



District's Unrestricted Ending Balance Continues to Increase Each Year

In the District's budget, there is a category called the Ending Balance. This money is what is left in reserve each year. Some of this money is restricted and can only be used for certain things. Some of this money is unrestricted and can be used for any purpose. By state law, the District must make sure they have a minimum amount. This amount is equal to 2% of total expenditures. 2% for Capistrano is roughly \$9 million. The District has met this requirement easily for many years. In fact, the District's Unrestricted Ending Balance continues to climb each year. The

District's Unrestricted Ending Balance has increased by over \$37 million since 2014-15.

The District regularly underestimates the amount of the Ending Balance at the beginning of each year. By the end of the year, the Ending Balance has increased. In the July 1 budget for 2017-18, the projected Unrestricted Reserve is slated to decline. Given the District's trend of under-projecting the ending balance, this number will most likely increase over the initial projections at the end of the year.

History of Unrestricted Ending Balance Beginning of the year projections vs. end of the year actuals

July 1 Adopted Budget	End of the Year Actuals	Increase from Year-to-Year
\$20,109,015	\$23,482,805	\$4,674,491
\$37,498,965	\$46,942,361	\$23,459,556
\$43,133,544	\$61,030,106	\$14,087,745
\$56,808,207	\$55,922,431 <small>(Projected end of the year actuals)</small>	(\$5,107,675)

Can the funds in the unrestricted ending balance be used for salaries?

Yes, they can. Typically, the ending balance is considered one-time money. Which means once it has been spent it is gone. However, one-time money can be used as a bridge until ongoing money is available for salary and benefits. Keep in mind, it takes \$2.2 million to raise salaries by 1%. A \$37 million unrestricted ending balance should allow for improvement to the salary schedule.

CUEA must stay competitive with surrounding districts in order to retain our excellent teachers. CUSD must change their budget spending priorities to refocus on the classroom.

