

Budgetary Changes from 2015-2016 to 2016-2017

The LCFF model includes revenue generated from the "old" Revenue Limit formula, State categorical funding such as Tier III programs, Special Education Transportation, Targeted Instructional Improvement Grant (TIIG), Economic Impact Aid (EIA) and K-3 CSR. The restored funding is equal to approximately 4.34% over the prior year. The increase is the result of funding of the LCFF at 54.84% of what is considered "GAP" funding. GAP funding is the implementation funding in the current year to bring NUSD to the target funding level in 2019-2020.

Local Control Funding Formula (LCFF) increased by \$2,624,053

- Gap funding percentage 54.84%
- Zero COLA
- Per pupil funding increase of 5.04% without consideration for decline in ADA
- Net increase in funding after decline of ADA (49.68) is 4.4%

New accounting procedure (SACS) beginning in 2015-16: the transfer to the Deferred Maintenance Fund and Adult Education Fund is accounted for as an LCFF transfer. The transfer is no longer accounted for as an Interfund Transfer (object 76xx).

Federal revenues decreased by \$244,293 as a result of the following changes:

- Net decrease of \$17,056 IDEA funding – (Special Education, Mental Health and Preschool programs). AB602 funding offsets the decrease.
- Decrease of \$154,736 in Title I funding due to revenue deferred from prior year
- Decrease of \$47,822 in Title II funding due to revenue deferred from prior year
- Decrease of \$36,129 in Title III LEP funding due to revenue deferred from prior year
- Increase of \$11,450 in other federal

State revenues are projected to decrease by \$2,797,017 as a result of the following changes:

- Net decrease of \$2,195,761 one-time Mandate funding
- Increase of \$95,041 in projected Lottery funding
- Removal of 2015-16 Prop 30 Clean Energy revenue \$271,730
- Increase of \$400,000 CTE Grant funding
- Removal of 2015-16 Supplemental Secondary Program Grant \$122,270
- Net decrease of \$50,074 Special Ed./Mental Health funding (SELPA funding formula)
- Removal of 2015-16 Educator Effectiveness revenue \$644,553
- Decrease of \$7,670 in Other State revenue

Budgetary Changes from 2015-2016 to 2016-2017

Other local revenue is projected to decrease by \$1,263,732 as a result of the following changes:

- Decrease of \$17,976 interagency agreements (reduction of 20% in ROP program funding)
- Decrease of \$1,110,305 in local donations, facility use revenues, PTA and gifts - local revenues and related expenditures are recorded as received
- Decrease of \$100,000 in facilities use fees, facilities fees and related expenditures are recorded as received
- Decrease of \$70,000 in Community Redevelopment Agency fees based upon current year actuals
- Increase of \$35,049 transfer of apportionment for Special Education AB602

Certificated salaries increased by a net \$245,150 (Unrestricted salaries increased by \$213,885 and Restricted salaries increased by \$31,265) as a result of the following changes:

NOTE: Preliminary budget does not include salary increase of 5% for NFT and Unrepresented Groups (Management, Supervisors and Confidential).

- Net decrease of .6 FTE (-3 Elementary and +2.4 FTE Secondary) certificated teacher positions
- Staffing reserve 1 FTE
- Adjustments for retirements, step increases and estimated column movement
- Reduced hourly, substitute – non-illness, and/or extra duty costs that are funded with school site funding sources including PTA, Title I carryover, School Fuel, donations, site allocations and/or carryover or other one-time monies
- Site/department budget for stipends decreased by \$85,000
- The Estimated Actuals includes \$130,000 in unspent school site/department budgets that will carryover into 2016-17 and included at First Interim

Classified salaries increased by \$263,172 (Unrestricted salaries increased by \$503,629 and Restricted salaries decreased by \$263,457) as a result of the following changes:

