1,551,047)
Strategic Budget Reduction			
Expenditures	\$ 56,575,591	\$ 56,319,859	\$ 57,502,116
Other Sources (Uses)	\$ (15,228,651)	\$ (16,120,815)	\$ (17,109,584)
Net Inc/Dec in Fund Balance	\$ (2,553,805)	\$ 1,205,072	\$ (2,382,255)
Beginning Balance	\$ 9,214,448	\$ 6,660,643	\$ 7,865,716
Ending Balance	\$ 6,660,643	\$ 7,865,715	\$ 5,483,461
<u>Restrictions/Commitments/Assignments</u>			
Revolving Cash	\$ 50,000	\$ 50,000	\$ 50,000
Assigned Balances	\$ 608,942	\$ 2,200,478	\$ 2,200,478
Unassigned/Unappropriated EFB	\$ 6,001,701	\$ 5,615,237	\$ 3,232,983

2014-2015 Budget – Second Interim Update

MYP (Details), Restricted Gen. Fund

	2014-2015	2015-2016	2016-2017
<u>REVENUES</u>			
LCFF transfers from Unrestricted	\$ 414,304	\$ 370,297	\$ 370,297
Federal	\$ 3,957,368	\$ 3,906,544	\$ 3,906,544
Other State	\$ 2,142,941	\$ 1,927,996	\$ 1,927,996
Other Local	\$ 6,836,115	\$ 4,762,572	\$ 4,762,572
Parcel Tax	\$ 12,012,886	\$ 11,941,000	\$ 11,941,000
Revenues	\$ 25,363,614	\$ 22,908,409	\$ 22,908,409
<u>EXPENDITURES</u>			
Salaries & Benefits	\$ 29,129,491	\$ 29,479,223	\$ 30,279,765
Books/Supplies & Outlay	\$ 5,979,398	\$ 2,582,404	\$ 2,635,842
Services & Operating Expenses	\$ 6,334,525	\$ 4,599,154	\$ 4,724,274
Other Outgo & Transfers	\$ 1,910,840	\$ 1,880,666	\$ 1,880,666
Expenditures	\$ 43,354,254	\$ 38,541,447	\$ 39,520,547
Other Sources (Uses)	\$ 14,721,125	\$ 15,623,369	\$ 16,612,138
Net Inc/Dec in Fund Balance	\$ (3,269,515)	\$ (9,669)	\$ -
Beginning Balance	\$ 3,279,185	\$ 9,670	\$ 1
Legally Restricted Fund Balance*	\$ 9,670	\$ 1	\$ 1
Unassigned/Unappropriated	\$ -	\$ -	\$ -

2014-2015 Budget – Second Interim Update

MYP (Details), Combined Gen. Fund

	2014-2015	2015-2016	2016-2017
REVENUES			
LCFF	\$ 65,932,711	\$ 69,652,300	\$ 69,874,973
Federal	\$ 3,976,423	\$ 3,906,544	\$ 3,906,544
Other State	\$ 4,602,008	\$ 5,141,973	\$ 3,502,999
Other Local	\$ 8,090,023	\$ 5,912,338	\$ 5,912,338
Parcel Tax	\$ 12,012,886	\$ 11,941,000	\$ 11,941,000
Revenues	\$ 94,614,051	\$ 96,554,155	\$ 95,137,854
EXPENDITURES			
Salaries & Benefits	\$ 75,207,466	\$ 77,917,907	\$ 79,602,111
Books/Supplies & Outlay	\$ 8,754,256	\$ 4,551,368	\$ 4,650,543
Services & Operating Expenses	\$ 15,584,092	\$ 12,062,412	\$ 12,440,390
Other Outgo & Transfers	\$ 384,031	\$ 329,619	\$ 329,619
Strategic Budget Reduction			
Expenditures	\$ 99,929,845	\$ 94,861,306	\$ 97,022,663
Other Sources (Uses)	\$ (507,526)	\$ (497,446)	\$ (497,446)
Net Inc/Dec in Fund Balance	\$ (5,823,320)	\$ 1,195,403	\$ (2,382,255)
Beginning Balance	\$ 12,493,633	\$ 6,670,313	\$ 7,865,716
Ending Balance	\$ 6,670,313	\$ 7,865,716	\$ 5,483,461
Restrictions/Commitments/Assignemtns			
Revolving Cash	\$ 50,000	\$ 50,000	\$ 50,000
Textbook Adoption	\$ 618,611	\$ 2,210,147	\$ 2,210,147
Unassigned/Unappropriated	\$ 6,001,702	\$ 5,605,569	\$ 3,223,314

