

# **Tucson Unified School District #1**

## **FY 2016 Adopted Budget**

### **July 14, 2015**

Karla G. Soto, Chief Financial Officer  
Renee Weatherless, Director of Finance

# Agenda

- Budget Development Process
  - Objectives, Timeline, Staffing
- FY2016 Budget Update
- FY2016 Proposed Budget Cuts
- Arizona School Finance
  - Regulations and Required Documents
- FY2016 District Expenditure Budget
  - Classroom Dollars
  - Estimated Tax Rate
    - Truth in Taxation
    - Tax Rate
  - Budgeted Expenditures by Fund
- USP Budget

# Budget Development Process - Objectives

- Eliminate the projected budget deficit
- Implement changes in Staffing Formula – priority 1:27 Teacher to Student ratio
- Meet the requirements of the Desegregation Order
- Focus on shifting more \$ and resources into the classroom / reduction of budget allocations in non-instructional areas
- Realign district budget and establish expenditures and encumbrances from appropriate funding sources in all funds to have more consistency in spending – eliminate the need to process journal entries at year end as has been done in the past to balance the budget

# Budget Development Process - Objectives

- Use Visions (ERP) software to develop and maintain budget throughout the year
- Work with bargaining groups to restructure salary schedules and embed longevity stipends. This will facilitate Visions (ERP) setup, allow affordable salary increases and facilitate future salary projections
- Align budget with District Strategic Plan

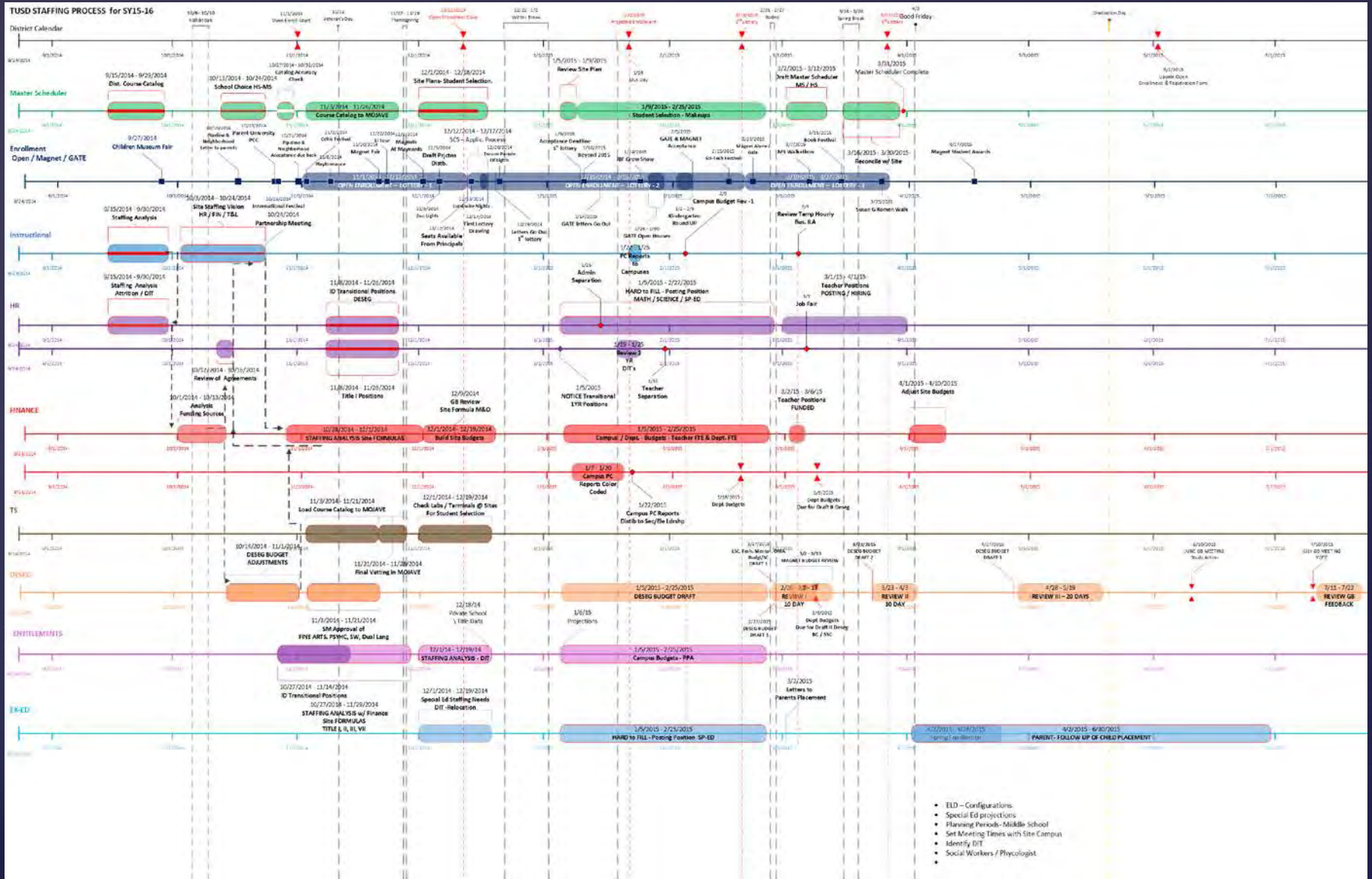
# Budget Development Process - Timeline

Timeline was driven by TUSD Staffing Process for FY15-16. Timeline was developed by Staffing Committee that included representation from all departments. Important functions from each were taken into account in order to coordinate efforts, align significant dates, prepare the budget with adequate staffing levels, initiate the recruitment process early and meet critical deadlines

- District Calendar – student enrollment projections
- Master Scheduler – course catalog, student selection
- Open Enrollment - lottery
- Instructional – staffing analysis, site needs
- Human Resources – recruitment fairs, job postings, DIT, hiring
- Finance – funding analysis, budget preparation schools/depts/district
- Technology Services – course catalog upload, lab preparation
- Desegregation – budget criteria process deadlines (3 drafts)
- Entitlements – funding analysis, budget preparation schools/depts
- Exceptional Education – staffing analysis, ex ed site needs, student placement



# Budget Development Process - Timeline



# Budget Development Process - Staffing

FY2015-2016  
Proposed  
Staffing  
Formula

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	1
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	0.5	0.5	2
Custodians	As per operations staffing formula			
Campus Monitors (M)	0.25 : 150 Students	0.25 : 150 Student	0.25 : 150 Students	0.25 : 150 Students
Substitute Teachers **	\$1,000:Teacher	\$1,000:Teacher	\$1,000:Teacher	\$1,000:Teacher
Classroom Loss of Planning **	0		0	\$75: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**	0	6	6	16
Extra Duty Sports**	0	9	9	38
Rentals**	0	0	0	\$5,200
Graduation Supplies**	0	0	0	\$6:12th Grade Student
Newspaper**	0	0	0	\$2000



