

2013-14 SECOND INTERIM

(FINANCIAL INFORMATION AS OF JANUARY 31, 2014)

MARCH 11, 2014

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TONIGHT'S GOAL

- 1. 2013-14 Second Interim Report – Recommended Positive Certification**
- 2. Adjustments to Multi-Year Projections**
- 3. Next Steps**

2013-14 SECOND INTERIM

- **Local Control Funding Formula revenue is included in the second interim**
- **A new reserve line for LCFF/LCAP implementation has been added**
 - LCFF funding will be implemented over the next 8 years
 - Internal and External Forums are gathering input to outline priorities
- **Additional Expenditures for 2014-15 are included**
 - Staffing for grades K-8 based on existing class size ratios and grade level changes
 - Additional Special Education staffing
 - Increased Health and Welfare costs (District portion)

2013-14 MULTI-YEAR PROJECTION

- The District projects 21% gap funding for the LCFF for the 2014-15 school year
- The multi-year projection incorporates the additional ongoing LCFF funding
 - Expenditures will be based upon priorities determined by the LCAP process
- Impact of potential collective bargaining agreements are not included
- Recommended positive self-certification

ENDING FUND BALANCE UNRESTRICTED (STATE FUNDS)

MULTI-YEAR PROJECTIONS @ 2 ND INTERIM	2013-14	2014-15	2015-16
REVENUE	\$355,076,380	\$394,453,290	\$414,479,429
EXPENDITURES	\$300,723,655	\$305,353,578	\$312,525,418
OTHER FINANCING SOURCES/USES	(\$70,825,912)	(\$76,274,885)	(\$80,138,717)
NET INCREASE/DECREASE (DEFICIT SPENDING)	(\$16,473,187)	\$13,180,278	\$21,815,293
BEGINNING BALANCE	\$39,745,454	\$23,272,266	\$36,452,545
DEFICIT SPENDING / SURPLUS	(\$16,473,187)	\$13,180,278	\$21,815,293
ENDING BALANCE	\$23,272,266	\$36,452,545	\$58,267,838
COMPONENTS OF ENDING BALANCE:			
NON SPENDABLE	\$1,150,000	\$1,150,000	\$1,150,000
ECONOMIC UNCERTAINTIES (2% RESERVE)	\$9,974,752	\$10,040,917	\$10,030,482
LCFF/LCAP IMPLEMENTATION YEAR 1	\$12,147,513	\$12,147,513	\$12,147,513
LCFF/LCAP IMPLEMENTATION YEAR 2	\$0	\$13,114,113	\$13,114,113
LCFF/LCAP IMPLEMENTATION YEAR 3	\$0	\$0	\$21,825,729

NEXT STEPS

- **The Governor's May Revision will be released the second week of May**
 - **The District's 2014-15 revenue projections will be adjusted based on the Governor's revised budget proposal and incorporated in the Adopted Budget**
- **LCAP Internal and External Stakeholders are meeting to identify priorities and;**
- **Bring a plan to the Board for approval for inclusion in the budget**

NEXT STEPS - BUDGET

Date	Event or Activity
March – April 2014	LCAP Internal and External Forums
May 2014	Governor’s May Budget Revision
May 2014	LCAP Preliminary Plan Board Approval
June 2014	Final LCAP Plan and Budget Public Hearing and Adoption by Board

QUESTIONS?