

**LA CAÑADA UNIFIED SCHOOL DISTRICT
BUSINESS SERVICES MEMORANDUM**

November 7, 2017

TO: Wendy K. Sinnette, Superintendent

FROM: Mark Evans, Asst. Superintendent of Business and Administrative Services
Gretchen Bergstrom, Director of Fiscal Services

SUBJECT: Approval of First Interim Financial Report 2017-2018 – First Reading

Background

Education Code Sections 35053(g), 42130, and 42131 require the Governing Board of each school district to certify at least twice a year (as of October 31st and January 31st) to the district's ability to meet its financial obligations for the remainder of that fiscal year and for the subsequent two fiscal years.

The certification by the Governing Board must be classified as follows:

Positive: A school district that, based on current projections, **will** meet its financial obligations for the **current fiscal year and two subsequent fiscal years**.

Qualified: A school district that, based on current projections, **may not** meet its financial obligations for the **current fiscal year or subsequent two fiscal years**.

Negative: A school district that, based on current projections, **will be unable** to meet its financial obligations for the **current fiscal year or subsequent fiscal year**.

Introduction

District Budget for 2017-18 and Multi-Year Projection Scenarios

The Governing Board, at its meeting on June 20th, 2017, adopted the District's Budget for 2017-18 and reviewed multi-year budgetary projections through 2019-2020.

Current Considerations/Budgetary Overview

The First Interim Report for 2017-2018 and the multi-year has some changes from the updated budget of June 2017.

Revenues:

- The LCFF revenues anticipated per ADA increased by approximately \$192,000 due to an increase in ADA for 2017-18. Federal revenue decreased by \$32,000 due to a reduction in Title II funding. One time revenues for 2017-18 are budgeted at \$594,000.

Expenditures:

- Salaries: Negotiated settlements are fully reflected in the First Interim.
- Benefits: Costs of benefits are directly related to salaries, so the increase here is a result of the additional classified salaries and increases in STRS and PERS rates. Additionally health and welfare increases resulted from upticks in the COLA in future years.
- Services: There has been an increase in programmatic needs for specialized student services.
- Transfers Out: Transfers out for Deferred Maintenance reflect \$335,000 of expenditures, and the ongoing transfer of \$125,000 to retirement benefits remains the same as in the original budget.

Multi-Year Considerations:

- The out year estimates of revenue remain predicated on the same revenue and expenditure assumptions used in the original budget. The School Services of California Dartboard is used to guide multi-year projections for revenue. Expenditures are adjusted to account for increases in Step and Column, benefits (including health and welfare and pension increases), and other factors.

Special Note: Per the budget recommendation, a cash transfer of \$71,000 from the Field Fund (40.4) to the Cafeteria Fund (13.0) is included in the 2017-18 budget to offset expenses beyond revenues in the Cafeteria Fund.

Recommendation

It is recommended that the Governing Board review the First Interim Financial Report 2017-2018 - First Reading. The First Interim Report meets a positive certification.

