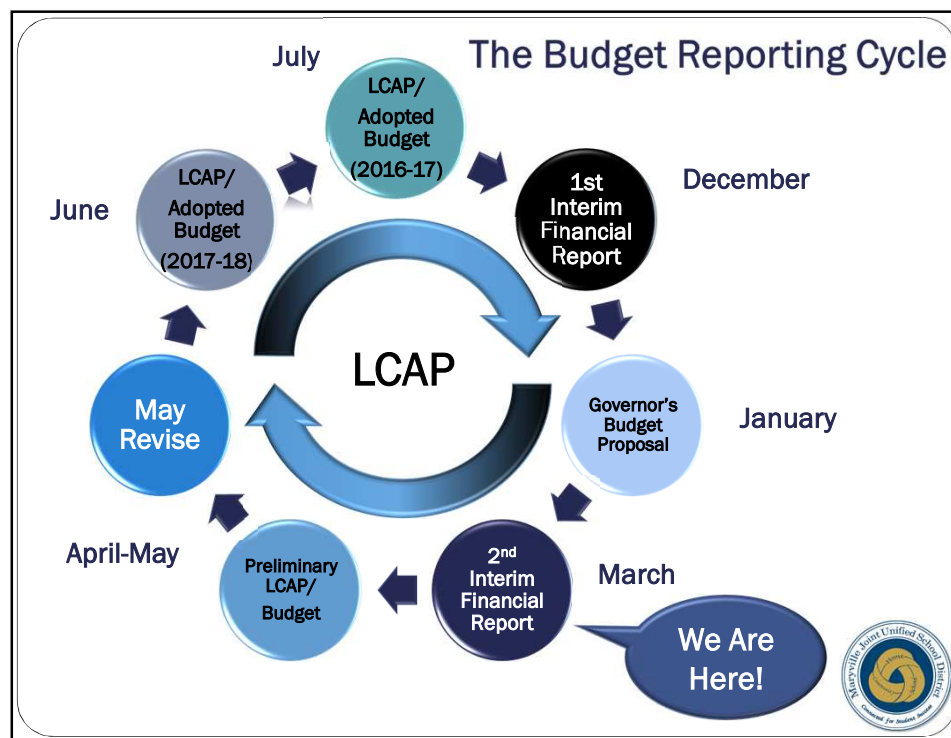




## Marysville Joint Unified School District Second Interim Budget Update

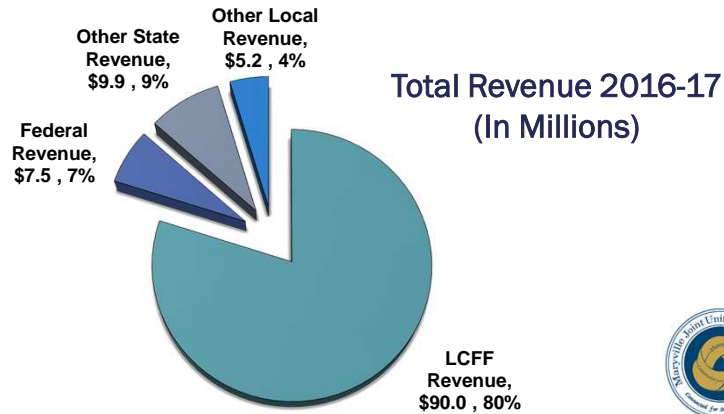
March 14, 2017





## Revenue Update

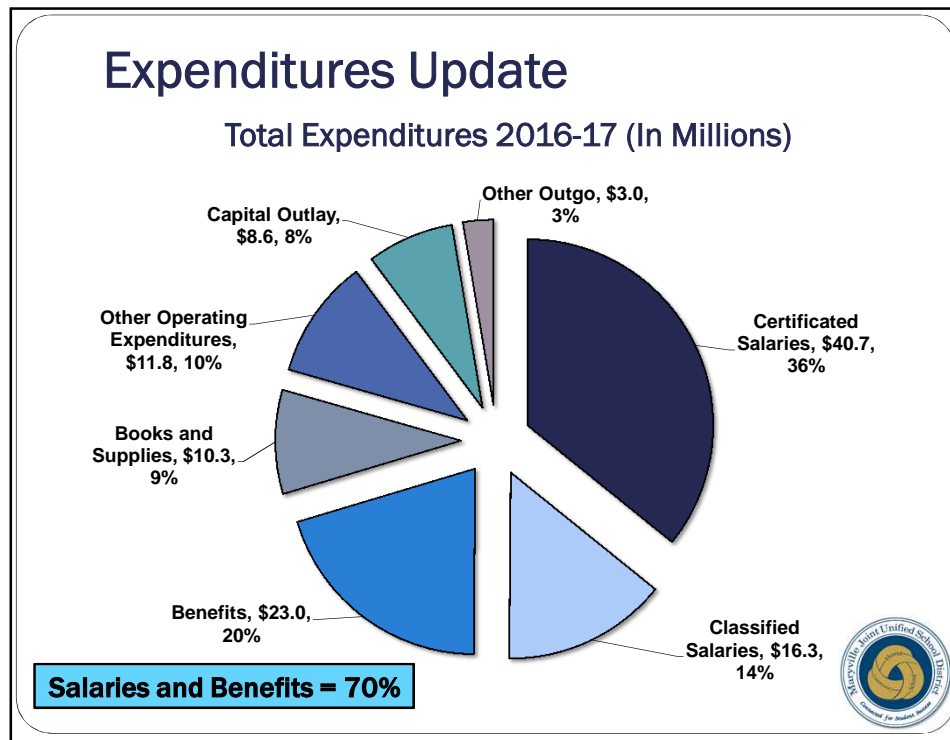
	Actual 2015-16	Estimate 2016-17	Estimate 2017-18	Estimate 2018-19
LCFF Gap Funding Percentage	52.56%	55.28%	23.67%	53.85%
Annual COLA	1.02%	0.00%	1.48%	2.40%



## Second Interim compared to First Interim – Total Revenue (Unrestricted & Restricted)

(In Millions)	1 <sup>st</sup> Interim FY 16-17	2 <sup>nd</sup> Interim FY 16-17	Variance	Reason(s)
LCFF Sources	\$89.7	\$90.0	\$0.3	Increased ADA
Federal Revenue	\$7.4	\$7.5	\$0.1	Title I Entitlement increase & AP revenue increase
Other State Revenue	\$9.8	\$9.9	\$0.1	Mandate cost revenue decrease netted against Lottery revenue increase
Other Local Revenue	\$5.0	\$5.2	\$0.2	Interest, fees & donations
<b>TOTAL REVENUE</b>	<b>\$112.0</b>	<b>\$112.6</b>	<b>\$0.6</b>	Any differences due to rounding





### Second Interim compared to First Interim – Total Expenditures (Unrestricted & Restricted)

(In Millions)	1 <sup>st</sup> Interim FY 16-17	2 <sup>nd</sup> Interim FY 16-17	Variance	Reason(s)
Certificated Salaries	\$40.6	\$40.7	\$0.1	Additional extra duty
Classified Salaries	\$16.2	\$16.3	\$0.1	Additional positions & job reclassification
