



**LOCAL CONTROL FUNDING FORMULA
(LCFF)/BUDGET COMMITTEE
APRIL 20, 2017**

Today's Presentation

- Budget Calendar
- 2016-17 Budget (as of Second Interim Report)
- Multi year projections 2017-18 and 2018-19 preliminary projected budgets
- Budget Monitoring Cycles
- Next Steps

BUDGET CALENDAR

REVIEW OF THE PROCESS

Budget Calendar

January/February/March

- The Governor's proposed State Budget is released on January 10 of each year, and a discussion regarding the impact on the district is reviewed and highlighted with the Board of Education shortly thereafter.
- During these months, the early guides regarding budget development are completed, and planning documents for district staff are distributed and then returned to the district office.

April

- Development of the first preliminary budget is in the works. Board of Education priorities are considered for inclusion in the preliminary budget and potential expansions or reductions in program and personnel are worked on.

Budget Calendar

May

- In May, the Governor releases his “May Revise” with his proposed amendments for the development of the subsequent year’s budget for the State of California. The characteristics of the May Revise and its impact on public education are an important guide for determining the direction of the following year’s fiscal options. The district Governing Board will continue to evaluate the proposed budget for the coming fiscal year.

June

- Final study sessions and hearings by the Board of Education are held on the development of the budget for the coming year. The public is welcome to comment on the proposed budget. The budget is adopted prior to July 1 of each year.

July

- In accordance with the State Constitution, the State Budget is adopted, and the process of closing the district’s books on the prior fiscal year’s revenues and expenditures begins. These two actions—establishment of prior-year revenues, expenses, and the district’s ending balance, and the adoption of the State’s final support levels for public education—are important steps in development of the final district expenditure plan.

Budget Calendar

August

- In accord with State law, the district must amend its adopted budget to reflect the State of California's actions within 45 days after the Governor's signature on the State Budget. This revision is an important step in determining the final expenditure plans for the coming fiscal year. Concurrently, the county superintendent's review and comments on the proposed budget are received by the district, and if the actions of the local agency have been disapproved by the county superintendent, additional review steps must be taken in the budget development.

An important step in the development of the final budget is an update on the beginning fund balances to reflect the unaudited actuals from the closeout of the prior fiscal year that ended on June 30. This beginning balance, along with the revised revenues as adopted in the Governor's final budget, create the financial characteristics of the expenditure plan of the coming fiscal year.

REVIEW OF 2016-17 BUDGET

AS PRESENTED IN THE SECOND INTERIM REPORT

2016-17 Budget

Budget Assumptions

- For funding, used average daily attendance (ADA) of 6,259
- Enrollment of 6,377 used for 2016-17 staffing
- One-Time Discretionary Funds: \$214/ADA
- Lottery Revenue: \$181/ADA
- Mandate Block Grant: \$28/ADA for K-8 and \$56/ADA for 9-12
- California Consumer Price Index (CPI): 2.15%
- Salaries/Benefits
 - CalSTRS Rate Increase: 12.58%
 - CalPERS Rate Increase: 13.888%

