

TRAVIS UNIFIED  
SCHOOL DISTRICT



Reaching beyond the boundaries  
to build a community of learners.

# 2016-2017 1<sup>st</sup> Interim Report

December 13, 2016

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Director, Fiscal Services

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Chief Business Officer





# 2016-2017 1<sup>st</sup> Interim Background



## Interim Status

Status of certifications of Interim Financial Reports for school districts and county offices of education.

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### Certifications of Interim Financial Reports

Local educational agencies (LEAs) are required to file two reports during a fiscal year (interim reports) on the status of the LEA's financial health. The first interim report is due December 15 for the period ending October 31. The second interim report is due March 17 for the period ending January 31. County superintendents are to report to the Superintendent of Public Instruction and the State Controller the certification for all districts in their county within 75 days after the close of the reporting period.

The interim reports must include a certification of whether or not the LEA is able to meet its financial obligations. The certifications are classified as positive, qualified, or negative. A positive certification is assigned when the district will meet its financial obligations for the current and two subsequent fiscal years. A qualified certification is assigned when the district may not meet its financial obligations for the current or two subsequent fiscal years. A negative certification is assigned when a district will be unable to meet its financial obligations for the remainder of the current year or for the subsequent fiscal year. In addition, the Superintendent of Public Instruction may reclassify the certification of any county office of education or reclassify a certification based on an appeal of a school district in accordance with the above standards.



We are pleased to report that our analysis of current information and our estimates for future revenues allow us to report that we are in a **Positive Status.**

# 2016-2017 1<sup>st</sup> Interim Background

## History

2006-2007	Positive
2007-2008	Qualified
2008-2009	Qualified
2009-2010	Negative
2010-2011	Negative
2011-2012	Negative
2012-2013	Qualified
2013-2014	Positive
2014-2015	Positive
2015-2016	Positive
2016-2017	Positive



# 2016-2017 1<sup>st</sup> Interim State Outlook



## California's Fiscal Outlook



Presented to:  
**California School Boards Association**

December 1, 2016  
**Legislative Analyst's Office**

**The Legislative Analyst Office (LAO) recently prepared a Fiscal Outlook report. The following slides provide some interesting insights.**



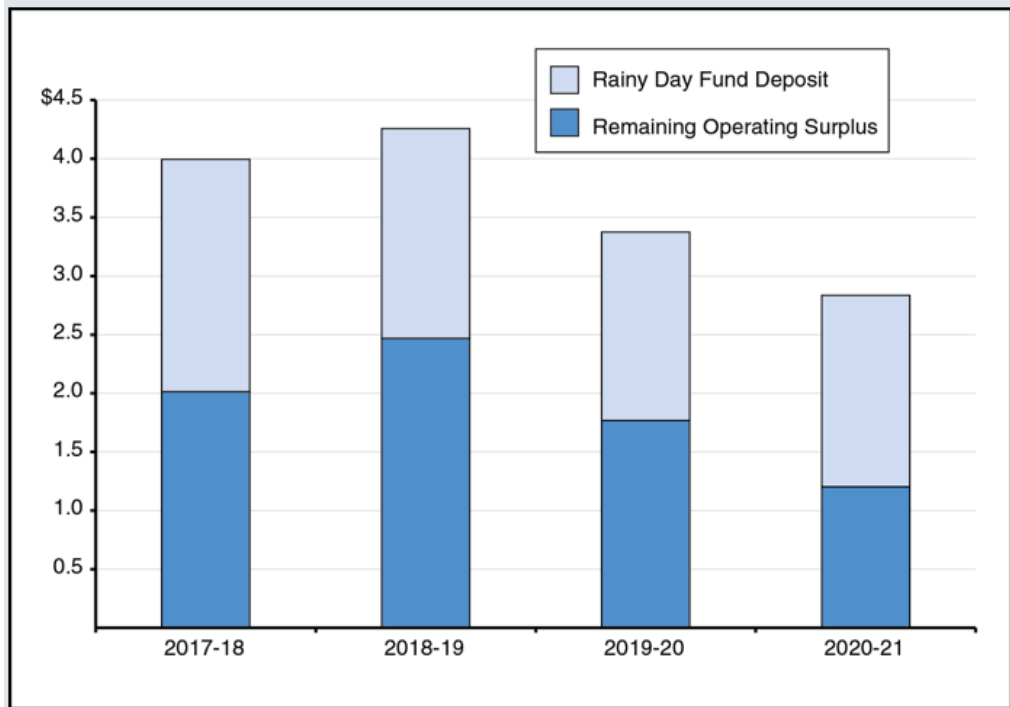
# 2016-2017 1<sup>st</sup> Interim State Outlook

