



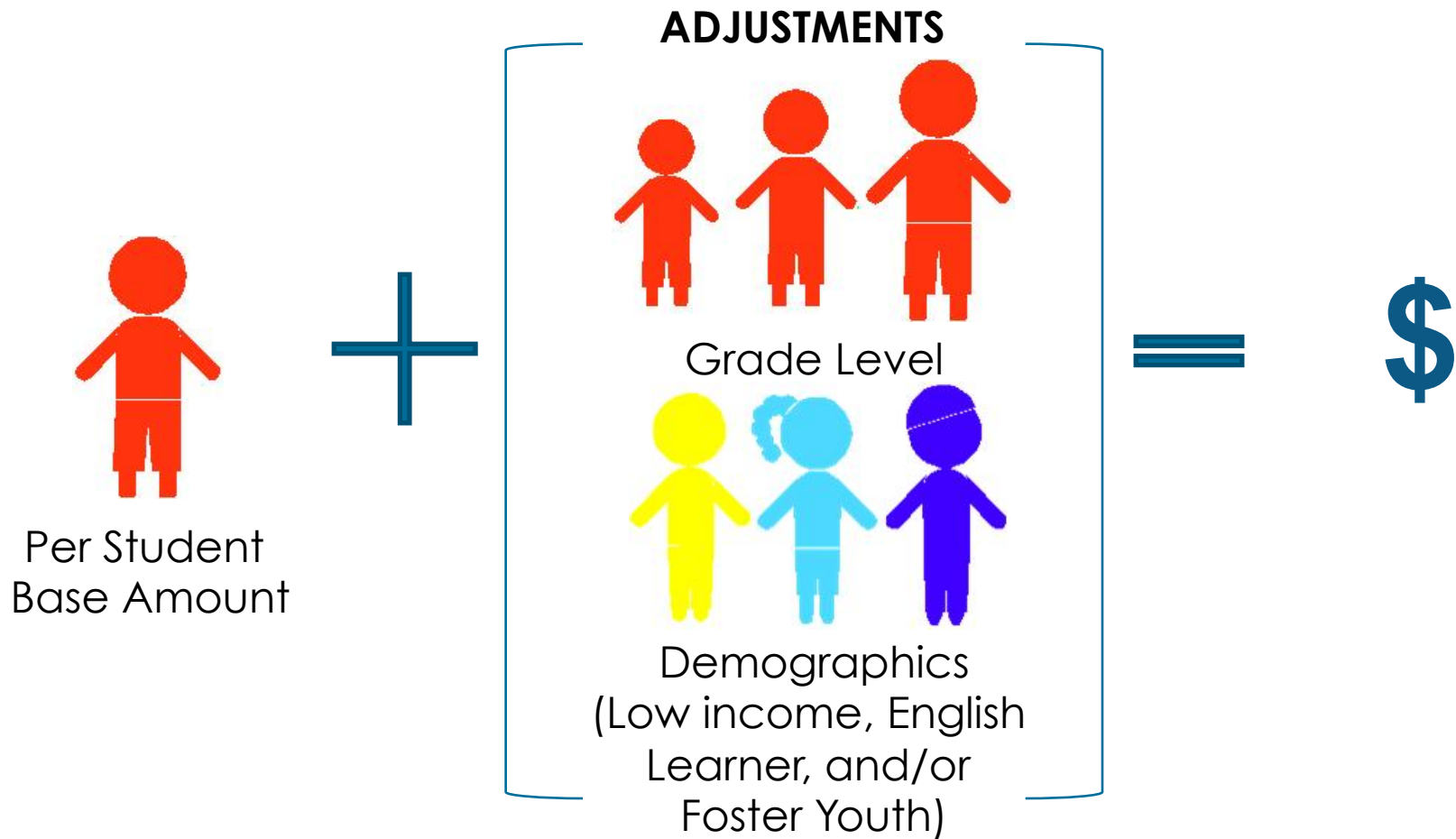
# 2<sup>nd</sup> Interim Financial Report

March 2014

# January Governor's Budget Proposal

- State economic outlook shows a slow but consistently growing economic recovery
- 2014-15 State General Fund revenue is projected to grow, and for a second year, much of this growth is directed to education
- Average increase for school districts will be 10.9% over 2013-14 levels, or approximately \$751 per student
- Prop 98 is increased \$6.3 billion above the 2013-14 budgeted level
- For the Local Control Funding Formula (LCFF), the initial funding level for 2014-15 was projected \$2.1 billion and has grown to \$4.5 billion with the January budget proposal

