

**DISCUSSION ITEM**

**Board of Trustees - June 26, 2017**

**INTRODUCTION**

Pursuant to California Education Code 42127, the Governing Board of each school district is required to adopt its budget on or before July 1 of each year. The Board is asked to review and discuss the 2017-18 Preliminary Budget. This budget includes the most current information available from the Governor’s 2017-18 May Revise. A decrease in the General Fund Unrestricted Fund balance in the amount of \$5.83 million is projected for Fiscal Year 2017-18, due to step & column increases, increased benefit costs, instructional materials adoption, network infrastructure upgrades and contributions to Special Ed and other restricted programs.

The State Budget will provide funding, as follows:

- “Hold Harmless” Minimum State Aid Revenues based upon 2012-13 level of categorical funding of \$704,071
- Mandated Block Grant of \$56 per ADA = \$265,450
- One-time Discretionary Fund of \$148 per ADA = \$701,295
- Educational Protection Account of \$200 per ADA or \$948,037
- Lottery Revenue of \$45 per ADA restricted funds and \$144 per ADA unrestricted funds

**ASSUMPTIONS AND ANALYSES**

**ITEMS IN THE GENERAL FUND BUDGET (Appendix A)**

**A. Enrollment**

1. Each fiscal year the Assistant Superintendent of Educational Services provides data on enrollment growth for Tamalpais Union High School District. For 2017-18, the District projects enrollment increase of 244 students over previous fiscal year. The following chart displays the projected enrollment by site. The 2017-18 figures were used for the allocation of discretionary funds to each school site.

Fiscal Years	Tam	Drake	Redwood	San Andreas	Tamiscal	Total	Percent Increase
2013-14	1,281	980	1,604	68	106	4,039	n/a
2014-15	1,321	982	1,661	57	123	4,144	2.60%
2015-16	1,420	1,077	1,770	78	117	4,462	7.67%
2016-17	1,536	1,174	1,799	78	117	4,704	5.42%
2017-18	1,599	1,253	1,901	78	117	4,948	5.19%
2018-19	1,681	1,357	1,991	78	117	5,224	5.58%
2019-20	1,717	1,357	2,044	78	117	5,313	1.70%
2020-21	1,748	1,375	2,126	78	117	5,444	2.47%
7 yr change	36%	40%	33%	15%	10%	35%	n/a

**NOTE:** San Andreas and Tamiscal High Schools are projected at current year levels as new students to these schools are first enrolled in one of the comprehensive schools.

**B. Revenues**

1. **Local Control Funding Formula (LCFF)** sources are budgeted at \$60.6 million (a 5.33% increase over previous year).

Descriptions	Actual	Actual	Actual	Estimate	Budget	MYP-1	MYP-2
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
State Aid	258,583	499,959	704,071	704,071	704,071	704,071	704,071
Prop-30 EPA Funds	775,690	799,046	852,056	902,854	948,037	1,000,918	1,017,971
<b>Homeowners Exemptions</b>	<b>293,142</b>	<b>291,207</b>	<b>289,339</b>	<b>286,888</b>	<b>286,888</b>	<b>286,888</b>	<b>286,888</b>
<b>Secured Roll Taxes</b>	<b>44,870,025</b>	<b>47,771,789</b>	<b>51,483,524</b>	<b>54,870,378</b>	<b>57,888,709</b>	<b>61,069,291</b>	<b>64,420,351</b>
<b>Unsecured Roll Taxes</b>	<b>957,844</b>	<b>1,013,776</b>	<b>1,030,598</b>	<b>1,121,081</b>	<b>1,121,081</b>	<b>1,121,081</b>	<b>1,121,081</b>
LCFF Transfers	(357,000)	(357,000)	(357,000)	(357,000)	(357,000)	(357,000)	(357,000)
Property Tax Transfers	0	0	0	(7,000)	(7,000)	(7,000)	(7,000)
<b>Total LCFF &amp; Property Tax Revenues</b>	<b>46,834,575</b>	<b>50,092,051</b>	<b>54,034,760</b>	<b>57,521,272</b>	<b>60,584,786</b>	<b>63,818,249</b>	<b>67,186,362</b>
<b>Total Property Taxes</b>	<b>46,159,127</b>	<b>49,155,990</b>	<b>52,842,307</b>	<b>56,278,347</b>	<b>59,296,678</b>	<b>62,477,260</b>	<b>65,828,320</b>
<b>Increase/(decreases) in Property Tax Funding..</b>	<b>1,912,463</b>	<b>2,996,863</b>	<b>3,686,317</b>	<b>3,436,040</b>	<b>3,018,331</b>	<b>3,180,582</b>	<b>3,351,061</b>
<b>Percent Change.....</b>	<b>4.32%</b>	<b>6.49%</b>	<b>7.50%</b>	<b>6.50%</b>	<b>5.36%</b>	<b>5.36%</b>	<b>5.36%</b>