2016-17 Proposed Budget

Summary of Changes of Revenue and Expenditures

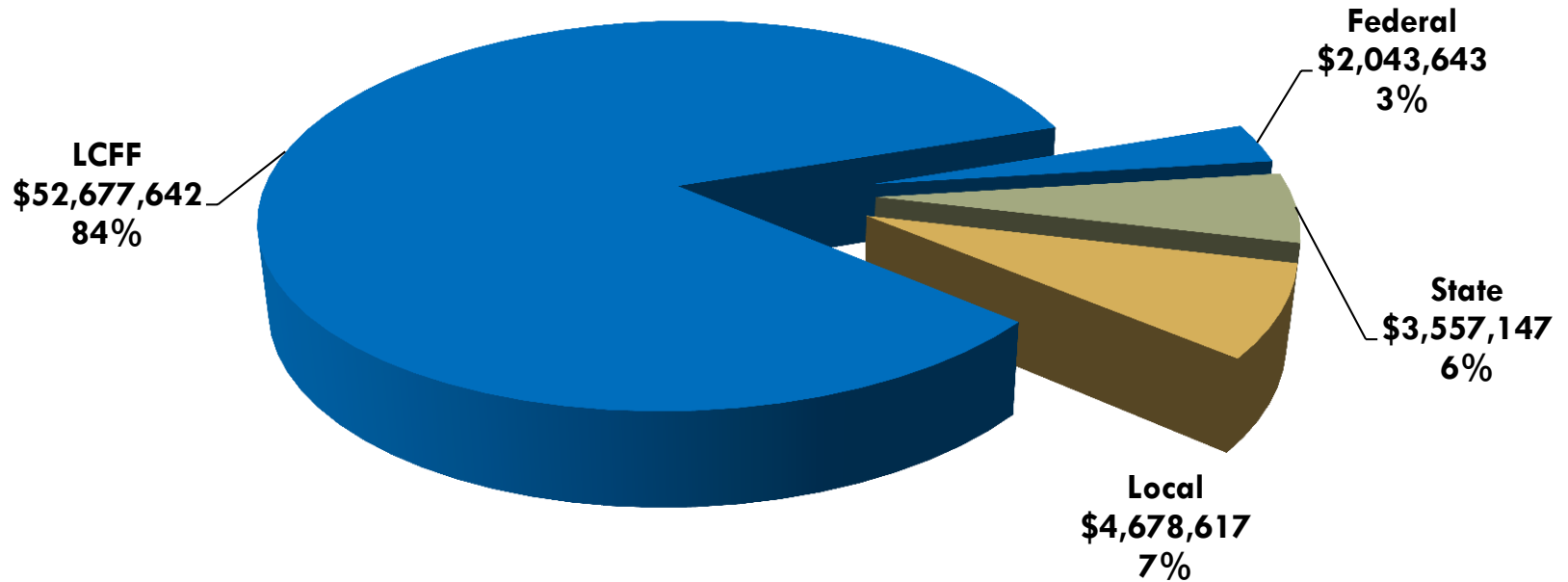
	First Interim	Second Interim Projection	Difference
Total Revenue	\$62,724,660	\$62,957,049	\$232,389
Total Expenditures	\$62,624,469	\$62,891,513	\$(267,044)
Excess	\$100,191	\$65,536	\$34,655

2016-17 Proposed Budget Fund Revenue

	Second Interim Projection
LCFF Revenue	\$52,677,642
Federal Revenue	\$2,043,643
State Revenue	\$3,557,147
Local Revenue	\$4,678,617
Total	\$62,957,049