Employee Benefits	\$22.9	\$23.0	\$0.1	Due to additional salaries
Books and Supplies	\$9.7	\$10.3	\$0.6	Microsoft voucher & transfer between objects
Services/Other Operating Expenses	\$11.3	\$11.8	\$0.5	ADA & ArcFlash studies & transfer between objects
Capital Outlay	\$8.3	\$8.6	\$0.3	Additional Capital Facilities projects budgeted
Other Outgo/Transfers	\$3.0	\$3.0	\$-	
<b>TOTAL EXPENDITURES</b>	<b>\$112.0</b>	<b>\$113.7</b>	<b>\$1.7</b>	Any differences due to rounding



### Significant Variances Impact on Budget Surplus – Unrestricted

	(In Millions)
<b>Adopted Budget Unrestricted Ending Fund Balance</b>	<b>\$5.82</b>
Ongoing Adjustments:	
ADD: Increase of LCFF Revenue, Indirect Cost (from Restricted Programs) Increase & Salary Savings	\$1.14
LESS: Benefits Increase & SPED Contribution Increase	\$(0.53)
<b>Adjusted Ending Fund Balance after Ongoing Adjustments</b>	<b>\$6.43</b>
One-Time Adjustments:	
ADD: OPSC Hardship Funds, LHS Quad Project Budget Savings & Misc. Revenue Increases	\$1.33
LESS: Decrease in One-Time Funding, Purchase of Capital Assets, Budgeting of Capital Facilities Projects & Various Carryovers (LCAP, AFJROTC, Microsoft, Site Discretionary, Targeted)	\$(8.12)
<b>Second Interim Adjusted Ending Fund Balance</b>	<b>\$(0.36)</b>

Note: Restricted Balances primarily anticipated carryover and recategorizing funds.