## LAO State Outlook

- **Ending Fund Balance Down \$1B**
  - **Revenues Down \$1.4B**
  - **Beginning Fund Balance Down \$500M**
- **No increased spending**
  - **Expenditures Down \$1.2B**
- **Build reserves - \$11.5B**

# 2016-2017 1<sup>st</sup> Interim State Outlook

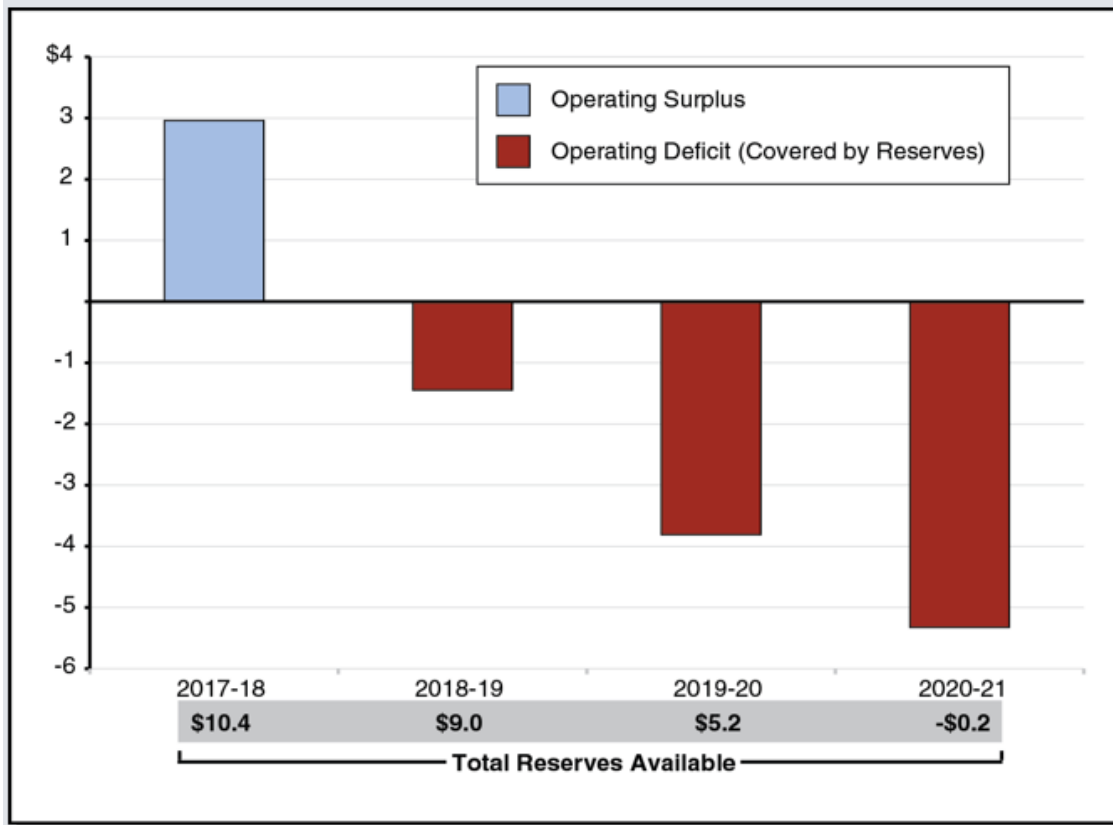
The LAO report also provides two different scenarios.



The primary scenario shows the State continuing to build additional reserves.