GENERAL (Combined)
First Interim 17-18

| REVENUE | COLA = 1.02% | | | | | | | | | | 2019-20 |
|---------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|---------|
| | Unaudited Actuals | Revised Budget | First Interim | Second Interim | Unaudited Actuals | Projected Budget | First Interim | Projected Budget | 2018-19 | 2018-19 | |
| LCFF | 29,522,148 | 31,224,229 | 31,365,708 | 31,393,964 | 31,471,218 | 32,142,036 | 32,334,613 | 32,960,728 | 33,932,611 | 33,932,611 | |
| Federal | 892,201 | 874,388 | 891,366 | 900,002 | 901,419 | 882,845 | 854,782 | 854,782 | 854,782 | 854,782 | |
| Other State | 5,631,837 | 4,342,348 | 4,380,376 | 4,588,734 | 4,715,681 | 4,003,810 | 4,624,149 | 3,378,682 | 3,282,066 | 3,282,066 | |
| Other Local | 8,568,347 | 8,083,817 | 8,136,054 | 8,195,309 | 8,593,795 | 8,446,615 | 8,624,917 | 8,064,680 | 8,127,804 | 8,127,804 | |
| Total Revenue | 44,614,533 | 44,524,782 | 44,773,504 | 45,075,009 | 45,882,113 | 45,475,306 | 46,438,461 | 45,258,872 | 46,197,263 | 46,197,263 | |
| EXPENDITURES | | | | | | | | | | | |
| Certificated | 20,014,493 | 20,001,045 | 19,867,733 | 19,890,718 | 19,963,732 | 19,839,224 | 20,186,039 | 19,494,457 | 19,811,876 | 19,811,876 | |
| Classified | 7,414,549 | 7,578,627 | 7,876,969 | 7,862,200 | 7,737,536 | 8,007,619 | 8,143,645 | 8,199,832 | 8,281,830 | 8,281,830 | |
| Benefits | 7,894,906 | 8,081,952 | 8,036,129 | 8,169,060 | 7,980,592 | 8,759,624 | 8,646,368 | 9,497,294 | 10,156,075 | 10,156,075 | |
| Supplies | 1,821,465 | 2,371,454 | 2,390,732 | 2,308,508 | 2,143,249 | 2,336,244 | 2,713,894 | 2,118,894 | 2,118,894 | 2,118,894 | |
| Services | 5,468,813 | 5,727,991 | 6,054,978 | 6,372,813 | 5,666,937 | 6,484,683 | 6,974,306 | 6,449,351 | 6,449,351 | 6,449,351 | |
| Capital Outlay | 74,349 | 106,216 | 228,616 | 398,933 | 288,128 | 611,960 | 600,291 | 198,291 | 198,291 | 198,291 | |
| Other Outgo | 15,000 | 15,000 | 15,000 | 15,000 | 17,127 | 16,963 | 17,127 | 0 | 0 | 0 | |
| Direct / Indirect | -40,240 | -41,566 | -41,566 | -41,566 | -37,128 | -42,115 | -39,344 | -39,344 | -39,344 | -39,344 | |
| Total Expense | 42,663,334 | 43,840,719 | 44,428,591 | 44,975,866 | 43,761,161 | 46,014,202 | 47,242,326 | 45,918,775 | 46,976,973 | 46,976,973 | |
| DIFFERENCE | 1,951,199 | 684,063 | 344,913 | 102,143 | 1,920,952 | -538,896 | -803,865 | -659,903 | -779,710 | -779,710 | |
| OTHER SOURCES/USES | | | | | | | | | | | |
| Transfer Out Fund 14 | -572,127 | -441,448 | -441,448 | -450,809 | -441,448 | -335,000 | -335,000 | -335,000 | -335,000 | -335,000 | |
