



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



Top Five Facts about the 2015-16 Second Interim Report

- 1. Positive certification—4% reserve in all years**
 - ❖ First time board policy level has been met since adoption in June 2011**
- 2. 2015-16 enrollment increased by 28 over adopted budget**
- 3. Economic uncertainty reserve now 3% in fund 17—transfer of \$1,034,622**
- 4. Enrollment and ADA projected conservatively in subsequent years**
- 5. No Third Interim Report this year!**
 - ❖ First time since 2009-10**



Enrollment

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- Official enrollment is measured on CBEDS day
 - This year was October 7
- Official enrollment not yet posted to Dataquest for 2015-16

	2013-14 CBEDS	2014-15 CBEDS	2015-16 Adopted Budget	2015-16 First Interim	2015-16 Second Interim
District	5,788	5,868	5,868	5,917	5,896
County programs	95	42	40	47	47
Total	5,883	5,910	5,908	5,964	5,943



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
 - Second Interim conservatively estimates district P-2 as 95% of enrollment

	2014-15 P-2 ADA	2015-16 Adopted Budget	2015-16 First Interim	2015-16 Second Interim
District	5,575	5,575	5,613	5,601
County programs	45	45	45	45
Total	5,620	5,620	5,658	5,646



2015-16 Second Interim General Fund Projection

	First Interim	Second Interim	Difference
Total Revenue	61,637,490	61,658,520	21,030
Expenditures:			
Certificated Salaries	22,957,486	22,924,137	-33,349
Classified Salaries	6,278,107	6,405,775	-127,668
Health Benefits: Actives	8,524,261	8,491,455	-32,806
Health Benefits: Retirees	1,048,702	1,048,056	-646
Other Employee Benefits	6,018,863	6,011,518	-7,355
Books & Supplies	1,917,982	1,969,021	51,039
Services & Operating Expenditures	11,180,937	11,472,394	291,457
Other	3,700,918	3,716,597	15,679
Net Increase (Decrease)	10,234	-380,433	-390,667
Beginning Balance	1,755,961	1,755,961	--
Ending Balance	1,766,195	1,375,528	-390,667



Multi-Year Projections

LCFF Gap Funding Percentage

	2015-16	2016-17	2017-18
Dept. of Finance	51.97%	49.08%	45.34%

- 2015-16 gap funding increased from 51.52% at budget adoption and first interim
- 2016-17 gap funding increased from 35.55%
- 2017-18 gap funding increased from 35.11%
- New one-time funding of \$1.2 million in 2016-17



Projected Reserves 2015-16 Second Interim

	Unrestricted & Economic Uncertainty	Budget Stabilization Reserve	Special Reserve Fund	Total Reserves	Unrestricted Reserve %
2013-14	683,232	0	851,193	1,534,425	3.05%
2014-15	323,643	0	855,193	1,178,836	2.21%
2015-16	608,481	175,140	1,893,917	2,677,538	4.27%
2016-17	501,857	1,055,864	1,903,917	3,416,638	5.68%
2017-18	558,836	253,080	1,931,917	2,743,833	4.43%



District Reserves in Multi-Year Projection: Budget Stabilization Reserve

- **Projected deficit spending—over \$900,000 in 2017-18**

- **Significant uncertainties:**
 - **Next recession is coming**
 - **Gap funding percentage can decrease**
 - **Projected enrollment**
 - **Health premium increases—projected at 8%**

- **Budget stabilization reserve:**
 - **\$175,140 in 2015-16**
 - **\$1,055,864 in 2016-17**
 - **Only \$253,080 in 2017-18**

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



District Reserves

- **Currently just over 4% in all years of multi-year projection—first time ever!**
- **While Board policy calls for 4%, 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

- Adequate funding for items such as:
 - Instructional materials
 - Technology for students and staff—replacement cycle
 - Cleaning schedules (custodial staff), maintenance staff, IT staff
 - Deferred maintenance
- Increasing impact of STRS, PERS and medical rate increases
- Expanded staff to support added enrollment and schools
- Impact of the Affordable Care Act: likely exposure to “Cadillac” tax
- Funding retiree medical liability through PARS trust
- Any future negotiated salary increases



What's Next?

- **P-2 attendance due to SCOE April 18, 2016**
- **Governor's May revision of the budget proposal for 2016-17 to be announced around May 9, 2016**
- **No Third Interim Report!**
- **State budget to be adopted by June 15, 2016**
- **Public hearings on district budget and LCAP at June 14, 2016 board meeting**
- **LCAP and budget adoption at June 28, 2016 board meeting**



Questions?