# 2016-2017 1<sup>st</sup> Interim State Outlook

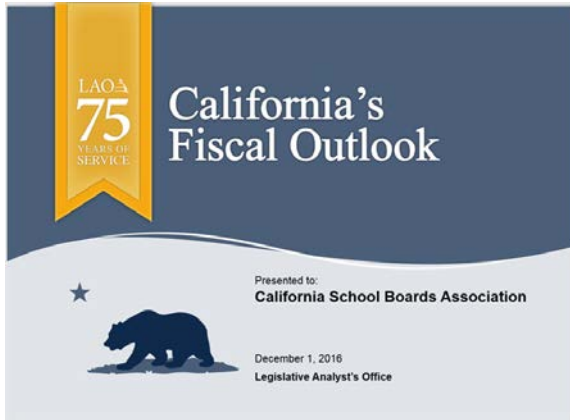


**The second scenario shows what might happen should the economy suffer a downturn.**



# 2016-2017 1<sup>st</sup> Interim State Outlook

Based on this positive State revenue prediction and the scenarios indicating that even should there be a downturn in the economy the State has adequate reserves we are confident in forecasting our **Positive Status**.







# 2016-2017 1<sup>st</sup> Interim State Outlook

- Despite this positive outlook California continues to significantly UNDERFUND K-12 education.
- Under the new State funding formula remember that Travis Unified is one of the lowest funded districts in the State.
- This Interim Report projects the District will spend **\$58,099,101** this year with an ADA of **5,421.69** or **\$10,325** per pupil.