- Implementation of the Tech Plan, Community Liaison formula and Ewing Study
- Adjusted for step increases
- Reduced budgets for over-time and substitutes
- Reduced hourly, substitute – non-illness, and/or extra duty costs that are funded with school site funding sources including PTA, Title I carryover, School Fuel, donations, site allocations and/or carryover or other one-time monies

Budgetary Changes from 2015-2016 to 2016-2017

Employee Benefits increased by \$800,110 (Unrestricted salaries increased by \$769,124 and Restricted salaries increased by \$30,986) as a result of the following changes:

- Proportionate increase in payroll related costs due to increased salary costs (step/column and changes in staffing)
- Increase of 17.24% in STRS rate(State Teachers' Retirement System) from 10.73% to 12.58%
- Increase of 17.228% in the PER's rate (Public Employees Retirement System) from 11.847% to 13.8887%
- Decrease of .7923% in the Workers Compensation rate from 2.644% to 2.095%
- Decrease of 4.5% in medical plan benefit rates. The budget for health and welfare is adjusted after open enrollment and will be reflected in the First Interim budget reporting period

Books, Materials and Supplies and Instructional Technology decreased by \$1,967,379 (Unrestricted decreased by \$1,216,234 and Restricted decreased by \$751,145) as a result of the following changes:

- Removal of \$971,408 for one-time purchases for noncapitalized equipment/furniture
- Removal of \$995,970 in supplies out of prior year site/department carryover and/or funded through local donations, PTA and local grants. The Estimated Actuals includes approximately \$1,200,000 in unspent school site/department budgets that will carry over into 2016-2017

Services and Other Operating Expenditures decreased by \$1,295,236 (Unrestricted decreased by \$572,558 and Restricted decreased by \$722,678) as a result of the following significant changes:

- Decrease of \$72,800 final year of Energy Savings contract
- Decrease in utilities \$96,893
- Decrease in transportation services (private) \$250,000
- Removal of \$24,355 one-time costs SSP Grant
- Reduced Special Education settlement agreements by \$135,200
- Reduced legal costs \$50,000
- Removal of one-time costs from the Microsoft Voucher program \$55,263
- Reduced rental/lease and repairs by \$47,910
- Removal of one-time expenditures of \$484,803 funded through PTA, local donation and grants

Budgetary Changes from 2015-2016 to 2016-2017

Capital Outlay decreased by \$1,757,382 (Unrestricted decreased by \$1,193,441 and Restricted decreased by \$563,941) as a result of the following significant changes:

- Removal one-time projects/costs
 - Infrastructure/Core/IT Department project \$952,650
 - HVAC Project \$655,035
 - Vehicle purchases/Transportation Department \$207,991
 - Delivery Truck/FANS Department \$75,000
- Increase of \$155,200 CTE Grant (SMHS/NHS)

Transfer of Services increased by \$74,992

- Increase of \$131,432 in Excess Costs (SELPA provided)
- Decrease of \$56,440 transfer of funding for students served by MCOE operated programs

Indirect Costs (IC) decrease of \$95,000

- Indirect costs are calculated using the District's approved IC rate 5 % or the maximum allowable rate of each program
- Indirect was not budgeted for in the FANS program (\$95,000)

Interfund Transfers Out total \$135,000 and are as follows:

- \$135,000 to the Food & Nutrition Services Fund (FAN)

Contributions to Restricted Programs increased by \$419,278. Contributions for 2016-2017 total \$7,978,373 and are as follows:

- \$5,552,701 to Special Education Program
- \$648,540 to Special Education/Mental Health Program
- \$1,091,094 to Special Education for Excess Costs
- \$239,641 to MCOE Special Education/Transfer of ADA for MCOE Operated Programs
- \$100,000 to the Retiree Benefit program
- \$1,764,683 to Restricted Routine Maintenance (RRM) program (2.13%)
- \$30,426 to AFROTC Program
- \$49,794 to ROP Program
- \$1,498,506 from Parcel Tax to the Unrestricted General Fund