


Dunsmuir Joint Union High School District 2016/2017 2nd Interim Budget Report

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.


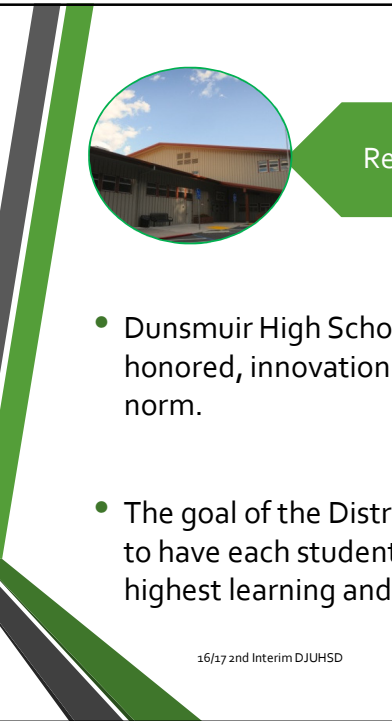


March 2017

16/17 2nd Interim DJUHSD

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

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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.

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Recommendation

It is recommended that the Board of Trustees approve the Positive Certification of the 2016/2017 Second Interim Financial Report and authorize its filing with the County Superintendent of Schools.

- The Positive Certification recommendation of the Second 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 01) and all other funds, Attendance Detail (Form AI), Revenue Limit Summary (Form RL), Criteria and Standards (Form 01CSI).

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Expectations to Improve Student Outcomes

- Key factors
 - Maintain adequate reserves
 - Maintain Fiscal Flexibility by limiting commitments
 - Establish contingencies to allow for change



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Second Interim Current Year

It is a snapshot in time of revenue and expenditure forecasts for the current year and the two subsequent years. It is a time to adjust based upon actual expenditures and needs and government trailer bills. The Siskiyou County Office of Education has provided the district with the projected 2016-2017 revenue figures.

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Second Interim Multi Year Projections

- Included in this budget is a two-year projection of 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.

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Reserve CAP

- Trigger for reserve cap status has not been reached
- No reason to spend down reserves in fear of it being implemented
- Imperative to have sufficient reserves in case of weakening CA revenues
 - 3% required
 - DJUHSD GASB 64 is 10% for Economic Uncertainty
 - Established Funds and commitments for long range planning

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Governor's 2017/18 Budget Proposal Highlights

- Prop 98 funding could rise
 - May in turn reduce June apportionment deferral (yes-deferrals are possibly back)
- Provides sufficient funds for a statewide "average" increase of 1.4% growth in 17/18
- Special Education possible elimination of SELPAs that benefit small sized districts
- Pension costs outstrip LCFF increase
 - \$1 Billion increase vs. LCFF \$744 million increase

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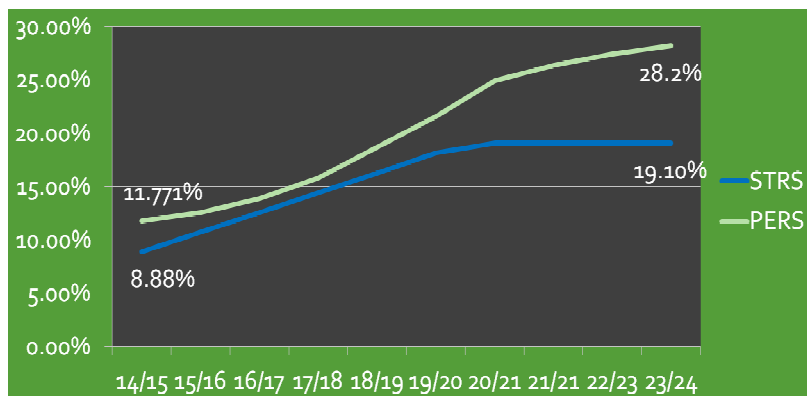
CA Ranks in K-12 Spending Depends.....

