

**FY 2018-2019
ADOPTED BUDGET**

July 10, 2018

Renee Weatherless

Executive Director, Finance

FY19 BUDGET REGULATIONS

Arizona Revised Statute Title 15

- **15-905 – School District Budgets**

- A.) No later than July 5**

- **“The governing board shall prepare the proposed budget and a summary of the proposed budget.”**
 - **“...submit the proposed budget to the department of education.”**

- B.) No later than July 15**

- **“The governing board shall present the proposed budget for consideration of the residents and the taxpayers of the school district.”**

FY19 BUDGET TIMELINE

September Began Budget Study Sessions

Sept 19, Oct 3, Jan 23, Apr 3, May 8, 15, 22, Jun 12

January Projected Enrollments Finalized

Jan-Feb Meetings with all Principals

Feb USP Draft 1

Feb-Mar Meetings with Department Heads

March Certified FTE Finalized

USP Draft 2

May USP Draft 3

June Proposed Budget

USP Final Proposed

July Adopted Budget

FY19 BUDGET DEADLINES

- July 5** **Proposed Budget deadline to ADE**
- July 5-15** **Notice of Public Hearing must be published**
10 days prior to budget adoption
- July 15** **Adopted Budget deadline to ADE**
- Dec 15** **FY19 Revised Budget due to ADE, if required**
- May 15** **FY19 Revised Budget deadline to ADE**
- Oct 15** **Annual Finance Report deadline to ADE**

TAX RATE CALCULATION

Revenue Sources

- **State & County Equalization – 46%**
- **Local Levy – 54% (Property Taxes)**

Primary Tax Rate

- **Limited Net Assessed Valuation**

FY19	FY18	Difference	%
\$3,306,883,937	\$3,215,767,737	\$91,116,200	2.8%

- **Joint Legislative Budget Committee sets the Qualifying Tax Rate**
 - **FY19 estimate is \$3.9358 decrease -2.7%**
 - **Property value estimated increase 2.82%**

TAX RATE CALCULATION

Primary Tax Rate

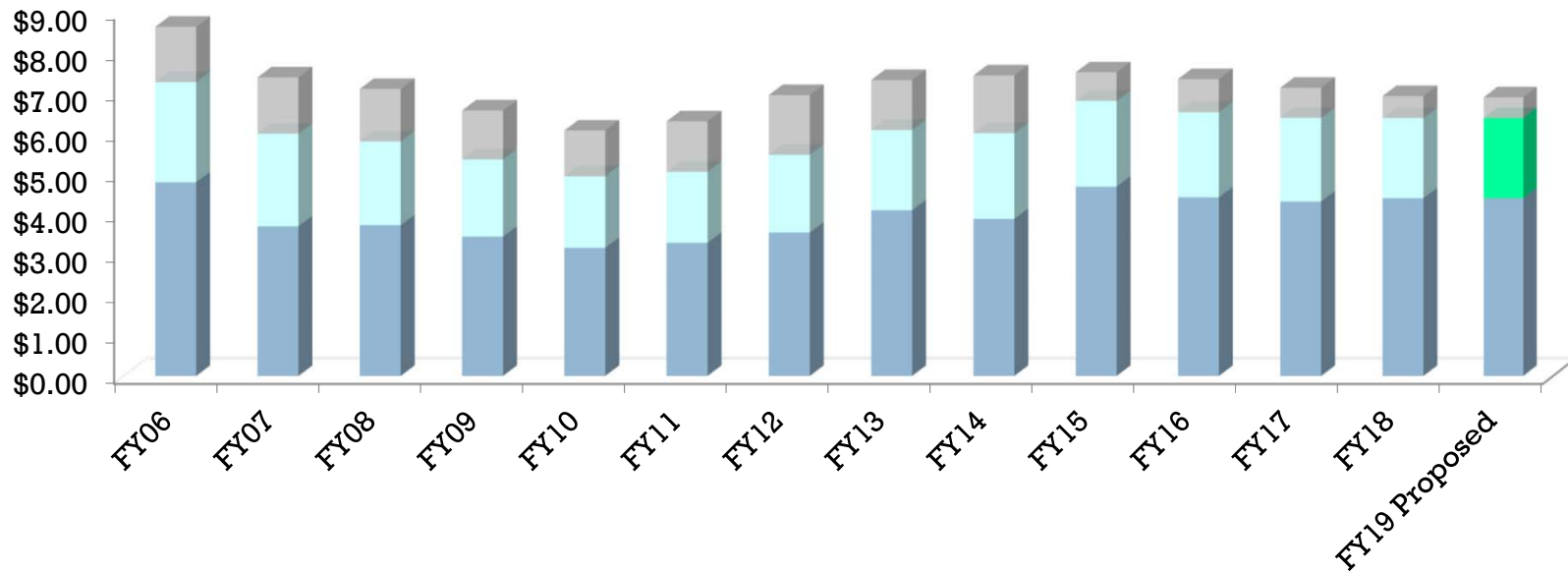
- **Difference between the Transportation Support Level (TSL) and the Transportation Revenue Control Limit (TRCL)**
- **Prior year cash deficits**

Secondary Tax Rate

- **Desegregation – NEW in FY19 in Secondary Rate \$1.9266**
- **Overrides**
- **Class A & B Debt**

	FY15-16	FY16-17	FY17-18	FY18-19
Primary	\$6.5217	\$6.3831	\$6.3026	\$4.2753
Secondary	\$0.8208	\$0.7427	\$0.5859	\$2.4949
Total	\$7.3425	\$7.1258	\$6.8885	\$6.7701

TAX RATE



**Secondary
Debt Svc**
0.5682

**Secondary
Deseg**
1.9266

Primary
4.2753

■ Primary Tax Rate (regular)
■ Secondary (Deseg)

■ Primary Tax Rate (deseg)
■ Secondary Tax Rate



BUDGET FACTORS

M&O Base Support Level (BSL)

- **BSL increased 7.5% to \$4,009.57**
 - **\$67.13 for Inflation**
 - **\$213.13 for New Salary Increases**
- **Teacher Experience Index**

FY19	FY18	Difference	%
1.0144	1.0153	-0.0009	-0.1%

- **M&O Carryover decrease -\$4,396,449**
- **Desegregation per ARS 15-910 K.7 funding remains flat to FY08-09 at \$63.7M (includes funding for OCR)**

BUDGET FACTORS

New Reporting Requirements

- Applies to both districts and charters
- ADE and AG will update budget worksheets to reflect changes
- In addition, districts and charters are required to post on their websites:
 - Average salary of all teachers employed for the current year
 - Average salary of all teachers employed for the previous year
 - The dollar increase in the average salary of all teachers
 - The percentage increase in the average salary of all teachers
- ADE will report teacher salary information to the Legislature (JLBC) and the Governor's Office by November 30th.

