

MILPITAS UNIFIED SCHOOL DISTRICT

2016-17 First Interim

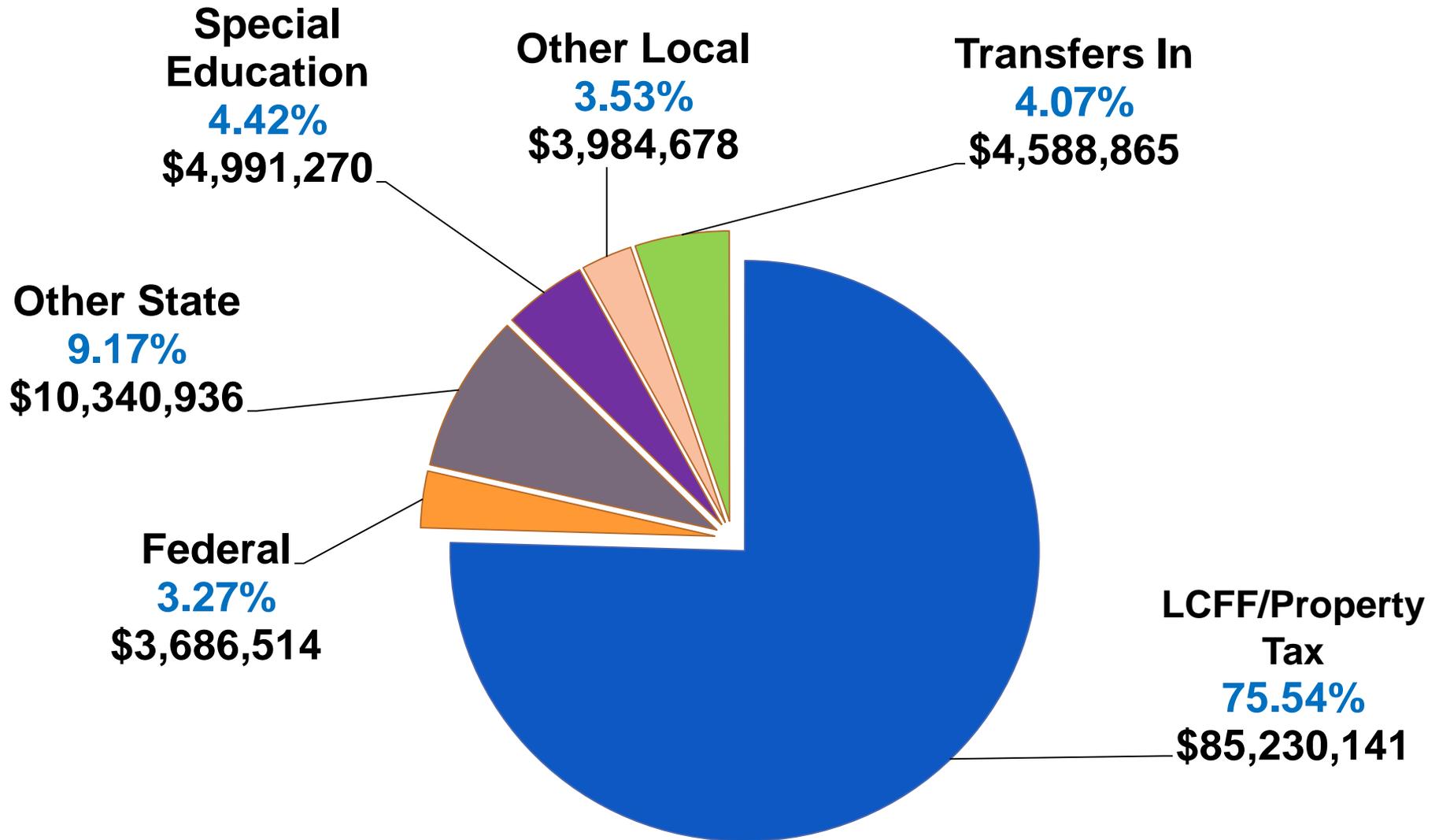
Presented by: Wendy Zhang

Dec. 13, 2016

Purpose & Process

- **Financial Certification**
 - ✓ **Positive**
 - ☐ **Qualified**
 - ☐ **Negative**
- **Use the Actual Financial Data as of Oct. 31**