# Budget Development Process - Staffing

## FY2015-2016 Proposed Staffing Formula

### Proposed FY15-16 M&O Staffing Formula

	Avg Salary	FY14-15		Standard		Optimal**		Standard vs Actual		Optimal vs Actual	
		Actual FTE	Salaries	FY15-16 Std FTE	FY15-16 Salaries	FY15-16 Std FTE	FY15-16 Salaries	FTE Variance	Salary Variance	FTE Variance	Salary Variance
Principal	86,447	82.00	7,088,666	82.00	7,088,666	82.00	7,088,666	-	-	-	-
Asst. Principal	67,357	45.00	3,031,051	45.00	3,031,051	45.00	3,031,051	-	-	-	-
Teacher *	41,500	2,000.34	83,013,944	1,660.00	68,890,000	1,947.00	81,774,000	(340.34)	(14,123,944)	(53.34)	(1,239,944)
Athletic Coordinator	50,080	8.00	400,642	9.00	450,722	9.00	455,222	1.00	50,080	1.00	54,580
Bldg Maint Engineer - FM	42,443	9.00	381,985	11.00	466,871	11.00	466,871	2.00	84,886	2.00	84,886
Counselor	41,818	66.50	2,780,899	75.00	3,136,352	75.00	3,173,852	8.50	355,453	8.50	392,953
Custodian	25,717	220.56	5,672,141	221.50	5,696,251	221.50	5,696,251	0.94	24,109	0.94	24,109
Ground Maint	28,054	22.20	622,789	31.50	883,687	31.50	883,687	9.30	260,898	9.30	260,898
HS Finance Manager	36,557	9.00	329,013	10.00	365,570	10.00	365,570	1.00	36,557	1.00	36,557
Office Assistant	24,663	93.88	2,315,381	10.00	246,632	10.00	246,632	(83.88)	(2,068,749)	(83.88)	(2,068,749)
Office Manager	34,633	80.00	2,770,620	82.00	2,839,886	82.00	2,839,886	2.00	69,266	2.00	69,266
HS Administrative Secretary	33,060	4.50	148,770	13.50	446,310	13.50	446,310	9.00	297,540	9.00	297,540
Registrar	34,543	10.00	345,434	10.00	345,434	10.00	345,434	-	-	-	-
Librarian	45,424	7.00	317,970	10.00	454,242	10.00	459,242	3.00	136,273	3.00	141,273
Library Assistant	20,671	32.50	671,794	57.00	1,178,224	57.00	1,178,224	24.50	506,429	24.50	506,429
Attendance Clerk	24,663	1.00	24,663	87.00	2,145,681	87.00	2,145,681	86.00	2,121,018	86.00	2,121,018
Monitors / Security Agents	19,474	71.50	1,392,356	71.50	1,392,356	71.50	1,392,356	-	-	-	-
<b>TOTAL SALARIES</b>		<b>2,762.98</b>	<b>111,308,118</b>	<b>2,486.00</b>	<b>99,057,934</b>	<b>2,773.00</b>	<b>111,988,934</b>	<b>(276.98)</b>	<b>(12,250,184)</b>	<b>10.02</b>	<b>680,816</b>
						<b>287.00</b>	<b>12,931,000</b>				

\* FY14-15 Actuals include Ex Ed Teachers

\*\* FY15-16 Optimal Salaries includes step increase for certified



# FY2016 Budget Update

**INFLATION FUNDING** – Permanent Increase to the base support level (BSL)

- Inflation increase for **TUSD \$3.5M**
- Declining ADM (including Ex Ed) - **\$4.6M**

**RETROACTIVE INFLATION INCREASE**-\$54.31 increase to the BSL

- This would offset TUSD's shortfall by **\$3.2M**

**REPEAL OF STUDENT SUCCESS FUNDING**

- TUSD's budget for FY14-15 was **\$915,000**

**5% REDUCTION DISTRICT ADDITIONAL ASSISTANCE (DAA) FUND**

- **Current DAA Fund Reduction - \$14,031,140**
- **FY15-16 Total DAA Fund Reduction -\$18,795,997**

For TUSD, this is equivalent to almost a 90% reduction in Capital funding – from a \$22.2M allocation approximately \$18.8M will be cut

# FY2016 Proposed Budget Cuts

As a new requirement per the Arizona Auditor General's Office TUSD must perform the following regarding the FY2015-16 Budget:

1. Hold a public meeting to present the district's plan for proposed District Additional Assistance reductions. Cuts should focus on non instructional areas, including administration - **June 2, 2015**
2. Allow 30 days for the community to submit comments and recommendations to the governing board. E-mail to:  
[1516FYBudgetFeedback@tusd1.org](mailto:1516FYBudgetFeedback@tusd1.org)
3. Governing Board must consider the comments and recommendations of the community at a public meeting.
4. The district's budget signed by the Governing Board must include the percentage of classroom spending.

# FY2016 Proposed Budget Cuts

## Steps taken:

- Postponed filling vacant positions
- Monitored spending to maximize M&O carryover for FY15-16
- Reduced Budgets in other funding sources (i.e. Indirect costs, Reserve funds)
- Other areas of review and consideration— Mandated healthcare, ASRS costs, Leased employee options, Leased substitute program, energy reduction programs
- Mandated 8% M&O Budget Reductions at all Central Administration Departments to fulfill mandated DAA reduction of **\$5,793,100**



# FY2016 Proposed Budget Cuts-Central Administration Budget Reductions

SUMMARY ALL DEPARTMENTS	FY2015- 2016 Proposed Budget	FY2014- 2015 Revised Budget	\$ Reduction	% Reduction
Executive Administration	\$1,124,081	\$1,232,584	-\$108,503	-9%
Legal Services	\$2,906,048	\$3,068,359	-\$162,311	-5%
Human Resources	\$2,141,358	\$2,274,112	-\$132,754	-6%
Finance	\$2,382,750	\$2,648,066	-\$265,316	-10%
Operations	\$45,475,639	\$49,575,493	-\$4,099,854	-8%
Technology Services	\$6,060,106	\$6,640,181	-\$580,075	-9%
Leadership	\$2,130,442	\$2,243,970	-\$113,529	-5%
Curriculum & Instruction	\$1,745,105	\$1,662,580	\$82,524	5%
Student Services	\$21,721,102	\$23,397,625	-\$1,676,523	-7%
<b>TOTAL</b>	<b>\$85,686,630</b>	<b>\$92,742,970</b>	<b>-\$7,056,340</b>	<b>-8%</b>
<b>Targeted Reduction</b>			<b>\$5,793,100</b>	
<b>Reallocation to Schools for Technology, Supplies, etc.</b>			<b>-\$1,263,240</b>	

# FY2016 Proposed Budget Cuts

## Feedback Received:

Several emails were received regarding the FY16 Projected Budget Cuts. These emails are being compiled and will be submitted to the Board for review and consideration and possible discussion at a later meeting.

# Arizona School Finance - Regulations

## ARIZONA REVISED STATUTE (ARS) TITLE 15

- Rules Established by the Arizona Legislature
- Title 15 Refers to Education
- Sections 15-901 to 15-1241 Refer to School Finance

## UNIFORM SYSTEM OF FINANCIAL RECORDS (USFR)

The legislature has required that the Arizona Department of Education and the State's Auditor General interpret Title 15 and design the State's Uniform System of Financial Records (USFR) which is used in maintaining local school district financial records and preparing reports.



# Arizona School Finance – Required Documents

In the State of Arizona, there are a number of forms which provide some uniformity in the manner that financial information is presented and submitted to the Arizona Department of Education.

## EXPENDITURE BUDGET

- Proposed by July 1st of the fiscal year
- Adopted by July 15th of the fiscal year  
(public hearing required)



## REVISED EXPENDITURE BUDGET

- Completed by December 15th and/or May 15th

## ANNUAL FINANCIAL REPORT

- (Completed by October 15th)

# Arizona School Finance – Required Documents

## EXPENDITURE BUDGET FORMS

- Budget Worksheets
- Truth in Taxation Worksheet
- FY2016 State of Arizona School District Annual Expenditure Budget
- Summary of School District Proposed Expenditure Budget
- Districtwide Desegregation Budget

# How are the Classroom Dollars calculated?

Account-based description Using school district Uniform System of Financial Records Chart of Account's terminology,

***These are the primary funds excluded:***

- 250 & 425 – Adult Education
- 515 & 520 – Civic Center and Community School
- 575 – Unemployment Insurance (an internal service fund)
- 600 – Capital Projects Funds with the following exceptions: *Include textbooks, instructional aids, and library books (object codes 6641-6643)*
- 700 – Debt Service
- 800 and above – Fiduciary and Proprietary Funds

***These programs are excluded:***

- 700 and above – Adult/Continuing Education, Community College Education Programs,
- Community Services Programs

***These functions are excluded:***

- 4000 and above – Capital, Debt Service, and Other Financing Uses

***These object codes are excluded:***

- 6561 & 6565 – Tuition to other Arizona school districts
- 6700's – Land, Buildings, and Equipment
- 6900's – Other Financing Uses, such as Transfers and Indirect Costs
- Similar transactions that a district accounts for in other funds, programs, functions, or object codes could also be excluded.



