



Second Interim Report

March 14, 2017



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Agenda

- 2016-2017 Second Interim Budget Summary
- Unrestricted General Fund Summary
- Key Budget Assumptions 2016-2017
- Multi-Year Projections
- Multi-Year Projections Assumptions
- Next Steps
- Questions

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2016-2017 Second Interim Budget Summary

Description	Unrestricted	Restricted	Total
Beginning Balance	2,748,333	555,684	3,304,017
Revenues & Expenditures			
Budgeted Income	21,878,224	17,456,563	39,334,787
Budgeted Expense	19,792,933	20,256,522	40,049,455
Excess (Deficiency)	2,085,291	-2,799,959	-714,668
Other Estimated Sources/Uses	-2,092,011	2,487,472	395,461
Net Increase/Decrease	-6,720	-312,487	-319,207
Total Ending Fund Balance	2,741,613	243,197	2,984,810
3% Reserve	1,202,000		
Remaining Ending Fund Balance	1,539,613	243,197	1,782,810

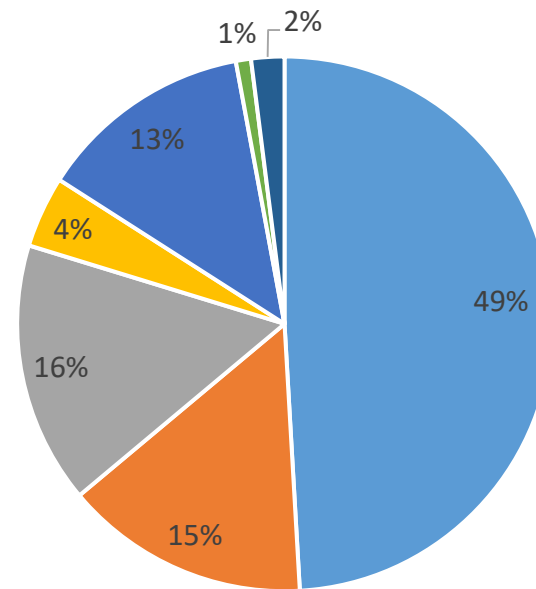
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Unrestricted General Fund Summary

Expenditures

Description	Budgeted
Certificated Salaries	10,150,656
Classified Salaries	3,065,645
Benefits	3,272,618
Books & Supplies	892,383
Other Operating (Services)	2,692,224
Capital Outlay	189,741
Other Outgo	414,711



- Certificated Salaries
- Classified Salaries
- Benefits
- Books & Supplies
- Other Operating (Services)
- Capital Outlay
- Other Outgo



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Key Budget Assumptions

- **Using Local Control Funding Formula (LCFF), including 0% Cost of Living Adjustment (COLA) and 55.28% “gap” funding for current year**
 - Adjusted up from 54.18% at First Interim
- **Average Daily Attendance**
 - Estimated Actual Average Daily Attendance (ADA) at 2,042
 - This is up from First Interim’s estimate at 2,031
- **One-Time Mandated Cost reimbursement remains \$214 per ADA**
- **Employer Contribution for CalPERS 13.888% and CalSTRS 12.58%**

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2016-2017 First Interim Multi-Year Projection Summary

Description	2016-17 Unrestricted	2017-18 Unrestricted	2018-19 Unrestricted
Beginning	2,748,333	2,587,816	823,245
Income	\$21,820,487	\$21,487,751	\$21,768,150
Total Budgeted Expenditures	21,981,004	23,252,322	23,901,155
NET INCREASE/DECREASE	-160,517	-1,764,571	-2,133,005
Total Ending Fund Balance	\$2,587,816	\$823,245	-\$1,309,760
3% Reserve	1,196,000	798,577	818,042
REMAINING ENDING FUND BALANCE	\$1,391,816	\$24,668	-\$2,127,802

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2016-2017 Second Interim Multi-Year Projection Summary

Description	2016-17 Unrestricted	2017-18 Unrestricted	2018-19 Unrestricted
Beginning	2,748,333	2,741,613	2,422,012
Income	21,878,224	21,433,833	22,681,126
Total Budgeted Expenditures	21,884,944	21,753,434	22,664,063
NET INCREASE/DECREASE	-6,720	-319,601	17,063
Total Ending Fund Balance	2,741,613	2,422,012	2,439,075
3% Reserve	1,202,000	755,000	787,000
REMAINING ENDING FUND BALANCE	1,539,613	1,667,012	1,652,075

- The District is self-certifying as “Positive”!!

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Multi-Year Projection Assumptions

- The Local Control Funding Formula is estimated to be adjusted per Department of Finance’s estimates of COLA and funding percentages towards the District’s LCFF Target- Reduction of \$65,261 in 2017-18 and an increase of \$1,364,957 in 2018-19

Description	2015-16	2016-17	2017-18	2018-19
LCFF Gap Funding % – Proposed (May 2016)	52.20%	54.84%	73.96%	41.22%
LCFF Gap Funding % – Enacted (June 2016)	52.56%	54.18%	72.99%	40.36%
LCFF Gap Funding % – Revised (January 2017)	52.56%	55.28%	23.67%	53.85%
Annual COLA – Proposed (May 2016)	1.02%	0.00%	1.11%	2.42%
Annual COLA – Enacted (June 2016)	1.02%	0.00%	1.11%	2.42%
Annual COLA – Revised (January 2017)	1.02%	0.00%	1.48%	2.40%

- One-Time Mandated Cost reimbursement reduced to \$117,664 in 2017-18; eliminated in 2018-19



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Multi-Year Projection Assumptions (cont'd)

- PERS and STRS rate increases \$275,144 in 2017-18, \$319,642 in 2018-19

Planning Factor	Fiscal Year			
	2015-16	2016-17	2017-18	2018-19
STRS Employer Rates	10.73%	12.58%	14.43%	16.28%
PERS Employer Rates (PERS Board / Actuary)	11.847%	13.888%	15.80%	18.70%

- Certificated and Classified Step and Column Costs \$372,746 in 2017-18; \$355,987 in 2018-19
- \$902,395 reduction in certificated salaries and benefits for 2017-18, achieved through retirements, resignations, and elimination of 7/6th's
- Increase of \$74,000 in current year, then backed out in 2017-18 for Early Retirement incentive



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Multi-Year Projection Assumptions (cont'd)

- **\$630,305** reduction of indirect costs in 2017-18
- **\$32,584** reduction for district office management 5% salary cut
- **\$300,714** reduction of positions funded out of restricted funds, decreasing the contribution from unrestricted (Director of Student Services, Behavior Specialist, and Homeless Liaison/Outreach Positions)
- **\$125,281** reduction of one paraprofessional at each site, as well as one campus supervisor, and the estimated costs of one high school office FTE
- **\$507,692** reduction in consultant costs, contracted services, and legal fees

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Next Steps

- No longer have to complete a Third Interim due to our Positive certification
- May
 - “May Revise” reflects tax adjustments
- **June 15 (or later)**
 - Final adopted State Budget
 - COLA’s, “gap” funding
 - Potential additional programs, or funding changes
- **June 30th**
 - 2017-2018 District Budget Due to SCOE
 - LCAP Due to SCOE

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QUESTIONS?

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