2014-2015 Budget – Second Interim Update

Fund 11, 12 & 13

	Adult Education Fund 11	Child Development Fund 12*	Child Nutrition Fund 13
<u>REVENUES</u>			
Federal	\$ 247,821	\$ 878,615	\$ 1,165,212
State		\$ 852,561	\$ 91,985
Local	\$ 88,268	\$ 214,402	\$ 487,465
Revenues	\$ 336,089	\$ 1,945,578	\$ 1,744,662
<u>EXPENDITURES</u>			
Salaries & Benefits	\$ 755,801	\$ 1,349,431	\$ 1,161,865
Supplies	\$ 36,478	\$ 299,924	\$ 774,129
Services & Operating Expenses	\$ 26,672	\$ 14,660	\$ 18,871
Capital Outlay		\$ 48,000	\$ 10,800
Other Outgo & Transfers		\$ 117,835	\$ 92,079
Expenditures	\$ 818,951	\$ 1,829,850	\$ 2,057,744
Other Sources (Uses)	\$ 480,516	\$ 251,054	\$ (251,054)
Net Inc/Dec in Fund Balance	\$ (2,346)	\$ 366,782	\$ (564,136)
Beginning Balance	\$ 31,255	\$ 72,927	\$ 568,770
Ending Balance	\$ 28,909	\$ 439,709	\$ 4,634
<u>Restrictions/Commitments/Assignments</u>			
Legally Restricted Ending Fund Balance	\$ 1,086	\$ 439,689	\$ 4,506
Unassigned/Unappropriated	\$ 27,823	\$ 21	\$ 128

Parcel Tax Transfer



*Child Nutrition revenue generated by WCDC and After School's program is now part of Fund 12

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Fund 14, 17, 25 & 40

	Deferred Maintenance	Special Reserve Non-Capital Outlay	Capital Facilities	Special Reserve Capital Outlay
	Fund 14	Fund 17	Fund 25	Fund 40
REVENUES				
LCFF Sources	\$ 365,384			
State				
Local	\$ 503	\$ 13,631	\$ 581,581	\$ 467,839
Parcel Tax				
Revenues	\$ 365,887	\$ 13,631	\$ 581,581	\$ 467,839
EXPENDITURES				
Salaries & Benefits				\$ 113,771
Supplies				\$ 5,000
Services & Operating Exp.	\$ 365,884		\$ 13,212	\$ 561,760
Capital Outlay			\$ 27,500	\$ 36,250
Other Outgo & Transfers			\$ 148,273	
Expenditures	\$ 365,884	\$ -	\$ 188,985	\$ 716,781
Other Sources (Uses)		\$ -		
Net Inc/Dec in Fund Balance	\$ 3	\$ 13,631	\$ 392,597	\$ (248,942)
Beginning Balance	\$ 121,636	\$ 8,709,577	\$ 2,430,877	\$ 1,581,534
Ending Balance	\$ 121,639	\$ 8,723,208	\$ 2,823,474	\$ 1,332,592
Restrictions/Commitments/Assignments				
Facilities Related Projects	\$ 121,639		\$ 2,088,474	\$ 132,592
COP Loan Repayment			\$ 735,000	
Reserve equal to one month's payroll (BP3100)		\$ 5,800,000		
District Office Rental Reserve				\$ 1,200,000
Reserved for Economic Uncertainties		\$ 2,923,208		
Unassigned/Unappropriated	\$ (0)	\$ -	\$ -	\$ -

2014-2015 Budget – Second 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 contribution to a program which is unable to meet its expenditures using Federal or State funding
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 & Uses	Transfer of Indirect cost from restricted to unrestricted funds, Debt Payment 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