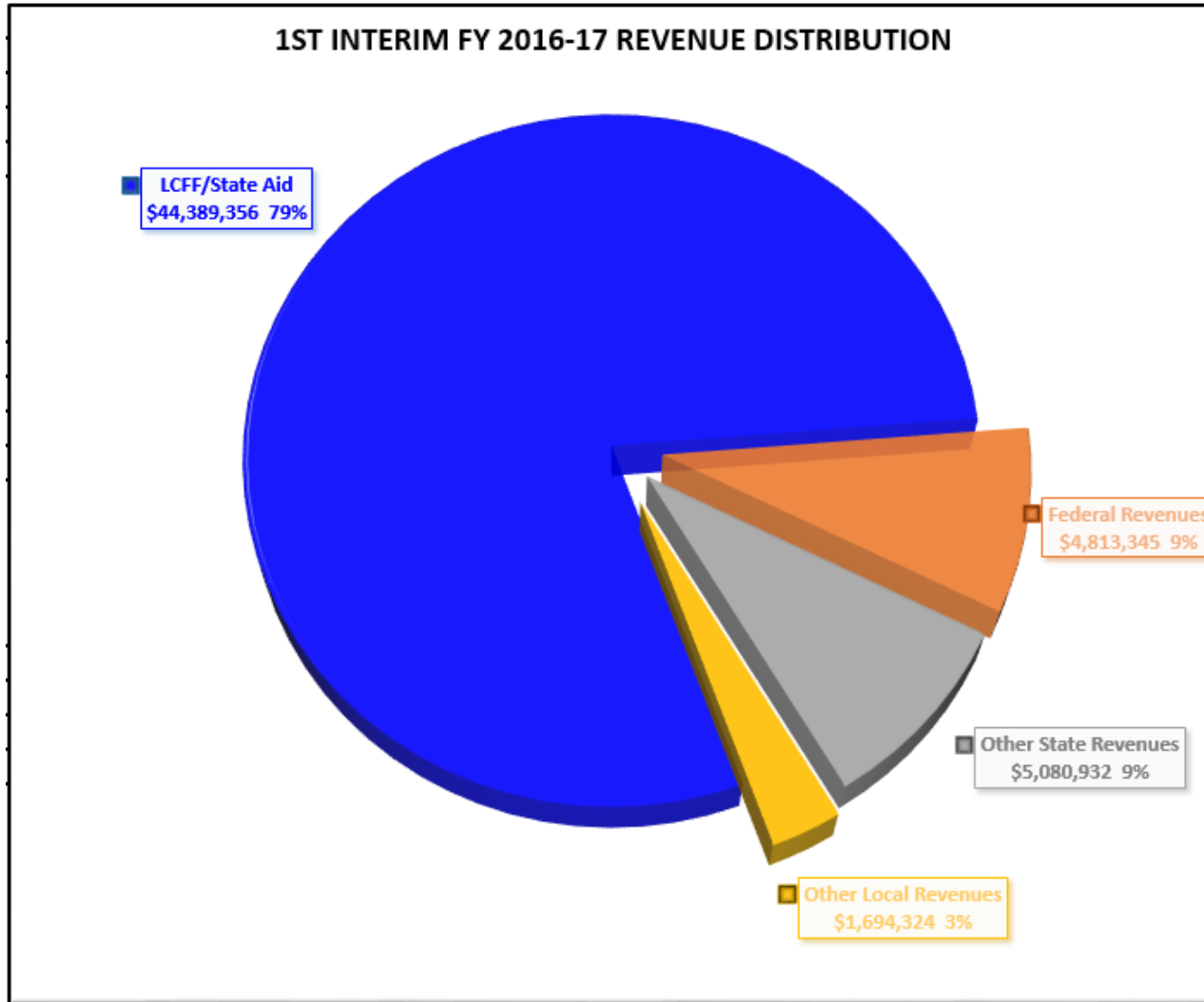


# 2016-2017 1<sup>st</sup> Interim General Fund Brief Update

Object Range Description	FY 2015/16 Revised Budget	FY 2016/17 45 Day Revised Budget	1st Interim Project Year Totals	Change From FY 2016/17 45 Day Revised Budget To 1st Interim	% Change From FY 2016/17 45 Day Revised Budget To 1st Interim	Change From FY 2015/16 Revised Budget	% Change From FY 2015/16 Revised Budget
<b>Revenue</b>							
LCFF/State Aid (Old Revenue Limit)	\$40,876,260	\$43,083,940	\$44,389,356	\$1,305,416	3.0%	\$ 3,513,096	8.2%
Federal Revenues	\$4,893,871	\$4,589,509	\$4,813,345	\$223,836	4.9%	\$ (80,526)	-1.8%
Other State Revenues	\$6,584,891	\$4,633,036	\$5,080,932	\$447,896	9.7%	\$ (1,503,959)	-32.5%
Other Local Revenues	\$2,132,214	\$1,352,805	\$1,694,324	\$341,519	25.2%	\$ (437,890)	-32.4%
<b>Total Revenues</b>	<b>\$54,487,236</b>	<b>\$53,659,290</b>	<b>\$55,977,958</b>	<b>\$2,318,668</b>	<b>4.32%</b>	<b>\$ 1,490,722</b>	<b>2.78%</b>
<b>Total Revenue Per ADA</b>	<b>\$10,382</b>	<b>\$10,218</b>	<b>\$10,325</b>	<b>\$107</b>	<b>1.05%</b>	<b>\$ (57)</b>	<b>-0.56%</b>