- 46th Education Week
- 22nd (enrollment) 29th (ADA) NEA (National Education Assoc.)
- 41st CA Budget and Policy Center
 - How timely is the data?
 - Spending based on ADA versus enrollment
 - Spending adjusted for cost-of-living differences among the states
 - Under LCFF per-student funding varies significantly
 - DJUHSD 14-15 SARC reports \$27,924 / pupil

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STRS/PERS Employer Contributions



Note: Employees are experiencing increased deductions as well

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Local Control Funding Formula LCFF

COLA affects only the calculation of the LCFF Target, and does not describe the net increase in funding

	15/16	16/17	17/18	18/19
Students Qualifying				
Count	52	49	49	48
Percentage	66.41%	75.13%	77.66%	76.88%
Gap Funding Rate	51.97%	55.28%	23.67%	53.85%
Total LCFF Entitlement	\$1,497,275	\$1,497,275	\$1,497,275	\$1,495,282

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Assumptions

- Revenue Limit Calculations

	2015/16	2016/17	2017/18	2018/19
Rev. Limit State Cat. COLA	1.2%	0%	1.48%	2.40%
NSS Block Staffing Level	6	6	6	6

NSS ADA Blocks page 146 Increase of \$122,340 per block

39-57 ADA above 38.5 788,400

58-71 ADA above 57.5 910,740

72-86 ADA above 71.50 1,033,080

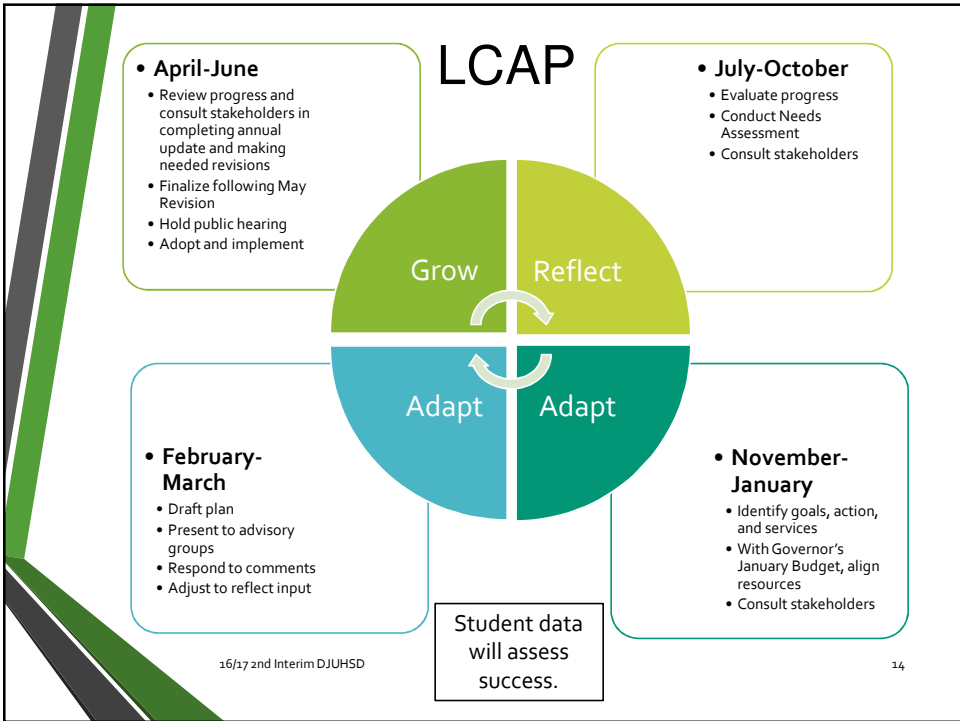
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LCFF Summary Supplemental & Concentration Grant and MPP

(LCFF pages 141-155)

	14-15	15-16	16-17	17-18	18-19
Current Year Est. supp. And Concen. Grant funding in the LCAP year	\$31,490	\$63,797	\$112,912	\$108,994	\$120,199
Current year Min. Proportionality% (MPP)	2.20%	4.56%	8.36%	8.06%	8.96%

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The California School Dashboard

- March public release
- Identify successes and challenges based on state and local indicators
 - Identify LEAs in need of targeted interventions
 - State - collected by various means
 - Local - self collect and report

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DRAFT New Goals for LCAP 2017

2017-18, 2018-19 and 2019-20

- Increase student achievement in grades, tests, and college readiness**
 - Increased student engagement, parent involvement, support and Educational opportunities
- Strengthen abilities to obtain post-graduate opportunities**
 - College Readiness, Adult Ed., Shadowing and Internships, certificate programs, testing
- Update technology for classroom and student use**
 - New website, upgrade computer lab, server update and expansion

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College Readiness Grant

- SB 828 to provide additional support to increase the number of students that enroll
- \$75,000 (\$37,500 received) with 3 years to expend
- Not a reserve account
- Plan approved 12/14/16

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Adult Education

- Fund 11
- Not a Reserve Account
- \$83,869.20 current balance (\$61,183 ongoing)