FY19	FY18	Difference	%
\$45,303	\$41,495	\$3,808	9%

- Average salary represents the base salary + 301 Supplemental for a full-time Teacher who works the entire school year

Calculations are based on Open Non-RTW employees on TDR A 9.5 mo. work calendars as of June 18, 2018.

BUDGET FACTORS

Average Daily Membership (ADM)

- **ADM decreased -1.6%**

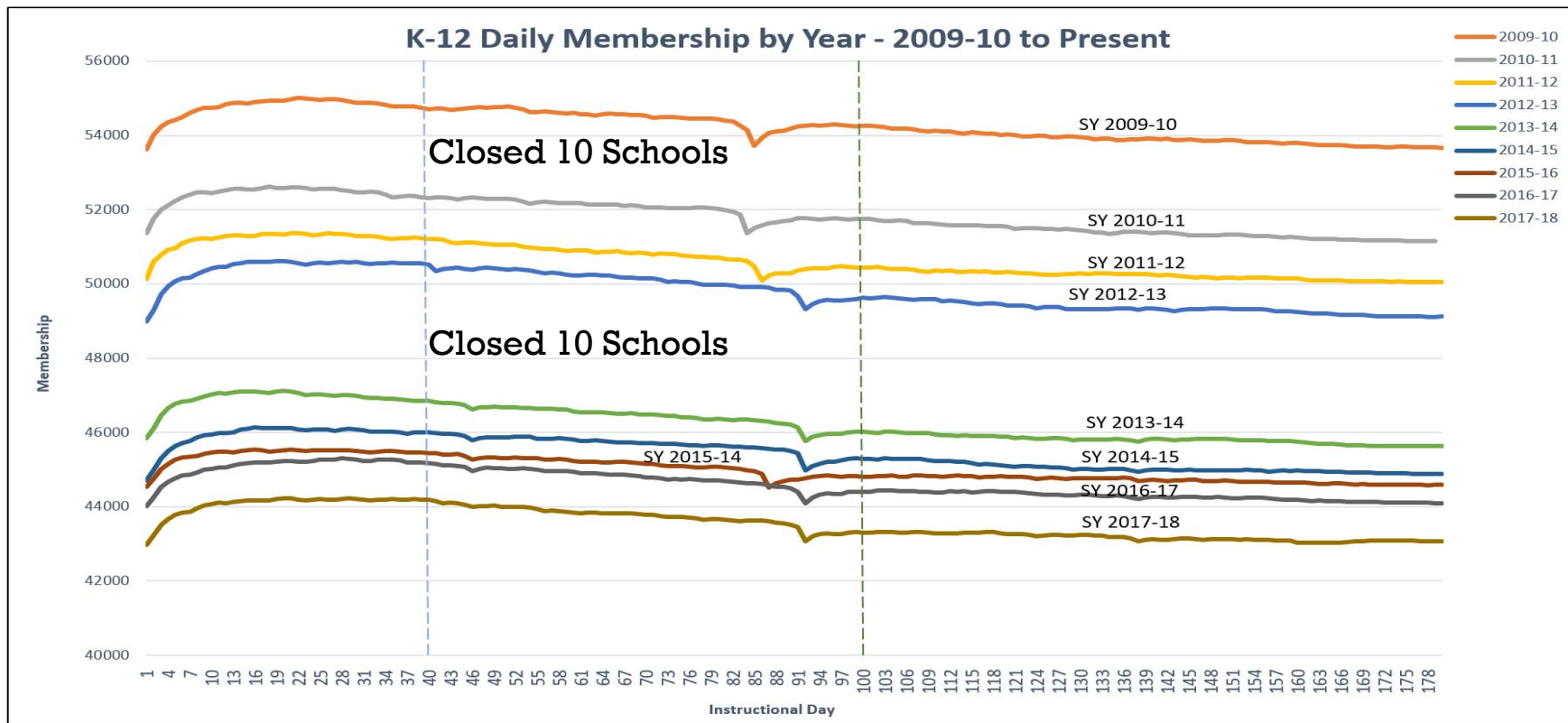
ADM	Pre-K	K-8	9-12	Total
FY18 May Revision	236.025	29,774.262	13,821.113	43,831.400
FY19 Adopted (-1.6%)	232.249	29,302.759	13,611.918	43,146.926
Difference	-3.776	-471.503	-209.195	-684.474
%	-1.6%	-1.6%	-1.5%	-1.6%

Enrollment vs ADM per A.R.S. 15-901

“**Enrollment**” means that a pupil is currently registered in the school district.”

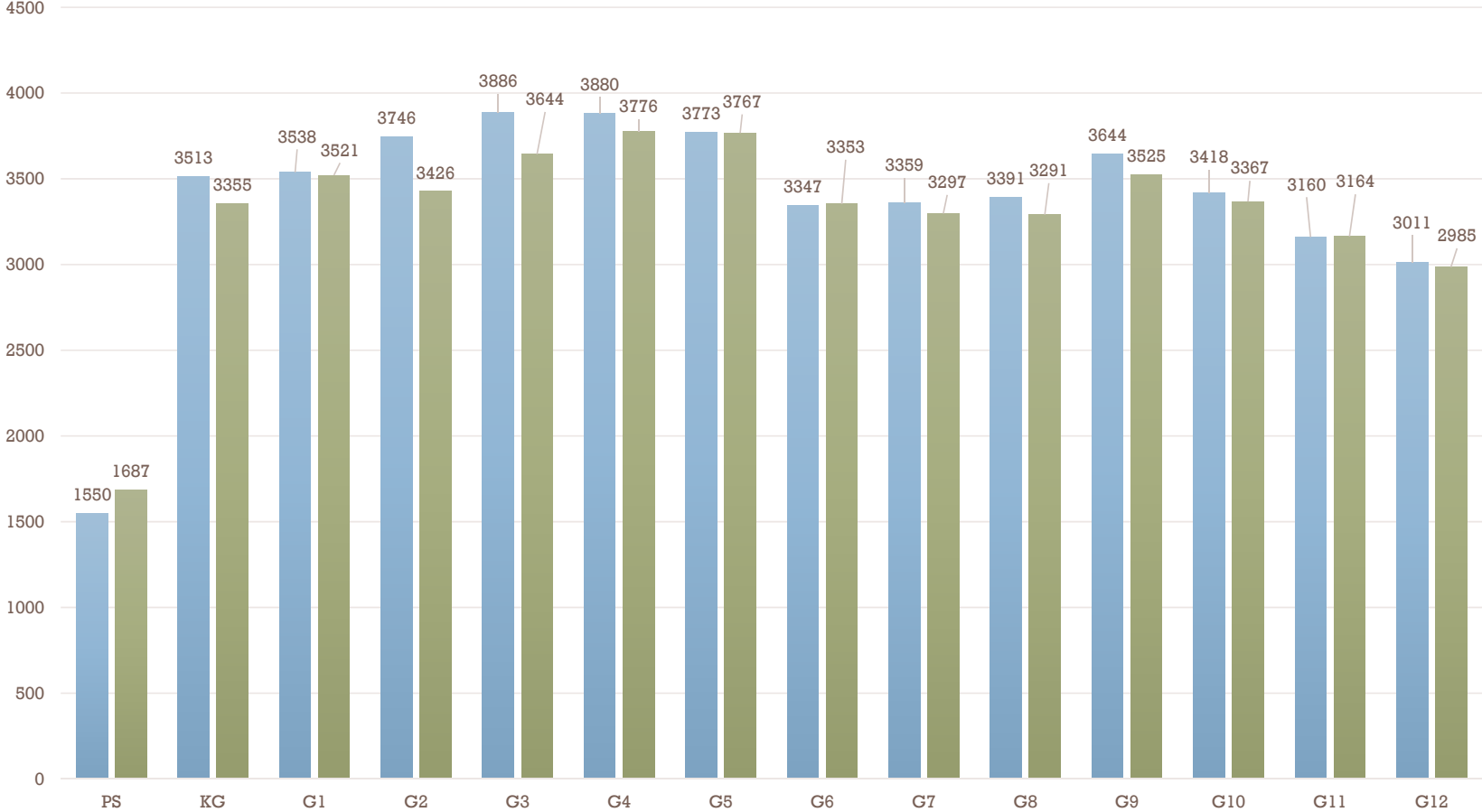
“**Average daily membership** means the total enrollment of fractional students and full-time students, minus withdrawals, of each school day through the first one hundred days...”