# How are the Classroom Dollars calculated?

## Classroom dollars

- Classroom personnel—Teachers, teachers' aides, substitute teachers, contracted instructional services, athletic coaches
- General instructional supplies—Paper, pencils, crayons, etc.
- Instructional aids—Textbooks, workbooks, instructional kits, instructional computer software, etc.
- Activities—Field trips, athletics, and cocurricular activities such as choir and band

## Nonclassroom dollars

- Administration
- Plant operation and maintenance
- Food service
- Transportation
- Student support services
- Instruction support services

# TUSD Classroom Spending FY14

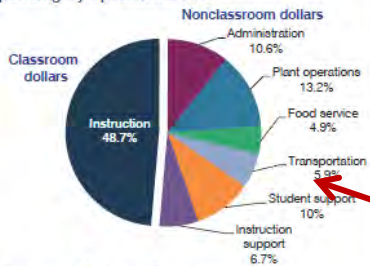
## Tucson Unified School District

Pima County  
Efficiency peer groups 1 and T-5, Achievement peer group 3  
Legislative District(s): 2, 3, 4, 9, and 10

District size, location: Very large, City  
Students attending: 46,827  
Number of schools: 86

### OPERATIONAL EFFICIENCY

#### Spending by operational area



#### 5-year spending trend (2009 through 2014)

Total spending per pupil decreased by 2 percent. Spending in the classroom decreased from 53.5 to 48.7 percent. Spending on administration and transportation increased and spending on plant operations, food service, and student support increased slightly. Spending on instruction support remained stable.

#### Cost measures relative to peer averages

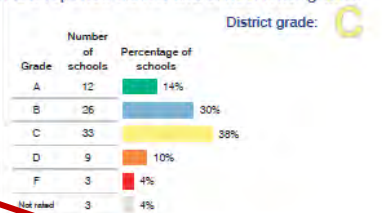
Operational area	Measure	District	Peer average	State average
Administration	Cost per pupil	\$355	\$630	\$757
	Students per administrator	61	61	68
Plant operations	Cost per square foot	\$6.21	\$5.83	\$6.04
	Square footage per student	1.71	1.43	1.53
Food service	Cost per meal equivalent	\$2.91	\$2.72	\$2.69
	Cost per mile	\$1.75	\$3.47	\$3.62
Transportation	Cost per rider	\$1.57	\$1.326	\$1.036

#### Per pupil spending by operational area

	District		Peer average	State average	National average
	2013	2014			
Total	\$9,421	\$8,080	\$7,208	\$7,578	\$10,667
Classroom dollars	4,139	3,934	4,086	4,073	6,495
Nonclassroom dollars:	4,282	4,146	3,122	3,506	4,172
Administration	855	855	630	757	1,160
Plant operations	1,162	1,063	831	923	1,008
Food service	369	397	330	405	429
Transportation	481	482	346	373	464
Student support	816	806	605	600	594
Instruction support	589	543	380	447	517

### STUDENT ACHIEVEMENT, TEACHER MEASURES, AND FINANCIAL ASSESSMENT

#### ADE-reported district and school letter grades



#### Students who met state standards (AIMS)



#### Student and teacher measures

Measure	District	Peer average	State average
Attendance rate	92%	94%	95%
Graduation rate (2013)	80%	80%	75%
Poverty rate (2013)	26%	23%	24%
Students per teacher	18.1	18.6	18.6
Average teacher salary	\$44,040	\$45,840	\$46,026
Amount from Proposition 301	\$4,277	\$5,396	\$4,810
Average years of teacher experience	12.4	11.7	10.9
Percentage of teachers in first 3 years	16%	19%	20%

#### Financial stress assessment

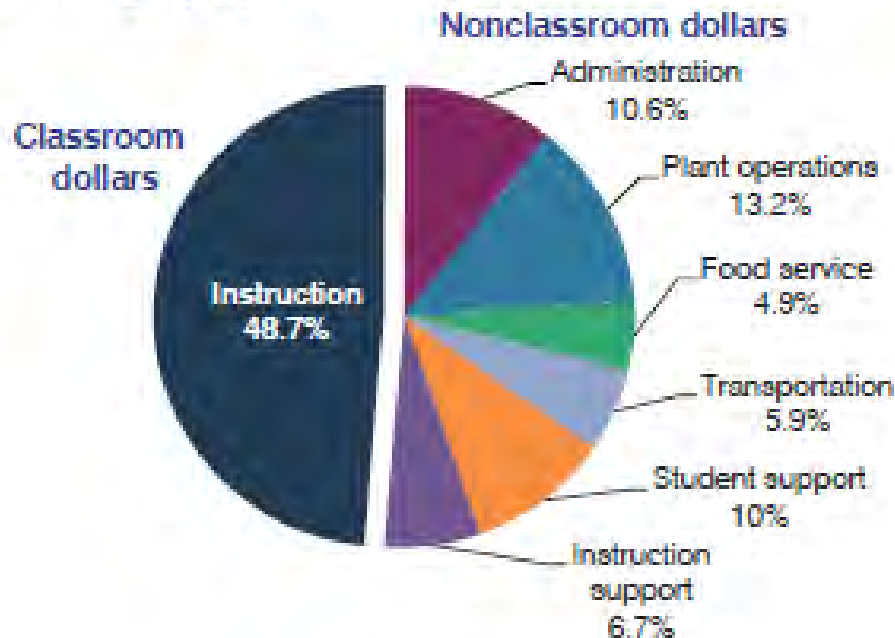
Overall financial stress level: **Moderate**

Measure: 2012 through 2014	Assessment
Change in number of district students	Consistent decrease
Spending exceeded operating/capital budgets	No discretionary funds
Spending increase election results	No election held
Operating reserve percentage (max. 4%), trend	2.7%, Varying
Years of capital reserve held	1 to 3 years
Current financial and internal control status	Compliant