| Transfer Out Fund 20 | -125,000 | -125,000 | -125,000 | -125,000 | -125,000 | -125,000 | -125,000 | -125,000 | -125,000 | -125,000 | |
| Transfer Out Fund 40 | -930,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Transfer Out Fund 13 | -120,000 | -48,045 | -48,045 | -48,045 | -48,045 | 0 | 0 | 0 | 0 | 0 | |
| Transfer In (Out) | 14,388 | 16,000 | 16,000 | 16,000 | 20,076 | 16,000 | 20,000 | 20,000 | 20,000 | 20,000 | |
| Cont to Rest Maint | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Cont to Restricted | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Other S/U | -1,632,739 | -598,493 | -598,493 | -607,854 | -594,417 | -444,000 | -440,000 | -440,000 | -440,000 | -440,000 | |
| FUND CHANGE | 318,461 | 85,571 | (253,579) | (505,710) | 1,326,536 | (882,895) | (1,243,864) | (1,099,902) | (1,219,709) | (1,219,709) | |
| Adjust | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| BEG. BAL. 7/1 | 5,356,300 | 5,674,760 | 5,674,760 | 5,674,760 | 5,674,760 | 7,001,296 | 7,001,296 | 5,757,432 | 4,657,530 | 4,657,530 | |
| END. BAL. 6/30 | 5,674,760 | 5,760,330 | 5,421,180 | 5,169,049 | 7,001,296 | 6,018,402 | 5,757,432 | 4,657,530 | 3,437,821 | 3,437,821 | |
| Revolving Cash | 6,000 | 8,500 | 8,500 | 8,500 | 6,030 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | |
| Stores/Prepays | 154,948 | 46,905 | 57,051 | 57,051 | 60,175 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | |
| Legally Restricted | 463,012 | 451,400 | 333,190 | 306,003 | 431,410 | 358,029 | 322,621 | 354,458 | 119,856 | 119,856 | |
| Committed Funds PERS/STRS | 490,000 | 490,000 | 490,000 | 490,000 | 490,000 | 490,000 | 490,000 | 490,000 | 490,000 | 490,000 | |
| Assigned Funds/LCFF Gap | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 657,956 | 1,219,636 | 1,219,636 | |
| Assigned Funds/Donations | 198,949 | 0 | 0 | 0 | 716,268 | 0 | 0 | 0 | 0 | 0 | |
| Assigned Funds/Textbooks | 295,636 | 930,284 | 930,284 | 918,628 | 1,011,519 | 530,805 | 574,231 | 103,267 | 140,689 | 140,689 | |
| Economic Uncertainty | 4,066,215 | 3,833,241 | 3,802,155 | 3,368,867 | 4,285,894 | 4,623,568 | 4,354,580 | 3,035,849 | 1,941,640 | 1,941,640 | |
| Undesignated | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Unappropriated | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Reserve at 3.5%: | OK | OK | OK | OK | OK | OK | OK | OK | OK | OK | |
| 3.50% | 1,550,363 | 1,555,372 | 1,575,948 | 1,595,430 | 1,552,445 | 1,622,037 | 1,575,948 | 1,622,557 | 1,659,594 | 1,659,594 | |
| 3.00% | 1,328,882 | 1,333,176 | 1,350,813 | 1,367,512 | 1,330,667 | 1,393,746 | 1,350,813 | 1,390,763 | 1,422,509 | 1,422,509 | |

