

# Dunsmuir Joint Union High School District 2016/2017 1<sup>st</sup> Interim Budget Report

December 2016

DJUHS 16-17 1st  
Interim

Mission and Vision: To provide a comprehensive, rigorous and innovative education. Strive to empower students to think critically as well as obtain and analyze information to effectively synthesize solutions for life's challenges and complexities. Inspire to continue learning and motivate to become responsible citizens who contribute positively to society.

Prepared by Kim A. Vardanega, Adm. Asst., CBO



DJUHS 16-17 1st  
Interim

## Respect \* Responsibility \* Citizenship

- Dunsmuir High School is a school where tradition is honored, innovation is valuable and excellence is the norm.
- The goal of the District is to provide the financial means to have each student and staff member reach their highest learning and teaching potential.

## Recommendation

- It is recommended that the Board of Trustees approve the Positive Certification of the 2016/2017 First Interim Financial Report for the period July 1, 2016 through October 31, 2016 and authorize its filing with the County Superintendent of Schools

## Background Information

- In accordance with Education Code Sections 42130 and 42131, school districts are required to prepare and submit two interim financial reports to the Governing Board. The purpose of these reports is to notify appropriate State and County Office of Education officials as to whether or not the District will be able to meet its financial obligations for the remainder of the current year and for two subsequent years. The Board of Trustees is required to certify each interim report to indicate that it has been informed of the financial stability of the District. The Statutes of 1988 also requires the Superintendent to certify that an Interim Report review has been conducted using the State adopted Criteria and Standards. As mandated by A.B. 1200, the District's First Interim reporting period is based upon activities from July 1 through October 31. The Second Interim reporting period is July 1 through January 31. The Board of Trustees is required to certify each interim report within 45 days after the end of the reporting period. After approval of the financial statements they are forwarded to the Superintendent of Public Instruction.

## First Interim

- The First Interim Budget is far more accurate in projecting revenues and expenditures than the June 2016 adopted budget. The First Interim Budget reflects final state revenues, current district staffing costs, and expected expenditures in supplies, services, and operating costs. The Siskiyou County Office of Education has provided the district with the projected 2016-2017 revenue figures.

## Criteria and Standards

- The Standards and Criteria portion of the budget documents, summarizes and compares district data to state established standards for fiscal analysis purposes.
- Those not meeting the standard have a required explanation.
- This report assists in making accurate assessments of the fiscal condition of the District.

## Multi Year Projections

- An important part of the First Interim Report is the two-year projection of the general fund. Included in this two-year projection are expected revenues and expenditures and yearly ending balances. There are a number of assumptions that form the basis of this multiyear projection.
- The two subsequent years budgets are each based on the first prior year with careful adjustments to both revenue and expenditures.

## Certification

- The Governing Board is required to certify in one of three ways:
  - 1. Positive Certification indicates that the District will be able to meet its financial obligations for the remainder of the fiscal year and two subsequent fiscal years.
  - 2. Qualified Certification indicates the District may be able to meet its financial obligations for the current year and two subsequent fiscal years.
  - 3. Negative Certification indicates the District will not be able to meet its financial obligations for the current year and two subsequent years.
- The Positive Certification recommendation of the First Interim Report for 2016-2017 indicates that the District will be able to meet its financial obligations for the remainder of the Fiscal Year and two subsequent years.
- The supporting documentation for this certification includes the Income and Expenditure Summary for the General Fund (Form 01I) and all other funds, Attendance Detail (Form AI), Revenue Limit Summary (Form RL), Criteria and Standards (Form 01CSI).

