




Martinez Unified School District

Second Interim Report

March 12, 2018



Second Interim = Budget Period July 1, 2017-January 31, 2018

- Revise the budget based on any significant changes since the First Interim Budget Report in December
- Opportunity to recalculate the Multi Year Projections
- Chance to discuss any needed actions or changes
- Education Code Section 42130 requires school districts to prepare interim financial reports each year. Second Interim Report requires Board approval by March 15.

Budget Assumptions

	2017-18	2018-19	2019-20
COLA	1.56%	2.51%	2.41%
LCFF GAP	44.97%	100%	100%
CalSTRS Rates	14.43%	16.28%	18.13%
CalPERS Rates	15.531%	18.1%	20.8%
Lottery Unrestricted	\$146	\$146	\$146
Lottery Restricted	\$48	\$48	\$48
Unduplicated Count	31%	31.2%	31.4%
Consumer Price Index	3.18%	3.22%	3.04%
Step & Column Increases	1.5%	1.5%	1.5%
Health & Welfare	5%	5%	5%
One Time Discretionary	\$585,686		

Budget assumptions recommended by School Services of California and Department of Finance.

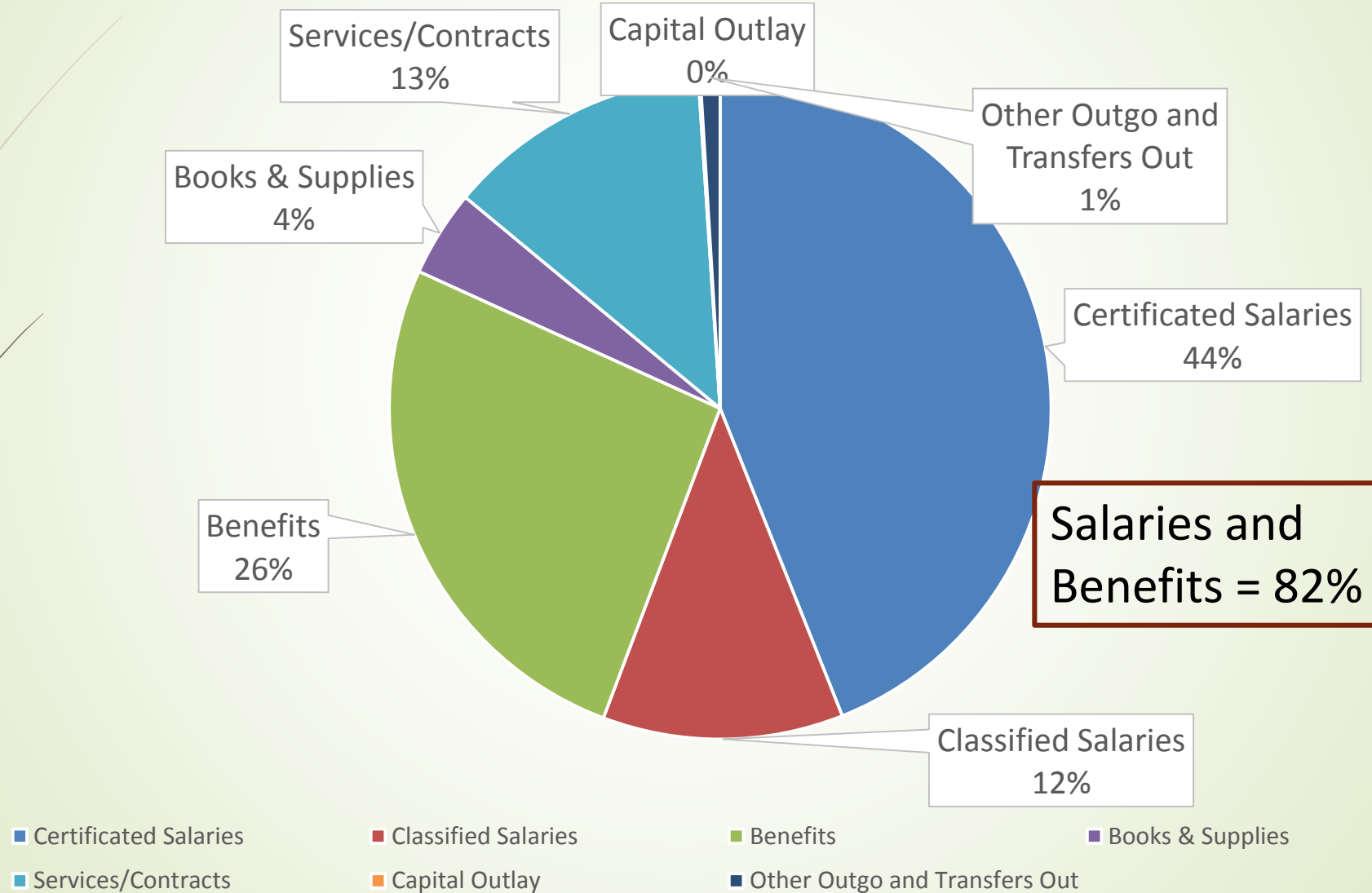
Total General Fund Revenues

Revenues	Adopted Budget	First Interim	Second Interim	Variance between 1 st & 2 nd Interim
LCFF Sources	34,416,637	34,481,742	34,506,180	24,438
Federal Revenue	1,394,551	1,461,427	1,461,446	19
Other State Revenue	2,885,752	3,487,090	3,487,090	0
Other Local Revenue	2,423,203	2,817,620	2,998,190	180,570
	\$41,119,043	\$42,247,879	\$42,452,906	

