

A stack of three old, worn books with a red apple on top, set against a dark background. The books have brown, textured covers and are stacked on a wooden surface. The apple is bright red and sits on the top book. The background is dark and out of focus.

**Cotati-Rohnert Park USD
2015-16 First Interim Report**



Top Six Facts about the 2015-16 First Interim Report

1. **Positive certification—3% reserve in all years**
2. **2015-16 estimated enrollment increased by 49 over adopted budget**
3. **Salaries and benefits now include settlements other than CSEA—planned \$1.2 million decrease in fund balance**
4. **Economic uncertainty reserve now 3% in fund 17—transfer of \$1,034,622**
5. **Enrollment and ADA projected conservatively in subsequent years**
6. **Accounting changes distort some comparisons:**
 - **STRS on-behalf payments**
 - **Transportation**



Average Daily Attendance (ADA)

- LCFF revenue is calculated on higher of current or prior year ADA
- With growth, now funded on current year ADA
- P-2 = 2nd period attendance
 - Ends in March, reported to county office and State in April
 - First Interim conservatively estimates district P-2 as 95% of enrollment

	2014-15 P-2 ADA	2015-16 Adopted Budget	2015-16 First Interim
District	5,575	5,575	5,613
County programs	45	45	45
Total	5,620	5,620	5,658



Revenue Changes

- District revenue increased \$3.6 million since budget adoption
 - Higher ADA, transportation increased LCFF funding
 - STRS “on-behalf” contribution \$1 million—not spendable

	Adopted Budget	First Interim Projection
LCFF/Revenue Limit	\$45,553,571	\$46,461,902
Federal Revenue	\$ 2,242,103	\$ 2,980,435
Other State Revenue	\$ 5,348,642	\$ 6,754,934
Other Local Revenue	\$ 4,869,068	\$ 5,440,219
Total Revenues	\$58,013,384	\$61,637,490



2015-16 First Interim General Fund Projection

	Adopted Budget	First Interim	Difference
Total Revenue	58,013,384	61,637,490	3,624,106
Expenditures:			
Certificated Salaries	22,666,806	22,957,486	290,680
Classified Salaries	5,700,548	6,278,107	577,559
Health Benefits: Actives	8,925,519	8,524,261	-401,258
Health Benefits: Retirees	1,113,284	1,048,702	-64,582
Other Employee Benefits	4,786,132	6,018,863	1,232,731
Books & Supplies	1,133,762	1,917,982	784,220
Services & Operating Expenditures	9,674,758	11,180,937	1,506,179
Other	1,619,375	3,700,918	2,081,543
Net Increase (Decrease)	2,393,200	10,234	-2,382,966
Beginning Balance	1,024,300	1,755,961	731,661
Ending Balance	3,417,500	1,766,195	-1,651,305



Projected Reserves 2015-16 First Interim

	Unrestricted & Economic Uncertainty	Budget Stabilization Reserve	Restricted, Nonspendable & Other	General Fund Total	Special Reserve Fund	Total Reserves	Unrestr. Reserve %	Reserve % Incl. Budget Stab.
	A	B			C	A + B +C		
2013-14	683,232	0	838,867	1,522,099	851,193	1,534,425	3.05%	3.05%
2014-15	323,643	0	689,792	1,013,435	855,193	1,178,836	2.21%	2.21%
2015-16	0	1,017,132	749,063	1,766,195	1,893,917	2,911,048	3.00%	4.60%
2016-17	0	946,223	13,103	959,326	1,898,917	2,845,140	3.19%	4.70%
2017-18	0	8,214	12,196	20,410	1,904,017	1,912,231	3.10%	3.10%



District Reserves in Multi-Year Projection: Budget Stabilization Reserve

- **Projected deficit spending**

- **Significant uncertainties:**
 - **Transportation funding**
 - **Gap funding percentage**
 - **Projected enrollment**
 - **Health premium increases—projected at 7%**

- **Budget stabilization reserve:**
 - **\$1,017,132 in 2015-16**
 - **\$949,915 in 2016-17**

- **Shown as “Assigned” in multi-year projection**



District Reserves

- **Currently just over 3% in all years of multi-year projection**
- **Board policy calls for 4%, but need more to manage cash flow**
 - **Government Finance Officers Association recommends two months of expenditures, about 17%**
 - **Bond rating agencies compare to statewide average, 15% for unified districts**
 - **One month's payroll would be about 6%**
- **Best approach is to use one-time funds in future years**



