

FY 2016-17 SECOND INTERIM BUDGET



Berkeley Unified School District



AGENDA

- Budget Highlights
- Changes Since First Interim
- Deficit/Surplus
- Multi-Year Projections
- Other Considerations



Second Interim Budget Highlights

- Positive Certification
- Undesignated Fund Balance of \$5.5 million after designations of \$1.1 million, for an Ending Fund Balance of \$6.6 million
- The change in fund balance since First Interim is an increase of \$638,087



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Changes Since First Interim

- Reduction in one-time mandated cost funding per ADA resulted in a reduction of \$214,366 in base funding
- Reduction in Enrollment and ADA of 127 and 92 students, respectively. The impact will be reflected in FY 2017-18
- Net savings of \$1.1 million in expenditures mainly due to vacancies and adjusting costs to actuals (details on following slide)
- Increase in contribution to Special Education Transportation as a result of increased cost for non-public agencies of \$147,000, and one-time cost of \$100,000 for board approved expenditures for special assessment kits, for a total of \$247,000



Changes Since First Interim

Net savings in Expenditures mainly due to vacancies , unencumbered expenditures and adjusting health costs to actuals

Unencumbered expenditures in LCAP	131,659
Unfilled positions due to vacancies	475,863
Adjusting health costs based on vacancies and adjusting to actuals	247,500
Unencumbered service and operating expenses	182,000
Other budget savings	22,166
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	\$ 1,059,188
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Structural Deficit – Excluding one-time revenues and expenditures

	FY 2016-17	FY 2017-18	FY 2018-19
Change to Fund Balance	(3,012,813)	(125,435)	(1,112,133)
One time Revenues			
Mandated Cost Reimbursements	(1,994,529)	(442,944)	
One Time Expenditures (See following slide)	6,418,272		
Structural (Deficit)/Surplus.	1,410,930	(568,379)	(1,112,133)



One Time Expenditures

3% Bonus	2,348,574
BSEP Program Support	1,578,945
Common Core	1,269,000
School Technology and Other Technology	566,500
Three New Buses	384,623
Legal Services	111,000
Accounting Services	53,467
Election Cost	150,000
BAS Older Adults Program	100,000
Consolidation of Transitional Kindergarten	90,177
ATOD Counselor	70,000
Transcript Evaluation Services	20,000
Unfilled positions and other Unencumbered Expenditures including LCAP	(324,014)
	6,418,272



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Multi-Year Projections

Unrestricted General Fund (in millions)	2016-17	2017-18	2018-19
REVENUE			
COLA	0.00%	1.48%	2.40%
Gap %	23.67%	53.85%	68.94%
LCFF Funding			
Base Funding	78.3	78.8	80.9
Supplemental Funding	5.0	5.1	5.3
Total LCFF Funding	83.3	83.9	86.2
Other State Funding	3.7	2.0	1.6
Local Funding	2.3	2.3	2.3
TOTAL REVENUE	89.3	88.2	90.1
TOTAL EXPENDITURES	-90.6	-86.7	-89.7
TOTAL SOURCES AND USES	-1.7	-1.6	-1.5



Multi-Year Projections

	2016-17	2017-18	2018-19
Change in Fund Balance	-3.0	-0.1	-1.1
Beginning Fund Balance	9.6	6.6	6.5
Ending Fund Balance	6.6	6.5	5.4
Revolving Cash	-0.1	-0.1	-0.1
Commitment for BSEP Program Support	-0.4		
Assignment for Supplemental Grant LCAP	-0.2		
Fund 01 share of 3% reserve	-0.3	-0.3	-0.3
Ending Fund Balance - Undesignated	5.5	6.1	5.0



Multi-Year Projections

● FY 2017-18

- First year of Measure E1
- Decrease in CSR transfer from BSEP based on model due to one-time bonus excluded from teacher average
- Removed one time contribution to Adult Education for \$100,000 and one time revenue for mandated cost reimbursement for \$442,944
- One time expenditures including a bonus for \$2.3 million, BSEP program support for \$1.6 million, and Common Core salaries and benefits for \$1.3 million removed
- Projected increase in ADA of 60 students which represents additional funding of \$.5 million



Multi-Year Projections

● FY 2017-18

- Deficit spending of \$.1 million
- Includes one time funding of \$.4 million – structural deficit is \$.6 million
- Increase in STRS/PERS estimated to be \$1.2 million

● FY 2018-19

- Salaries and Benefits for Beginning Teacher Support and Assessment (BTSA) and LCAP increased added to expenditures
- Deficit spending by \$1.1 million
- Increase in STRS/PERS estimated to be \$1.1 million



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Other Considerations

- From our Governor the “tide had begun to turn” and that “the trajectory of general fund revenue growth” has declined
- Increase in pension cost is absorbing a substantial amount of increase in revenue which is increasing the structural deficit
- The projection of an increase of 60 ADA in FY 2017-18 is dependent on student enrollment information that is taking place this Spring. If information from the attendance office does not support this goal, an adjustment will be made prior to adopting the budget



Other Considerations

- Based on projections of deficit spending, the District will face balancing the budget which will result in some budget reductions in FY 2017-18 and more significant reductions in FY 2018-19
- The District's Superintendent's Budget Advisory Committee (SBAC), which provides input and addresses proposed reductions, will be meeting during the Spring and will continue through the next school year
- The following were not included in FY 2017-18 in the Multi-Year Projections
 - Future negotiated salary increases
 - Possible Berkeley High School redesign and other budget priorities
 - Common Core Expenditures



Questions?