2. **Federal Revenue** is budgeted at \$1.03 million with the assumption of no new funds:

Descriptions	Actual	Actual	Estimate	Budget	Percent
	2014-15	2015-16	2016-17	2017-18	Change
Title I	133,829	149,210	271,609	110,508	-146%
Federal Special Ed: IDEA Basic Grant	465,643	539,022	618,234	636,311	3%
Federal Special Ed: Local Assistance	0	20,038	3,677	0	0%
Federal Special Ed: IDEA Mental Health	263,068	107,590	101,325	127,183	20%
Carl Perkins: CTE	79,751	78,637	74,715	61,266	-22%
Title II - Improving Teacher Quality	128,345	76,586	112,857	72,222	-56%
Title III - Immigrant Ed. Program	4,230	5,403	20,082	16,467	-22%
Title III - Limited English Program (LEP)	0	7,241	5,415	4,440	-22%
<b>Total Federal Revenues</b>	<b>1,074,866</b>	<b>983,727</b>	<b>1,207,914</b>	<b>1,028,398</b>	<b>n/a</b>

*Title I includes \$136,843 carryover from 2015-16*

*Title II includes \$20,949 carryover from 2015-16*

*Title III IEP includes \$5,705 from prior year*

3. **State Revenues** is budgeted at \$4.3 million, a 11% decrease from prior year.

Descriptions	2014-15 Actual	2015-16 Actual	16-17 Estimate	2017-18 Budget	% Change
Unrestricted Lottery	547,197	620,162	659,915	682,586	3%
California Clean Energy	0	172,159	336,341	336,341	100%
Restricted Lottery	157,236	215,273	215,969	213,308	-1%
College Readiness Block Grant (one time)	0	0	75,000	0	0%
State Special Ed: Mental Health	428,989	475,604	403,563	327,483	-19%
STRS On-Behalf-Of	0	1,988,289	1,501,564	1,501,564	0%
Mandated Block Grant	471,947	2,318,865	1,147,631	966,997	-16%
Other States Revenues & Refunds	11,872	12,137	6,245	0	0%
Educator Effectiveness (No longer funded)	0	402,272	402,272	250,000	-38%
<b>Total State Revenues</b>	<b>1,617,241</b>	<b>6,204,761</b>	<b>4,748,500</b>	<b>4,278,279</b>	<b>9.90%</b>

*2016-18 Block Grant: (\$56 x 4,514.27 ADA ) = \$252,799 + \$894,832 one-time funds = \$1,147,631*

*2017-18 Unrestricted Lottery = \$144 x 4,740.18 = \$682,586; Restricted Lottery = \$45 x 4,740.18 = \$213,308*

*2017-18 Block Grant: (\$56 + \$148 x 4,740.18 ADA ) = \$966,997*

*2017-18 California Clean Energy amount of \$336,341 and Educator Effectiveness amount of \$250,000 = prior year funds*

