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Superintendent of Schools

8.3

BOARD OF EDUCATION ACTION ITEM

March 13, 2018

Topic:
Consideration of Second Interim Report

Background:
THE ATTACHED SECOND INTERIM REPORT WAS PREPARED BASED ON THE FOLLOWING ASSUMPTIONS:

1. Revenue on LCFF and Special Education funding continue to be conservatively presented. We have increased ADA for County Run Court and Community Schools by 12 to reflect the increase in students and Charter Schools by 42.7 from the First Interim Report. There is no change in the ADA for Special Education. Cola is budgeted at 1.56%for 17-18, 2.51% for 18-19, and 2.80% for 2019-2020.

2. All Special Education classes are operating. There continues to be openings in hard to fill positions such as Speech and Language and Certified Interpreter (for the deaf and hard of hearing). The Second Interim Report reflects contracting for Speech, and other hard to fill positions from an outside agency.

3. PERS and STRS rates were increased to meet the new requirements for 2017-2018, 2018-2019, and 2019-2020. PERS rates 15.5%, 18.1%, 20.8% and STRS 14.43% and 16.28%, and 18.13%. The cumulative increase for the three years is budgeted at over $1,425,000.

4. Local and state revenue budgets have been updated to reflect grants and local funding from other local agencies.

5. Steps and Columns are budgeted to increase by 1.5% and an increase to all staff is included at roughly 1.5% to be implemented during the months they were ratified by CSEA and CTA.

6. The current projected year totals indicate an increase in the Unrestricted Fund Balance for 2017-2018 of $125,613. For 2018-2019 an increase of $6,594 and for 2018-2019 a decrease of $161,081 is projected. The numbers do not reflect the Special Education Bill Back and therefore there is a general fund contribution in the final two years of the MYP

projection. Once adjusted the ending balance for both years will increase by about $170,000.

7. The Restricted Ending Balance for 2017-2018 is projected to decrease by $1,611,887, for 2018-2019 $1,449,211 and for 2019-2020 a decrease of $623,099 is projected. The primary reason for the projected decrease in the restricted ending balance is in the area of special education. The budget does not reflect the agreement to bill back the district for Early Education and in the higher grades. In addition, the overall economy is proving to be stronger than expected and there is talk of an additional round of one-time monies in 2018-2019.

We are projecting to maintain at least a minimum reserve level in the current and next two years. Retiree Benefits will continue to be problematic as we move forward. In addition, the minimum wage increase will affect our costs and the projected COLA is barely covering the cost in Steps and Columns.

Recommendation:
Acceptance of the positive certification, as presented.

Resource:
Steve Carney
Chief
Business and Administrative Services Officer