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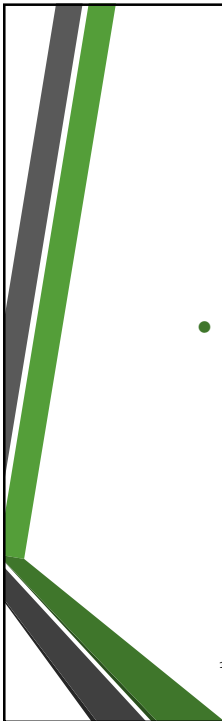
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CETIG

- Resource 6387
- **Not** a Reserve Account
- \$44,531 current balance (\$55,857)
 - Additional Funding (years two and three)

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PROP 39 CA Clean Energy Jobs Act

- 5th Year Plan (due June 2017)
 - Approx. \$16,685
 - New gym lights
 - Requested Energy study

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Mandates

- Continue to track and file all outstanding claims
- LAO proposal to create a plan to address LEAs huge backlog of unpaid claims
 - Discussion and disagreement between LAO and Governor continues

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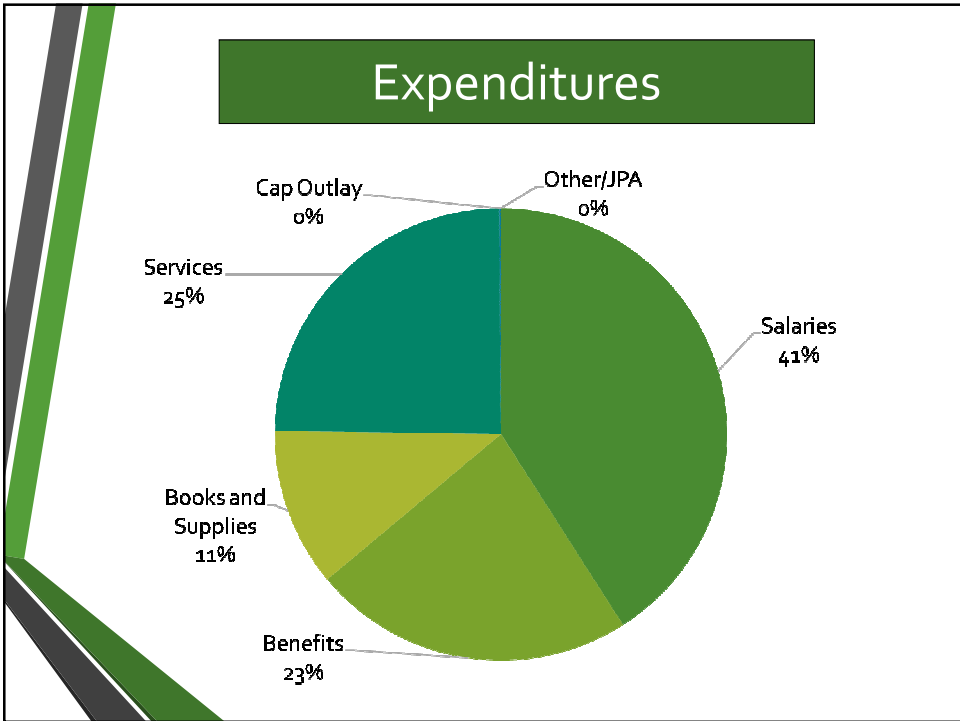
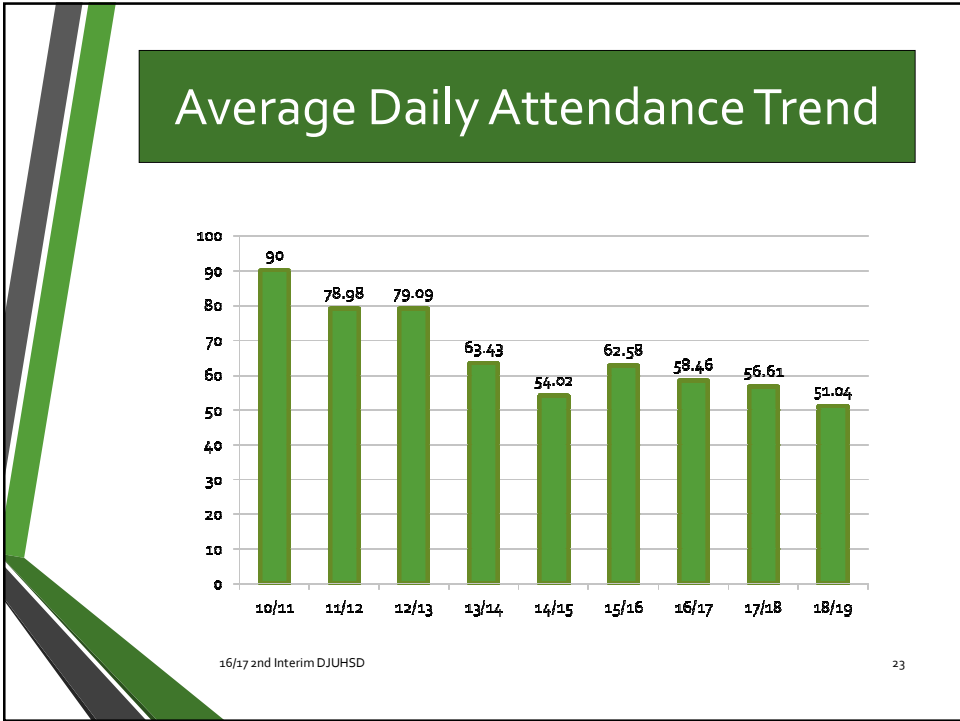
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Assumptions (funded ADA)