DAILY MEMBERSHIP — FY10 TO FY18



Comparison of Total District Enrollment SY2016 - 2017 Day 180 and SY2017-2018 Day 180

■ SY16-17 ■ SY17-18

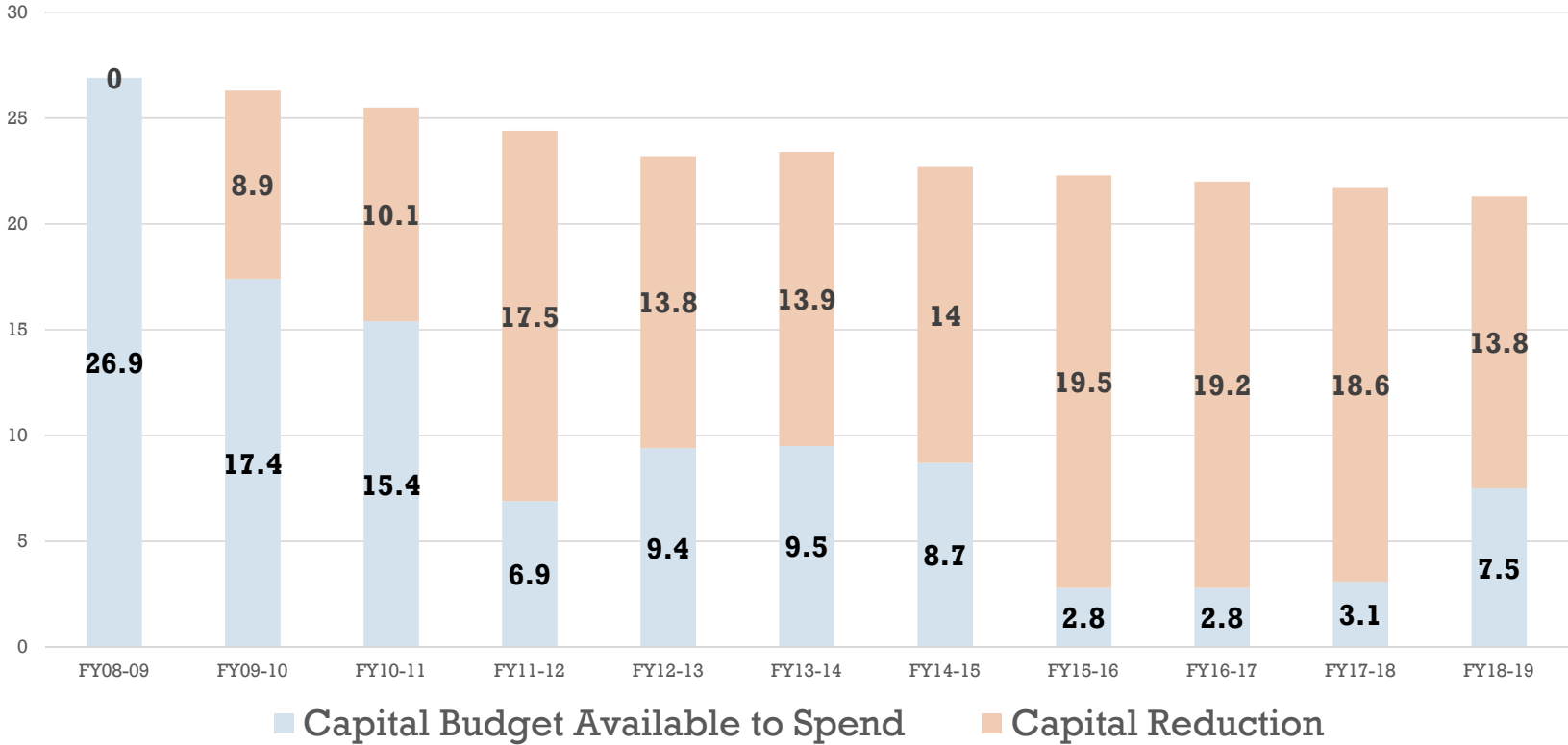


BUDGET FACTORS

District Additional Assistance (DAA) / Capital

- **Funding is based on prior year ADM**
- **As of FY18, the DAA Reduction averaged -86%**
- **Beginning in FY19, the DAA Reduction was reduced to -65%**

District Additional Assistance/Capital Reductions FY10 - FY19



▪ Total Capital Reduction over 10 years: \$149M

BUDGET FACTORS

Prop 301 - Classroom Site Fund

- **FY19 Allocation is \$423, increased \$37 or +9.6%**
- **Allocation is based on Group A weighted Student counts**

CLASSROOM SITE FUND BUDGET LIMIT		Budget Page 8		
	Fund 011	Fund 012	Fund 013	Total CSF
FY 2018 Classroom Site Fund Budget Limit	7,083,481	12,904,231	11,613,697	31,601,409
FY 2018 Actual Expenditures (For budget adoption use actual expenditures to date plus estimated expenditures through fiscal year-end.)	4,850,772	12,561,877	9,921,348	27,333,997
Unexpended Budget Balance	2,232,709	342,354	1,692,349	4,267,412
Interest Earned In FY2018	10,000	20,000	12,000	42,000
FY 2019 Classroom Site Fund Allocation (provided by ADE, based on \$423)	4,554,554	9,109,108	9,109,108	22,772,770
FY 2019 Classroom Site Fund Budget Limit	6,797,263	9,471,462	10,813,457	27,082,182