# 2016-2017 1<sup>st</sup> Interim General Fund Brief Update



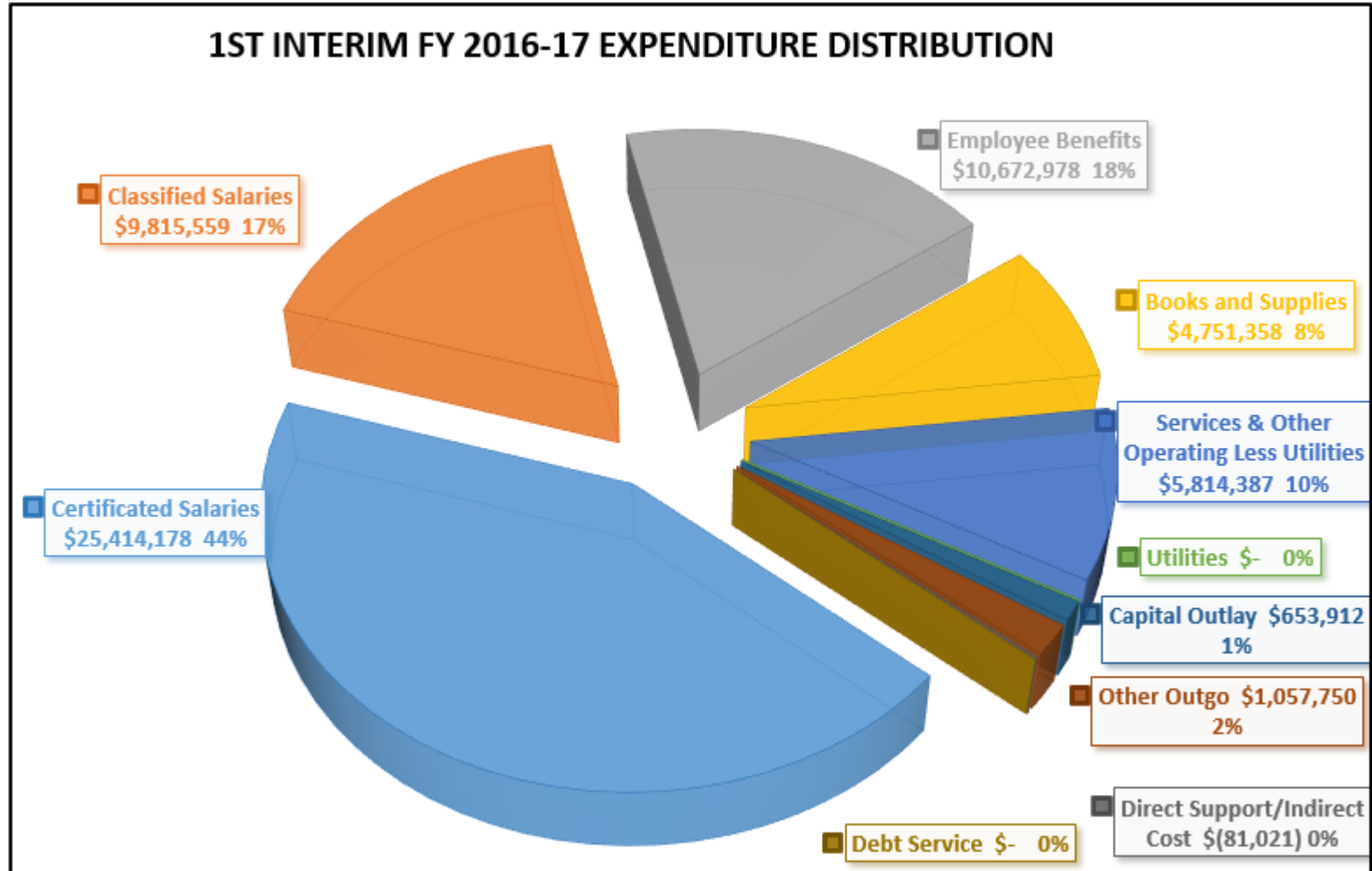


# 2016-2017 1<sup>st</sup> Interim General Fund Brief Update

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<b>Expenditures</b>							
Certificated Salaries	\$23,384,024	\$25,296,649	\$25,414,178	\$117,529	0.5%	\$ 2,030,154	8.0%
Classified Salaries	\$8,413,096	\$9,345,703	\$9,815,559	\$469,856	5.0%	\$ 1,402,463	15.0%
Employee Benefits	\$8,839,432	\$10,550,977	\$10,672,978	\$122,001	1.2%	\$ 1,833,545	17.4%
Books and Supplies	\$4,007,023	\$2,741,091	\$4,751,358	\$2,010,267	73.3%	\$ 744,335	27.2%
Services & Other Operating Less Utilities	\$5,189,349	\$5,148,849	\$5,814,387	\$665,538	12.9%	\$ 625,038	12.1%
Capital Outlay	\$985,811	\$452,384	\$653,912	\$201,527	44.5%	\$ (331,900)	-73.4%
Other Outgo	\$920,037	\$1,057,750	\$1,057,750	\$0	0.0%	\$ 137,713	13.0%
Direct Support/Indirect Cost	(\$65,057)	(\$81,021)	(\$81,021)	\$0	0.0%	\$ (15,964)	19.7%
<b>Total Expenditures</b>	<b>\$51,673,717</b>	<b>\$54,512,383</b>	<b>\$58,099,101</b>	<b>\$3,586,717</b>	<b>6.6%</b>	<b>\$ 6,425,384</b>	<b>11.8%</b>
Excess (Deficiency) of Revenues Over Expenditures Before Transfers	<b>\$2,813,519</b>	<b>(\$853,093)</b>	<b>(\$2,121,143)</b>				