ADA Projections	2015/16	2016/17	2017-18	2018-19
Regular K-12	62.58	62.58	58.46	56.61
Community Day School	0	0	0	0
Special Day Class	0	0	0	0
Total Funded ADA	62.58	62.58	58.46	56.61

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Net Increase/Decrease in Fund Balance

	16/17	17/18	18/19
Total Revenue	\$1,866,086	\$1,680,450	\$1,679,050
Total Expenditures (Committed to Funds)	\$2,043,828 (193,336)	\$1,775,898 (78,561)	\$1,811,318 (79,833)
Net Increase/Decrease	<\$177,742>	<\$95,448>	<\$132,268>
Ending Fund Balance	\$560,835	\$465,387	\$333,118
Ending Fund Balance Components	Econ. Uncertainties Other Commitments (ADA Band drop) Restricted funds (CTEIG, College Read.)		

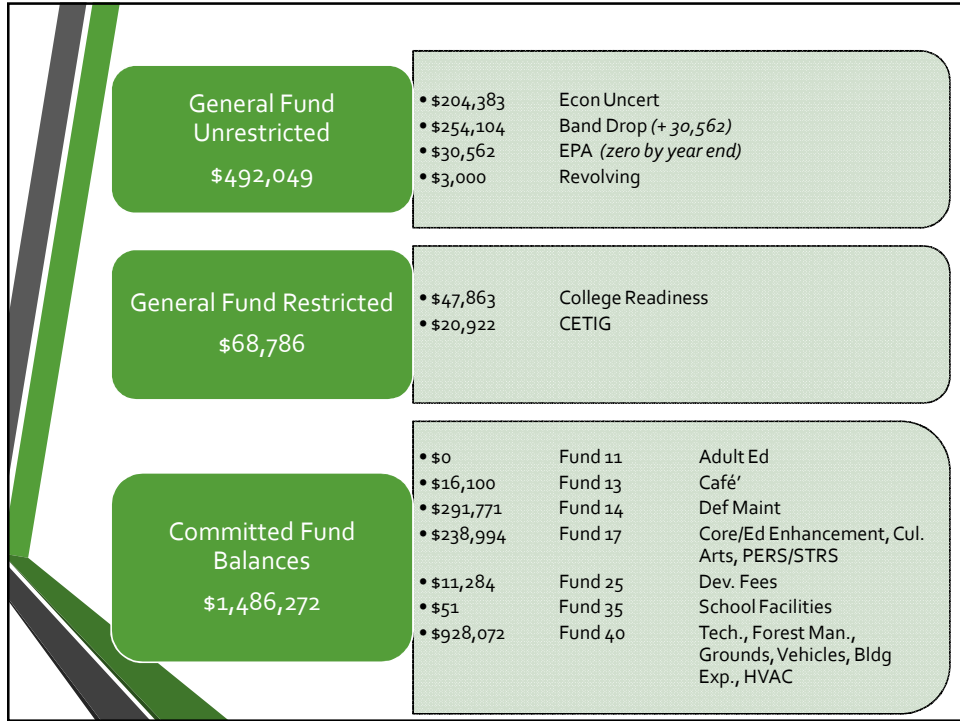
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Transfers out-Committed Funds