BUDGET FACTORS

Plan Year 18-19 301 Performance Pay

- **FY18-19 Perf. Pay Stipend \$2,670 per FTE**
- **Estimated FTE is 2,750**

Fund 012 - Performance Pay	Student Count Based on Group A Wt	Per Pupil Allocation	Amount
FY18 Projected Ending Balance as of 3/31/18			332,148
FY19 Revenue Allocation	53,836.3358	\$ 423.00	9,109,108
Total Funds Available in FY19			9,441,256
Less benefits 20%			(1,573,543)
FY19 Balance			7,867,713
Less 2.8% Contingency = FY19 Fund 012 Ending Balance			(252,913)
FY19 Balance Available for Payment			7,614,800
	<u>FTE</u>	<u>Stipend</u>	
Site Council Stipend	89	\$ 700.00	62,300
National Board Certification	70	\$ 3,000.00	210,000
FY19 PLC Performance Pay-1st Payment	2,750	\$ 1,780.00	4,895,000
FY19 Evaluation - 2nd Payment			
% Highly Effective	100%	2,750	\$ 890.00 2,447,500
% Effective	0%	-	\$ 667.50 -
% Developing	0%	-	\$ 333.75 -
Net Total			(0)

BUDGET FACTORS

- Fund school staffing formula

M&O Staffing Formula	
Teachers	Ratio
Grade K	1:26
Grades 1-3	1:29
Grades 4-5	1:30
Grades 6-8	1:32
Grades 9-12	1:33

PROPOSED BUDGET FY2018-2019
STAFFING ALLOCATION FORMULAS

M&O	Elementary Standard	K-8 Standard	Middle School Standard	High School Standard
Principal	1	1	1	1
Assistant Principal	1:600	1:600	1:600	1:600
Teachers K	1:26	1:26	-	-
Teacher 1st	1:29	1:29	-	-
Teachers 2nd-3rd	1:29	1:29	-	-
Teachers 4th-5th	1:30	1:30	-	-
Teachers 6th-8th	-	1:32	1:32	-
Teachers 9th-12th	-	-	-	1:33
Counselors	0.5 <500 1.0 >500	1:500	1:500	1:500
Library Media Specialist	-	-	-	1
Library Assistant	0.5 <500 1.0 >500	1	1	-
Office Manager	1	1	1	1
Attendance Clerk	1	1	1	1:750
Office Assistant	-	1>750	1>750	-
Registrar	-	-	-	1
Finance Manager	-	-	-	1
Finance Clerk	-	-	-	1>2500
Admin. Secretary	-	-	-	1:2 Asst. Principals
Athletic Coordinator (a)	-	-	-	1 per comprehensive HS
Engineer	-	-	-	1 +1>2500
Grounds Maintenance	-	0.5	0.5	2
Custodians	As per operations staffing formula			
Campus Monitors (b)	0.25 : 150 Students	0.25 : 150 Students	0.25 : 150 Students	0.25 : 150 Students
Substitute Teachers ***	-	-	-	-
Classroom Loss of Planning **	-	-	-	575:Teacher
Teaching Supplies **	\$25:Student	\$25:Student	\$25:Student	\$25:Student
Office Supplies **	\$2:Student	\$2:Student	\$2:Student	\$2:Student
Health Supplies **	\$2:Student	\$2:Student	\$2:Student	\$2:Student
Custodial Supplies **	\$10:Student	\$10:Student	\$10:Student	\$10:Student
Extra Duty Clubs**	-	6	6	16
Extra Duty Sports**	-	9	9	38
Rentals**	-	-	-	\$5,200
Graduation Supplies**	-	-	-	\$6:12th Grade Student
Newspaper**	-	-	-	\$2000

(a) - Rincon/UHS receives 1 Athletic Coordinator

(b) - Campus Monitors includes existing Security Agent

** Tentative Discretionary Items

*** Allocated on a Districtwide basis

Note: Notwithstanding the source of funding, no class size should be less than 15 students.

BUDGET OBJECTIVES

- **Fund approved Salary Increases from New Funding**
- **Address the Prop 206 Minimum Wage requirements**
- **Meet the requirements of the desegregation order**
- **Achieve District Goal of Classroom Dollar spending 53%**
- **Manage the District spending plan to accommodate:**
 - **Decreased enrollment**
 - **Increase to classroom spending**
 - **Decrease to administrative/operational spending**

FY19 BUDGET IMPACT

	FY19	
Inflation 1.8%	3,958,453	
Teacher Experience Index	-197,916	
Avg. Daily Membership (at -1.6%)	-3,321,709	
Carryover	-4,396,449	
Subtotal		-3,957,621
District Additional Assistance/Capital	4,547,090	
Red4Ed	11,295,903	
New Funding for FY19		15,842,993
M&O/Capital Increased Funding over FY18		11,885,372

-\$4.9 million in reduction (if ADM at -2%)
covered by administrative reductions

+\$15.1 million in additional funds allocated to employee raises



FY19 BUDGET PRIORITIES

M&O Budget Priorities:	FY19
Bus Driver Compensation	400,000
Minimum Wage Jan 2019	285,000
Social Worker Wage Adjustment	132,000
Salary Adjs. for ELI & CWA	455,000
Other Funding Budget Priorities:	
7 th Period Day – Deseg	2,420,000
Performing Arts 4 FTE – Classroom Site Fund Menu	232,000
Reinvigorating libraries – Existing capital allocation	250,000



FY2018-2019 BUDGET

FY19 BUDGET

	FY19	FY18	Difference	%
M&O (-1.6% ADM)	318,605,590	300,927,547	17,678,043	5.9%
Capital	9,296,195	15,088,866	-5,792,671	-38.4%
Classroom Site Fund	27,082,182	31,601,409	-4,519,227	-14.3%
Instructional Improvement	2,500,000	2,500,000	0	0%
State & Federal Grants	68,010,512	72,010,512	-4,000,000	-5.6%
Other Funds	99,289,045	92,098,189	7,190,856	7.8%
Internal Service Funds	40,860,782	41,020,154	-159,372	-0.4%
Total Funds	565,644,306	555,246,677	10,397,629	1.9%