**4. Local Revenue** is budgeted at \$14.94 million, a 1.0 % increase from prior year.

Descriptions	Actual	Actual	Estimate	Budget	Percent Change
	2014-15	2015-16	2016-17	2017-18	
Leases & Rental	425,866	529,110	490,881	480,000	-2%
Interest Income	46,384	48,039	20,000	20,000	0%
Other Unrestricted Local Revenues	390,591	530,399	480,629	460,489	-4%
<b>Parcel Taxes</b>	<b>9,236,194</b>	<b>9,421,647</b>	<b>9,677,204</b>	<b>9,967,381</b>	<b>3%</b>
Revenues from Interagency Services	52,573	42,054	33,646	33,646	0%
Instructional Materials	5,384	4,211	114	0	-100%
Special Ed - Interagency Transfer -MCOE	2,032,558	2,096,268	2,170,332	2,131,963	-2%
Special Ed - Other Local (Object 8792)	57,954	52,778	28,652	22,791	-20%
Special Ed - Other Local (Object 8699)	0	0	19,586	58,652	199%
Low Incident (SELPA Transfer-in)			30,000	0	-100%
Routine Restricted Maintenance	311	3	27,565	27,565	0%
Parent Teacher Association (PTA)	475,515	529,569	266,864	250,000	-6%
Foundation Funds	828,833	954,399	681,968	681,968	0%
Field Trip Fund	37,832	0	16,480	15,000	-9%
Local Donations		0	25,000	15,000	-40%
Global Studies	239,330	342,018	113,867	100,000	-12%
TAM Music Donations	12,000	9,000	79,950	50,000	-37%
Student Activities	278,928	258,662	352,622	350,000	-1%
TAM High Academy	6,153	8,379	8,054	8,000	-1%
DISC	69,903	104,381	126,672	120,000	-5%
Student Athletics	0	0	31,530	31,000	-2%
Career Pathways Transfer from MCOE	37,500	120,000	120,000	120,000	0%
<b>Total Local Revenues</b>	<b>14,772,180</b>	<b>15,230,677</b>	<b>14,801,616</b>	<b>14,943,455</b>	<b>0.96%</b>

**C. Expenditures**

**Certificated – 1000:**

1. Certificated staffing as per the staffing plan includes 3% salary increase.

SITE	2017-18 FTE Adopted	2016-17 FTE Fall	Increase / (Decrease)
Drake	74.30	71.70	2.60
Redwood	113.10	109.90	3.20
Tamalpais	95.40	92.40	3.00
San Andreas	7.78	6.78	1.00
Tamiscal	11.20	10.00	1.20
Global Studies	0.20	0.20	0.00
ESL Teacher	0.20	0.20	0.00
TFT	0.20	0.20	0.00
Speech & Language Pathologists	1.60	0.00	1.60
MLK	0.20	0.00	0.20
<b>Sub Total Unrestricted</b>	<b>304.18</b>	<b>291.38</b>	<b>12.80</b>
Title I (06-3010)	0.23	0.23	0.00
Educator Effectiveness (06-6264)	2.20	2.20	0.00
NCCPA - Career Pathways (06-9993)	0.60	0.60	0.00
<b>Sub Total Restricted</b>	<b>3.03</b>	<b>3.03</b>	<b>0.00</b>
<b>TOTAL - General Fund</b>	<b>307.20</b>	<b>294.40</b>	<b>12.80</b>
Fund 11	0.60	0.60	0.00
<b>Total</b>	<b>307.80</b>	<b>295.00</b>	<b>12.80</b>

- a. The cost of step, including salary driven benefits for 2017-18, is as follows:

Certificated	\$573,061 (1.73% of 2016-17 salary)
Classified	\$196,208 (1.93% of 2016-17 salary)
Administration	<u>\$ 49,656 (1.23% of 2016-17 salary)</u>
<b>Total</b>	<b>\$818,925</b>

- b. Part time teacher working full time on Staff Development Days is budgeted at \$25,000 and career increments are budgeted at \$15,000.