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|--|---|---|---|---|
| Enrollment* | 4092 | 4132 | 4157 | 4157 est | 4157 est |
| Enrollment increase/decline from prior year* | 44 | 40 | 25 | 0 | 0 |
| FTE loss related to Enrollment Decline/Other* | -2.0 FTE | 0 | 0 | 0 | 0 |
| Educational Foundation adjustments FTE Reductions | n/a | n/a | n/a | -6.0 FTE | n/a |
| LCFF CSR (K-3) 20:1 | n/a | n/a | n/a | n/a | n/a |
| LCFF Gr 4-6 CSR | n/a | n/a | n/a | +6.0 FTE | n/a |
| ROP funding from LACOE | \$136,429 | \$0 | \$0 | \$0 | \$0 |
| ADA to Enrollment factor est.* | 97.46% | 97.80% | 97.73% | 97.73% | 97.73% |
| Governing Board/Other Elections | \$0 | \$0 | \$100,000 | \$0 | \$0 |
| Employee Salary Compensation | | | | | |
| Classified | 4.00% | 1.55% | TBD | TBD | TBD |
| Certificated (schedule squared and 4.25% one time) | 4.25% | 1.00% | TBD | TBD | TBD |
| Increases in salary costs | | | | | |
| Step and Column Increase Estimated | 1.5% Cert \$252,640 1.0% Class \$44,507 | 1.75% Cert \$348,635 1.0% Class \$77,890 | 1.75% Cert \$342,666 1.0% Class \$77,120 | 1.75% Cert \$317,419 1.0% Class \$81,186 | 1.75% Cert \$322,974 1.0% Class \$81,998 |
| STRS Employer rate projection estimate* | 10.73% | 12.58% | 14.43% | 16.28% | 18.13% |
| increase over last year | \$ 355,935 | \$ 379,619 | \$ 449,018 | \$ 360,647 | \$ 366,520 |
| increase from 14-15 contribution | \$ 529,496 | \$ 909,115 | \$ 1,358,133 | \$ 1,718,780 | \$ 2,085,300 |
| PERS Employer rate projection estimate* | 11.85% | 13.88% | 15.53% | 18.10% | 20.80% |
| increase over last year | \$ 59,051 | \$ 133,896 | \$ 134,531 | \$ 205,002 | \$ 217,525 |
| increase from 14-15 contribution | \$ 116,752 | \$ 250,648 | \$ 385,179 | \$ 590,181 | \$ 807,706 |
| Cost of 1% increase (salary and benefits)* | | | | | |
| Certificated | | \$ 227,068 | \$ 233,575 | TBD | TBD |
| Classified | | \$ 92,764 | \$ 99,182 | TBD | TBD |
| H & W Increase | 1.02% | 0.00% | 1.56% | 2.15% | 2.35% |
| Supplemental Grant* | \$343,579 | \$420,376 | \$464,318 | \$488,179 | \$484,901 |
| Technology infrastructure/equipment/support | \$450,000 | \$450,000 | \$450,000 | \$450,000 | \$450,000 |
| Routine Restricted Maintenance Contribution | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| Utility Increase (under review) | -9.0% -\$82,727 | -6.00% -\$54,547 | 2.00% \$14,850 | 5.00% \$39,213 | 5.00% \$41,174 |
| Unrestricted Capital Outlay* | \$75,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 |
| Special Education Increase Contribution (under review) | \$125,000 | \$125,000 | \$125,000 | \$125,000 | \$125,000 |
| GASB 45 (Post employment benefits contribution) | \$125,000 | \$125,000 | \$125,000 | \$125,000 | \$125,000 |
| Reserve level | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% |
| Projected Lease Income (under review)* | \$1,897,992 | \$1,922,763 | \$2,042,857 | \$2,104,143 | \$2,167,267 |
| Fund 17 Lease Interruption Contingency | \$1,825,000 | \$1,825,000 | \$1,825,000 | \$1,825,000 | \$1,825,000 |
| Mandated Block Grant | \$152,582 | \$150,648 | \$169,498 | \$161,641 | \$161,641 |
| One Time Prior Year Mandate* | \$2,097,797 | \$855,663 | \$594,027 | \$0 | \$0 |
| Parcel Tax Revenue | \$2,579,850 | \$2,585,250 | \$2,582,100 | \$2,582,100 | \$2,582,100 |
| Educational Foundation Revenue* | \$2.0 M | \$2.0 M | \$2.0 M | \$1.5 M est | \$1.5 M est |
| Transfer to Fund 40 (planned capital projects) | \$830,000 | \$0 | \$0 | \$0 | \$0 |
| Deferred Maintenance Contribution (includes LCFF) | \$572,127 | \$450,809 | \$335,000 | \$335,000 | \$335,000 |
| Educator Effectiveness Program | \$324,322 | \$0 | \$0 | \$0 | \$0.00 |
| Lottery | \$140.00 | \$144.00 | \$146.00 | \$146.00 | \$146.00 |
| Lottery Proposition 20 | \$41.00 | \$45.00 | \$48.00 | \$48.00 | \$48.00 |