FY19 BUDGET

LEVEL	Salaries	Benefits	Supplies	Purch. Svc	Capital	Other	Total
Elementary Schools	78,827,064	22,689,456	5,654,496	5,132,731	735,414	13,000	113,052,160
K-8 Schools	38,165,284	10,842,573	3,139,004	2,109,363	413,003	3,000	54,672,226
Middle Schools	29,899,050	8,466,902	2,395,305	1,757,574	195,566		42,714,397
High Schools	55,644,587	15,848,480	5,850,042	3,978,053	257,015	110,891	81,689,069
Alternative Schools	3,500,021	1,002,956	311,899	243,760	6,885		5,065,520
Private Schools	308,979	91,896	59,154	355,391	44,726	7,728	867,874
Departments	71,966,610	21,586,988	62,054,981	76,900,206	6,780,389	28,293,887	267,583,061
Grand Total	278,311,595	80,529,251	79,464,880	90,477,078	8,432,997	28,428,506	565,644,307



FY19 BUDGET

LEVEL	FY19	FY18	Diff	FY19 FTE	FY18 FTE	FTE Diff
Elementary Schools	113,052,160	99,943,088	13,109,072	1,931.00	1,770.56	160.44
K-8 Schools	54,672,226	50,181,017	4,491,209	904.90	871.21	33.69
Middle Schools	42,714,397	38,394,946	4,319,452	717.62	685.27	32.34
High Schools	81,689,069	77,931,841	3,757,228	1,298.46	1,300.44	(1.98)
Alternative Schools	5,065,520	4,920,382	145,137	95.17	94.98	0.19
Private Schools	867,874	1,292,150	(424,276)	2.00	-	2.00
Departments	267,583,061	282,807,622	(15,224,561)	1,914.32	2,215.83	(301.51)
Grand Total	565,644,307	555,471,045	10,173,262	6,863.47	6,938.29	(74.82)



FY19 BUDGET

	FY19	FY18	Difference	%
M&O Deseg	60,989,111	60,320,831	668,280	1.1%
Capital Deseg	2,721,936	3,390,216	-668,280	-19.7%
Total Deseg	63,711,047	63,711,047	0	0%
M&O Non-Deseg	257,616,479	240,606,716	17,009,763	7.1%
Capital Non-Deseg	6,574,259	11,698,650	-5,124,391	-43.8%
Total M&O Non-Deseg	261,078,961	248,915,150	12,163,811	4.9%



**FY19 CLASSROOM
DOLLAR ESTIMATE**

CLASSROOM DOLLAR FUNCTIONS

Instructional costs (function 1000)

- **Teachers**
- **Teacher Assistants**
- **Substitutes**
- **Tutors**
- **Athletic Coaches**
- **Supplies (paper, pencils, crayons)**
- **Instructional aids (workbooks, kits, computer software)**
- **Activities (field trips for athletics, co-curricular activities such as choir and band)**

CLASSROOM DOLLAR FUNCTIONS

Student Support costs (function 2100)

- **Counselors**
- **Nurses**
- **Health Assistants**
- **Attendance Liaisons**
- **School Community Liaisons / Family Engagement**

Instructional Support (function 2200)

- **Librarians/Library Assistants**
- **Curriculum Support**
- **Program Coordinators**
- **Professional Development**
- **MTSS Support**
- **Teacher Mentors / Instructional Coaches**

CLASSROOM DOLLAR FUNCTIONS

Administrative costs (function 2300, 2400, 2500)

- **Superintendent**
- **Principals**
- **Assistant Principals**
- **Office Managers**
- **Finance**
- **Human Resources**
- **Tech Services**
- **Legal**

CLASSROOM DOLLAR FUNCTIONS

Plant Operations costs (function 2600)

- **Custodians**
- **Building Maintenance**
- **Grounds Maintenance**

Transportation costs (function 2700)

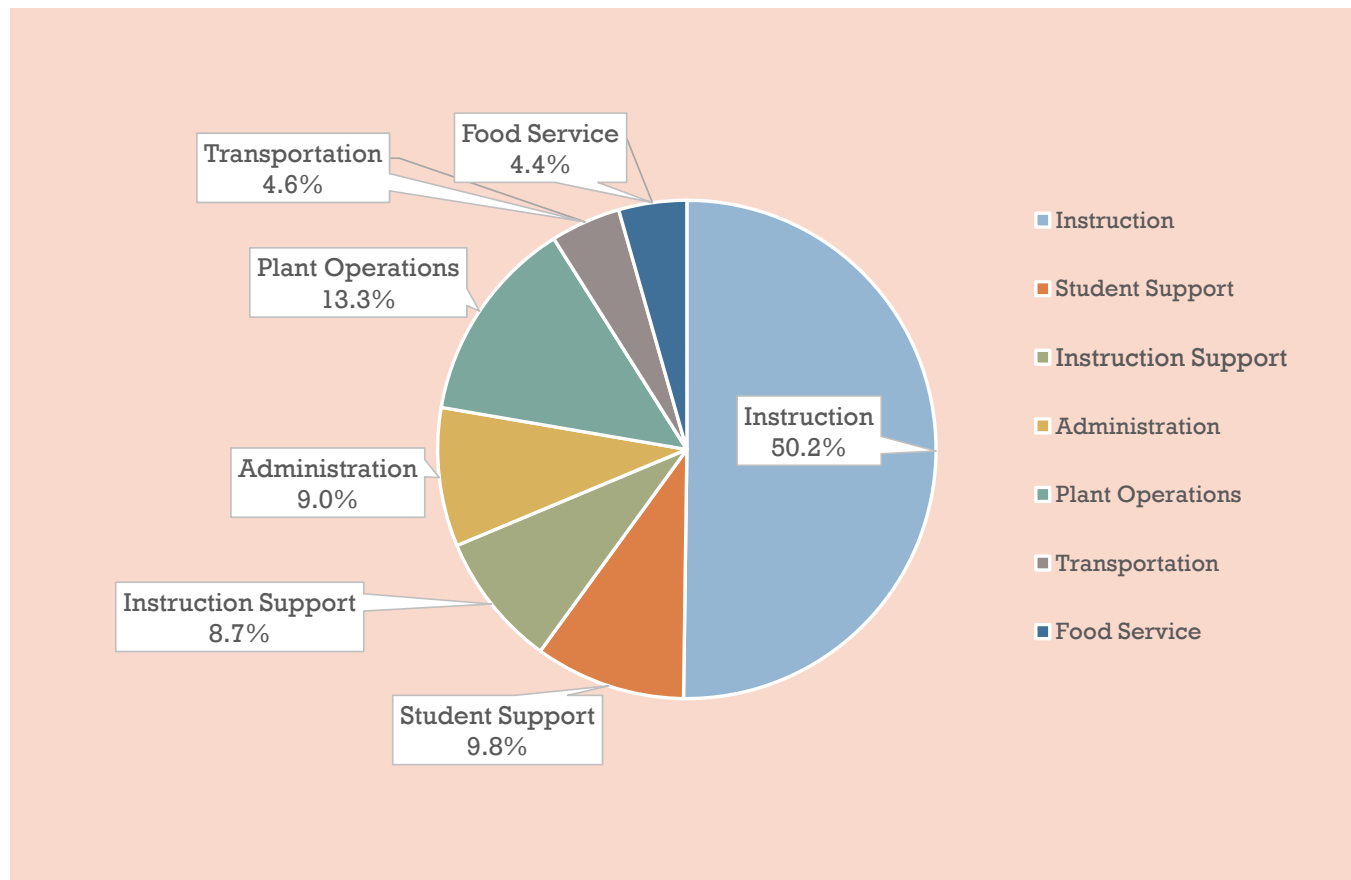
- **Bus Drivers**
- **Transportation Monitors**