From 01	To	2015/16	2016/17	2017/18	2018/19
	Fund 13 Café	\$0	\$3,337*	\$3,561*	\$4,834*
	Fund 14 D.M.	\$60,000	\$120,000	\$20,000	\$20,000
	Fund 17 C. Core/LCAP Enhancements PERS/STRS	\$20,000	\$35,000	\$20,000	\$20,000
	Fund 40 Tech	\$25,000	\$25,000	\$25,000	\$25,000
	Fund 40 Vehicle	\$10,000	\$10,000	\$10,000	\$10,000
	Fund 40 MAA	\$10,001	UNKNOWN		

*the need is not anticipated



Reserves-Committed Projects Multi-Year Projections



	2015-16	2016-17	2017-18	2018-19
Café. Fund 13	\$14,926	\$16,100	\$16,200	\$16,501
Def. Maint. 14	\$199,739	\$291,771	\$283,619	\$274,768
Other Fund 17	\$202,994	\$238,994	\$260,188	\$281,488
Dev. Fees 25	\$13,230	\$11,284	\$11,341	\$11,397
Facilities 35	\$51	\$51	\$51	\$51
Cap. Outlay 40	\$1,097,917	\$928,072	\$893,319	\$933,502

Fund 17: C. Core/Ed Enhancement, Cul. Arts, PERS/STRS
 Fund 40: Tech., Forest Man., Grounds, Vehicles, Bldg Exp., HVAC

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.

Pages 1-3 Criterion and Responses – Pages 114-139

- 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
 - Good vs bad
 - ie. “Not Met” may indicate an increase of revenue that was not budgeted for

2 Enrollment

3 ADA to Enrollment



- The current Year enrollment has decreased from First Interim to Second Interim by 2 students.
- The Projected P-2 for the current year is higher than the historical average ratio because the District's LCFF Revenue Calculation is based on 15/16 Certified ADA; which is higher than actual 16/17 ADA.

Note: Publication available "School Attendance Improvement Handbook" CDE

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4 LCFF Revenue

- The current year LCFF Revenue is inflated by the State Accounting Software's failure to recognize Object 8696 (In Lieu of Property Tax to Charter School). The district's 2016-2017 Total LCFF Source is \$1,497,275.
- In Lieu Property Tax reduces revenue –which includes increased state aid to cover in lieu of to Charter School

Note: See LCFF Calculator Universal Assumptions <\$81,726>

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6 Other Revenue and Expenditures

- The Current Year Other State Revenue has increased from First Interim due to receiving a Mandated Cost Reimbursement
- In the current year the District has increased it's books and supplies expense for expenses including curriculum supplies and an internet upgrade

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8 Deficit Spending


- The current year unrestricted Fund Balance includes a \$100,000 Transfer from Fund 01 to Fund 14 and a \$15,000 Transfer from Fund 01 to Fund 17 for a decrease in Fund 01 Fund balance of \$115,000, in addition to the annual GASB 54 transfers out (\$75,000) and the district has added a non capitalization project to the current year. The restricted deficit spending exceeds the standard percentage in the two subsequent years in part , due to the GASB 54 transfers out of the General Fund \$75,000.

Note: As ending fund balance reduces, and possible revenue decreases, decrease transfers



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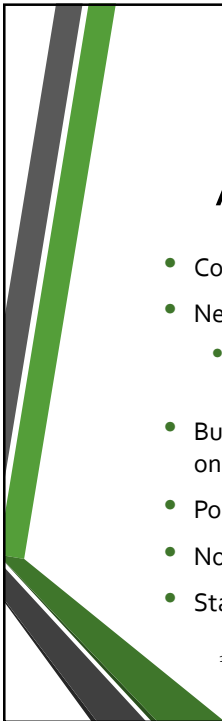
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S 5 Contributions

- Removed a special ed. aide from the budget reducing the contribution to the special ed. resource

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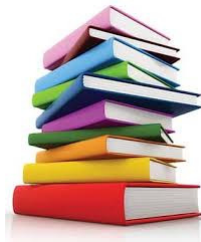
Supplemental Information Additional Fiscal Indicators

- Compensated Absences (\$59,076)
- Negotiations: All groups are settled
 - A good time to review salary schedules for minimum wage requirements
- 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
- Staffing levels remain constant 14.9 FTE total

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Challenges

- ADA and enrollment
 - Continue to attract new students
 - Keep student here
- New Programs
 - Forest Management
 - Adult Ed
 - COS/Online/AP
 - CTE
- Logging Project
- Building Projects



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Don't cry because it's over. Smile because it happened. - Dr. Seuss



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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.

Questions