*Changes reflected after October 1, 2017

CBEDS to P2 ADA Projections

| | A | B | C | D (C-B) | E (C-A) | F (C/A) |
|---------|-------|--------|----------|---------|------------|-------------|
| | CBEDS | P1 ADA | P2 ADA | | Difference | %Difference |
| 2017-18 | 4157 | 4060 | 4041 est | -19 | -116 | 0.9773 est. |
| 2016-17 | 4132 | 4060 | 4041 | -19 | -91 | 0.9780 |
| 2015-16 | 4092 | 4007 | 3988 | -19 | -104 | 0.9746 |
| 2014-15 | 4048 | 3991 | 3963 | -28 | -85 | 0.9791 |
| 2013-14 | 4043 | 3960 | 3957 | -3 | -86 | 0.9787 |
| 2012-13 | 4123 | 4037 | 4025 | -12 | -98 | 0.9761 |
| | | | Average: | -16 | -93 | 0.9773 |

| | | | | |
|-------------|------|------|--------|----------------|
| 2017-18 | 4157 | 4063 | 0.9773 | (under review) |
| seniors out | -362 | | | |
| others in | 110 | | | |
| NPS 9 | 0 | | | |
| TK/K in | 252 | | | |
| 2018-19 | 4157 | 4063 | 0.9773 | (under review) |
| seniors out | -354 | | | |
| others in | 102 | | | |
| NPS 9 | 0 | | | |
| TK/K in | 252 | | | |
| 2019-20 | 4157 | 4063 | 0.9773 | (under review) |
| seniors out | -347 | | | |
| others in | 95 | | | |
| NPS 9 | 0 | | | |
| TK/K in | 252 | | | |
| 2020-21 | 4157 | 4063 | 0.9773 | (under review) |
| seniors out | -341 | | | |
| others in | 89 | | | |
| NPS 9 | 0 | | | |
| TK/K in | 252 | | | |
| 2021-2022 | 4157 | 4063 | 0.9773 | (under review) |

* includes NPS

seniors out per Enrollment report Sept 2017
NPS per CDE Report Oct.2017

| Projected ADA | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-2021 | 2021-2022 |
|--------------------------------|---------|---------|---------|---------|-----------|-----------|
| ADA | 4041 | 4063 | 4063 | 4063 | 4063 | 4063 |
| Increase/Decline from Prior Yr | | 22 | 0 | 0 | 0 | 0 |
| Funded ADA | | 4063 | 4063 | 4063 | 4063 | 4063 |

La Canada Unified School District
First Interim Budget 2017-18
All Funds

First Interim
Budget
2017-18

| | GENERAL Unrestricted | GENERAL Restricted | GENERAL (Combined) | CARETERIA (13.0) | DEFERRED MAINT. (14.0) | LEASE INTERUPT (17.1) | GASB 45 (20.0) | BUILDING 2004 (21.2) | DEV.FEE (25.0) | FACILITIES (40.0) | Stadium Field (46.1) | Sewer Connect (46.2) | Field Acquisition Fund (49.3) | Field Replacement Fund (49.4) | SPECIAL RESERVE TOTAL (49) | SUMMARY (All Funds) |
|-----------------------------|-------------------------|-----------------------|-----------------------|------------------|---------------------------|--------------------------|----------------|-------------------------|----------------|-------------------|-------------------------|-------------------------|----------------------------------|----------------------------------|-------------------------------|------------------------|
| REVENUE | 42,321,696 | 4,116,785 | 46,438,461 | 759,407 | 3,500 | 20,000 | 6,000 | 0 | 0 | 247,900 | 9,802 | 3,000 | 22,500 | 6,000 | 289,202 | 47,831,070 |
| EXPENDITURES | 36,299,088 | 10,943,236 | 47,242,324 | 834,597 | 450,152 | 0 | 0 | 0 | 0 | 293,621 | 0 | 0 | 0 | 548,650 | 842,271 | 49,491,746 |
| | 6,022,608 | -8,826,471 | -803,863 | -75,190 | -446,652 | 20,000 | 6,000 | 0 | 0 | -45,721 | 9,802 | 3,000 | 22,500 | -542,650 | -553,069 | -1,660,676 |
| DIFFERENCE | | | | | | | | | | | | | | | | |
| Transfer Out Fund 14 | -335,000 | 0 | -335,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -335,000 |
| Transfer Out Fund 20 | -125,000 | 0 | -125,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -125,000 |
| Transfer Out Fund 40 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer Out Fund 13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer In Fund 17 | 20,000 | 0 | 20,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20,000 |
| Transfer In/Out | -1,350,000 | 1,350,000 | 0 | 71,000 | 335,000 | -20,000 | 125,000 | 0 | 0 | 0 | 0 | 0 | 0 | -71,000 | -71,000 | 440,000 |
| Cont to Rest Maint | -5,357,537 | 5,357,537 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cont to Restricted | -1,124,929 | -118,934 | -1,243,862 | -4,190 | -111,652 | 0 | 131,000 | 0 | 192,098 | -45,721 | 9,802 | 3,000 | 22,500 | -613,650 | -624,069 | -1,660,675 |
| FUND CHANGE | | | | | | | | | | | | | | | | |
| BEG. BAL. 7/1 | 6,559,739 | 441,555 | 7,001,294 | 25,068 | 652,665 | 1,825,000 | 777,798 | 0 | 669,536 | 470,596 | 113,520 | 324,157 | 32,912 | 196,134 | 1,137,319 | 12,088,680 |
| END. BAL. 6/30 | 5,434,810 | 322,621 | 5,757,431 | 20,878 | 541,013 | 1,825,000 | 908,798 | 0 | 861,634 | 424,875 | 123,322 | 327,157 | 55,412 | -417,516 | 513,250 | 10,428,004 |
| Revolving Cash | 8,500 | 0 | 8,500 | 400 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,900 |
| Stores/Prepays | 7,500 | 0 | 7,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,500 |
| Legally Restricted | 0 | 322,621 | 322,621 | 20,478 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 343,099 |
| Committed Funds Capital Res | 0 | 0 | 0 | 0 | 0 | 1,500,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,500,000 |
| Assigned Funds | 490,000 | 0 | 490,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 490,000 |
| Assigned Funds/Donations | 0 | 0 | 0 | 0 | 0 | 325,000 | 908,798 | 0 | 861,634 | 424,875 | 123,322 | 327,157 | 55,412 | -417,516 | 513,250 | 10,068,505 |
| Assigned Funds/Textbooks | 574,231 | 0 | 574,231 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 574,231 |
| Economic Uncertainty | 4,354,579 | 0 | 4,354,579 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,354,579 |
| Undesignated | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unappropriated | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