Food Service costs (function 3100)

Community Ed. costs (function 3300)

- **Activity Helpers**
- **Early Childcare Specialists**

CLASSROOM DOLLAR ESTIMATE



CLASSROOM DOLLAR ESTIMATE

Category	FY19 Adopted	FY18 YTD as of 5/31/18	FY18 Adopted	FY17	FY16	FY15	FY16 State
Instruction	50.2%	52.1%	50.1%	50.9%*	48.8%	48.7%	53.5%
Student Support	9.8%	9.7%	9.5%	9.0%	9.6%	9.6%	8.2%
Instructional Support	8.7%	6.9%	8.9%	6.8%	6.7%	6.2%	5.7%
Subtotal	68.7%	68.7%	68.5%	66.7%	65.1%	64.5%	67.4%
Administration	9.0%	9.7%	10.1%	11.0%	10.9%	10.9%	10.4%
Plant Operations	13.3%	11.5%	11.5%	12.3%	13.1%	13.7%	12.1%
Transportation	4.6%	5.4%	5.1%	5.4%	5.0%	5.1%	5.4%
Food Service	4.4%	4.8%	4.7%	4.5%	5.8%	5.8%	4.7%

***FY17 Instruction is increased due to additional one-time payment of 301 surplus funds**

CLASSROOM DOLLAR ESTIMATE

Category	FY19 Deseg	FY18 Deseg (5/31/18)	FY19 Non- Deseg	FY18 Non- Deseg (5/31/18)
Instruction	49.8%	48.6%	50.3%	52.7%
Student Support	8.6%	8.5%	10.0%	9.9%
Instructional Support	20.0%	18.3%	7.0%	5.0%
Subtotal	78.4%	73.4%	67.2%	67.6%
Administration	6.9%	7.1%	9.3%	10.1%
Plant Operations	1.5%	2.0%	15.1%	13.0%
Transportation	13.2%	15.5%	3.2%	3.7%
Food Service	-	-	5.1%	5.5%

FY19 CLASSROOM DOLLAR ESTIMATE

LEVEL	Instruction	Instruction Support	Student Support	Admin	Plant Operations	Transp.	Food Service
Elementary Schools	69.8%	3.3%	11.3%	7.5%	8.1%	0.0%	0.0%
K-8 Schools	70.7%	3.8%	10.3%	6.0%	9.0%	0.0%	0.0%
Middle Schools	71.3%	3.0%	10.6%	5.7%	9.4%	0.0%	0.0%
High Schools	69.4%	2.9%	9.1%	5.1%	13.6%	0.0%	0.0%
Alternative Schools	53.5%	2.0%	20.7%	13.8%	10.1%	0.0%	0.0%
Private Schools	77.8%	19.9%	2.3%	0.0%	0.0%	0.0%	0.0%
Departments	17.8%	17.7%	8.5%	13.3%	18.9%	12.1%	11.7%
Grand Total	50.2%	8.7%	9.8%	9.0%	13.3%	4.6%	4.4%



FY19 CLASSROOM DOLLAR ESTIMATE

Fund Source	Instruction	Instruction Support	Student Support	Admin	Plant Operations	Transp.	Food Service
M&O	51.0%	6.2%	10.3%	10.1%	16.0%	6.4%	0.0%
Instructional Improvement	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Classroom Site Fund	99.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital	84.6%	8.8%	0.3%	3.5%	2.7%	0.1%	0.0%
Federal Grants	50.9%	28.8%	12.3%	7.3%	0.7%	0.0%	0.0%
State Grants	43.5%	51.2%	0.0%	0.6%	4.3%	0.4%	0.0%
Other Funds	15.8%	2.0%	10.7%	10.4%	20.7%	1.7%	38.8%
Grand Total	50.2%	8.7%	9.8%	9.0%	13.3%	4.6%	4.4%



