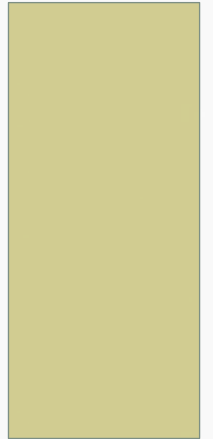


2ND INTERIM UPDATE

FEBRUARY 25, 2016



POSITIVE SIGNS

- Governor's 2016-17 Budget Proposal
 - \$2.8B increase for continued LCFF Implementation (not factored in)
 - \$1.2B available for one-time purposes (factored in)
- Developer Fees
 - Windy Hills – 540,000 SF Office Space
 - Transit Village – 280 Housing Units; 38,000 SF Retail/Office Space
 - Wheeler Plaza – 109 Housing Units; 10,000 SF Retail Space
 - Landmark Hotel – 204 Rooms
- Potential of \$800,000 in one-time developer fees (not factored in)

CHANGES SINCE 1ST INTERIM

- Expenses

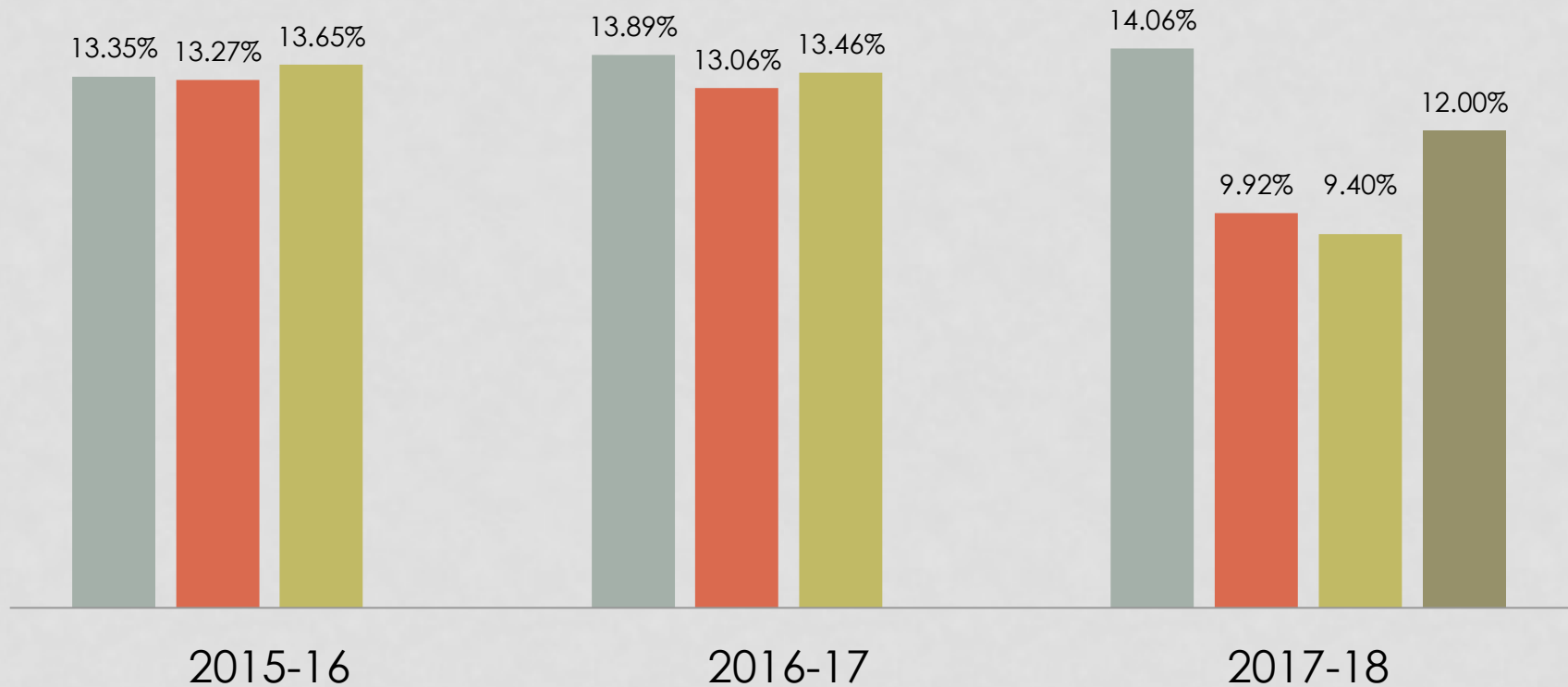
- Personnel/SPED – Decreased \$290,000 for 2015-16

- Revenue

- Enrollment adjusted downward to: 3,140 from 3,163 in '15-'16
3,135 from 3,253 in '16-'17
3,143 from 3,279 in '17-'18
- One time Prop 98 of \$207 (county recommended) per ADA or \$632,178 for '16-'17
- \$150,000 increase in Enterprise Fund contributions in '16-'17, '17-'18 growing from \$500,000 to \$650,000

RESERVE IMPACT

■ Adopted Budget ■ 1st Interim ■ 2nd Interim ■ Fees/LCFF (12%+?)



PROGRAM ITEMS FOR 2nd INTERIM CONSIDERATION (Adopted Budget '15-'16)

- Recommendation
 - Exercise caution
 - Maintain 12% reserve for '15-'16 and '16-'17
 - Revisit program items for consideration during '16-'17 budget adoption process
 - Pay attention to one-time or limited horizon items vs ongoing commitments