General Fund Expenditures

Expenditures	Adopted Budget	1 st Interim	2 nd Interim	Variance between 1 st & 2 nd Interim
Certificated Salaries	19,808,465	19,394,028	19,462,669	68,641
Classified Salaries	5,119,288	5,230,515	5,203,587	(26,928)
Benefits	12,068,178	11,422,409	11,527,397	104,988
Books & Supplies	1,202,914	1,840,018	1,867,886	27,868
Services/Contracts	4,944,442	5,526,372	5,722,950	196,578
Capital Outlay	9,940	26,142	42,073	15,931
Other Outgo & Transfers Out	467,948	423,488	423,488	-
Total	43,621,175	43,862,972	44,250,050	

General Fund Expenditures





Multi Year Projections

are required by AB1200 and AB2756

Projections are a mathematical result of today's decisions based on a given set of assumptions

Projections will change any time the underlying factors change

Projections are not forecasts

Multi Year Projections (MYP)

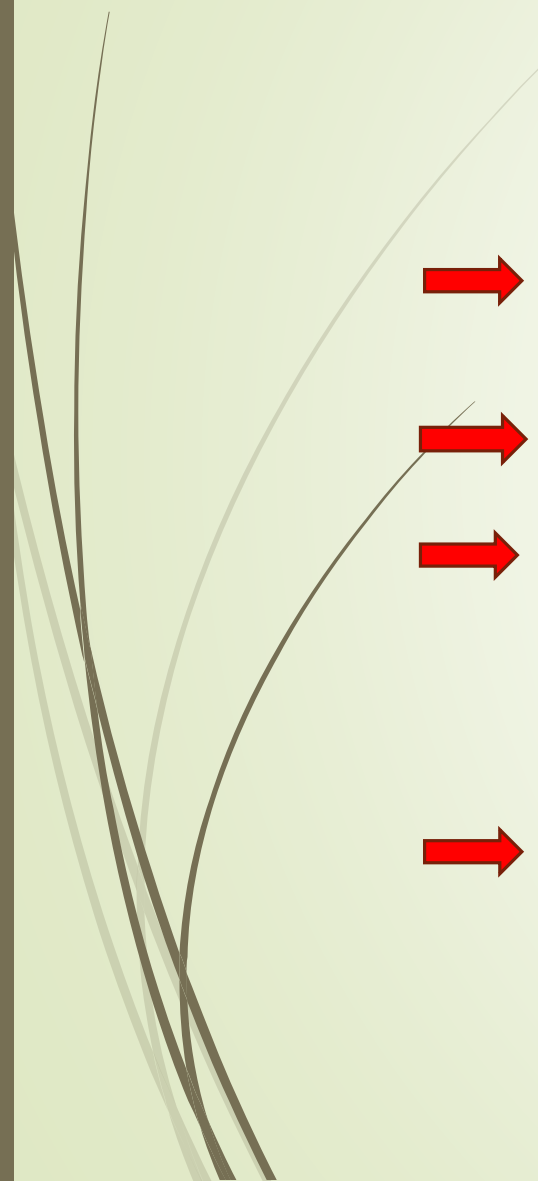
Deficit
Spending
Continues



	2017-2018	2018-2019	2019-2020
Revenues	42,442,906	43,577,520	44,467,096
Expenditures	44,221,035	45,537,484	46,934,458
Net Decrease to Fund Balance	(1,778,129)	(1,959,964)	(2,467,362)
Total Sources / Uses	18,200	118,200	118,200
Beginning Fund Balance	8,091,653	6,331,723	4,489,959
Ending Fund Balance	6,331,723	4,489,959	2,140,797
Total Reserve Including 3% Required Reserve	7,463,120	2,815,066	285,780
	10.81%	6.19%	0.61%



Other Funds



Adult Education	11	1,127,215
Cafeteria Fund	13	29,073
Deferred Maintenance	14	16,498
Special Reserve Fund for Postemployment Benefits	20	463,371
Building Fund	21	33,266,673
Capital Facilities Fund	25	678,122
County Schools Facilities Fund	35	6,254,393
Special Reserve Fund for Capital Outlay Projects	40	2,025,570
Bond Interest and Redemption Fund	51	4,915,485
Foundation Private-Purpose Trust Fund	73	37,900

Challenges for the Future



The challenge will be to maintain a balanced budget with annual expenditures increases. Now that the LCFF is fully funded our future increases in revenue are based upon the COLA which is not a high enough percentage to cover increasing costs across the board.



Recommendation

- Approve the 2017-18 Second Interim Financial Report with a Positive Certification
- Superintendent's Budget Advisory Committee for the purpose of looking at ways to eliminate deficit spending and ensure a positive certification for the 3rd year out on future MUSD Budgets



Questions

2017-18 Second Interim