



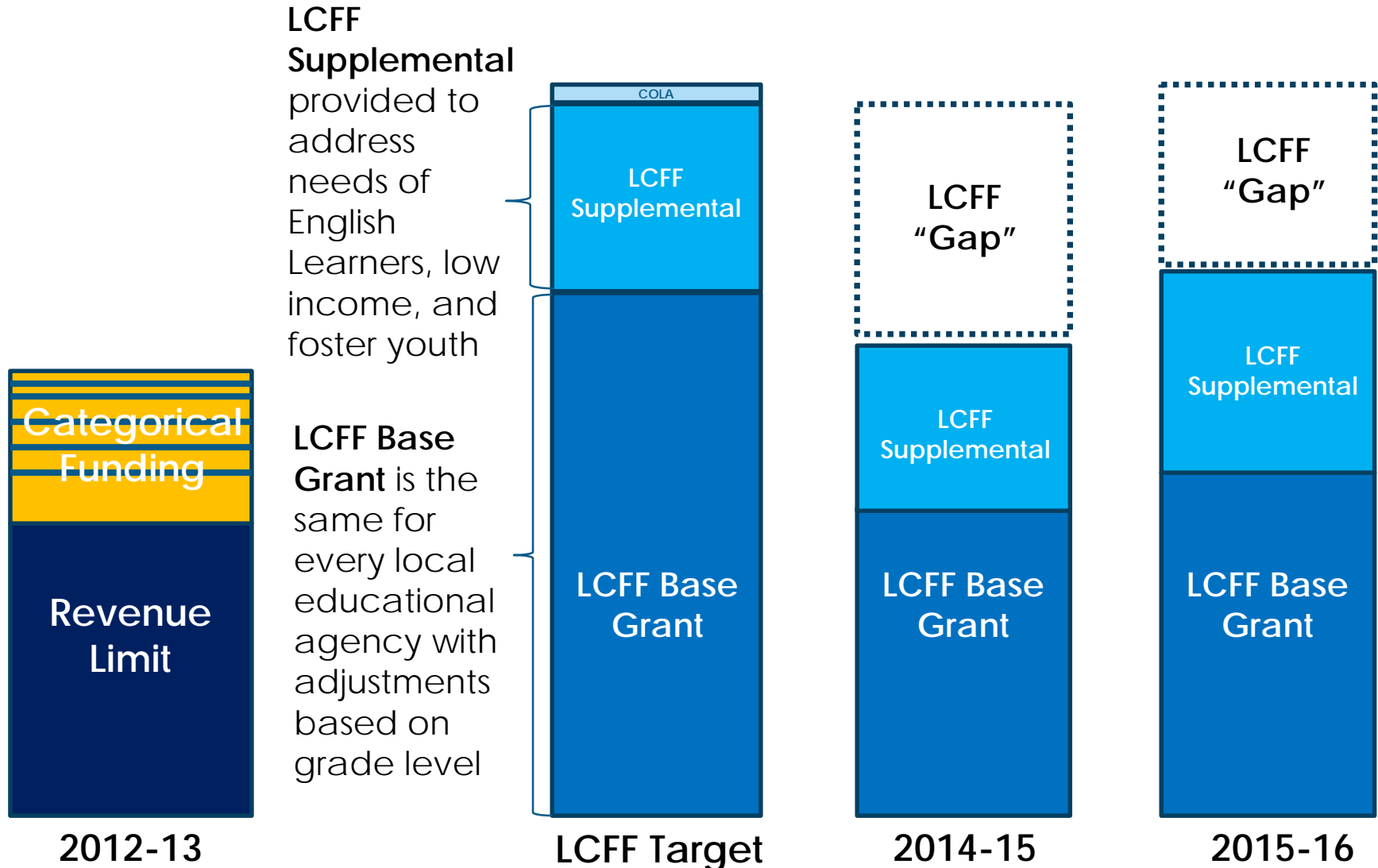
2015-2016 1st Interim Financial Report

December 2015

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
- Moved California to a weighted student funding methodology
- LCFF replaced revenue limits and most state categorical programs
- Began in 2013-14
- Originally estimated to take eight years for full implementation but we are projected to be just over 70% of the way in on only three years.
- 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

	2014-15	2015-16	2016-17	2017-18
LCFF Gap Funding	30.16%	51.52%	24.04%	26.61%
COLA	0.85%	1.02%	1.60%	2.48%
CalSTRS Rate	8.88%	10.73%	12.58%	14.43%
CalPERS Rate	11.771%	11.847%	13.05%	16.60%

First Interim Changes

Significant changes from the Adopted Budget

- Reduction to LCFF Gap funding since the May Revise (From 53.08% to 51.52%)
- Reduction in student enrollment by 62 students district wide (Not including the 72 additional students to CMI) offset by a reduction in the number of 7th period assignments being offered at the affected school sites.
- Addition of one-time dollars for Educator Effectiveness identified using 2014-15 Credentialed FTE's
- Addition of E-Rate funding awarded
- Beginning Balance Adjustments, Estimated Actuals to Unaudited Actuals
 - Increase to 2014-15 LCFF Gap Percentage (from 29.97% to 30.16%)
 - Designated LCAP money being carried over from 2014-15, to be spent in 2015-16.

Unrestricted General Fund Summary

	2014-2015 Actuals	2015-2016 Adopted Budget	2015-16 1 st Interim	2016-2017	2017-2018
Beginning Balance	6,220,515	4,722,287	5,816,843	6,231,325	6,481,764
LCFF Revenue	75,288,333	87,573,091	87,130,613	90,092,045	93,220,781
Other Revenue	3,856,501	7,918,674	8,094,902	3,383,354	3,383,354
Contributions	<u>-8,409,289</u>	<u>-9,285,643</u>	<u>-9,410,452</u>	<u>-9,596,037</u>	<u>-9,932,276</u>
Total Revenues	70,738,546	86,206,122	85,815,063	83,879,362	86,671,859
Expenditures	71,142,217	84,866,758	85,400,581	83,628,923	86,381,254
Net Increase/ (Decrease) to Ending Balance	(403,671)	1,339,365	414,482	250,439	290,605
Total Ending Balance	5,816,843	6,061,652	6,231,325	6,481,764	6,772,369
Total Ending Balance %	6.91%	5.74%	5.74%	6.20%	6.29%
Less Reserved for One-Time Mandated Cost/Educator Effectiveness Grant*		2,788,168	2,622,842	1,222,842	
Less Reserved for Supplemental, Concentration and CTE*	2,544,935	44,369	324,224	1,891,531	3,322,966
Net Ending Balance (Less Other Reserves)		3,229,115	3,284,259	3,367,391	3,449,403



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 2016-17 school year and beyond
 - Educator Effectiveness/Mandated Cost One-Time Dollars
 - Continued LCAP planning and development
- Second Interim Report and budget revisions will be presented to the Board in March for approval