2016-17 Revenue- \$112,822,404



2016-17 LCFF Revenue: \$85.0M

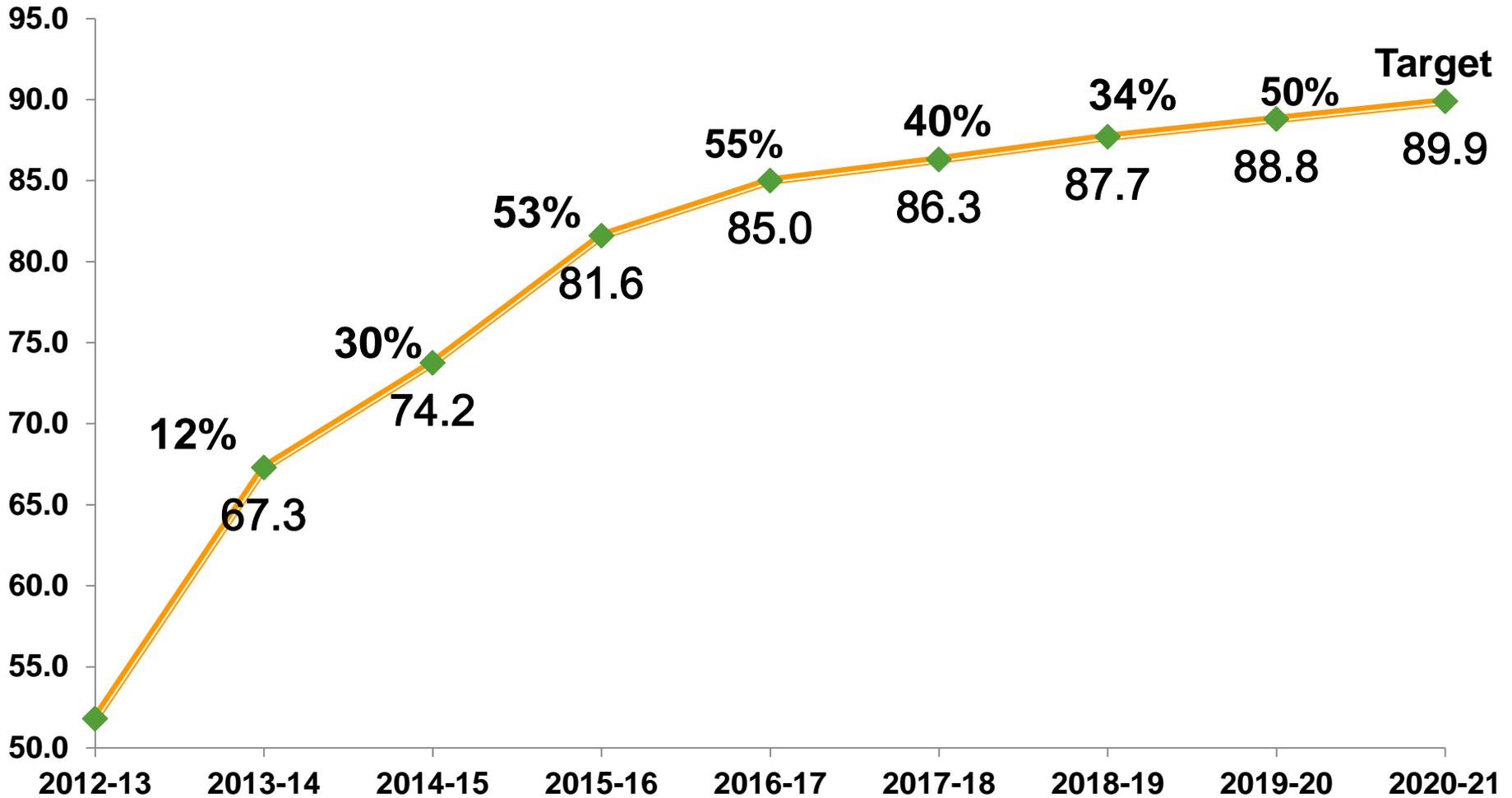
- **Gap Factor: 54.84%**
- **COLA: 0%**
- **ADA: 10,059**
- **EL, LI, FY%: 45.95%**
- **Total Target: \$87.87M**
- **Prior Year Funding Base: \$81.61M**
- **Additional LCFF Funding: \$3.43M**

Supplemental Revenue

- **EL, LI and FY % is Projecting Decrease**
- **Supplemental Funding Projection:**
 - 15-16: \$6.65 M (48.74%)**
 - 16-17: \$6.88 M (45.95%)**
 - 17-18: \$6.76 M (42.55%)**
 - 18-19: \$6.13 M (37.74%)**