## 1<sup>st</sup> Interim - Considerations

Reports are always only a snap shot in time

- Adult Ed, CETIG, College Readiness, LCAP
  - Review and/or implement
- STRS/PERS
  - Increasing (pro active set asides in reserve – Fund 17)
- Carryover Balances Determined – books closed
  - Added to budget
- Charter School
  - Pending payment (a wash)

## 1<sup>st</sup> Interim - Considerations

- Collective Bargaining Agreements - settled
  - Review salary schedules for minimum wage increases
- LCFE
  - Review current and update LCAP/new template
  - Verify unduplicated pupil counts/Update ADA estimates
  - Schedule stakeholders meetings for input

## 1<sup>st</sup> Interim - Considerations

- Lottery
  - \$144/ADA and \$45/ADA
  - Not to include Adult Ed or ROP students
- Multiyear Projections
  - Verify current and projected estimated ADA
    - No significant changes since Budget
- One-Time Funds
  - Review and plan for any needed changes
- Reserves
  - The DJUHSD has sufficient reserves
- RRMA
  - Although exempt from requirement, RRMA is tracked for need

## 1<sup>st</sup> Interim - Considerations

- College Readiness Grant
  - \$75,000
- Special Education/MOU
  - Discussion of rolling Special Education into LCFF
- Transportation
  - MOE /Review for excess costs
- CalPADS
  - Extended to 12/16/16, DJUHSD has already certified
    - Free and Reduced, English Language, Foster Youth
    - Class enrollment
    - Graduates/dropouts

13

DJUHSD 16-17 1st Interim

## 1<sup>st</sup> Interim - Considerations

Note on Proposition 55:

- It is important to note that Proposition 55 is a continuance of only part of the taxes collected through Proposition 30, as the sales tax expires. The generation of additional state revenues does not occur until 2019. Considering that the income tax on the highest earners is the most volatile tax we have, the share of Proposition 55 revenues that would be designated to Proposition 98 (education) is unknown, and whether the next Governor and Legislature will retain the original intent of prioritizing LCFF funding is speculation, the MYPs are prepared as if Proposition 55 is not approved until and when estimates of the impact are provided by the Department of Finance. Revised estimates of out-year gap funding will be provided in the Governor’s Budget for 2017-18 in January 2017.

14

DJUHSD 16-17 1st Interim

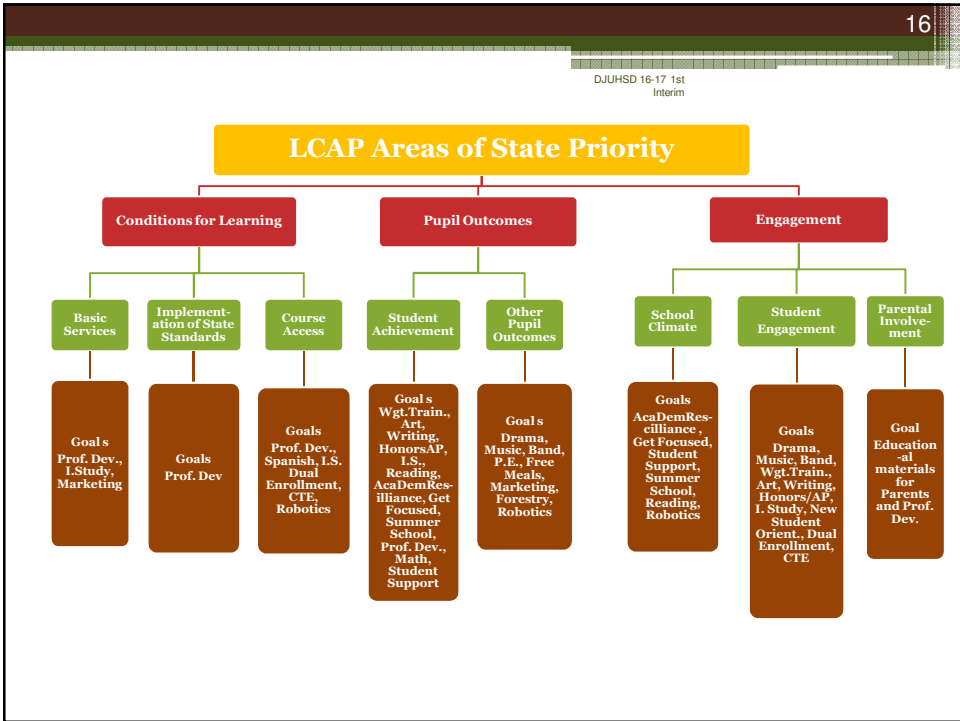
## Special Ed

• 2015-16 Allocation	\$60,367
• 2016-17 Estimate	\$77,095
• Reduced from budget	\$87,736
• New administration unknowns	
• 2017-18 Estimate	\$79,440

