Executive Summary

• Governor Brown signed the State Budget on June 25, 2014.
• The District has 45 days from signing to incorporate changes to the District’s budget and share the changes with the public.
• The District reported the changes at Budget Adoption, but had not incorporated them into the budget at that time.
• This report package provides the revised budget that incorporates the final changes as adopted by the Governor.
• Changes are:
  • Increase in LCFF Funding – “gap” funding was increased from 28.06% to 29.56%
  • Decrease in required contribution to STRS from 9.50% included in budget to 8.88%.
• **Net impact is additional resources of $2.5 million.**
• Only Fund 1, the General Fund, is provided. The impact on other funds is not substantive as it is only to the extent they have certificated employees (STRS decrease).
Executive Summary – Changes to Multi Year Projections

• The State has also adjusted its estimate of future year LCFF funding.
  • Gap funding in 2015-16 has been reduced from 30.39% to 20.68%, resulting in estimated additional funds going from $23.0 million to $15.3 million, a reduction of $7.7 million.
  • Gap funded in 2016-17 increased from 19.50% to 25.48%, resulting in estimated additional funds going from $11.8 million to $16.9 million, an increase of $5.2 million.
  • Net impact over next two years is $2.5 million less than projected in Adopted Budget.

• Multiyear projections will be updated for the First Interim Report with the most current information available at that time.
# UNRESTRICTED GENERAL FUND – 2014-15 Revised Budget based on State Budget

## Unrestricted General Fund

<table>
<thead>
<tr>
<th></th>
<th>2014-15 Revised Budget</th>
<th>2014-15 Adopted Budget</th>
<th>Diff</th>
</tr>
</thead>
<tbody>
<tr>
<td>LCFF Revenues</td>
<td>$284,277,906</td>
<td>$282,694,111</td>
<td>$1,583,795</td>
</tr>
<tr>
<td>Other State &amp; Federal Revenue</td>
<td>9,075,477</td>
<td>9,075,477</td>
<td>-</td>
</tr>
<tr>
<td>Local Revenue</td>
<td>26,207,225</td>
<td>26,207,225</td>
<td>-</td>
</tr>
<tr>
<td>Transfer-In &amp; Sources</td>
<td>734,067</td>
<td>734,067</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenues &amp; Sources</strong></td>
<td>a 320,294,675</td>
<td>318,710,880</td>
<td>1,583,795</td>
</tr>
<tr>
<td>Salaries, Supplies, Services &amp; Equipment</td>
<td>268,691,392</td>
<td>269,582,396</td>
<td>(891,004)</td>
</tr>
<tr>
<td>Other Outgo (Pass Throughs / Debt Service)</td>
<td>8,351,091</td>
<td>8,351,091</td>
<td>-</td>
</tr>
<tr>
<td>Indirect Cost (Expense Offset)</td>
<td>(3,779,733)</td>
<td>(3,779,733)</td>
<td>-</td>
</tr>
<tr>
<td>Contributions &amp; Transfers Out</td>
<td>38,354,270</td>
<td>38,354,270</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenses &amp; Uses</strong></td>
<td>b 311,617,020</td>
<td>312,508,024</td>
<td>(891,004)</td>
</tr>
<tr>
<td><strong>Change in Fund Balance</strong></td>
<td>a-b=c 8,677,655</td>
<td>$6,202,856</td>
<td>$2,474,799</td>
</tr>
<tr>
<td>Beginning Fund Balance</td>
<td>d 14,095,544</td>
<td>14,095,544</td>
<td>-</td>
</tr>
<tr>
<td><strong>Ending Fund Balance</strong></td>
<td>c+d=e 22,773,199</td>
<td>$20,298,400</td>
<td>$2,474,799</td>
</tr>
</tbody>
</table>
### Unrestricted General Fund – 2014-15 Revised Budget (FUND BALANCE DETAILS)

<table>
<thead>
<tr>
<th>Unrestricted General Fund</th>
<th>2014-15 Revised Budget</th>
<th>2014-15 Adopted Budget</th>
<th>Diff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ending Fund Balance</td>
<td>$22,773,199</td>
<td>$20,298,400</td>
<td>$2,474,799</td>
</tr>
</tbody>
</table>

**Components of the Ending Fund Balance:**

- **Reserve for Economic Uncertainty**
  - Revised Budget: $8,242,171
  - Adopted Budget: $8,281,171
  - Diff: $(39,000)

- **Designated for the Following:**
  - Audit & Audit Findings (ONE-TIME)
    - Revised Budget: $4,808,115
    - Adopted Budget: $4,769,115
    - Diff: $39,000
  - Set Aside for Ongoing Items (ON-GOING)
    - Revised Budget: $8,677,655
    - Adopted Budget: $6,202,856
    - Diff: $2,474,799
  - Early Retirement Pgm Approved 2011-12 (ONE-TIME)
    - Revised Budget: $895,258
    - Adopted Budget: $895,258
    - Diff: -
  - Revolving Cash (ONE-TIME)
    - Revised Budget: $150,000
    - Adopted Budget: $150,000
    - Diff: -

**Total Ending Fund Balance**

- Revised Budget: $22,773,199
- Adopted Budget: $20,298,400
- Diff: $2,474,799

Reserve for Economic Uncertainty is the 2% minimum required for OUSD per State Dept. of Ed, however the Board policy requires 3%. Staff has been directed by the board to lower this reserve to the 2% required by the State and designate the difference to Audit and Audit Findings.