# 2016-2017 1<sup>st</sup> Interim General Fund Brief Update





# 2016-2017 1<sup>st</sup> Interim General Fund Brief Update

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Inter-Fund Transfers Out	(\$2,756,050)	(\$719,692)	(\$719,692)	\$0	0.0%	\$ 2,036,358	-282.9%
<b>Total Other Financing Sources/Uses</b>	<b>(\$2,756,050)</b>	<b>(\$719,692)</b>	<b>(\$719,692)</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$ 2,036,358</b>	<b>-282.9%</b>
<b>Net Increase (Decrease) in Fund Balance After Other Financing Sources/Uses</b>	<b>\$57,469</b>	<b>(\$1,572,785)</b>	<b>(\$2,840,835)</b>	<b>(\$1,268,050)</b>	<b>80.6%</b>	<b>(\$2,898,304)</b>	<b>184.3%</b>
<b>Beginning Fund Balance</b>	<b>\$7,571,072</b>	<b>\$4,857,261</b>	<b>\$7,628,540</b>	<b>\$2,771,279</b>	<b>57.1%</b>	<b>\$ 57,469</b>	<b>1.2%</b>
<b>Ending Fund Balance</b>	<b>\$7,628,540</b>	<b>\$3,284,476</b>	<b>\$4,787,705</b>	<b>\$1,503,229</b>	<b>45.8%</b>	<b>\$ (2,840,835)</b>	<b>-86.5%</b>



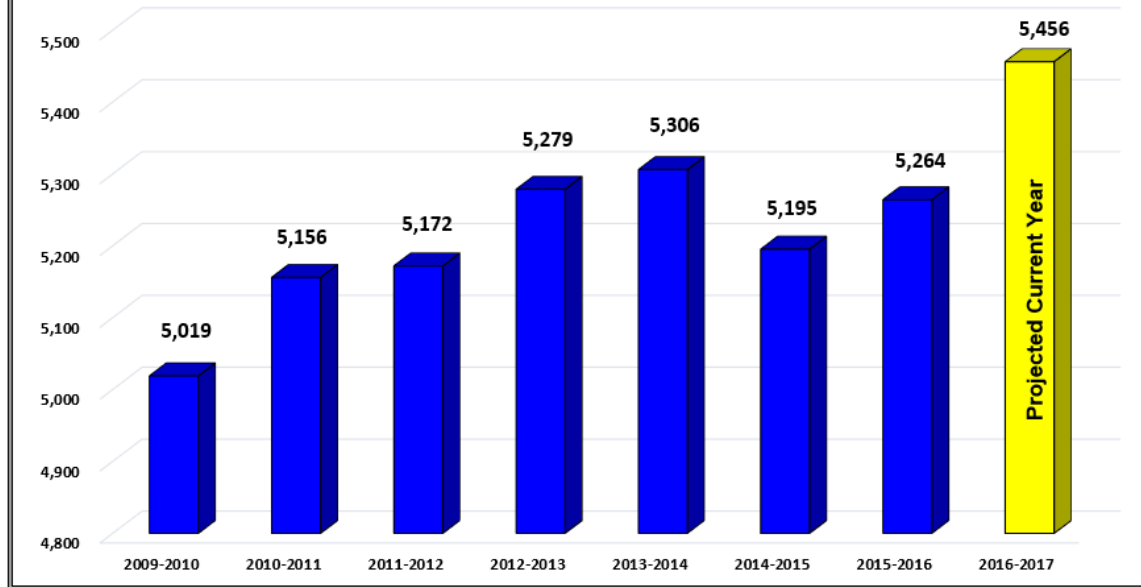
# 2016-2017 1<sup>st</sup> Interim General Fund Brief Update