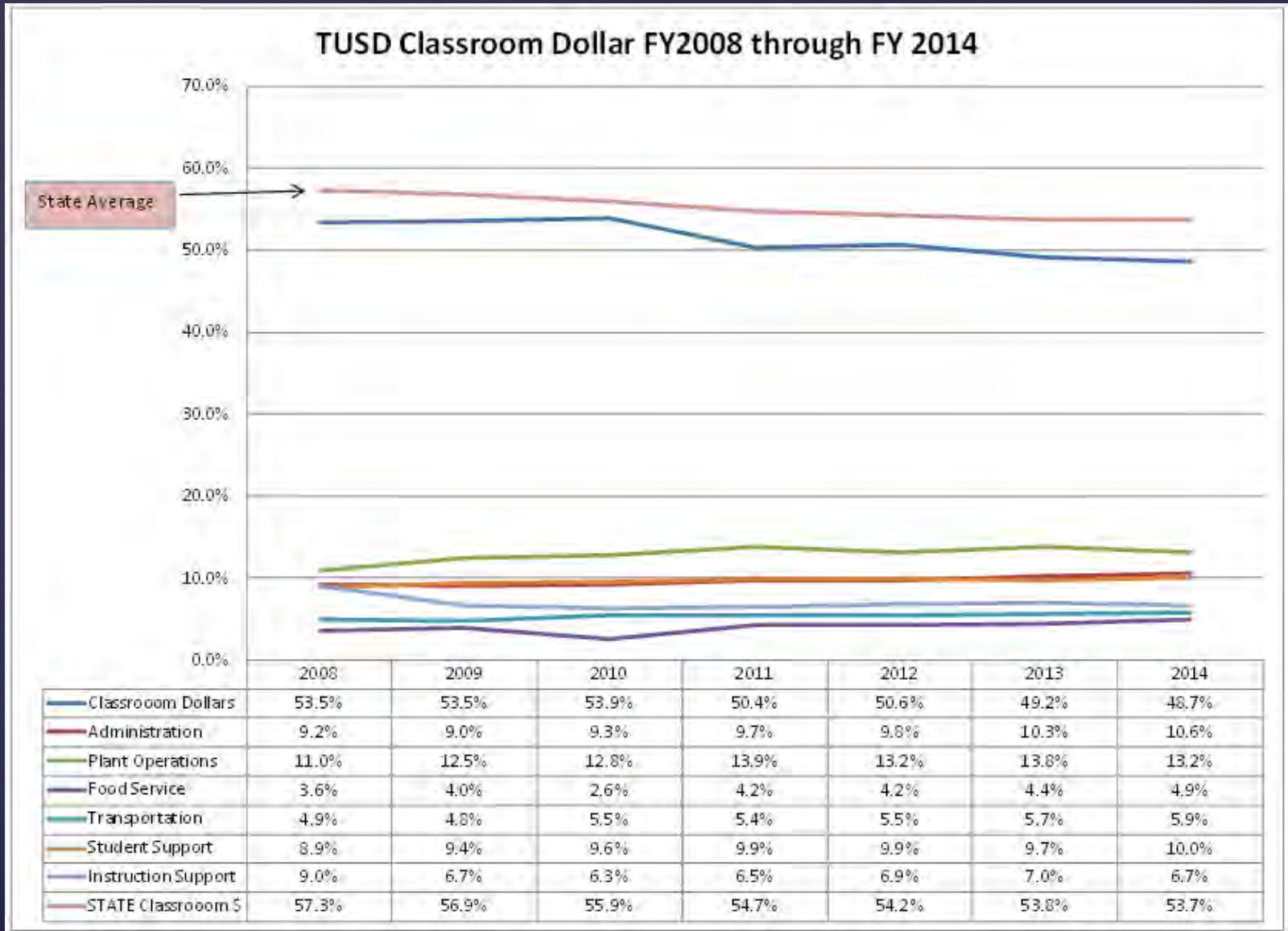
Stress level: **Low** Moderate **High**

- [http://www.auditorgen.state.az.us/Reports/School\\_Districts/Statewide/2014\\_February/AZ\\_School\\_District\\_Spending\\_FY2014.pdf](http://www.auditorgen.state.az.us/Reports/School_Districts/Statewide/2014_February/AZ_School_District_Spending_FY2014.pdf)

## Spending by operational area



# TUSD Classroom Spending FY14



# FY2016 Expenditure Budget

## Classroom Dollars — Cover Page

	FY13-14 Actual	FY14-15 Actual as of 6.2.15		FY15-16 Budgeted	
<b>Classroom Dollars</b>	<b>48.7%</b>	\$172,052,995	<b>50.6%</b>	\$232,574,448	<b>50.8%</b>
<b>Student Support</b>	<b>10.0%</b>	\$33,534,872	<b>9.9%</b>	\$39,975,911	<b>8.7%</b>
<b>Instruction Support</b>	<b>6.7%</b>	\$17,914,790	<b>5.3%</b>	\$33,101,335	<b>7.2%</b>
<b>Administration</b>	<b>10.6%</b>	\$35,273,502	<b>10.4%</b>	\$48,511,632	<b>10.6%</b>
<b>Plant Operations</b>	<b>13.2%</b>	\$43,069,776	<b>12.7%</b>	\$60,797,428	<b>13.3%</b>
<b>Food Service</b>	<b>4.9%</b>	\$18,130,376	<b>5.3%</b>	\$22,328,023	<b>4.9%</b>
<b>Transportation</b>	<b>5.9%</b>	\$20,030,523	<b>5.9%</b>	\$20,383,647	<b>4.5%</b>
<b>TOTAL</b>	<b>100.0%</b>	\$340,006,833	<b>100.0%</b>	\$457,672,424	<b>100.0%</b>
<i>Total Budgeted</i>		\$585,852,901		\$567,956,932	



# FY2016 Expenditure Budget

## Estimated Tax Rate – Timeline

JULY 20 – 24: Pima County School Superintendent's Office will be meeting with all Pima County school districts to discuss tax rates and levies for FY2016.

JULY 25: All tax calculation spreadsheets and cash balance certifications will be submitted to the Property Tax Oversight Commission.

AUGUST 7: Deadline to submit all tax rates and levies to the Clerk of the Board for ratification by the Pima County Board of Supervisors. No changes to the rates/levies can be made after this date.

AUGUST 17: Pima County Board of Supervisors will conduct a public hearing to ratify the tax rates and levies for all taxing jurisdictions in Pima County.

SEPTEMBER 11: Property tax billing statements mailed

SEPTEMBER 18: Property tax mortgage statements mailed

SEPTEMBER 25: Personal property tax statements mailed

# FY2016 Expenditure Budget

## Estimated Tax Rate – Cover Page

Tax Rate Type	2014 Actual	2015 Actual	2016 Projected
Primary *	6.0056	6.8021	6.4672
Secondary	1.4263	0.7073	0.8283
Total	7.4319	7.5094	7.2955
Difference		0.0775	-0.2139

Tax Rate Type	2014 Actual	2015 Actual	2016 Projected
*Deseg portion	2.1220	2.1225	2.1050
Difference		0.0005	-0.0175

Levy Amount	2014 Actual	2015 Actual	2016
			Projected
Primary *	\$180,311,907	\$204,175,605	\$195,735,738
Secondary	\$41,398,333	\$20,394,321	\$23,990,781
Total	\$221,710,240	\$224,569,926	\$219,726,519
Difference		\$2,859,686	-\$4,843,407

Levy Amount	2014 Actual	2015 Actual	2016 Projected
*Deseg portion	\$63,711,047	\$63,711,047	\$63,711,047
Difference		\$0	\$0

# FY2016 Expenditure Budget

## Estimated Tax Rate – Cover Page

### REVENUE SOURCES

- State & County Equalization – 32%
- Local Levy – 63% (Tax Rate)
- Other – 5% (Cash) – **ONLY INCLUDES M&O AND CAPITAL USED TO FUND BUDGET BALANCE CARRYOVER**

### TAX RATE FACTORS

- State Qualifying Tax Rate change
- State Aid Rollover (reduction of cash available to reduce the tax rate)
- Fluctuations in home values and Districtwide Assessed valuations
- Decline in Student Enrollment
- State Aid Reduction- reduces the cash on hand
- Funding outside budget limit – Desegregation

# FY2016 Expenditure Budget Tax Rate Factors– State Aid Rollover

## ARIZONA DEPARTMENT OF EDUCATION

*Tom Horne*  
Superintendent of  
Public Instruction



School Finance  
1535 West Jefferson  
Phoenix, Arizona 85007  
(602) 542-5695  
(602) 542-3099 Fax

STATE OF ARIZONA

---

### SCHOOL FINANCE MEMORANDUM 09-081

---

**TO:** District Superintendents, District Business Managers, and County School Superintendents

**FROM:** Yousef Awwad, Director of School Finance

**DATE:** June 11, 2009

**SUBJECT:** June 15, 2009 Basic calculations for Equalization Assistance Report (APOR 55 - 1) and Equalization Assistance and Additional State Aid Detail Report (APOR 64-1)

The June 15, 2009 apportionment reports applicable to the FY2009 equalization payment for your school district are posted on your district's home page on the ADE web site (<http://www.ade.az.gov/districts/default.asp>). If you need help finding or viewing these reports please contact the ADE Training and Support Group at 602-542-7378 or toll free at (866) 577-9636.

The following items have been included in the June 15, 2009 APOR calculations:

- **K-12 Rollover:** Pursuant to Laws 2008, Chapter 287, the ADE is to rollover \$602 million of FY2009 basic state aid and additional state aid payments scheduled to be paid to school districts on July 1, 2009. This amount is equal to all of the June 15, 2009 and a portion of the May 15, 2009 apportionment payments. In addition, the Arizona Legislature deferred another \$300 M pursuant to Laws 2009, Chapter 5, which may be paid with local cash balances pursuant to Laws 2009, Chapter 6. The deferred amount excludes school districts eligible to budget for the small school adjustment pursuant to ARS Section 15-949, and is scheduled to be paid to school districts on October 15, 2009 after the adjustments are made.



