

EXHIBIT B

BOARD OF EDUCATION
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

RESOLUTION NO. 80-1415

A RESOLUTION OF INTENTION TO COMMIT DISTRICT RESERVE
LEVELS FOR FISCAL YEAR 2015-16

June 10, 2015

WHEREAS, the West Contra Costa Unified School District's governing board is responsible for maintaining fiscal solvency of the school systems they govern; and

WHEREAS, California Education Code 42717 (0(2)(B) requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balance in excess of the minimum reserves standard for each fiscal year identified in the budget; and

WHEREAS, funds for crucial services for school operations, such as payroll and vendor payment, require successful ongoing cash-flow and fund balance management and disciplined planning, including the creation and maintenance of prudent financial reserves; and

WHEREAS, school district reserve levels, as well as their fund balances, are determined by the governing board to meet local priorities and allow the district to save for potential future expected and unexpected expenditures and for eventual economic downturns; and

WHEREAS, the statutory minimum for school district reserves for economic uncertainties for the West Contra Costa Unified School District is 3% and covers less than one month of an average payroll; and

WHEREAS, the volatility of factors, each driving components of the district revenue, including student enrollment, free and reduced lunch counts, English language learner status, identified foster youth students, grade level configuration, legislative action and State tax collections mean that districts must provide for reserve in contingency for changes in one or all of these factors; and

WHEREAS, prudent budgeting in a funding system with significant external volatility raises expectations for school districts to establish and maintain reserves above the statutory minimum; and

WHEREAS, the governing board of the West Contra Costa Unified School District currently maintains a reserve of approximately 6% for purposes of guarding against volatility factors, providing a. cash flow reserve during year end to avoid inter-fund borrowing; and

WHEREAS, the governing board of the West Contra Costa Unified School District plans to designate in the General Fund and/or Special Reserve fund balance an estimated \$4,3 million for 15-16 Supplemental Concentration estimated unallocated funding, \$500,000 for possible E-Rate grant match, \$2.4 million for technology equipment replacement fund; and

WHEREAS, the governing board of the West Contra Costa Unified School District has open contract negotiations for subsequent years for all labor groups for which it will require funds for potential salary and benefit increases,

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the West Contra Costa Board of Education establishes this statement of estimated fund balance reserves, assignments and contingencies for the purposes aforementioned for the 201516 fiscal year.

- a. Stabilization Arrangements:
 - i. 3% reserve in Special Reserve Fund in excess of the statutory reserve, for a total of 6% reserve

- b. Commitments:
 - i. Technology Replacement Fund \$2.4 million Special Reserve Fund
 - ii. Technology E-Rate Grant Match \$500,000 — General Fund in
Supplemental Concentration Funding Adjustment \$4.3 million — General
Fund

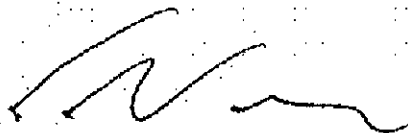
ADOPTED, SIGNED AND APPROVED this 10th day of June, 2015, by the Board of Education of the West Contra Costa Unified School District of Contra Costa County, State of California, by the following vote:

AYES: 5

NOES: 0

ABSTAIN: 0

ABSENT: 0

By:  _____

President, Board of Education

District: West Contra Costa Unified School District
 COS #: 07-61796

Adopted Budget
2015-16 Budget Attachment
Balances in Excess of Minimum Reserve Requirements

Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves

Education Code Section 42127(a)(2)(B) requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for economic uncertainties for each fiscal year identified in the budget.

Combined Assigned and Unassigned/unappropriated Fund Balances		2015-16 Budget
Form	Fund	
01	General Fund/County School Service Fund	\$21,735,296.00
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$11,705,168.00
Total Assigned and Unassigned Ending Fund Balances		\$33,440,464.00
District Standard Reserve Level		3%
Less District Minimum Reserve for Economic Uncertainties		\$9,246,373.00
Remaining Balance to Substantiate Need		\$24,194,091.00

Reference

Resource 0000-1999, Objects 9780/9789/9790

Form 01

Form 17

Form 01CS Line 10B-4

Form 01CS Line 10B-7

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties			
Form	Fund	2015-16 Budget	Description of Need
01	General Fund/County School Service Fund	\$7,344,040.00	Unassigned
01	General Fund/County School Service Fund	\$4,344,883.00	15-16 Supplemental and Concentration Unallocated Funds
01	General Fund/County School Service Fund	\$500,000.00	E-Rate Grant Match
01	General Fund/County School Service Fund	\$300,000.00	Stores and Prepaid Expenditures
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$9,246,373.00	Board Fund Balance Policy requiring available reserves of at least 6% of total general fund expenditures
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$2,458,795.00	IT Equipment Replacement
Total of Substantiated Needs		\$24,194,091.00	

Remaining Unsubstantiated Balance

\$0.00

Balance should be Zero

Education Code Section 42127 (d)(1) requires a county superintendent to either conditionally approve or disapprove a school district budget if the district does not provide for EC 42127 (a)(2)(B) public review and discussion at its public budget hearing.