



This document has been developed to provide Gilbert Public Schools staff and community members with information regarding the **estimated** fiscal impact of Prop 123 and the impact of other critical factors, especially the decrease in student enrollment, on the amount of budget capacity available to the school district.

Utilization of Prop 123 Funding in 2015-2016 (FY 16)

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| Increase in Base Support Level \$5.9 million | <ul style="list-style-type: none"> • \$3.0 million carried forward to fund staff stipends in FY 17 • \$2.9 million to stabilize the reserve level of the Employee Benefit (Insurance) Trust Fund |
| Additional Funding Allocation (from \$50 million appropriation) \$1.6 million | <ul style="list-style-type: none"> • Carried forward to FY 17 in the Capital Fund to address additional capital needs not funded through bond funds |

Model to Illustrate Impact of Prop 123 and Other Related Budget Limit Formula Factors on Budget Capacity

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| <ul style="list-style-type: none"> • FY 16 Increase in Base Level from Prop 123 (from \$3,524.56 to \$3,645) | \$5.9 million |
| <ul style="list-style-type: none"> • FY 16 Additional Funding Allocation from Prop 123 (Applied to Capital) | \$1.6 million |
| <ul style="list-style-type: none"> • FY 17 Increase in Base Level from Prop 123 (from \$3,524.56 to \$3,645) | \$5.6 million |
| <ul style="list-style-type: none"> • FY 17 Additional Funding Allocation from Prop 123 | \$1.6 million |
| <ul style="list-style-type: none"> • 0.99% Inflationary Increase in Base Level (from \$3,645 to \$3,681.09) | \$1.7 million |
| <ul style="list-style-type: none"> • 10% Maintenance & Operations Override | \$18.5 million |
| <ul style="list-style-type: none"> • Total Budget Capacity Increases | \$34.9 million |
| <ul style="list-style-type: none"> • Amount of FY 16 Prop 123 Funding Allocation Applied to Capital Fund | \$-1.6 million |
| <ul style="list-style-type: none"> • Amount of FY 16 Prop 123 Funding Used to Stabilize Employee Benefit Trust Fund Reserve in FY 16 | \$-2.9 million |
| <ul style="list-style-type: none"> • Reduction in Student Enrollment (Weighted Student Count) | \$-5.7 million |
| <ul style="list-style-type: none"> • Reduction in Teacher Experience Index | \$-0.4 million |
| <ul style="list-style-type: none"> • Increased Allocation of District Additional Assistance (DAA) to Fund Capital Budget in FY 17 | \$-2.0 million |
| <ul style="list-style-type: none"> • Net Reduction in Budget Balance Carryforward (FY 17 to FY 17) | \$-0.7 million |
| <ul style="list-style-type: none"> • Net loss in DAA from FY 16 to FY 17 | \$-0.5 million |
| <ul style="list-style-type: none"> • Total Budget Capacity Reductions | \$-13.8 million |
| <ul style="list-style-type: none"> • Model Projection of Additional Maintenance & Operations (M & O) Budget Capacity for FY 17 | \$21.1 million* |

*This figure represents an **approximation** of the net additional budget capacity after individually assessing each of the factors or components that have affected budget capacity. This model does **not**, nor is it expected to, replicate the same figure reflected in the FY 17 Proposed Budget using the state's budget limit formula.