- c. Extra Service Assignments are budgeted, as follows:

ASSIGNMENT	2017-18
Teacher Leaders	\$ 217,500
Athletic Director stipends	\$ 61,650
Extra Services - Includes Mentor, National Board, Newspaper, Drama, and Yearbook. Etc.	\$ 328,400
<b>TOTAL</b>	<b>\$ 607,550</b>

Additional \$182,000 budgeted for Site Extra Services, Tech Stipends, Reduced workload, 5 Preps and travel between sites.

- d. Certificated Management Positions are, as follows:

POSITION	2017-18 FTE	LOCATIONS & DESCRIPTIONS
Principals	3.00	Redwood, Tamalpais, Drake
Principals	2.00	San Andreas, Tamiscal and Alt. (incl. Adult Ed)
Assistant Principals	8.00	Redwood, Tamalpais, Drake
District Administration	7.00	Superintendent, Assistant Superintendent of Educational Services, Assistant Superintendent Human Resources, Assistant Director Student Services, Senior Director Student Services, Senior Director Curriculum & Instruction, Director Wellness
Psychologists	9.45	

- e. Incentive for ten certificated retirees has been budgeted for a total cost of \$240,000.

- f. The Teacher Leader program is budgeted to operate as specified in the 2012-2017 Agreement between the Governing Board and the TFT.

2. Classified – 2000:

<b>POSITION</b>	<b>2017-18 FTE Adopted</b>	<b>2016-17 FTE Fall</b>
Para-educator	2.10	2.10
Health Specialist	1.00	1.00
Delivery	1.00	1.00
Custodian	28.50	28.50
Library Specialist	3.00	3.00
Computer	7.50	7.50
Print Shop – see note 1	0.00	2.00
Campus Staff Assistant	10.00	10.00
Clerical including Wellness Outreach – see note 1	45.925	44.125
<b>Sub Total Unrestricted</b>	<b>99.025</b>	<b>97.575</b>
Maintenance	5.00	5.00
Grounds	4.00	4.00
Clerical – M&O	1.00	1.00
Spec. Ed.-Para-educator	32.40	29.65
Spec. Ed. -Secretary	1.00	1.00
Title I	1.00	1.00
Parent Funds – see note 2	0.00	0.30
<b>Sub Total Restricted</b>	<b>44.400</b>	<b>41.950</b>
<b>TOTAL</b>	<b>143.425</b>	<b>142.175</b>

Note: 1. Print-shop and Wellness FTE for 2017-18 reflect expected FTE at second interim (January 31, 2017).

2. The Tamalpais library Parent-funded positions have been removed from the budget until a Memorandum of Agreement is approved (planned for June 21, 2016) and the donation is received.

3. Any additional Parent-funding for positions will be budgeted upon receipt of funding.

a. Classified Management Positions are, as follows:

<b>POSITION</b>	<b>2017-18 FTE</b>
Community Programs Director	0.50
IT Operations Director	1.00
Senior Director of Fiscal Services	1.00
Community Programs Director	0.50
Maintenance and Operations Director	1.00
<b>TOTAL</b>	<b>5.00</b>

b. Clerical Training, Extra Hire, and Substitutes remain the same as 2016-17.

c. Retirement incentive for ten classified retirees is budgeted at \$161,500 plus salary driven benefits.

