Tonight’s Action

Certification of Financial Condition

- Positive - ok for this year and next two years
  - Qualified - may have a problem in one or more years
  - Negative - won’t be able to meet this year’s obligations or won’t be able to meet next two years
Revenue Changes Since 1st Interim

- **LCFF Sources net increase of $464,429**
  - Adjustments to property taxes, redevelopment funds, education protection account (EPA) calculation, transfers to adult education, and in-lieu transfers

- **Federal revenue net decrease of ($276,340)**
  - Grant award revisions for 2015-16 (Title III, MediCal, Advanced Placement) - increase
  - Projected carryovers for 2015-16 (Title I/II/III, Special Ed) - decrease

- **Other State revenue net decrease of ($36,319)**
  - Grant award revisions for 2015-16 (Mandated Block Grant, Crane Grant) - increase
  - Projected carryovers for 2015-16 (Partnership Academies, TUPE Grant) - decrease

- **Other Local revenue net increase of $519,096**
  - Donations, misc income, ASB Reimbursements, facility usage - increase
Salary and benefits net decrease of ($577,634)
  • Adjustments for open positions, late starts, hard to fill positions provided by non-public agencies
  • Adjustments for stipends reimbursed by ASB, Boosters, PTA/PTO

Supplies, other operating, capital outlay net decrease of ($2,971,037)
  • Revised current year projections for technology infrastructure (moved to next year)
  • Expenditures adjusted for grants, categorical programs and miscellaneous income
  • Projected carryover balances for 2015-16
Ending Fund Balance

Components of Ending Fund Balance

- Legally restricted categoricals (Mental Health Services, MediCal LEA, Lottery, Restricted Maintenance, Educator Effectiveness)
- Committed Balances
  - EL/LI (English Learners/Low Income)
  - Governor’s designated Common Core/Technology/Professional Development one-time funds
- Projected carryovers reflected in assigned balances
  - Projected school site and local grant carryover
    - Intel, Donations, Fundraisers, Mandated Cost Reimb, MAA, Kaiser
  - Projected department carryover
    - Language Saturday School, MAA, Health Svcs, Microsoft Voucher Settlement
  - CTE (Career Technical Education)
  - IB/PLTW/STEM Programs
- Revised unappropriated balance (increase of $195,947 since 1st interim)
MULTI-YEAR PROJECTIONS
“Positive” Financial Status

Assumptions

- Flat enrollment
- Gap funding of 51.97% for 2015-16, 49.08% for 2016-17, and 45.34% - Department of Finance (DOF) projections
  - Based on Governor’s Budget Proposal – January, 2016
  - CDE certified P1 at 50.50% gap funding
- COLA of 1.02% in 2015-16 and .47% in 2016-17
- Includes step and column, but no salary increases
- Employer increases for PERS and STRS contributions
- Programmatic increases for class size reduction, IB and CTE
- Annual increases for utilities, property & liability insurance
- Adjustment for expected expenditure of carryovers

Future Considerations

- Gap funding revisions/LCFF fully funded
- Expiration of Prop 30 temporary tax increases
- Structural deficit
- No salary increase
## 2015-16 Multiyear Projection
(no negotiated salary increases)

<table>
<thead>
<tr>
<th>Description</th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beg Balance, July 1 (estimated)</td>
<td>$26,413,625</td>
<td>$29,615,875</td>
<td>$24,015,782</td>
</tr>
<tr>
<td>Revenues/Other Financing Sources</td>
<td>188,990,405</td>
<td>185,195,131</td>
<td>190,194,570</td>
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<tr>
<td>Expenditures/Other Financing Uses</td>
<td>185,788,155</td>
<td>190,795,224</td>
<td>195,053,083</td>
</tr>
<tr>
<td>Ending Balance, June 30</td>
<td>$29,615,875</td>
<td>$24,015,782</td>
<td>$19,157,269</td>
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<tr>
<td>Designated for Economic Uncertainties</td>
<td>5,700,000</td>
<td>5,750,000</td>
<td>5,900,000</td>
</tr>
<tr>
<td>Legally Restricted</td>
<td>10,410,449</td>
<td>9,204,204</td>
<td>7,122,324</td>
</tr>
<tr>
<td>Assigned/Committed</td>
<td>13,041,607</td>
<td>8,793,947</td>
<td>6,132,037</td>
</tr>
<tr>
<td>Unassigned/Unappropriated</td>
<td>$463,820</td>
<td>$267,631</td>
<td>$2,908</td>
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</tbody>
</table>
### Assigned/Committed Reserves Detail

<table>
<thead>
<tr>
<th>Description</th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revolving Cash</td>
<td>$75,000</td>
<td>$75,000</td>
<td>$75,000</td>
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<tr>
<td>Projected school site carryover</td>
<td>1,250,000</td>
<td>1,250,000</td>
<td>1,250,000</td>
</tr>
<tr>
<td>Projected local grants/dept carryover</td>
<td>1,350,000</td>
<td>1,350,000</td>
<td>1,350,000</td>
</tr>
<tr>
<td>IB/PLTW/STEM</td>
<td>75,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Career Technical Education</td>
<td>586,771</td>
<td>475,425</td>
<td>568,937</td>
</tr>
<tr>
<td>English Learners/Low Income (restricted)</td>
<td>3,826,439</td>
<td>4,299,368</td>
<td>2,888,100</td>
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<tr>
<td>Governor’s Designated CCSS/Tech/Prof Development 1x funds</td>
<td>5,878,397</td>
<td>1,344,154</td>
<td>0</td>
</tr>
<tr>
<td>Total Board Approved Assigned/Committed Balances</td>
<td>$13,041,607</td>
<td>$8,793,947</td>
<td>$6,132,037</td>
</tr>
</tbody>
</table>
Multi-Year Projections - Other Funds

- Charter School
- Adult Education
- Child Development
- Food Services
- Deferred Maintenance
- Building Funds
- Developer Fees
- Special Reserve for Capital Outlay
- Student Care
- Retiree Benefit Trust
What’s Next?

- LCAP Discussions – September 2015 through May 2016
- P-2 ADA Report – April 2016
- Budget Development – March 2016
- Governor’s May Revise – May 2016
- Adopted 2016-17 Budget – June 2016