SSC School District and Charter School Financial Projection Dartboard 2017-18 Adopted State Budget

This version of SSC's Financial Projection Dartboard is based on the 2017-18 adopted State Budget. We have updated the cost-of-living adjustment (COLA), Consumer Price Index (CPI), and ten-year T-bill planning factors per the latest economic forecasts. We have also updated the Local Control Funding Formula (LCFF) factors. We rely on various state agencies and outside sources in developing these factors, but we assume responsibility for them with the understanding that they are general guidelines.

| LCFF ENTITLEMENT FACTORS | | | | |
|-----------------------------|---------|---------|---------|---------|
| Entitlement Factors per ADA | K-3 | 4-6 | 7-8 | 9-12 |
| 2016-17 Base Grants | \$7,083 | \$7,189 | \$7,403 | \$8,578 |
| COLA at 1.56% | \$110 | \$112 | \$115 | \$134 |
| 2017-18 Base Grants | \$7,193 | \$7,301 | \$7,518 | \$8,712 |

| Entitlement Factors per ADA | K-3 | 4-6 | 7-8 | 9-12 |
|-----------------------------------|---------|---------|---------|---------|
| 2017-18 Base Grants | \$7,193 | \$7,301 | \$7,518 | \$8,712 |
| Grade Span Adjustment Factors | 10.4% | - | - | 2.6% |
| Grade Span Adjustment Amounts | \$748 | - | - | \$227 |
| 2017-18 Adjusted Base Grants | \$7,941 | \$7,301 | \$7,518 | \$8,939 |
| Supplemental Grants (% Adj. Base) | 20% | 20% | 20% | 20% |
| Concentration Grants | 50% | 50% | 50% | 50% |
| Concentration Grant Threshold | 55% | 55% | 55% | 55% |