2016-17 Second Interim Report

Revenue Total \$62,957,049



2016-17 Proposed Budget

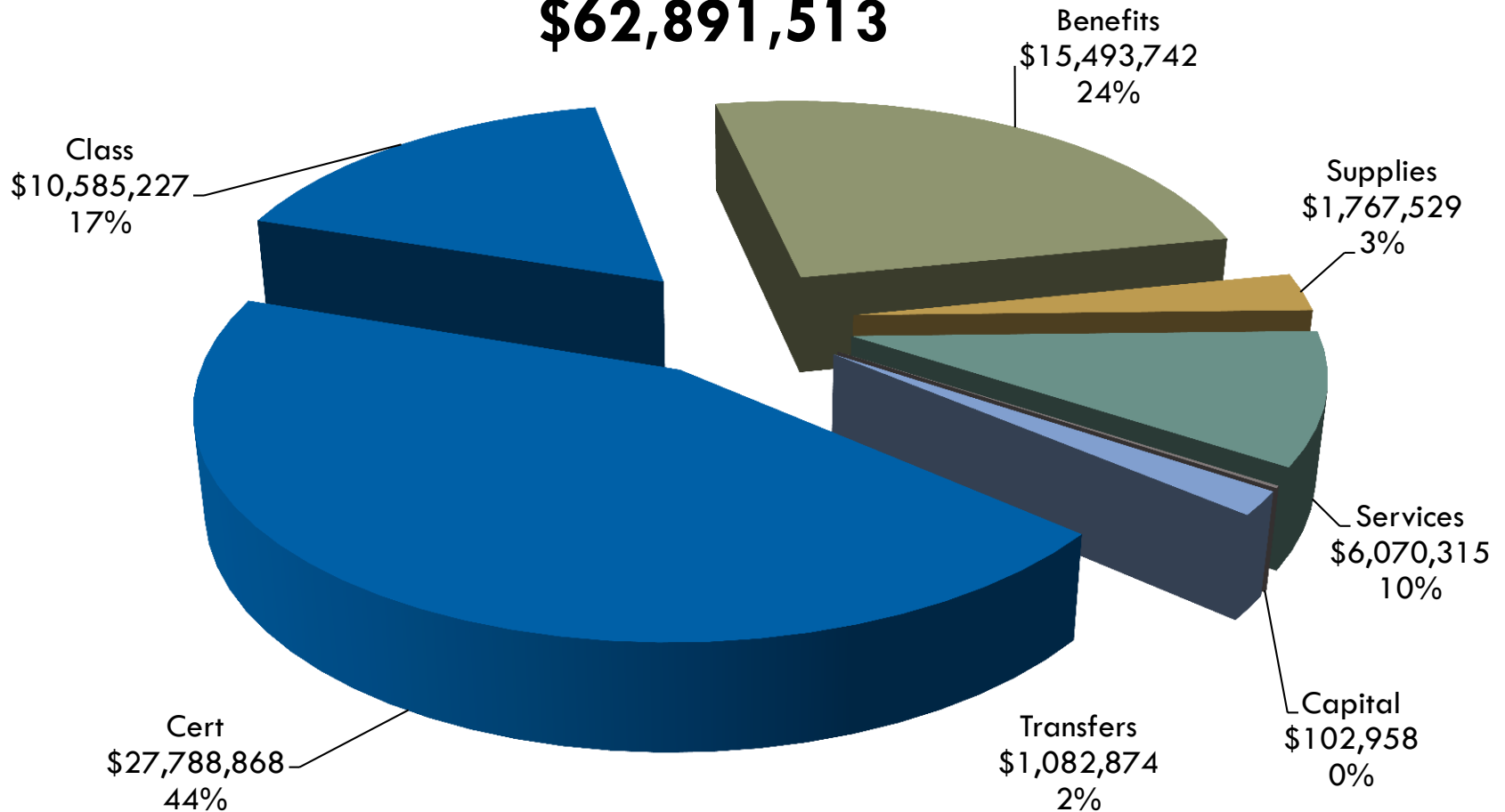
General Fund Expenditures

	Second Interim Projection
Certificated Salaries	\$27,788,868
Classified Salaries	\$10,585,227
Employee Benefits	\$15,493,742
Books and Supplies	\$1,767,529
Services/Operating Exp	\$6,070,315
Capital Outlay	\$102,958
Transfers Out/Other Outgo	\$1,082,874
Total	\$62,891,513

2016-17 Second Interim Report

EXPENDITURES

\$62,891,513



2016-17 Proposed Budget

Projected Ending Fund Balance

2016-17 Projected Beginning Fund Balance	\$4,220,289
2016-17 Projected Change in Ending Fund Balance	\$65,536
Net Ending Fund Balance	\$4,285,825

2016-17 Proposed Budget

Required Reserve Disclosure

	2016-17	
	Amount	Percent
Fund Balance	\$4,285,825	6.8%
Assigned Fund Balance	\$2,158,799	3.8%
Unassigned Balance		
Minimum Required Reserve (REU)	1,886,746	3.0%
Amount in Excess of Minimum REU	\$0	.00%

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MULTI YEAR PROJECTION

2017-18 AND 2018-19 PROJECTED BUDGETS

2016-17 Second Interim Multiyear Projections (MYP)

	2016-17	2017-18	2018-19
Beginning Balance	\$4,220,289	\$4,285,825	\$2,900,641
Total Revenue	\$62,957,049	\$61,392,568	\$61,404,954
Budget Adjustments Needed	\$0	\$(316,000)	\$(3,464,151)
Total Expenditures	\$62,891,513	\$62,777,752	\$61,404,954
Surplus/deficit	\$65,536	\$(1,385,184)	\$0
Ending Balance	\$4,285,825	\$2,900,641	\$2,900,641
Meet 3% Reserve?	Yes	Yes	Yes

Budget Monitoring Cycles

October

- There are two points during the fiscal year when the local agency reviews the revenues and expenditures to date. The First Interim Report covers the district's expenditures through October 31, and provides projections of revenues and expenses for the balance of the fiscal year.

December

- The Governing Board receives the First Interim Report in public session and reaches a conclusion as to whether its fiscal condition is positive, qualified, or negative. The Interim Report will reflect the projected ending balance of the district for the current fiscal year based upon actual revenues and expenditures through October 31 and estimated actuals for the balance of the fiscal year.
- The Second Interim Report reflects actual revenues and expenditures through January of each year and also projects revenues and expenses through the balance of the fiscal year.

March

- The Governing Board receives the Second Interim Report and again must reach conclusions as to whether the district has a positive, qualified, or negative certification. This is the final interim review of the district's revenues and expenditures unless the Governing Board concludes that a "Third Interim Report" would also be helpful to the Board of Education.

Interim Report Certifications

Financial Reporting Certifications

There are three types of certification based on the multi-year projections at each reporting period:

- Positive Certification ~ District can meet it's financial obligations for the current and two subsequent years.
- Qualified Certification ~ borderline, may not meet financial obligations during one of the three years of the MYP.
- Negative Certification ~ cannot meet financial obligations in two or more of the three years as shown by negative fund balance, insufficient Reserves for Economic Uncertainty.

Next Steps

- Review assumptions for 2017-18 budget
 - Funding for 2017-18
 - Enrollment
 - Staffing
 - Programs
- Local Control and Accountability Plan (LCAP)



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