

LAKE COUNTY OFFICE OF EDUCATION
Office of the Superintendent

Funding Deferred Maintenance Account

ISSUE

We need to have an established funding formula for funding the Deferred Maintenance account.

According to the CDE:

To conform to Generally Accepted Accounting Principles (GAAP), LEAs that wish to continue to use Fund 14 for purposes of deferred maintenance of its facilities may do so only if a substantial portion of the funds' inflows are restricted or committed revenue sources and, further, only if those restricted or committed revenue sources are expected to continue. For the majority of LEAs, this will require taking formal action to commit revenues to the purposes for which these funds were originally intended.

BACKGROUND/PREVIOUS BOARD ACTIVITY

When LCFE was enacted, the State ceased to consider Fund 14 as restricted funds that were for the sole purpose of deferred maintenance for facilities. LEAs were able to elect continued funding of Deferred Maintenance, which LCOE did in 2013-14.

DISCUSSION

In previous years the Deferred Maintenance account was funded based on the estimated expenses identified in the 5-year Deferred Maintenance Plan. Our auditors have pointed out that we need to have a committed revenue formula. Based on the current Deferred Maintenance Plan we suggest \$130,000 per year be committed to Fund 14.

FISCAL, STAFFING, AND FACILITIES

This will commit \$130,000 per year to Deferred Maintenance funding, in lieu of other general fund requests.

SUPERINTENDENT'S RECOMMENDATION

The County Superintendent recommends approval.

Report prepared by: Ryan Mahan, Director of Human Resources & Operations

