



In comparing the 2013-14 Restricted fund estimates to actual finances, the Revenues were estimated at \$44,640,625 but actual Revenues came in at \$44,366,453 for a difference of (\$274,172). Expenditures were estimated at \$69,108,055 and came in at \$68,258,923 for a difference of \$849,132 for a combined net increase of \$1,599,875 including other sources. With the Adopted Budget and Multiyear Projects there is an increase in the Ending Fund Balance in 2015-16 and 2016-17, this is due to anticipated growth in the District. Additionally, the temporary taxes are scheduled to expire: December 2016 for the Sales Tax and December 2018 for the Income Tax. Prop 30 is generating \$7 billion per year from those temporary taxes.

Rainy Day Fund Prop 2 – if the Governor puts money into the rainy day fund District's reserves are limited to double the state minimum. USD is currently already below that percent.

#### Budget Implications and Outlook:

Implementation of Local Control Funding Formula (LCFF) and the Local Control Accountability Plan (LCAP).

With the Districtwide Student enrollment growth there is more revenue anticipated, but also more cost associated with the growth. IUSDs building many new schools:

- i. Opened Cypress Village Elementary in 2014
- ii. Opened interim Portola Springs Elementary in 2014
- iii. Will be opening Portola Springs Elementary permanent site in 2015
- iv. Will be opening the K-8 across from Pavilion Park in 2016
- v. Will be opening the 5th high school Portola HS in 2016
- vi. Will be opening an elementary school in PA-5B in 2017

Increases in Health and Welfare costs and corresponding impact of national Health Care Act. There are unknown cost the District will need to absorb that were not existent in the past.

- i. The committee discussed the Health Care Act timeline. The government keeps delaying penalties. There is now a look back period. The District will be monitoring the next calendar year and will likely need to offer benefits to some additional employees in January.
- ii. The District is self-insured and went through plan design changes two years ago.
- iii. Additionally, a new law is going into effect which will require the District to provide paid sick leave to everyone, including subs. All employees will receive one sick hour for every thirty hours worked for every thirty days in the year. Currently the District does provide sick leave to part-time employees at a prorated rate.

Unexpected shifts in the U.S. or State Economy

Proposition 30 expiration and impact to state recovery.