Multi-Year Projections-LCFF

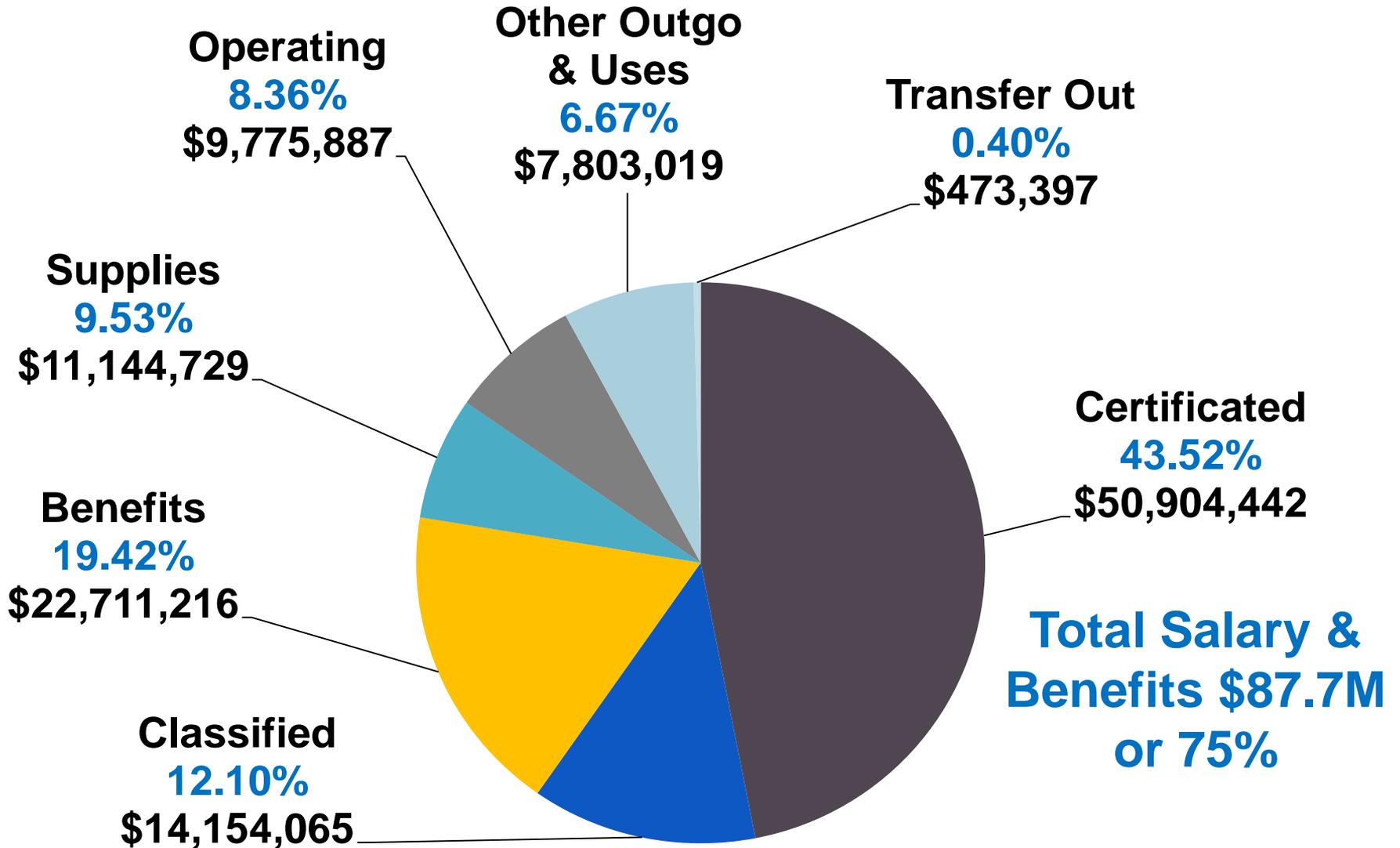
in Millions



Revenue Major Changes

- **Recalculate LCFF: (\$110K)**
- **Federal Revenue Reduction: Title I**
- **State Revenue Increase: \$5.1M**
 - **STRS On Behalf Payment: \$3M**
 - **State Program: \$1.4M**
 - **One Time Funding Increase: \$700K**
- **Local Revenue Increase: \$794K**

2016-17 Expenditures- \$116,966,755



Expenditures Major Changes

- ❖ **Total Certificated Salary Decrease: <\$807K>**
- ❖ **Total Classified Salary Increase: \$84K**
- ❖ **Total Benefits Increases: \$2.6M**
 - **\$3M on Behalf of Payment**
 - **<\$400K> Decrease**
- ❖ **Operational Budget Increases: \$1.13M**