# FY2016 Expenditure Budget

## Tax Rate Factors– State Aid Rollover

SAIS APOR64-1

**Arizona Department of Education**  
 Equalization Assistance and Additional State Aid Detail

Apportionment Date : 06/15/2009

Report Date : 06/10/2009

Page : 1 of 4

Fiscal Year 2008 - 2009

**10 02 01 Tucson Unified District**

**Equalization Assistance**

*Pursuant to Laws 2008, Chapter 287, the ADE has implemented a rollover scheduled to be paid July 1, 2009, and includes part of the May 15 and the entire June 15 payments. Pursuant to Laws 2009, Chapter 5, a rollover was implemented against a portion of the May 15 payment scheduled to be repaid pursuant to Laws 2009, Chapter 6. Please note that funded YTD totals do not equal the calculated Net State Equalization due to this new rollover.*

Total Equalization Assistance	\$ 197,256,413.06
County Equalization Assistance	\$ 0.00
State Equalization Assistance	\$ 197,256,413.06
Adjustments to Equalization Assistance Subtotal*	\$ -312,452.10
<b>Net State Equalization</b>	<b>\$ 196,943,960.96</b>

**Equalization Assistance Payment Detail**

Month	Monthly Apportionment	Advance	Adjustment Description	Adjustment Amount	= Current Payment	Equalization Apportionment YTD	YTD %	Equalization Funded YTD	YTD %
July	\$17,513,424.59	\$0.00		\$0.00	\$17,513,424.59	\$17,513,424.59	8.89	\$17,513,424.59	8.89
August	\$0.00	\$0.00		\$0.00	\$0.00	\$17,513,424.59	8.89	\$17,513,424.59	8.89
September	\$16,214,335.26	\$0.00		\$0.00	\$16,214,335.26	\$33,727,759.85	17.12	\$33,727,759.85	17.12
October	\$16,853,763.62	\$0.00		\$0.00	\$16,853,763.62	\$50,581,523.47	25.68	\$50,581,523.47	25.68
November	\$0.00	\$0.00		\$0.00	\$0.00	\$50,581,523.47	25.68	\$50,581,523.47	25.68
December	\$17,193,932.86	\$0.00		\$0.00	\$17,193,932.86	\$67,775,456.33	34.41	\$67,775,456.33	34.41
January	\$16,959,115.08	\$10,519,550.56		\$0.00	\$27,478,665.64	\$95,254,121.97	48.36	\$95,254,121.97	48.36
February	\$13,250,754.58	\$11,626,236.38		\$0.00	\$24,876,990.96	\$120,131,112.93	60.99	\$120,131,112.93	60.99
March	\$16,296,861.38	\$2,064,496.47		\$0.00	\$18,361,357.85	\$138,492,470.78	70.32	\$138,492,470.78	70.32
April	\$8,450,166.84	\$0.00		\$0.00	\$8,450,166.84	\$146,942,637.62	74.61	\$146,942,637.62	74.61
May	\$17,499,171.53	\$0.00	See page 4.	(\$15,416,491.75)	\$2,082,679.78	\$164,441,809.15	83.49	\$149,025,317.40	75.66
June	\$32,502,151.81	\$0.00		\$0.00	\$32,502,151.81	\$196,943,960.96	100.00	<del>\$181,527,469.21</del>	92.17

\$196,943,960.96  
~~-\$181,527,469.21~~  
\$ 15,416,491.75

ADE4403

\* See Page 4 for Adjustment Detail



# FY2016 Expenditure Budget

## Tax Rate Factors– State Aid Rollover

SAIS APOR64-1

**Arizona Department of Education**  
 Equalization Assistance and Additional State Aid Detail

Apportionment Date : 06/15/2009

Report Date : 06/10/2009

Page : 2 of 4

Fiscal Year 2008 - 2009

10 02 01 Tucson Unified District

Additional State Aid

Secured	\$ 33,027,284.70
Adjustments to Additional State Aid SubTotal	\$ 0.00
Unsecured	\$ 0.00
<b>Total</b>	<b>\$ 33,027,284.70</b>

Secured Property Payment Detail

Month	Monthly Apportionment	Adjustment Description	+	Adjustment Amount	=	Current Payment	YTD Total	YTD %
July	\$2,599,295.19			\$0.00		\$2,599,295.19	\$2,599,295.19	8.33
August	\$0.00			\$0.00		\$0.00	\$0.00	0.00
September	\$2,602,415.60			\$0.00		\$2,602,415.60	\$5,201,710.79	16.67
October	\$2,599,295.19			\$0.00		\$2,599,295.19	\$7,801,005.98	25.00
November	\$0.00			\$0.00		\$0.00	\$0.00	0.00
December	\$3,206,988.01			\$0.00		\$3,206,988.01	\$11,007,993.99	33.33
January	\$2,754,475.54			\$0.00		\$2,754,475.54	\$13,762,469.53	41.67
February	\$2,751,172.82			\$0.00		\$2,751,172.82	\$16,513,642.35	50.00
March	\$2,751,172.82			\$0.00		\$2,751,172.82	\$19,264,815.17	58.33
April	\$5,201,710.79			\$0.00		\$5,201,710.79	\$24,466,525.96	75.00
May	\$3,070,963.48	See page 4.		(\$3,070,963.48)		\$0.00	\$24,466,525.96	74.08
June	\$5,489,795.26			\$0.00		\$5,489,795.26	<b>\$29,956,321.22</b>	90.70

\$33,027,284.70
-\$29,956,321.22
\$ 3,070,963.48

ADE4403



# FY2016 Expenditure Budget

## Tax Rate Factors– State Aid Rollover

SAIS APOR64-1

**Arizona Department of Education**  
 Equalization Assistance and Additional State Aid Detail  
 Fiscal Year 2008 - 2009

Apportionment Date : 06/15/2009

Report Date : 06/10/2009

Page : 4 of 4

10 02 01 Tucson Unified District

Equalization Assistance and Additional State Aid Adjustments

Adjustment Type	Date	Description	Amount
Equalization Assistance	12/15/2008	Qwest lawsuit settlement - state aid portion	\$1,010,561.23
Equalization Assistance	2/15/2009	FY07 915 adjustment	\$31,121.94
Equalization Assistance	2/15/2009	Laws 2009, 1st Special Session, Chapter 6 SCA Adj (SB1006)	(\$1,309,298.94)
Equalization Assistance	3/15/2009	ARS 15-108 Early Graduation Scholarship Fund Adjustment	(\$113,900.00)
Equalization Assistance	3/15/2009	FY2008 Growth Recalc Adjustment	\$12,974.54
Equalization Assistance	5/15/2009	May Equalization Payment Adjustment for expanded FY2009 rollover	(\$15,416,491.75)
Secured Additional Monthly Adjustments	5/15/2009	May Equalization Payment Adjustment for expanded FY2009 rollover	(\$3,070,963.48)
Equalization Assistance	6/15/2009	FY2009 Delayed Interest Payment per session law	\$56,089.13

\$15,416,419.75
+\$3,070,963.48
\$18,487,452.23

ADE4403





# FY2016 Expenditure Budget

## Primary Tax Rate Calculation

= Budgeted Expenditures  
(Budget limit set by formula in  
Budget Worksheets)  
+ Budget Increases  
(Carryover, Desegregation, etc.)  
= **Amount needed**

= Projected Year End Cash Balance  
+ Local Revenues  
(Tuition, prior taxes, interest)  
+ State & County Equalization  
(set by formula in Budget  
Worksheets using QTR\*)  
= **Amount available**

Amount needed – Amount available = Local Levy (property taxes)