15  
DJUHS 16-17 1st Interim

## Other Factors

- MAA –unknown revenue – not budgeted until received (transfer to Fund 40 – Technology)
  - Currently doing billings for 14/15
- Retirement Employer Contribution Increases – continued increase cost to the District
- Prop 39 CA Clean Energy Act
  - New 5<sup>th</sup> year Plan – new project





17

DJUHSD 16-17 1st Interim

## LCFF Summary Supplemental & Concentration Grant and MPP

(LCFF pages 135-152)

	14-15	15-16	16-17	17-18	18-19	19-20	20-21
Current Year Est. supp. And Concen. Grant funding in the LCAP year	\$51,742	\$88,375	\$112,981	\$132,630	\$50,470	0	0
Current year Min. Proportionality % (MPP)	3.67%	6.43%	8.37%	9.97%	3.58%	0%	0%

- 18
- DJUHSD 16-17 1st Interim
- ## Forest Reserve
- 2014-15 \$16,055
  - 2015-16 \$13,081
  - 2016-17 \$15,416
  - 2017-18 \$ 0
  - 2018-19 \$ 0
    - Future? -new administration

19

DJUHSD 16-17 1st Interim

## Assumptions (funded ADA) (chart pg 9)

ADA Projections	2010/2011	2011/2012	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Regular K-12	89.79	77.07	77.07	62.16	53.10	62.58	62.58	60.32	56.61
Community Day School	2.05	.59	.59	.43	.92	0	0	0	0
Special Day Class	.87	1.32	0	.84	.17	0	0	0	0
Total Funded ADA	92.71	78.98	77.66	63.43	54.19	62.58	62.58	60.32	56.61