Benefits

	15-16	16-17	17-18	18-19
STRS (Certificated)	10.73%	12.58%	14.43%	16.28%
PERS (Classified)	11.85%	13.888%	15.50%	17.10%
Social Security (Classified)	6.20%	6.20%	6.20%	6.20%
Medicare	1.45%	1.45%	1.45%	1.45%
Unemployment Insurance	0.05%	0.05%	0.05%	0.05%
Worker's Compensation	2.95%	1.9826%	2.14%	2.31%
Total Certificated	15.18%	16.06%	18.07%	20.09%
Total Classified	22.50%	23.57%	25.34%	27.11%

Health & Welfare Cap: \$820.87/month

Multi-Year Projections

- **No Additional Revenue is Included**
- **No Salary Improvement is Projected**
- **Step, Column Increase: \$900K**
- **STRS and PERS Rate Increase: \$1.3M**
- **2 FTE for ADA Increase in 2017-18**
- **All One Time Revenue and Exp are Removed**

MYP Summary

	Actual 2015-16	Proposed 2016-17	Projection Y1 2017-18	Projection Y2 2018-19
Total Beginning Balance	\$7,934,976	\$12,980,077	\$8,835,725	\$4,258,119
LCFF Sources/ Excess Property Tax	82,048,736	85,230,141	86,301,950	87,782,575
Federal Revenues	3,705,614	3,686,514	3,588,965	3,588,965
State Revenues	13,858,909	10,340,936	7,705,130	7,705,130
Other Local Revenues	8,889,550	8,975,948	8,975,948	8,975,948
TOTAL REVENUES	\$108,502,809	\$108,233,539	\$106,571,993	\$108,052,618
Certificated Salaries	49,694,109	50,904,442	51,837,916	52,617,916
Classified Salaries	13,110,021	14,154,065	14,559,065	14,689,065
Benefits	20,666,481	22,711,217	24,409,002	26,251,957
Books, Supplies, Services, Utilities	20,429,454	28,723,635	21,320,219	21,955,220
TOTAL EXPENDITURES	\$103,900,065	\$116,493,359	\$112,126,202	\$115,514,158
Excess (Deficiency) of Revenues over Expenditures Before	\$4,602,744	(\$8,259,820)	(\$5,554,209)	(\$7,461,540)
Transfers In Other Funds	-	-	-	-
Building	0	1,450,000	1,450,000	1,450,000
Special Reserve	1,020,965	3,138,865	0	6,577,978
Total Transfer In from Other Funds	1,020,965	4,588,865	1,450,000	8,027,978
Transfers Out to Other Funds	(578,609)	(473,397)	(473,397)	(473,397)
Total Excess include transfers out/o	5,045,100	(4,144,352)	(4,577,606)	93,041
Ending Balance	\$12,980,077	\$8,835,725	\$4,258,119	\$4,351,160

Strategic & Building Fund Summary

	2015-16	2016-17	2017-18	2018-19
<u>Special Reserve/Strategic Fund</u>				
Beginning Fund Balance	7,719,742	9,250,784	9,351,784	9,461,784
Transfer in and Interest Revenue	1,531,042	101,000	110,000	25,000
Transfers to General Fund	-	-	-	(6,577,978)
<i>Projected Ending Fund Balance</i>	9,250,784	9,351,784	9,461,784	2,908,806
RDA Settlement Transfer In	7,159,830	6,138,865	3,000,000	3,000,000
Trans	(1,020,965)	(3,138,865)	-	-
RDA Settlement Balance	6,138,865	3,000,000	3,000,000	3,000,000
Transfer In from GF- for Solar Inverter	150,000	-	-	-
Solar Inverter Replacement Balance	150,000	150,000	150,000	150,000
<u>Building Fund</u>				
Beginning Fund Balance	5,361,747	6,682,049	6,824,549	5,323,768
Projected Revenues	4,347,901	2,581,219	2,601,219	2,621,219
Projected Expenditures	(1,277,599)	(688,719)	(2,352,000)	(900,000)
Transfer to Deferred Maintenance Fund	(300,000)	(300,000)	(300,000)	(300,000)
Transfers to General Fund	(1,450,000)	(1,450,000)	(1,450,000)	(1,450,000)
<i>Projected Ending Fund Balance</i>	6,682,049	6,824,549	5,323,768	5,294,987

The Road Ahead...

External Factors:

- ❖ **The State Economy Development**
- ❖ **Impact of Prop. 55 Passage**

Internal Challenges:

- ❖ **Enrollment and Funding**
- ❖ **Increased Employer Cost: STRS and PERS**
- ❖ **Deficit Spending**
- ❖ **Increased Educational Program Needs**
- ❖ **Facilities & Technology Infrastructure Needs**

Staff Recommendation

✓ *Positive
Certification for
1st Interim*