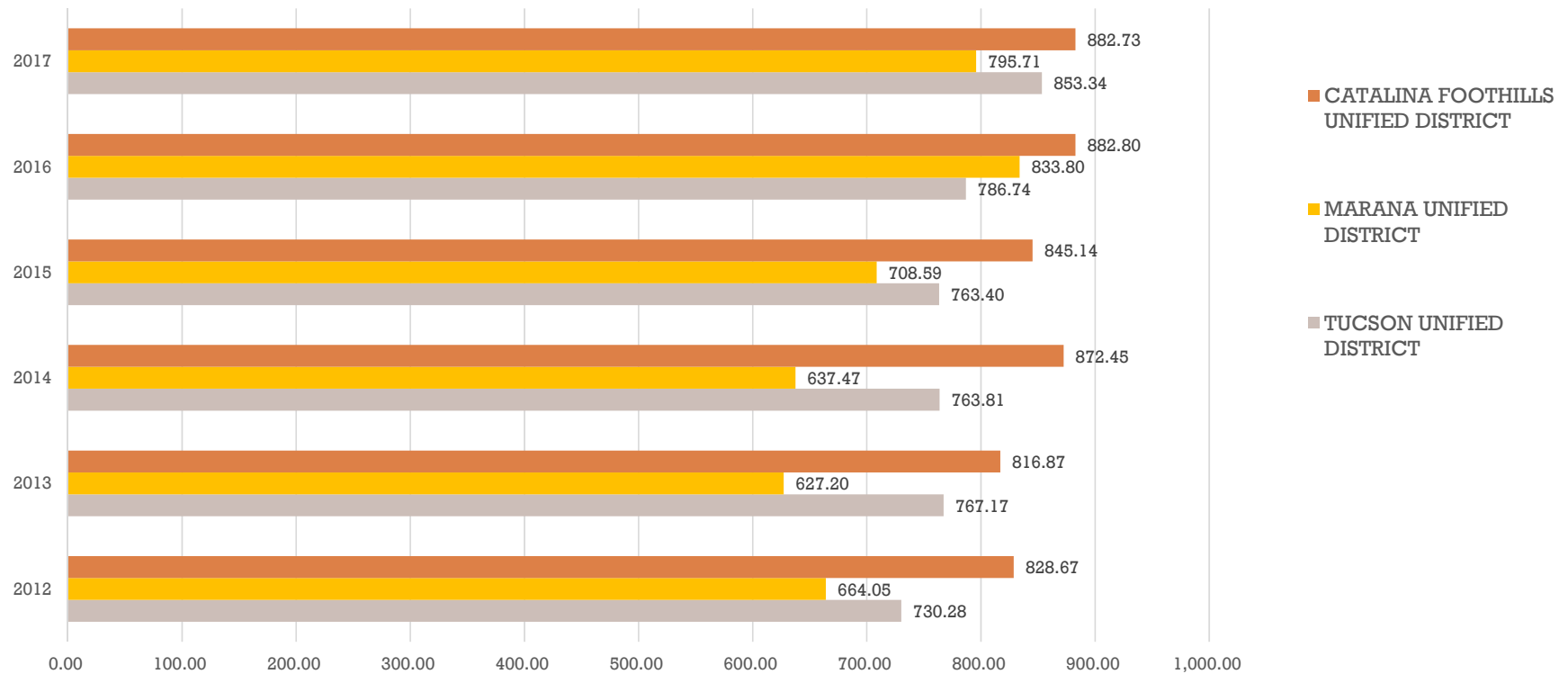
FY19 CLASSROOM DOLLAR ESTIMATE

Fund Source	Instruction	Instruction Support	Student Support	Admin	Plant Operations	Transp.	Food Service
M&O – Deseg	48.9%	20.3%	8.8%	7.0%	1.6%	13.4%	0.0%
Capital – Deseg	97.6%	0.0%	0.0%	2.4%	0.0%	0.0%	0.0%
Grand Total - Deseg	49.8%	20.0%	8.6%	6.9%	1.5%	13.2%	0.0%



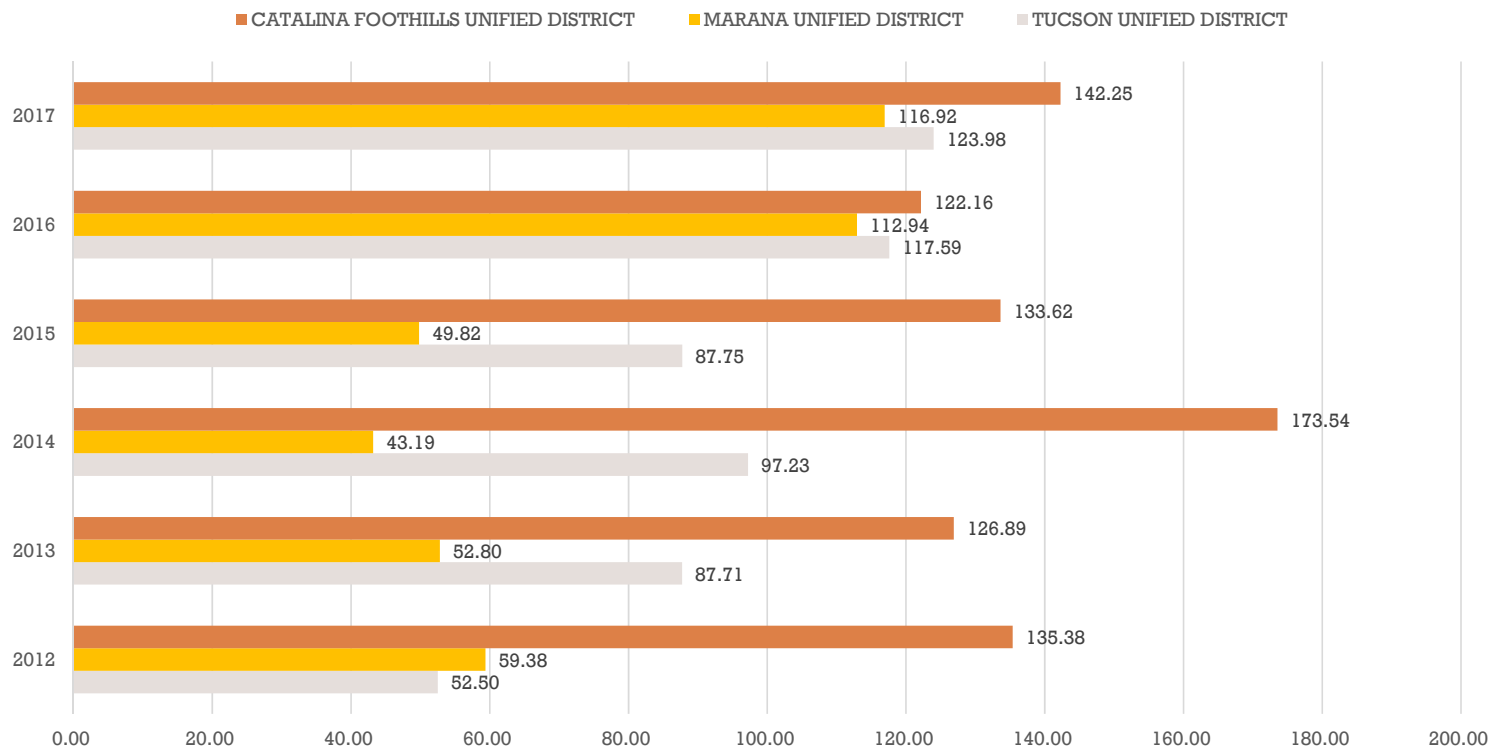
CLASSROOM DOLLAR COMPARISONS

M&O Admin Expenditures per Avg. Daily Membership
 (Function Codes 2300-2599)
 Source: ADE using Forecast 5



CLASSROOM DOLLAR COMPARISONS

M&O General Admin Expenditures per Avg. Daily Membership
(Function Codes 2300-2399)
Source: ADE using Forecast 5