3. Employee Benefits – 3000:

The Worker’s Compensation Rate, per Marin Schools Insurance Authority, is budgeted to increase from 1.590% to 1.725%. The PERS rate has increased from 22.35% to 24.396%. The STRS rate has increased from 12.58% to 14.43%. State Unemployment Insurance remains unchanged. Employer benefit rates as a percentage of salary paid are listed below:

Board of Trustees - 2017-18 Preliminary Budget (Second Read – June 26, 2017)

Benefits	Certificated	Classified Mgmt	Classified Regular
STRS	14.430%	0.000%	0.000%
PERS	0.000%	24.396%	15.531%
OASDI	0.000%	6.200%	6.200%
MEDICARE	1.450%	1.450%	1.450%
SUI	0.500%	0.500%	0.500%
W/C	1.725%	1.725%	1.725%
<b>TOTAL</b>	<b>18.105%</b>	<b>33.985%</b>	<b>25.405%</b>

The budget includes a Kaiser Medical Benefit increase of 3.2%, no change to dental rates, and a decrease of 5.0% for vision as per 2016-17 rates established by the Marin Schools Insurance Authority.

- a. Certificated and management employees receive 100% health benefits coverage if they work .6 FTE or greater. Health benefits are provided by the District, proportional to FTE, for those working less than .6 FTE.
- b. Classified employees receive 100% health benefits if they work 30 hours or more per week, 75% coverage if they work between 25 and 29 hours per week, and 50% coverage if they work between 20 and 24 hours per week.
- c. Effective July 1, 2012, certificated retirees who have 10 years of service in the District and are at least 60 years of age receive health benefits until the age of sixty-five.
- d. Effective July 1, 2013 classified bargaining unit members that are 60 years of age and have 10 years of service will receive health benefits until the age of 65. A grandfather clause has been included in the agreement that provides for unit members who are at least fifty (50) years old by June 30, 2017, and have fifteen (15) years in the district by June 30, 2017, to be eligible for health benefits from the age of 55 to 65.
- e. Coverage for all employees and retirees is capped at the Kaiser rate.

Components of the Projected Health & Welfare cost for 2017-18 are, as follows:

PLAN	Monthly Rate for 7/1/17-9/30/17	Monthly Rate for 10/1/17-6/30/18
Kaiser or Health Net Cap	\$ 1,290.00	\$ 1,342.00
Delta Dental	104.71	107.85
VSP (Vision)	26.51	25.18
CPIC (Life)	7.50	7.50
<b>TOTAL</b>	<b>\$1,428.72</b>	<b>\$1,482.53</b>
ANNUAL BLENDED RATE FOR 2017-18 HEALTH AND LIFE BENEFITS	<b>\$17,621 &amp; \$17,673</b>	

Historical Information for the cost of medical benefits are as follows:

<b>Fiscal Year</b>	<b>Kaiser Rate</b>	<b>% Increase over Prior Year</b>
1994/95	\$335.13	
1995/96	326.26	( 2.6%)
1996/97	278.20	(14.7%)
1997/98	287.62	3.4%
1998/99	318.31	10.7%
1999/00	358.68	12.7%
2000/01	399.01	11.2%
2001/02	449.08	12.5%
2002/03	510.46	13.7%
2003/04	601.72	17.9%
2004/05	648.16	7.72%
2005/06	706.59	9.01%
2006/07	702.02	(0.65%)
2007/08	759.53	8.19%
2008/09	861.68	13.45%
2009/10	962.89	11.75%
2010/11	1,078.88	12.05%
2011/12	1,082.00	0.29%
2012/13	1,125.00	3.97%
2013/14	1,202.00	6.84%
2014/15	1,212.00	0.83%
2015/16	1,249.00	3.05%
2016/17	1,290.00	3.28%
2017/18	1,342.00	4.03%

The Annual Required Contribution (ARC) for Other Post-Employment Benefits (OPEB) is changed to reflect the results of the Actuarial Study that was performed as of June 30, 2015. (The District is required to have a study prepared every two years.) An ARC of \$505,711 has been budgeted. Allocation of the ARC is based upon FTE's.

There are two components of the cost that have been allocated as required:

- a. Normal Cost or the cost for Other Postemployment Benefits (OPEB) being earned by employees in exchange for services now of \$296,138.
- b. Unfunded Actuarial Accrued Liability (UAAL) is the amount due for the past service of both active employees and retirees of \$209,573.