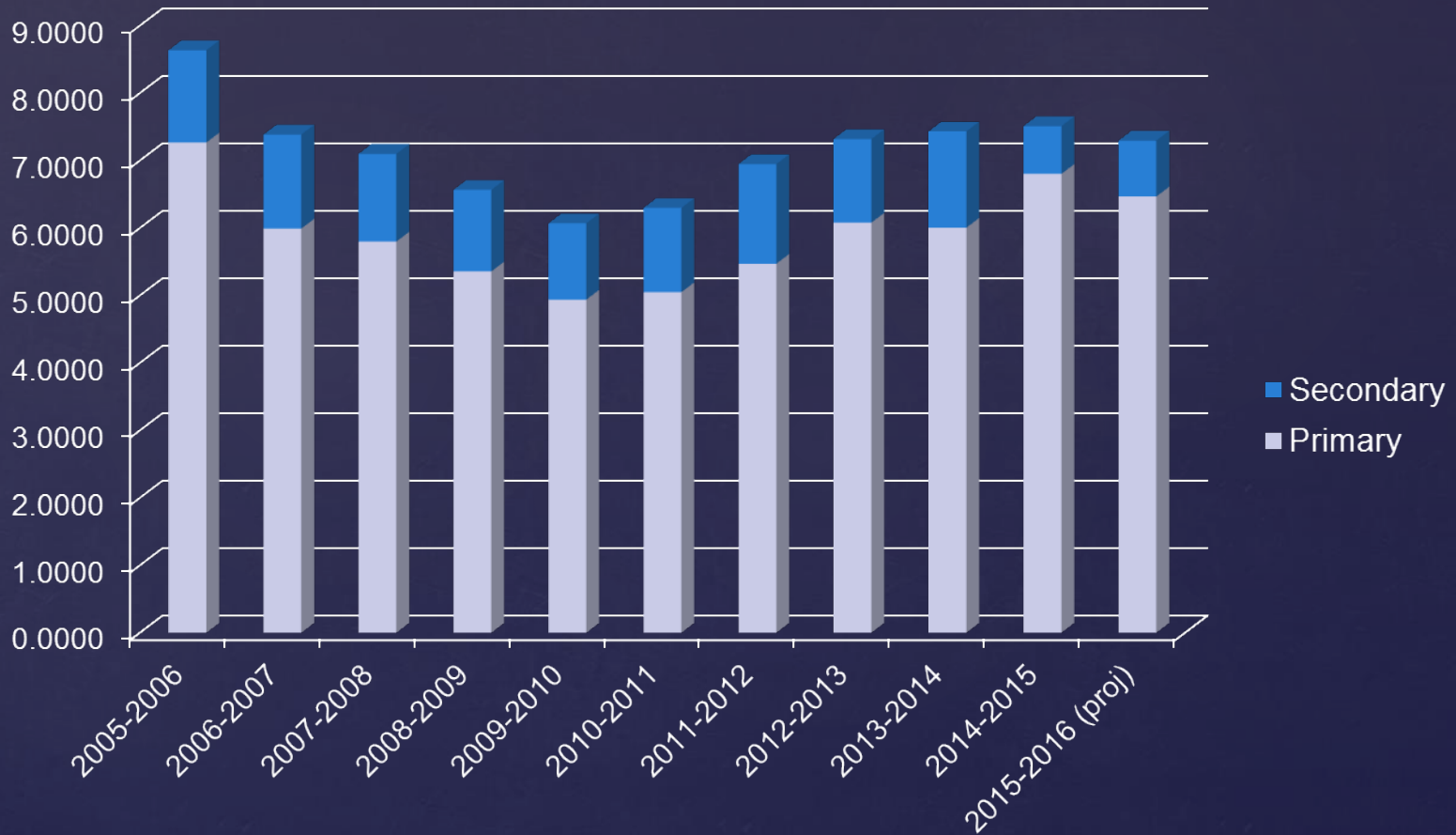
Tax rate is calculated by dividing Local Levy by Assessed Value / 100

\*QTR – Qualifying Tax Rate set by the Joint Legislative Budget Committee and is used to determine the amount of Equalization the district will receive



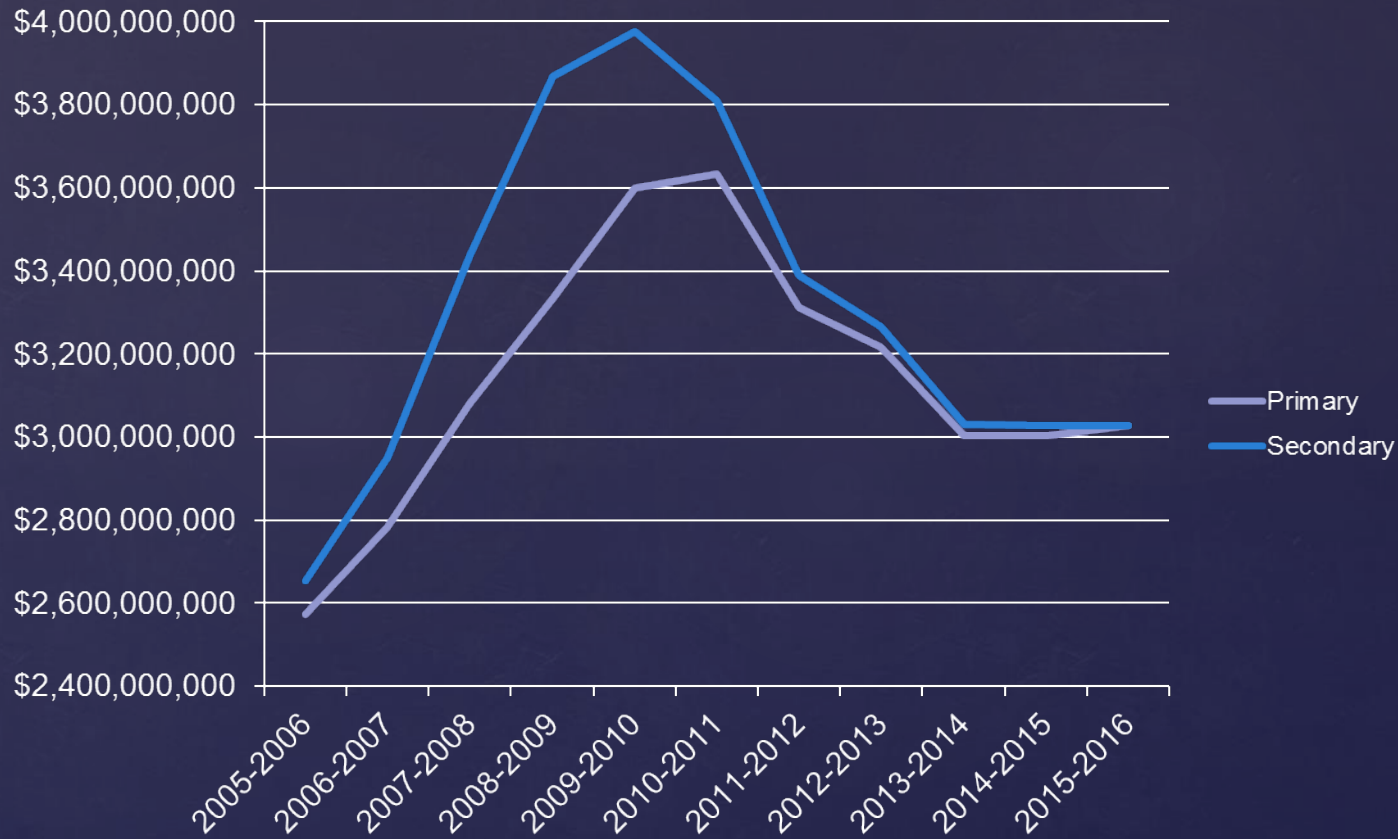
# FY2016 Expenditure Budget

## TUSD Tax Rate Information 2006-2016



# FY2016 Expenditure Budget

## TUSD Assessed Valuation 2006-2016



# FY2016 Expenditure Budget

The Expenditure Budget contains categories from which school districts can expend monies. These categories (funds) fall into these major classifications:

- Maintenance & Operation
- Classroom Site Fund
- District Additional Assistance Fund
- Special Revenue Funds (Federal/State Projects)
- Instructional Improvement Fund
- Other Funds
- Internal Service Funds

# Maintenance & Operation Fund Page 1, Line 31

<b>FY2015 M&amp;O Budget Limit *</b>		<b>\$298,537,424</b>
<b>FY2016 M&amp;O Budget Limit *</b>		<b>\$301,776,170</b>
<b>Difference</b>	<b>+1.1%</b>	<b>\$3,238,746</b>

The Maintenance & Operation Budget is the budget where much of the day to day expenditures take place. Typical expenditures include salaries, benefits, supplies, utilities, maintenance & repair, and other non-capital expenditures.

M&O fund includes Desegregation (\$59,611,047, Line 26), K-3 Move on when Reading (\$401,744, Line 28) and Dropout Prevention (\$767,410, Line 30).



