



# 2014-15 FIRST INTERIM REPORT

(FINANCIAL INFORMATION AS OF OCTOBER 31, 2014)

DECEMBER 9, 2014

Stefanie Phillips, Ed.D.

Deputy Superintendent, Operations/CBO



# TONIGHT'S GOALS

2

- **2014–15 First Interim Report – Positive Certification**
- **Major Changes Since Budget Adoption**
- **Process/Next Steps**

# MAJOR CHANGES - REVENUE

3

| <b>REVENUE ADJUSTMENTS – 2014-15</b>                 | <b>\$ (in millions)</b> |
|--|-------------------------|
| Current year LCFF funding adjustment                 | \$1.7 million           |
| 2015 increased unduplicated count                    | \$2.7 million           |
| One-time, prior year repayment for past State claims | \$3.46 million          |

  

| <b>REVENUE ADJUSTMENTS – 2015-16</b>           | <b>\$ (in millions)</b> |
|--|-------------------------|
| Estimated reduction in LCFF funding projection | (\$1.5 million)         |
| Removal of ROP revenue from OCDE               | (\$2.9 million)         |
| Removal of QEIA revenue (end of program)       | (\$5.58 million)        |
| Impact of declining enrollment in 2014–15      | (\$8.1 million)         |

# MAJOR CHANGES – ESTIMATED EXPENDITURES

4

| <b>EXPENDITURE ADJUSTMENTS – 2015-16</b>                                 | <b>\$ (in millions)</b> |
|--|-------------------------|
| <b>STRS rate increase</b>  | <b>\$4.9 million</b>    |
| <b>PERS rate increase</b>  | <b>\$0.7 million</b>    |
| <b>Routine Restricted Maintenance Account contribution</b>               | <b>\$2.6 million</b>    |
| <b>QEIA expenses and positions eliminated (end of program)</b>           | <b>(\$5.58 million)</b> |
| <b>Special Education staffing (low-incident caseloads) increase</b>      | <b>\$1.5 million</b>    |
| <b>Anticipated costs for Affordable Care Act and AB1522 (Sick Leave)</b> | <b>\$2.5 million</b>    |
| <b>Health and Welfare costs increase</b>                                 | <b>\$3.7 million</b>    |
| <b>Estimated Step and Column increase (not including attrition)</b>      | <b>\$3.1 million</b>    |



# 2014-15 ENDING FUND BALANCE and MULTI-YEAR PROJECTION

5

- Due to LCFF state funding adjustments, the 2013-14 ending fund balance increased by approximately \$8 million (one-time)
- The Multi-Year Projection (MYP) incorporates ongoing LCFF funding
  - ▣ Current budgeted gap funding for 2015-16 is 20.68% (DOF projection)
  - ▣ Changes in funding will be verified after the Governor's January Budget Proposal

# NEXT STEPS – BUDGET

6

**January 2015**

**Governor's January Budget Proposal**



**March 2015**

**LCAP Update to the Board and Second Interim Report**



**May 2015**

**LCAP Update to the Board**



**June 2015**

**LCAP and Budget**



# THANK YOU

