



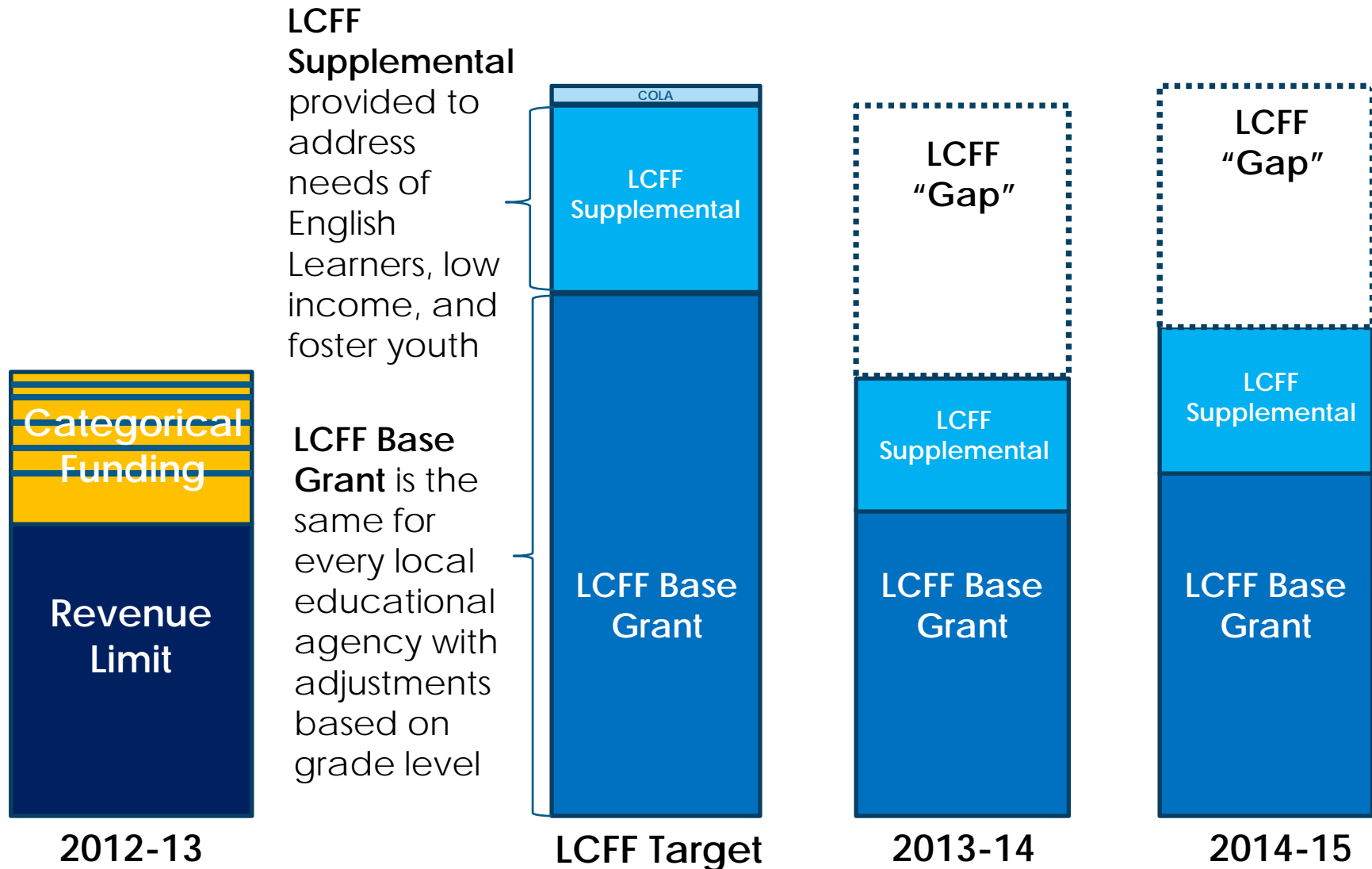
2014-2015 1st Interim Financial Report

December 2014

Local Control Funding Formula (LCFF)

- The most dramatic change the school finance system has seen since the creation of revenue limits and categorical programs in 1972
- Moves California to a weighted student funding methodology
- LCFF replaces revenue limits and most state categorical programs
- Began in 2013-14
- Estimated eight years to full implementation
- Requires Local Control Accountability Plan (LCAP)

LCFF Target and Gap Funding



Budget and MYP Assumptions

- An overview of the Budget assumptions used for LCFF Gap Funding, COLA, CalSTRS rates, and CalPERS rates

	2013-14	2014-15	2015-16	2016-17
LCFF Gap Funding*	12.00%	29.56%	7.8%	8.4%
COLA*	1.565%	0.85%	2.10%	2.30%
CalSTRS Rate	8.25%	8.88%	10.73%	12.58%
CalPERS Rate	11.442%	11.771%	12.60%	15.00%

*As recommended by School Services of California

First Interim Changes

- Significant changes from the Adopted Budget
 - Increase to LCFF Gap funding since the May Revise
 - (From 28.05% to 29.56%)
 - Change in CalSTRS since May Revise
 - (Lower in 2014-15 but higher in the following years costing more by 2017-18)
- Addition of one-time dollars for state mandated program to be used for the continued implementation of Common Core
- Increases in student enrollment over projections (+132 students)
 - This resulted in a need to add 25 sections to allocated staffing
- Reduction in funding from SELPA creating an increase in the contribution to Special Education (Approximately \$504,000.00)

Unrestricted General Fund Summary

	2013-2014 Actuals	2014-2015 Adopted Budget	2014-15 1 st Interim	2015-2016	2016-2017
Beginning Balance	9,124,605	5,864,757	6,220,514	5,593,313	4,894,721
LCFF Revenue	67,021,925	73,492,718	74,582,912	76,399,049	78,295,695
Other Revenue	3,033,344	3,431,706	3,637,809	2,980,242	2,980,242
Contributions	<u>-7,692,198</u>	<u>-7,846,835</u>	<u>-8,423,068</u>	<u>-7,817,087</u>	<u>-8,061,429</u>
Total Revenues	60,435,570	69,077,589	69,797,653	71,562,204	73,214,508
Expenditures	63,695,417	68,594,140	70,424,854	72,260,796	74,317,209
Net Increase/(Decrease) to Ending Balance	(3,259,848)	483,449	(627,201)	(698,592)	(1,102,701)
Ending Balance	5,864,757	6,348,206	5,593,313	4,894,721	3,792,020
Ending Balance Percentage	6.91%	7.14%	6.11%	5.38%	4.07%
3% Reserve Non Spendable Balances	2,544,935	2,666,329	2,744,855	2,731,832	2,796,393

Next Steps

- Positive Certification is recommended
 - Certifies that based on current projections the District will meet it's financial obligations for the current and subsequent two fiscal years
- Governor releases his Budget Proposal in January
- Continued conversations regarding budget priorities for the 2015-16 school year and beyond
 - Textbooks
 - Use of Common Core/Mandated Cost one-time dollars
 - Other priorities
- Second Interim Report and budget revisions will be presented to the Board in March for approval