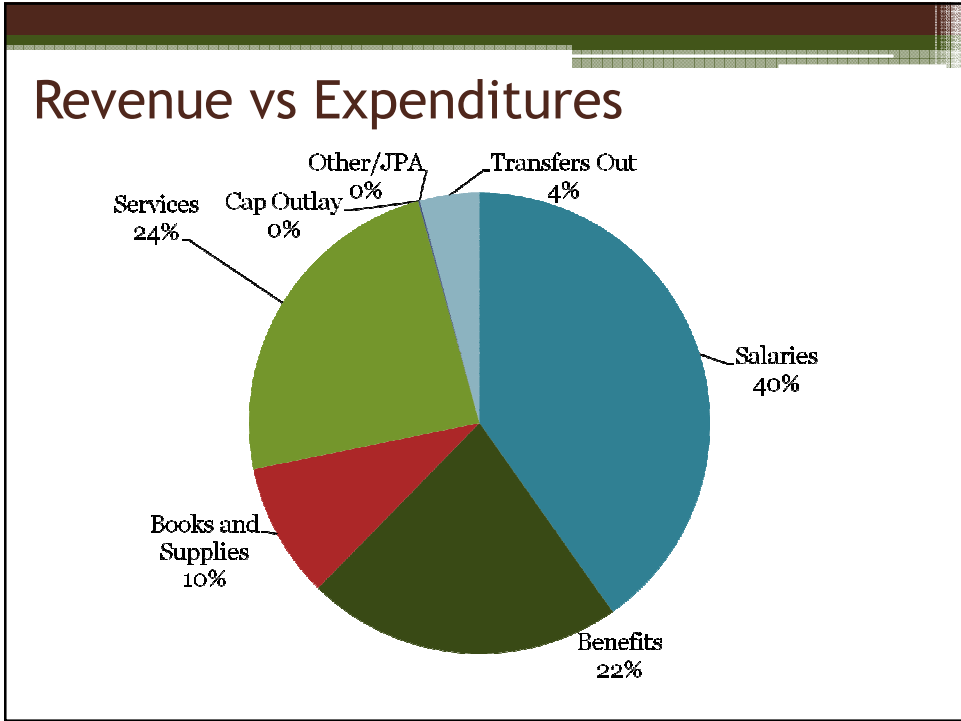
20

DJUHSD 16-17 1st Interim

## Assumptions

- Revenue Limit Calculations

	2011/2012	2012/13		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Rev. Limit State Cat. COLA	2.24%	3.24%	LCFF COLA	1.57%	.85%	1.2%	0%	1.11%	2.42%
Rev. Limit Deficit	20.602%	22.272%	LCFF%	67.12%	66.41%	66.41%	75.13%	77.66%	76.88%
			Gap Funding Rate	12.00%	29.97%	51.97%	54.18%	72.99%	40.36%
Total Rev. Limit	\$948,348	\$825,783	Total LCFF	\$1,500,399	\$1,495,697	\$1,497,275	\$1,497,275	\$1,497,275	\$1,495,282
Rev. Limit Funding Block	8	7		6	6	6	6	6	6
NSS ADA Blocks page 139 39-57 58-71 - currently 72-86 (+122,340)		Revenue detail Page 10 / 21							



### Transfers out

From 01	To	2015/16	2016/17	2017/18	2018/19
	Fund 13 Café	\$0 *	\$3,337*	\$3,977*	\$5,269*
	Fund 14 D.M.	\$60,000	\$20,000	\$20,000	\$20,000
	Fund 17 Common Core LCAP Enhancements	\$20,000	\$20,000 *-\$7,000	\$20,000	\$20,000
	Fund 40 Tech	\$35,001	\$25,000	\$25,000	\$25,000
	Fund 40 Vehicle	\$10,000	\$10,000	\$10,000	\$10,000
	Fund 40 MAA	\$10,001	\$ unknown		* Need? not anticipated

## Deficit Considerations

- Revenue all received in 16/17
  - Won't show in Revenue in multi-year projections, but as carry over, and not until 1<sup>st</sup> Interim 17/18
- While expenditures are shown over three year period
  - CETIG
  - Adult Ed
  - College Readiness Grant
    - Adds to allusion of deficit spending

## Deficit Considerations

- Transfers to Reserves are restricted by Board action for large one-time expenditures
  - Reduces unrestricted ending fund balance
  - Shows as “deficit” spending

25

DJUHSD 16-17 1st  
Interim

## Net Increase/Decrease in Fund Balance

	16/17	17/18	18/19
Total Revenue	\$1,836,523.77	\$1,676,613.00	\$1,674,613.00
Total Expenditures	\$1,878,459.83	\$1,765,492.61	\$1,804,001.08
Net +/- in Fund Balance	\$-41,936.06	\$-88,879.61	\$-129,388.08
Transfers out	\$78,336.71	\$78,976.85	\$80,268.61
Ending Fund Balance	\$696,641.72	\$607,762.11	\$478,374.03
Included in above Ending Fund Balance Econ Uncert	\$187,845.90	\$187,845.90	\$181,250.10

26

DJUHSD 16-17 1st  
Interim

## Reserves

	2015-16	2016-17	2017-18	2018-19
Adult Ed	55,480	0	0	0
Café. Fund 13	\$14,926	\$15,850	\$16,200	\$16,600
Def. Maint. 14	\$199,740	\$191,772	\$183,119	\$173,766
Other Fund 17	\$202,994	\$216,994	\$237,994	\$258,994
Dev. Fees 25	\$11,851	\$100	\$101	\$101
Facilities 35	\$450	\$50	\$51	\$51
Cap. Outlay 40	\$1,144,754	\$1,108,482	\$1,149,025	\$1,189,770

## Standards and Criteria

Pages 1-3 Criterion and responses - Pages 107-132

- Met and Not Mets
  - “Not Met” and “Yes” may indicate areas of potential concern, and should be reviewed.
  - Criteria and Standards are a window/norm
  - Not necessarily good or bad
    - Review explanations in each section
    - ie. “Not Met” may indicate an increase of revenue or increased enrollment

## Supplemental Information Additional Fiscal Indicators

- Compensated Absences
- All groups are settled for 15/16, 16/17, 17/18,18/19
- Budget projections include an estimated 1.5 % step and column only
- Pool Plan (cost sharing agreement) in effect for benefits
- No District paid retiree benefits

Enjoy the Season!

