

**Sylvan Union School District
2016-2017 Budget Revisions**

The District's second interim budget is based upon the best information that could be obtained during the time of its preparation. Program revenues have been revised to correspond with amounts provided by the California Department of Education (CDE) and federal award notifications. Budgeted expenditures have been modified to reflect the most recent estimates.

Below is a descriptive list of revisions reflected in the summaries of General Fund, restricted and unrestricted resources, Cafeteria Fund, Deferred Maintenance Fund, and Childcare Fund.

General Fund (Fund 01)

The General Fund projected ending fund balance has decreased by \$278,188 from the first interim reporting period to second interim.

General Fund Revenues – Increased by \$671,860

Local Control Funding Formula (LCFF)

- LCFF revenue increased by \$114,315 as a result of the following:
 - Removed \$27,469 reduction for unused site funds, charged as a service fee instead
 - Unduplicated pupil percentage increased slightly from 54.6% to 54.93%
 - Gap funding percentage increased from 54.18% to 55.28%

Federal Revenues

- The federal revenue budget increased by \$138,358 due to the following adjustments:
 - Medi-Cal Administrative Activities (MAA) – added MAA reimbursements of \$79,154 per claim form
 - Title I – increased by \$39,967 per the CDE
 - Title II – decreased by \$192 per the CDE
 - Medi-Cal Billing Option – increased by \$19,429 per estimated reimbursement

State Revenues

- Increased amounts from One-time Discretionary Mandate and CASPP (California Assessment of Student Performance and Progress) contributed to the \$9,457 increase in State revenues.

Local Revenues

- Local revenues increased by \$409,730 since the first interim reporting period.
 - The increase is largely due to the recognition of E-rate reimbursements of \$ 180,410 as other local revenue.
 - E-rate reimbursements, rebates, or discounts are no longer allowed as an abatement of expenditures, but instead are accounted for as a grant or subsidy.
 - The District must recognize the E-rate savings and credit as revenue, which in turn is offset by recognizing the full cost of E-rate eligible expenses such as internet services, telephone and cell phone charges, and E-rate projects.
 - Included Special Education apportionment for transportation of \$121,600 per SELPA, but had to reduce fees for service estimated receipts by \$11,600.
 - The District received rebate checks worth \$69,320 from MID (Modesto Irrigation District) for the energy audit/project.
 - The District was awarded and received \$10,000 Make Dreams Real grant.
 - Various other local revenue, income, donations, refunds, and rebates were added to the budget estimated at \$40,000.

Contributions to Restricted Resources

- Contributions from unrestricted general fund to Special Education were reduced by \$142,300.

Total General Fund Expenditures – Increased by \$950,048

Salaries and Benefits

- Salaries and benefits were adjusted based on current staff, statutory benefits, and staffing needs and changes as

deemed necessary. Certificated and Classified salaries and employee benefits sustained an overall decrease of \$8,141 from first interim to second interim.

- Even though there was a slight net decrease in total salaries and benefits, Certificated and Classified salaries each sustained increases:
 - Funding was reallocated in Title I from travel and conferences for teachers providing Alternative Support.
 - Title I will also fund five (5) teacher mentors while Special Education will fund two (2).
 - Additional funding was allocated for long-term substitute teachers.
 - Updates to Classified salaries were allocated to custodian salaries, and extra duty/hours and substitutes for attendance to trainings and professional development.
 - Employee benefits decreased largely due to health and welfare benefits sustaining a decrease in projected expenditures.

Books and Supplies

- Books and supplies budget increased by \$251,429 largely due to the following:
 - Technology funded with Title I: additional Chromebooks, mobile charging carts, and keyboards
 - Approved textbooks related instructional materials and consumables
 - Camera system for school buses
 - Miscellaneous office supplies for school sites, district office, and departments

Services and Other Operating Expenditures

- The following are updates to services and other operating expenditures that resulted in an increase of \$759,678:
 - Included additional Prop. 39, California Clean Energy Jobs Act expenditures for lighting retrofit carried over from prior year's projects.
 - Added additional professional development and trainings funded with Title I.
 - Added increased cost for K-8 Professional Development, Next Standards with Stanislaus County Office of Education funded with Educator Effectiveness.
 - Utility costs have increased for water and sewer, and electricity. The accounting department is researching the cause of these increases.
 - E-rate reimbursements, rebates, or discounts are no longer allowed as an abatement of expenditures, but instead are accounted for as a grant or subsidy
 - Must recognize the full cost of internet service, and telephone and cell phone charges, or any other E-rate projects, and offset the E-rate reimbursements or rebates as revenue.
 - Increased legal fees based on estimate for the remainder of the fiscal year.
 - Unused site fee originally budgeted as a reduction to LCFF is now charged as a service fee.
 - Added administrative fees for MAA operations, however, added \$79,154 in Federal revenues as mentioned above.

Capital Outlay

- A minor reduction in capital outlay for \$643 was due to a reallocation of fund for inspection services.

Other Outgo and Transfers Out

- Special Education insurance pool decreased by \$52,276 per estimates provided by the SELPA.

Food Service (Fund 13)

- Overall expenditures for Food Service decreased by \$3,358. The largest contributor to this decrease was a reduction in equipment replacement.

Deferred Maintenance (Fund 14)

- Funds available due to estimated interest revenue was allocated to the Sylvan modernization project.

Childcare Fund (Fund 63)

- A minor addition of \$250 was added to the budget for projected increased cost for telephone services.