




# Evergreen School District

*From strong roots grow bright futures*

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**DATE:** December 8, 2016

**TO:** Katherine Gomez, Superintendent and  
The Board of Trustees

**FROM:** Nelly Yang – Chief Business Officer 

**SUBJECT:** Approval of First Interim Report – Fiscal Year 2016-17

The First Interim Report reflects a “Positive Certification.” Based on current projections, Evergreen School District will be able to meet its financial obligations for the current fiscal year and subsequent two fiscal years.

The District started the 2016-17 school year with an available unrestricted reserve of \$11 million. Based on the current projections, the District will increase \$3 million in current year, but use \$2.88 million in 2017-18 and use \$6.65 million in 2018-19.

The major assumptions of this report are:

## Revenue Assumptions

- Declining enrollment projection: 2016-17 reduce 462 students, 2017-18 reduce 386 students, 2018-19 reduce 353 students
- LCFF revenue projection based on optimistic DOF revenue projections
- 2016-17 one time discretionary funds \$214 per ADA; \$2.56 million
- Revenue contribution to Routine Restricted Maintenance Account (RRMA) at 2014-15 contribution level (\$2.66M), 2018-19 at 2.4% of general fund expenditures (\$2.87M)

## Expenditure Assumptions

- Reduction of students
  - 2016-17 reduce 462 students; reduce 37.5 FTE teachers
  - 2017-18 reduce 386 students; reduce 15 FTE teachers
  - 2018-19 reduce 353 students; reduce 15 FTE teachers

- \$211,845 saving from 5 teacher retirements annually in future years
- \$1.14 step/column salary increases for all groups
- Salary increase status quo (subject to negotiation)
- Health benefits 5% increase in each future year
- Proportionality requirement met, spend supplemental grant for students in need
- Increase retirement contributions for STRS and PERS
  - 2016-17 STRS @ 12.58%; PERS @ 13.89%
  - 2017-18 STRS @ 14.43%; PERS @ 15.50%
  - 2018-19 STRS @ 16.28%; PERS @ 17.10%

**RECOMMENDATION:**

It is recommended that the Board of Trustees approve the First Interim Report.

Attachment