| LCFF DARTBOARD FACTORS | | | | | |
|---|---------------|---------------|----------------------------|----------------------------|----------------------------|
| Factor | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| LCFF Planning Factors | SSC Simulator | SSC Simulator | SSC Simulator ² | SSC Simulator ² | SSC Simulator ² |
| SSC Gap Funding Percentage | 56.08% | 43.19% | 39.12% | 41.60% | 44.16% |
| Department of Finance Gap Funding Percentage | 56.08% | 43.19% | 66.12% | 64.92% | 100.00% |
| Gap Funding Percentage ¹ (May Revise) | 54.84% | 43.97% | - | - | - |

| PLANNING FACTORS | | | | | | |
|--|----------------------|---------|---------|---------|---------|---------|
| Factor | | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| Statutory COLA | | 0.00% | 1.56% | 2.15% | 2.35% | 2.57% |
| COLA on state and local share only of Special Education, Child Nutrition, Foster Youth, Preschool, American Indian Education Centers/American Indian Early Childhood Education | | 0.00% | 1.56% | 2.15% | 2.35% | 2.57% |
| California CPI | | 2.63% | 3.42% | 3.35% | 3.02% | 3.16% |
| Interest Rate for Ten-Year Treasuries | | 2.18% | 2.47% | 2.66% | 2.78% | 2.85% |
| California Lottery | Unrestricted per ADA | \$144 | \$146 | \$146 | \$146 | \$146 |
| | Restricted per ADA | \$45 | \$48 | \$48 | \$48 | \$48 |
| Mandate Block Grant (District) | Grades K-8 per ADA | \$28.42 | \$30.34 | \$30.34 | \$30.34 | \$30.34 |
| | Grades 9-12 per ADA | \$56 | \$58.25 | \$58.25 | \$58.25 | \$58.25 |
| Mandate Block Grant (Charter) | Grades K-8 per ADA | \$14.21 | \$15.90 | \$15.90 | \$15.90 | \$15.90 |
| | Grades 9-12 per ADA | \$42 | \$44.04 | \$44.04 | \$44.04 | \$44.04 |
| One-Time Discretionary Funds per ADA | | \$214 | \$147 | – | – | – |
| CalPERS Employer Rate (projected) | | 13.888% | 15.531% | 18.1% | 20.8% | 23.8% |
| CalSTRS Employer Rate (statutory) | | 12.58% | 14.43% | 16.28% | 18.13% | 19.10% |

| RESERVES | | |
|-------------------------------|--------------------|---|
| State Reserve Requirement | District ADA Range | Reserve Plan |
| The greater of 5% or \$66,000 | 0 to 300 | SSC recommends one year's increment of planned revenue growth |
| The greater of 4% or \$66,000 | 301 to 1,000 | |
| 3% | 1,001 to 30,000 | |
| 2% | 30,001 to 400,000 | |
| 1% | 400,001 and higher | |

¹ Either this percentage or the adopted State Budget gap percentage can be used for calculating movement toward class sizes of 24:1 at grades transitional kindergarten-3.

² For the forecast years, the total dollar amount needed to fund the statutory COLA is applied to the SSC LCFF Simulator.

**LA CAÑADA UNIFIED SCHOOL DISTRICT
BUDGET DEVELOPMENT CALENDAR 2017-18**

| | |
|---------------|--|
| | |
| Dec. 5, 2017 | The 2016-17 District Audit is presented to the Governing Board; First Interim Financial Report (2017-18), for the period ending October 31, 2017, presented to the Governing Board- Second Reading |
| | |
| February 2018 | Second Interim Financial Report (2017-18), for the period ending January 31, 2018, presented to the Governing Board- First Reading |
| | |
| March 2018 | Second Interim Financial Report (2017-18), for the period ending January 31, 2018 presented to the Governing Board- Second Reading |
| | |
| May 2018 | Budget Development activities for 2017-18 continue |
| | |
| June 2018 | Proposed District Budget (2018-19) presented to the Governing Board |
| June 2018 | Proposed District Budget (2018-19) placed on display for public review |
| | |
| June 2018 | The Governing Board conducts a public hearing and approves the District Budget for 2018-19 |
| | |
| June 2018 | Business Services files the District Budget (2018-19) with the Los Angeles County Office of Education |