4. All Other Expenditures – 4000-7000

- a. Per-pupil school site discretionary allocations (known by the sites as the “M&E budget”) are based upon enrollment projections, and these allocations are depicted in **Appendix N**. The assumption is that there will be an additional 244 students at the comprehensive sites. Both alternative sites are assuming no change in enrollment. Sites receive 95% of their M&E Allocation at budget adoption. Adjustments to 100% of allocation are made in the fall after the official enrollment count is taken.
- b. Sites have provided “zero based” budgets for professional development, instructional materials, peer tutoring, instruction improvement, and link crew. Each Principal has determined program needs in each of these categories with assigned dollar amounts. The Assistant Superintendent of Educational Services reviewed and approved the “zero based” budgets. Zero based budgets for 2017-18 totaled \$279,130
- c. Utilities have been adjusted based upon cost in the current year.
- d. Property & Liability insurance has increased 6.0% and will total \$426,394 for per 2017-18 Marin School Insurance Authority renewal rates.

5. Other Outgo/Transfers – 7000 & 89XX:

1. Indirect charges have been calculated based upon an estimate of restricted expenses. As per California Department of Education (CDE) calculation, the indirect rate is decreased from 7.30% in 2016-17 to 6.27% in 2017-18 for TUHSD.
2. The Child Nutrition Fund 13 is projecting a contribution from the General Fund of \$379,683.
3. The transfer to the Special Reserve Fund (Fund 40) for Capital Outlay in the 2017-18 will continue to be \$270,000 as has been past practice. This fund is used for the scheduled replacement of synthetic ball fields as well as copiers, specific furniture, and technology.
4. Community Education is budgeted to receive a General Fund contribution of \$244,717
5. Contributions to other restricted program are as follow:

Contributions (From)/To	2016-17	2017-18	2018-19	2019-20
<b>(Unrestricted General Fund)</b>	<b>(11,376,768)</b>	<b>(12,376,908)</b>	<b>(13,450,000)</b>	<b>(13,912,000)</b>
Restricted Gen Fund - Spec Ed IDEA	920,382	930,633	950,000	950,000
Restricted Gen Fund - Spec Ed IDEA Mental Health	279,621	279,621	300,000	310,000
Restricted Gen Fund - Educator Effectiveness	133,798	106,070	100,000	50,000
Restricted Gen Fund - Spec Ed AB602	5,932,761	6,831,401	7,750,000	8,100,000
Restricted Gen Fund - Spec Ed Mental Health Pre-referral	57,295	57,295	60,000	61,000
Restricted Gen Fund - Spec Ed Low Incident	57,859	57,859	60,000	61,000
Restricted Gen Fund - Spec Ed Mental Health	568,819	568,819	580,000	600,000
Restricted Gen Fund - RRMA	2,137,270	2,256,247	2,300,000	2,400,000
Restricted Gen Fund - Spec Ed Excess Cost	512,886	512,886	550,000	570,000
Restricted Gen Fund - Spec Ed Pupil Transportation	776,077	776,077	800,000	810,000

A. 2017-18 Educator Effectiveness requires \$106,070 contributions to fund total 2.2 FTE as follow:

- 1.0FTE = Instructional Coordinator
- 0.4FTE = Instructional Coach - Tamiscal
- 0.4FTE = Instructional Coach - Redwood
- 0.4FTE = Instructional Coach - Drake

B. 2017-18 Total Contributions out of Unrestricted General Fund to Support Other Educational Programs: \$12,376,908



#### **D. MULTI YEAR PROJECTIONS (Appendix C & H)**

The following assumptions are used for development of the multi-year projection:

- Increase in enrollment of 244 in 2017-18 and an increase in enrollment of 276 in 2018-19 are indicated by enrollment projections. **Appendix B** details the projected increase in enrollment and staffing.
- Secured property tax revenue is assumed to increase 5.36% in 2017-18, 5.36% in 2018-19 and 5.36% 2019-20. **Appendix J** details the history and projection of property tax revenue.
- State revenue is projected to include “hold harmless” minimum state aid revenue equal to those received in 2012-13. Education Protection Account (EPA) funding is expected to continue through the two subsequent years. 2018-19 will be the final year of EPA funding unless a ballot initiative extends the temporary taxes that were implemented by Proposition 30.
- Unrestricted lottery is budgeted per the School Services of California at \$144 per student.
- Restricted lottery is budgeted per the School Services of California at \$45 per student.
- Parcel tax revenue is projected to increase 3% each of the following projected years.
- Interest income is projected at \$20,000 per year.
- Teaching staff is increased 12.8 FTE for 2017-18 and 17.4 FTE for 2018-19 to accommodate the increased projected enrollment. This includes regular education and special education. Please see **Appendix B** for detail on projected enrollment and FTE growth.
- Counseling staff is increased 0.40 FTE for 2017-18 to accommodate the increased projected enrollment.
- Step increase costs have been projected at 1.73% for certificated, 1.93% for classified, and 1.23% for management.
- The Public Employee Retirement System (PERS) employer rate has been increased to 15.531% for 2017-18 and 18.10% for 2018-19. The State Teachers’ Retirement System (STRS) employer rate has been increased to 14.43% for 2017-18 and 16.28% for 2018-19.
- Health and Welfare costs are assumed to increase 5% for each of the subsequent years.

#### **E. SUPPLEMENTAL – ALL OTHER FUNDS (Appendix O)**

##### **Fund 11: Adult & Community Education**

The Adult Education program is self-funded through state and federal grant programs and a local collaboration with MCOE and the College of Marin. Community Education continues to assess the profitability of its various components including swimming, summer camps, and classes. The General Fund contribution to the Community Education program is \$244,717.

##### **Fund 13: Student Nutrition Services Fund**

Student Nutrition Services is projecting an encroachment of \$379,683, an increase of \$37,525 from 2016-17.

##### **Fund 14: Deferred Maintenance**

As per practice, the District is budgeting to contribute \$357,000 from the General Fund to the Deferred Maintenance Fund for specific maintenance projects. [The state is no longer funding the Deferred Maintenance Program outside of the Local Control Funding Formula (LCFF)].

##### **Fund 17: Special Reserve for Non Capital Outlay**

This fund originated as support for the Governmental Accounting Standards Board (GASB) 45 Other Post-Employment Benefits requirements. With the adoption of the 2015-16 budget this fund was reassigned for non-capital outlay associated with enrollment growth. This fund will be used for the conversion of three to five non-classroom spaces into classroom space in the summer of 2016 to accommodate enrollment growth. It will be spent on painting, wiring, classroom furniture, and the like. Estimated beginning balance for budget year 2017-18 is \$8,308.

Fund 19: Foundation Special Revenue Fund (Tamalpais Scholarship Fund – Phillip J. Planert Scholarship Fund)

Mr. Planert was a photographer in Mill Valley for many years. A donation of \$50,000 was received by the District in his name, with the specifications that the interest received is granted to a Photography student. Interest earnings have been so low that payments to students have been reduced significantly. There is a balance of \$50,691 in this fund.

Fund 21: 2001 and 2006 Bond Funds

The two Bond Funds has projected zero balance for 2017-18.

Fund 40: Special Reserve for Capital Outlay

This fund is used by the Board to make transfers for special projects or for replacement funds. The transfer amount included in the Adopted Budget is \$270,000. Estimated beginning balance for 2017-18 is \$3.8 million, and projected ending balance for 2017-18 is \$2.5 million

Fund 67: Self Insurance Fund

The projected ending fund balance for this fund is \$50,513 at the end of 2016-17. This fund is used to track and pay for insurance deductibles.

**RECOMMENDATION**

Hold a Public Hearing and review the preliminary 2017-18 budget and multi-year projection.