# Classroom Site Funds-Prop 301 Page 3, Line 40

<b>FY2015 Budget</b>		<b>\$28,637,918</b>
<b>FY2016 Proposed Budget</b>		<b>\$32,290,718</b>
<b>Difference</b>	<b>+13.1%</b>	<b>\$3,752,800</b>

All monies must be spent in accordance with the district's approved Prop 301 Plan

**Fund 011 = 20% Teacher Base Pay**

**Fund 012 = 40% Teacher performance payment**

**Fund 013 = 40% Other**



# Unrestricted Capital Outlay Fund Page 4, Line 10

<b>FY2015 Budget*</b>		<b>\$28,215,096</b>
<b>FY2016 Proposed Budget*</b>		<b>\$20,842,581</b>
<b>Difference</b>	<b>-26.1%</b>	<b>-\$7,372,515</b>

Unrestricted Capital Fund is the DAA level of funding which the District may utilize for Capital purposes. Allowable expenses include Textbooks, Library Books, Instructional Aids, Land & Building Improvements, Vehicles, Furniture & Equipment, Technology Equipment, Capital Leases

DAA fund includes Desegregation (\$4,100,000), and K-3 Move on when Reading (\$1,561,445)

# TUSD Current Capital Lease Obligations

FY2014-2015      \$11.3M

FY2015-2016      \$10.7M

FY2016-2017      \$9.2M

FY2017-2018      \$7.4M

FY2018-2019      \$3.3M

FY2019-2020      \$2.8M

Include ITIMI Project, Energy Performance Contract, School Buses, Computers, Instructional Software (Successmaker)

# TUSD Other Capital Needs

Amount needed in FY2015-2016 Budget

Textbooks/  
Instructional Aids \$1.8M

Building Maintenance/  
Site Improvements \$1.4M

Technology Equipment  
Software/License Renewals \$3.0M

Other Equipment Needs \$1.3M  
Custodial/Grounds/Vehicles/Health/Safety



# Special Projects-Federal & State Page 6, Line 29

<b>FY2015 Budget</b>		<b>\$69,387,963</b>
<b>FY2016 Proposed Budget</b>		<b>\$69,287,963</b>
<b>Difference</b>	<b>-0..9%</b>	<b>-\$100,000</b>

**Federal & State Projects** The majority of these funds are administered through the Arizona Department of Education available to School Districts via an application process (Require eligibility and strict compliance)

# Instructional Improvement Fund Page 6, Line 5

<b>FY2015 Budget</b>	<b>\$2,500,000</b>
<b>FY2016 Proposed Budget</b>	<b>\$2,500,000</b>
<b>Difference</b>	<b>\$0</b>

This fund is similar to the Classroom Site Fund – however, revenues determine Budget total. No revenue projections are provided by the State. Fluctuations in district projected revenues will cause an increase or decrease in Budget Total.

Monies are used to partially fund Full Day Kinder Program in accordance with A.R.S.15-979

# Other Funds

Page 6, Lines 1-36

<b>FY2015 Budget*</b>		<b>\$122,274,500</b>
<b>FY2016 Proposed Budget*</b>		<b>\$104,859,500</b>
<b>Difference</b>	<b>-14.2%</b>	<b>-\$17,415,000</b>
Student Success Fund		-\$915,000
Energy and Water Savings Fund		-\$19,000,000
Worker's Compensation Fund		\$2,500,000

**Other Funds - Special Revenue Funds** serve a specific purpose determined by the USFR whose budget is controlled by cash flow

# Internal Service Funds Page 6, Lines 1-4

<b>FY2015 Budget</b>	<b>\$36,300,000</b>
<b>FY2016 Proposed Budget</b>	<b>\$36,300,000</b>
<b>Difference</b>	<b>\$0</b>

## **Internal Service Funds**

Funds used to account for the cost of providing certain goods and services within the district whose budget is controlled by cash flow.

Funds Include:

Employee Insurance (Premiums collected to pay Insurance Trust),

Print Shop Services

Intergovernmental Agreements



# Budgeted Expenditures - All Funds

<b>FY2015 Budget</b>	<b>\$585,852,901</b>
<b>FY2016 Proposed Budget</b>	<b>\$567,956,932</b>
<b>Difference</b>	<b>-\$17,895,969</b>

# FY2016 Desegregation Expenditure Budget (ADE)

*FY2015 M&O Deseg Budget (Line 44)	\$55,711,047
*FY2016 M&O Deseg Budget (Line 44)	\$59,611,047
Difference	\$3,900,000

*FY2015 Capital Deseg Budget (Line 70)	\$8,000,000
*FY2016 Capital Deseg Budget (Line 70)	\$4,100,000
Difference	-\$3,900,000

*FY2015 Total Deseg Budget	\$63,711,047
*FY2016 Total Deseg Budget	\$63,711,047
Difference	\$0

# USP Budget – FY2016 Changes

- Absorbed Overhead Costs into M&O - \$5M
- Absorbed entire impact of October 2014 order
  - 8.8 FTE Magnet Fine Arts Teachers (11.1 FTE in 2016)
  - 19 Dual Language Teachers
  - 9.64 FTE Social Workers
  - 4.85 FTE Psychologists

## Cost impact

FY2015 – 1 Semester only - \$1.7M

FY2016 – Entire year - \$3M

- Magnet plans – increased by \$2.5M

# USP Budget – FY2016 Changes

- Budget Criteria Review process required the conversion & tracking from 14 Projects to 65 Activity codes. This required prior year information to be cross walked for audit and budget reporting purposes. Data is not comparable because mathematical calculations had to be used for cross walk method.
- Budget Criteria Review process required three separate drafts of the USP budget to be submitted for review and comment.
  - First draft due 2/28/15.
  - Second draft due 3/23/15
  - Third draft due 4/27/15
  - Each draft subject to feedback from SMP and Plaintiffs



# USP Budget Format – Project Codes

ACCOUNT DESCRIPTION	FY2013-2014	FY2014-2015	DIFFERENCE
Project 1 Personnel	526,296	413,401	(112,895)
Project 2 Student Assignment	8,409,810	10,588,102	2,178,293
Project 3 Transportation	8,612,937	9,337,929	724,992
Project 4 ALEs	5,875,365	5,555,024	(320,341)
Project 5 Achievement Support	8,956,716	7,872,136	(1,084,580)
Project 6 Inclusive Environments	4,657,203	3,153,694	(1,503,509)
Project 7 Discipline & ECA	2,025,082	1,938,694	(86,388)
Project 8 Family Engagement	722,548	677,557	(44,990)
Project 9 Facilities Access	819,755	1,774,985	955,230
Project 10 Technology Access	547,013	588,000	40,987
Project 11 General Administration	8,423,740	8,100,715	(323,025)
Project 12 Prof. Development	1,961,408	1,943,291	(18,117)
Project 13 Monitoring/Reporting	1,410,065	1,950,878	540,813
Project 14 ELL /OCR	10,437,535	9,350,874	(1,086,661)

# USP Budget Format – Project Codes

Project#	Activity	USP Section(s)	Activity#
1	IV.1 Hire or Designate USP Positions	All	0401
1	IV.2 Outreach, Recruitment, Retention Plan	IV.C.3	0402
1	IV.3 Interview Committees/Instrument/App Pool	IV.D.1-3, IV.B.1	0403
1	IV.4 Evaluate Applicant Offer Rejections	IV.D.4	0404
1	IV.5 Diversity Assignment	IV.E.1-4	0405
1	IV.6 Experience Assignment	IV.E.5	
1	IV.7 Retention	IV.F.1.a-c	
1	IV.8 Reduction in Force (RIF) Plan	IV.G	
2	II.1 Comprehensive Boundary Plan	II.D.2-3	
2	II.2 Comprehensive Magnet Plan	II.E.3	
2	II.3 Application and Selection Process (+APOS)	II.D.4, I.G.1, II.G.2	
2	II.4 Marketing, Outreach, and Recruitment Plan	II.I.1, III.A.5, VII.B	
2	II.5 Student Assignment PD	II.J.1	
3	III.1 Magnet Transportation	III.A.3	
3	III.2 Incentive Transportation	III.A.3	
4	V.1 ALE Access and Recruitment Plan	V.A.2-4	
4	V.2 UHS Admissions/Outreach/Recruitment	V.A.5	
4	V.3 Pursue OELAS Extension	V.B.1	
4	V.4 Build/Expand Dual Language Programs	V.C.1	
4	V.5 Placement Policies and Practices	V.D.1	
5	V.6 Dropout Prevention and Retention Plan	V.E.2.b-c	
5	V.7 Data Dashboard (Flags and Policies)	V.E.3	
5	V.11 Targeted Academic Interventions and Supports	V.E.7.a-c, & f; V.E.	
5	V.12 Quarterly Information Events	V.E.7.d, V.E.8.d	
5	V.13 Collaborate with Local Colleges and Universities	V.E.7.e, V.E.8.e	
5	V.14 AAAATF Recommendations	V.E.7.g & i	
5	V.15 Referrals, Evaluations, and Placements	V.F.1	
6	V.8 CRC and Student Engagement PD	V.E.4.c	
6	V.9 Multicultural Curriculum	V.E.6.a.i	
6	V.10 Culturally Relevant Courses	V.E.6.a.ii	
6	V.16 Supportive and Inclusive Environments	V.F.2.a-c, V.F.3.V.	