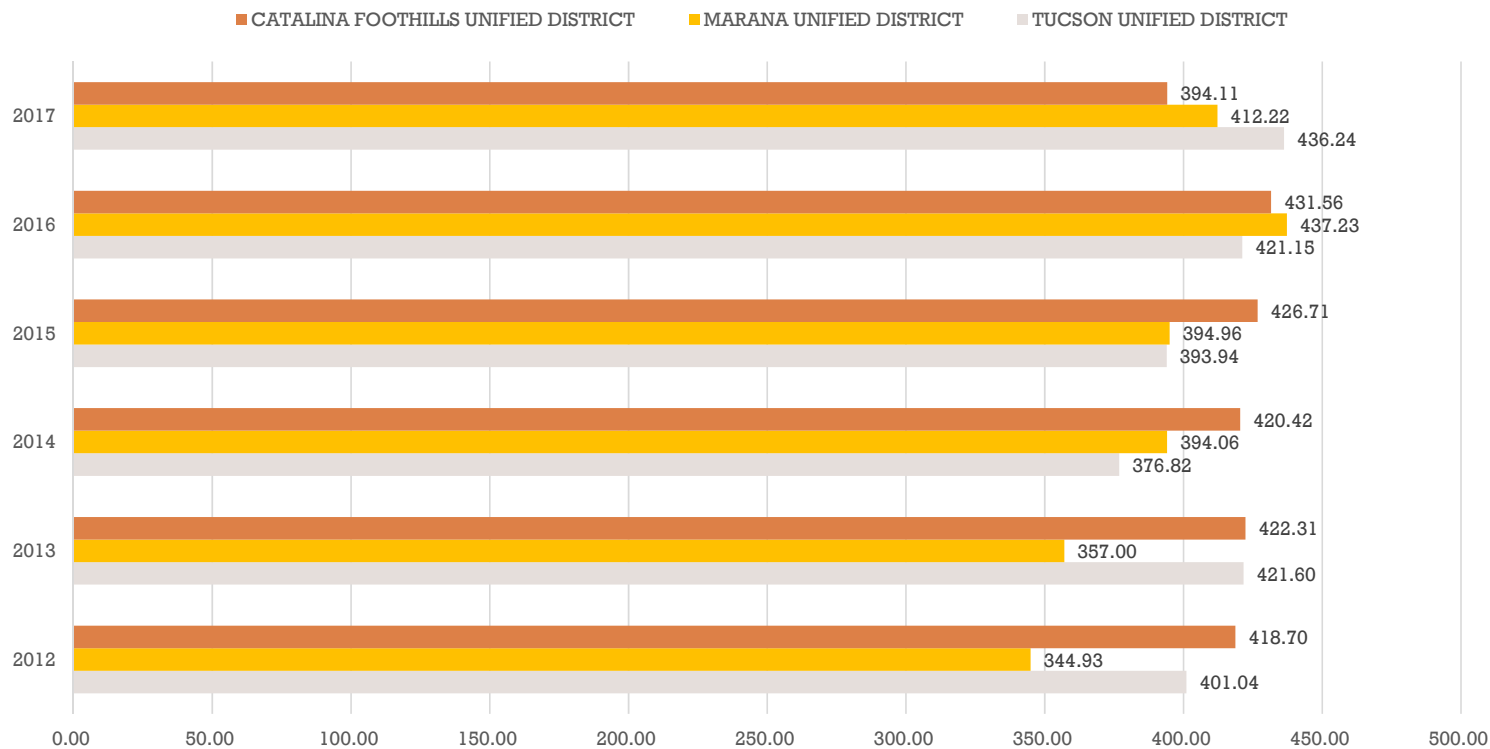


CLASSROOM DOLLAR COMPARISONS

M&O School Admin Expenditures per Avg. Daily Membership

(Function Codes 2400-2499)

Source: ADE using Forecast 5

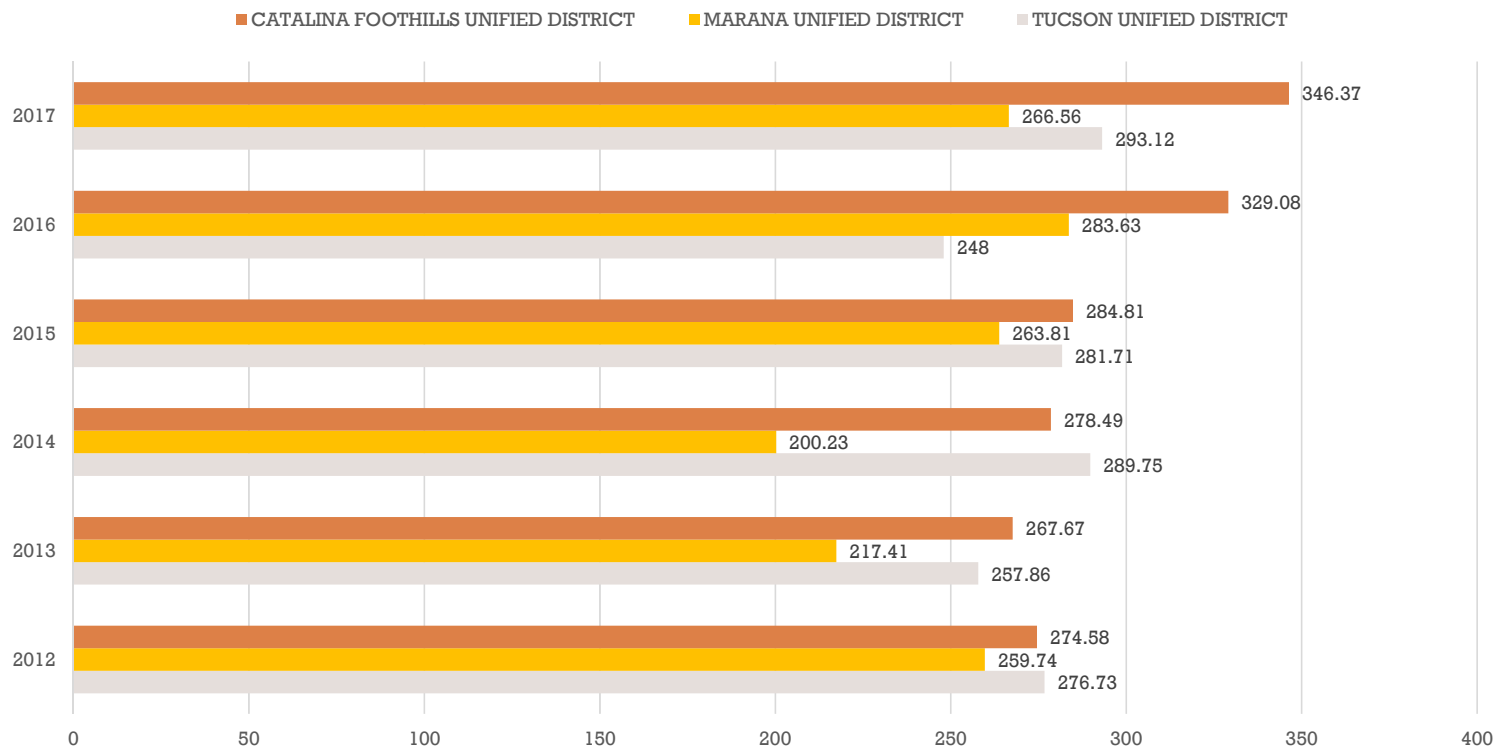


CLASSROOM DOLLAR COMPARISONS

M&O Central Svc Admin Expenditures per Avg. Daily Membership

(Function Codes 2500-2599)

Source: ADE using Forecast 5



**FY19 PROPOSED
BUDGET BOOK**

FY19 BUDGET BOOK

FY19 Proposed Budget Book is available online:

<http://www.tusd1.org/Information/District-Budget>

FY19 BUDGET BOOK

TUCSON UNIFIED SCHOOL DISTRICT FY2019 PROPOSED BUDGET BOOK

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THANK YOU