Issues for Future Years

- **Restoration of past budget cuts, such as:**
 - **Instructional materials**
 - **Technology for students and staff—replacement cycle**
 - **Cleaning schedules (custodial staff), maintenance staff, IT staff**
 - **Deferred maintenance funding**

- **Impact of the Affordable Care Act: likely exposure to “Cadillac” tax**

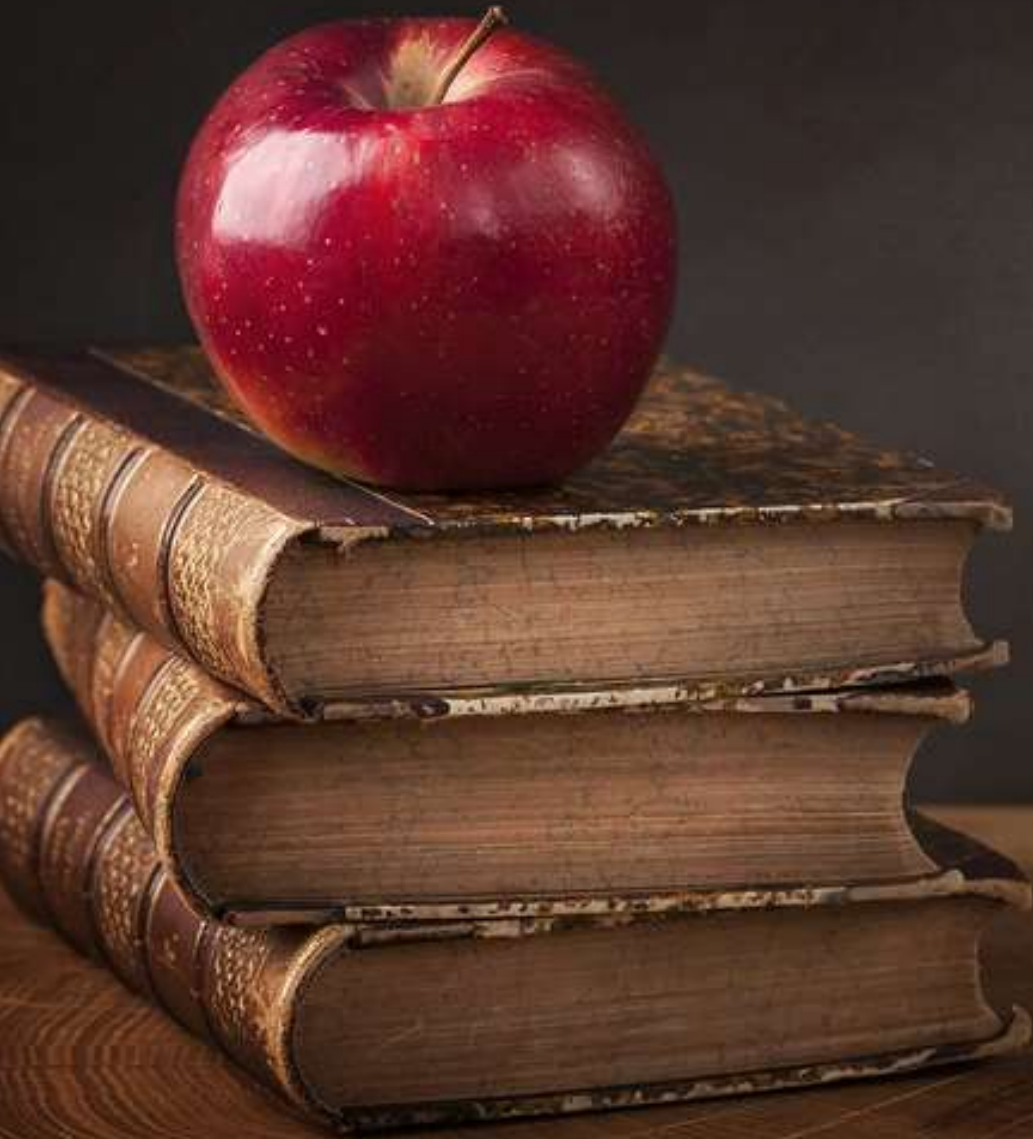
- **Funding of retiree medical liability through PARS trust**

- **Any future negotiated salary increases**



What's Next?

- **Audit report due to State, SCOE by December 15, 2015**
- **Minimum wage increases to \$10.00 January 1, 2016**
- **P-1 attendance due to SCOE January 4, 2016**
- **Governor's budget proposal for 2015-16 to be announced around January 8, 2016**
- **School Services Governor's budget proposal workshop January 13, 2016**
- **Second Interim Report to be presented to Board for certification at the March meeting**



Questions?