- **Total revenue changes, both positive and negative have increased the Revenue Budget from the Board Approved Revised Budget to \$55,977,958 an increase of \$1,490,722.**
- **Total expenditure changes, both positive and negative have increased the Expenditure Budget from the Board Approved Revised Budget to \$58,099,101 an increase of \$6,425,384.**
- **This has a net impact of increasing forecasted deficit spending. A reminder it is early in the fiscal year and numbers will change!**

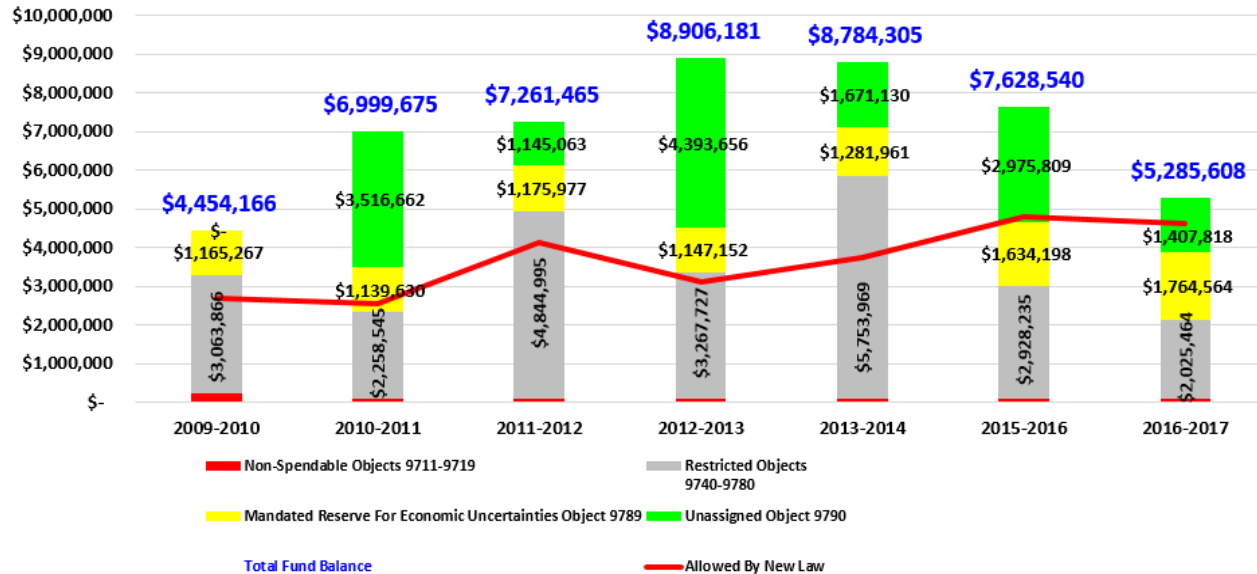


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## Travis USD ADA History



## Fund Balance Analysis







# 2016-2017 1<sup>st</sup> Interim General Fund Brief Update

## Special Education & the Increase to Overall Expenditures

- Increasing costs for contracted services
- Litigation
- Outside agencies
- Transportation costs
- SELPA Non-Public School students costs have increased – an additional \$250,000 each year

There is no part of the LCFF calculation that is tied to amounts that should be transferred for Special Education although there is speculation this may become the case.



# 2016-2017 1<sup>st</sup> Interim Other Funds/What Is Next?

- **MYPs are projections, not forecasts.**
- **Projections are expected to change as various factors change**
- **Projections are the mathematical result of today's decisions based on a given set of assumptions**
- **Forecasts are predictions of the future**
- **Projections will change any time the underlying factors change.**



# 2016-2017 1<sup>st</sup> Interim Other Funds/What Is Next?

- There was \$6 million in revenues set aside for the Scandia Modernization Project and no other significant changes to other funds in the fiscal year.
- Staff will be attending a Governor's Budget Workshop on January 17, 2017.
- Staff will then prepare a report to the Board and the Community that updates the District's fiscal status.

**The entire 1<sup>st</sup> Interim Report is posted on the District web site.**