### Components of Ending Fund Balance (EFB)

Ending Fund Balance = One-Time Money

Description	Unrestricted	Restricted	Total
Revolving Cash	\$30,000		\$30,000
Est. Ending Inventory	\$211,565		\$211,565
Restricted		\$2,047,854	\$2,047,854
Assignments			\$-
Economic Uncertainty	3,439,000		3,439,000
Unassigned/Unappropriated	15,820,357		15,820,357
<b>Total-Fund Balance</b>	<b>\$19,500,922</b>	<b>\$2,047,854</b>	<b>\$21,548,776</b>





### Multi-Year Projection (MYP) Assumptions for Second Interim

	2016-17	2017-18	2018-19
Average Daily Attendance (ADA)	9,017	9,105	9,105
Statutory COLA	0.00%	1.48%	2.40%
Step and Column	2.00%	2.00%	2.00%
LCFF Gap Funding (SSC)	55.28%	23.67%	53.85%
STRS Employer Rates	12.58%	14.43%	16.28%
PERS Employer Rates	13.888%	15.80%	18.7%
Lottery Revenue – Unrestricted per ADA	\$144	\$144	\$144
Lottery Revenue – Restricted per ADA	\$45	\$45	\$45
California Consumer Price Index (CPI)	2.37%	2.72%	2.92%
One-Time Discretionary Funding per ADA	\$214	\$48	\$0



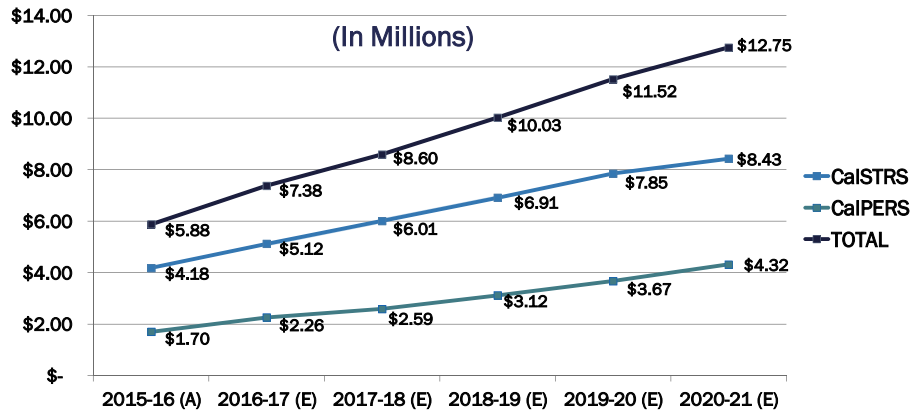
### MYP Additions since First Interim

- For 2017-18 and on:
  - Due to anticipated increase in enrollment
    - ADA increase estimated at approximately 88
  - ADA increase requires additional staffing
    - 9 additional FTE budgeted
  - AFJROTC @ Lindhurst
    - 2 FTE staffing plus materials and supplies budget
  - Stipends increase effective July 1, 2017
  - CalSTRS/PERS rate increases adjusted higher





### Impact of CalSTRS & CalPERS Rate Increases – Total Expenditures (Unrestricted & Restricted)



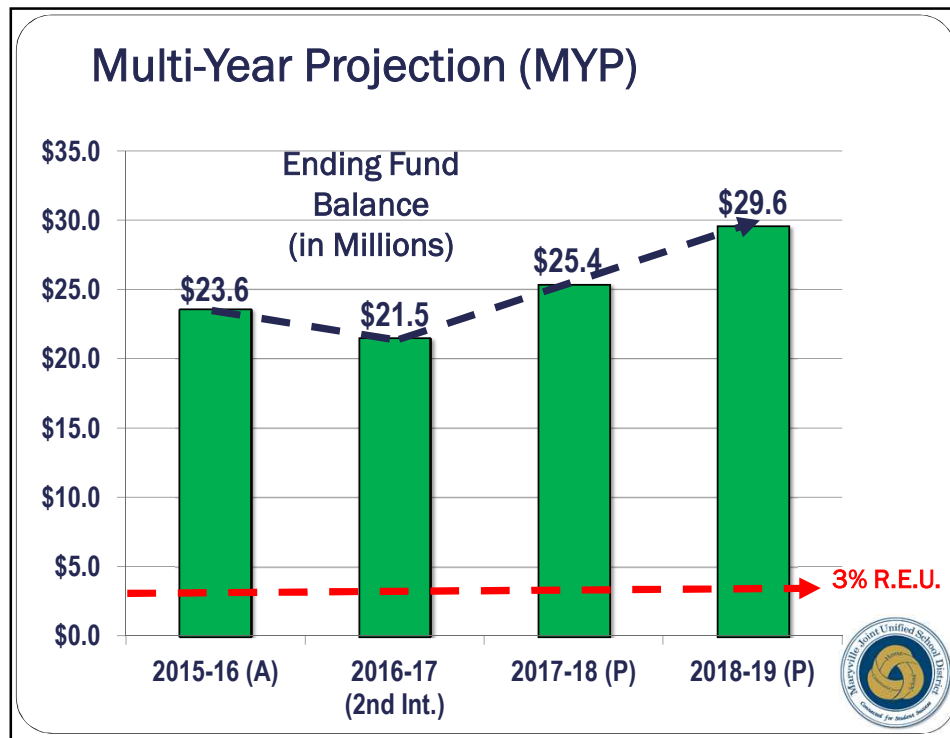
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
CalSTRS rate	10.73%	12.58%	14.43%	16.28%	18.13%	19.10%
CalPERS rate	11.847%	13.888%	15.800%	18.700%	21.600%	24.900%
Total increase in exp. over PY	-	\$1,499,305	\$1,214,068	\$1,429,699	\$1,494,761	\$1,231,565