Project#	Activity	USP Section(s)	Activity#
7	VI.1 Restorative Practices and PBIS (RPPSCs)	VI.B.1, VI.C.1-2, VI.E.1	0601
7	VI.2 GSRR	VI.B.2.a-c, VI.D.1-2	0602
7	VI.3 Student Discipline Training for Sites	VI.E.2	0603
7	VI.4 Discipline Roles and Responsibilities	VI.E.3 & 5	0604
7	VI.5 Discipline Data Monitoring	VI.E.4, VI.F.1-2, 6	0605
7	VI.6 Corrective Action Plans	VI.F.2 & 5	0606
7	VI.7 Successful Site-Based Strategies	VI.F.3-4	0607
7	VIII.1 Extracurricular Equitable Access Plan	VIII.A, III.A.2	0801
7	VIII.2 Data Reporting System (Extracurricular)	VIII.B	0802
8	VII.1 Family Center Plan	VII.C.1.a, e-g, VIID.1	0701
8	VII.2 Family Engagement Resources	VII.C.1.d	0702
8	VII.3 Tracking Family Engagement	VII.C.1.c	0703
8	VII.4 Translation and Interpretation Services	VIID	0704
9	IX.1 Multi-Year Facilities Plan	IX.A.1-3	0901
10	IX.2 Multi-Year Technology Plan	IX.B.1-3	0902
10	IX.3 Technology PD for Classroom Staff	IX.B.4	0903
11	I.1 Internal Compliance Monitoring	All, X.D.1; X.B.6; II.I.1.b	0101
11	I.2 Annual Report	All	0102
11	I.3 Court Orders and Miscellaneous	All	0103
11	X.3 Budget Process and Development	X.B.1-5	1003
11	X.4 Budget Audit	X.B.7	1004
11	X.5 Notice and Request for Approval	X.C	1005
12	IV.9 USP-Related PD and Support	IV.B.3	0409
12	IV.10 First-Year Teacher Pilot Plan	IV.E.6	0410
12	IV.11 Evaluation Instruments	IV.H.1	0411
12	IV.12 New Teacher Induction Program	IV.I.1	0412
12	IV.13 Teacher Support Plan	IV.I.2, IV.J.4	0413
12	IV.14 Aspiring Leaders Plan	IV.I.3	0414
12	IV.15 PLC Training	IV.I.4	0415
12	IV.16 USP Training Plan	IV.J.1-3	0416
12	IV.17 Ongoing PD on Hiring Process	IV.J.5	0417
12	IV.18 Observations of Best Practices	IV.J.6	0418
13	X.1 EBAS Implementation	X.A.1-2	1001
13	X.2 EBAS Training and Evaluation	X.A.3-4	1002
14	OCR		104

# USP Budget Recommendations and Changes

\*Recommendations in yellow were received after the District's June 18 Submission of the Final Draft Budget and Cover Letter

Subsequent to June 18, 2015, District staff held teleconferences with the Special Master, Fisher Plaintiffs, and Mendoza Plaintiffs to clarify any remaining issues, and to ensure mutual understanding of each party's final recommendations.

Based on the teleconference discussions, and based on subsequent communications, the District took additional steps to ensure that the final recommendations are accurate as presented to the Governing Board on July 14, 2015.

# USP Budget Recommendations and Changes

## I. DISTRICT-INITIATED CHANGES BETWEEN DRAFT 3 AND FINAL VERSION

COMPREHENSIVE BOUNDARY PLAN [USP Budget Code 201]

MORE PLAN [USP Budget Code 204]

ORR PLAN [USP Budget Codes 402]

TEACHER EVALUATION [USP Budget Codes 411]

ALE [USP Budget Code 501]

GENERAL / EBAS [USP Budget Codes 101 and 1001]



# USP Budget Recommendations and Changes

## II. SPECIAL MASTER AND PLAINTIFF RECOMMENDATIONS ACCEPTED BY THE DISTRICT

Recommendation 1 (Fisher and Mendoza Plaintiffs 3/26/15) – Implement Mandatory GATE Testing.

Recommendation 2 (Fisher Plaintiffs 3/26/15) – Eliminate 910(G) Funding for the UHS LSC/Recruiter.

Recommendation 3 (Mendozas 5/7/15) – Eliminate 910(G) Funding for Non-Theme-Related Music and Art Teachers in Magnet Schools.

Recommendation 4 (Mendozas 5/7/15 and 6/4/15) – Do Not Expand LSCs from 55.5 to 65.

Recommendation 5 (Mendoza 5/7/15; Special Master 5/19/15) – 910(G) Fine Arts Expenditures.

Recommendation 6 (Mendoza 5/17/15 ) – Reduce Funding for Transportation.

Recommendation 7 (DOJ 5/8/15) – Specify Funding for In-School Intervention / Life Skills Expansion (DPG Plan):

Recommendation 8 (Special Master 5/19/15) – Justify or Remove Funding for Deseg-Funded Preschools:

# USP Budget Recommendations and Changes

## III. SPECIAL MASTER AND PLAINTIFF RECOMMENDATIONS NOT ACCEPTED BY THE DISTRICT

Recommendation 1 (Mendoza 5/7/15) – Eliminate 910(G) Funding for Utterback Attendance Clerk.

Recommendation 2 (Mendoza 5/7/15)– Split Fund Family Engagement Director Between 910(G) and Title I.

### **Recommendation 3 (Fisher 6/25/15) – Place LSCs Back in Classrooms, Especially in Schools with an Achievement Gap for Minority Students**

Response: TUSD is in the process of evaluating LSC effectiveness and, based on the results of said evaluation, will determine whether to maintain LSCs at their current function, eliminate LSCs altogether, or modify the functions of LSCs.

# USP Budget Recommendations and Changes

## IV. PLAINTIFFS' FINAL RECOMMENDATIONS RECEIVED JULY 13, 2015

### Mendoza Plaintiffs

Align the budget entries to the 910(G) funding at the individual magnet schools

Provide additional funding for Holladay, Ochoa, Robison, and Utterback directed at enhancing achievement and improving integration

Allocate additional funding to expand dual language programs

Allocate additional funding for family engagement

Object to the use of 910(G) funds for consultants and related activities in anticipation of a “November 2016 bond” (in the absence of a showing that these expenditures directly support a portion of the facilities plan intended to ensure equal access to facilities at Racially Concentrated schools)

Reduce and/or justify OMA/Fine Arts/Multicultural allocations

# USP Budget Recommendations and Changes

## IV. PLAINTIFFS' FINAL RECOMMENDATIONS RECEIVED JULY 13, 2015

### Fisher Plaintiffs

The Director of Planning Services position should not be fully funded by desegregation funds

Separate UHS funding allocations to indicate the percentages that support the USP versus the percentages that support out-of-district students

Eliminate magnet coordinators at Ochoa, Cragin, Mansfeld, and Robison

Reduce the 910(G) funding level for GATE classes

Eliminate 910(G) funding for ISI/DAEP and convert it to funding for additional training related to disproportionate suspension

Eliminate 910(G) funding for the Pan Asian Studies Department



Questions?