# LCFF – A Quick Review



# LCFF – A Quick Review

**Categorical Funding**  
for specific purposes  
with many rules

**Revenue Limit**, based  
on historical amounts  
per student with  
many adjustments



**Pre-LCFF**

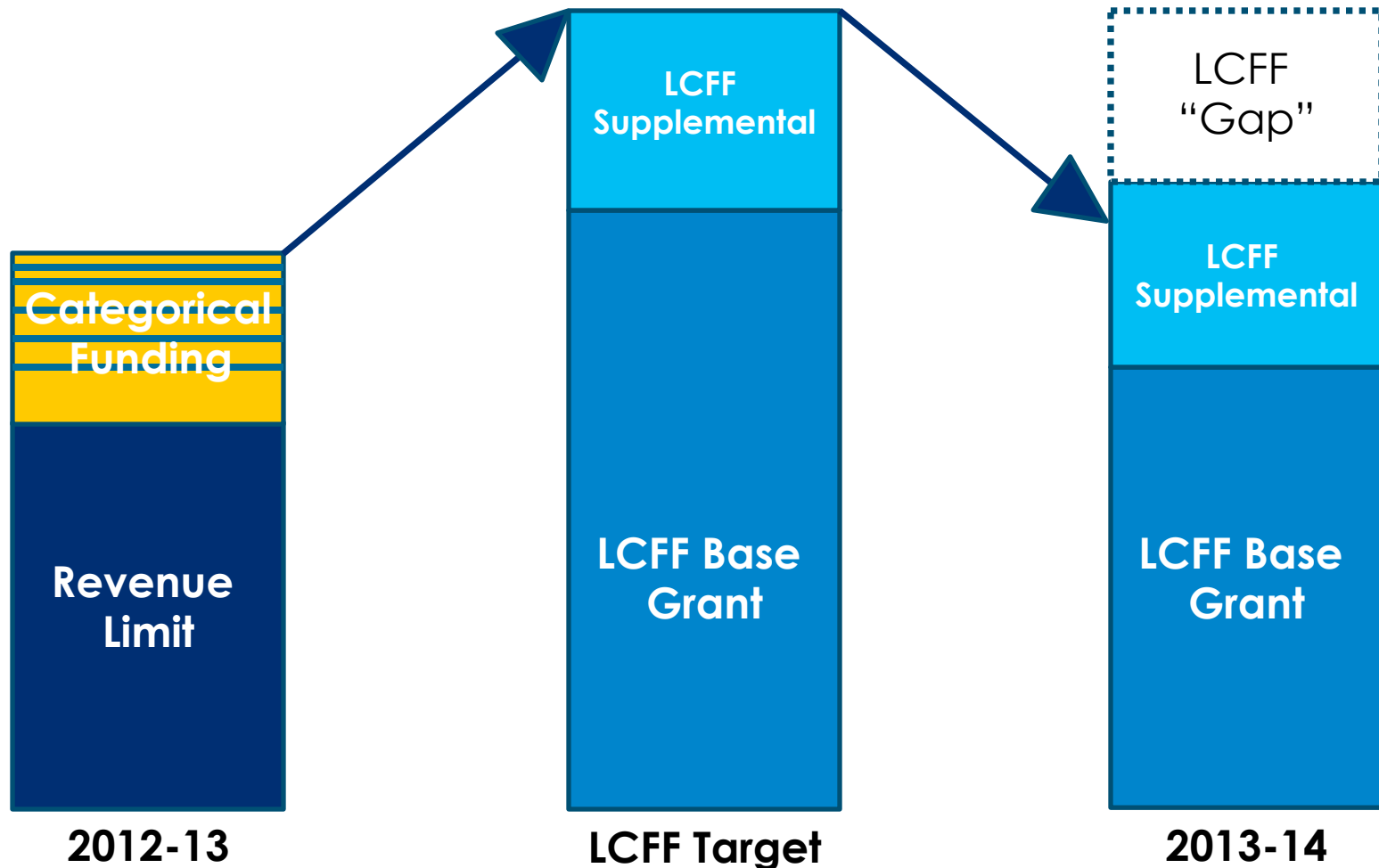


**LCFF**

**LCFF Supplemental**  
provided to  
address needs  
of English  
Learners, low  
income, and  
foster youth

**LCFF Base Grant** is the  
same for every  
local  
educational  
agency with  
adjustments  
based on  
grade level

# LCFF Target and Gap Funding



# LCFF Phase-In

- LCFF gap closure percentage projections provided by the Department of Finance (DOF) and School Services of California (SSC)

	2013-14	2014-15	2015-16	2016-17
Department of Finance (DOF)	11.78%	28.05%	33.95%	21.67%
School Services of California (SSC)	11.78%	28.05%	7.8%	8.4%

- Gap funding at 1<sup>st</sup> Interim was 16.49% for 2014-15

# 2<sup>nd</sup> Interim

## Unrestricted General Fund Summary

	2013-2014 2 <sup>nd</sup> Interim Budget	2014-2015 Projected Budget	2015-2016 Projected Budget
Beginning Balance	9,124,605	6,508,927	9,582,275
Revenue Limit/LCFF	64,200,007	71,329,280	73,040,921
Other Revenue	2,950,459	2,950,459	2,950,459
Contributions	<u>-7,396,728</u>	<u>-8,478,902</u>	<u>-8,654,806</u>
Total Revenues	59,753,738	65,800,837	67,336,574
Expenditures	62,369,417	62,727,488	64,128,379
Net Increase/(Decrease) to Ending Balance	(2,615,679)	3,073,349	3,208,195
Ending Balance	6,508,926	9,582,275	12,790,470

# March 2014 Revised Budget Unrestricted General Fund Summary

	2013-2014 2 <sup>nd</sup> Interim Budget	2014-2015 Projected Budget	2015-2016 Projected Budget
Beginning Balance	9,124,605	4,356,608	5,118,290
Revenue Limit/LCFF	64,200,007	71,329,280	73,040,921
Other Revenue	2,950,459	2,950,459	2,950,459
Contributions	<u>-7,791,164</u>	<u>-8,941,382</u>	<u>-9,113,565</u>
Total Revenues	59,359,302	65,338,357	66,877,815
Expenditures	64,127,299	64,576,676	66,001,945
Net Increase/ <b>(Decrease)</b> to Ending Balance	<b>(4,767,997)</b>	761,682	875,870
Ending Balance	4,356,608	5,118,290	5,994,160

*Revised budget to include PSEA settlement as well as proposed salary/benefit increases for all other employee groups*