### Multi-Year Projection (MYP) – Total (Unrestricted and Restricted)

(In Millions)	2 <sup>nd</sup> Interim FY 16-17	Projection FY 17-18	Projection FY 18-19
Beg Balance – July 1	\$23.6	\$21.5	\$25.4
Revenues	\$112.6	\$108.7	\$112.1
Expenditures	\$(113.7)	\$(104.1)	\$(107.0)
Transfers In/Out	\$(0.9)	\$(0.8)	\$(0.8)
Tot. Exp. & Transfers Out	\$(114.6)	\$(104.9)	\$(107.8)
Surplus/(Deficit Spending)	\$(2.0)	\$3.8	\$4.3
Ending Balance	\$21.5	\$25.4	\$29.6





## Looking Forward

- Budget shows Deficit of \$2.02 Million –  
\$0.36 Million Unrestricted
- Down from Adopted Budget Surplus of \$5.82 Million
- Primarily due to budgeting of one-time dollars
  - \$5.91 Million added for Capital Facilities Improvement Projects
  - \$2.20 Million toward carryovers and equipment
  - Recall \$5.66 Million Unrestricted to EFB at Unaudited Actuals for 2015-16
- Ongoing Surplus is \$6.43 Million
- Still to come...
  - Operational improvements as needed
  - Negotiated settlements with bargaining units



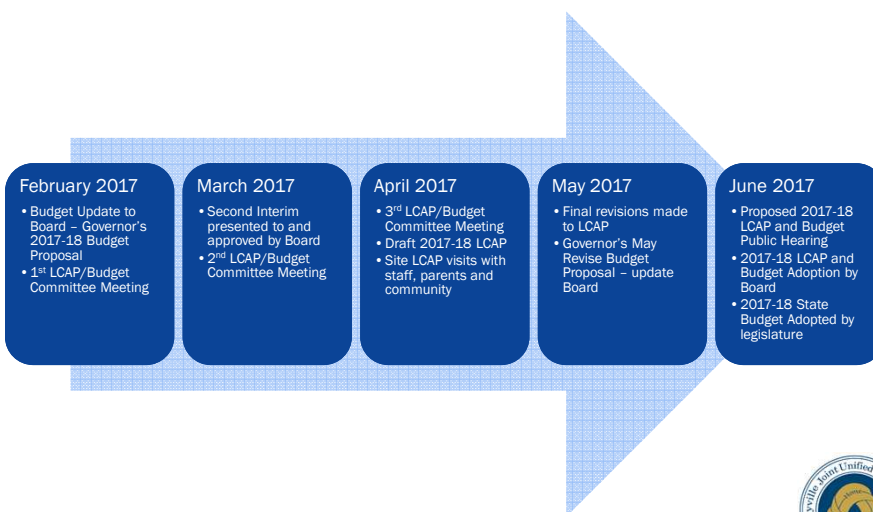


## Looking Forward

- Building Toward 2017-18 and Beyond
  - LCFF Revenue – Marginal Increase (approx. \$2.3 Million)
    - Only COLA of 1.48% for LCFF Revenue next year as LCFF Full Implementation nears
      - No further gap closure
  - Increasing Expenditures
    - CalSTRS/PERS rate increases
    - Step & Column (2%)
    - Good and Services – CPI (2.7%)
    - Additional staffing for additional students (9 FTE)
    - AFJROTC Program Restoration (2 FTE plus materials and supplies budget)
  - Ongoing Surplus (*One-Time Money is Not Ongoing*)
    - Goes from \$6.43 Million in 2016-17
    - Down to \$3.81 million in 2017-18
      - Of which, \$432,805 is One-Time Funding from State
      - Ongoing Surplus estimated to be \$3.38 Million in 2017-18



## 2016-17 Budget Calendar - Updated





**THANK YOU**  
**Questions?**

