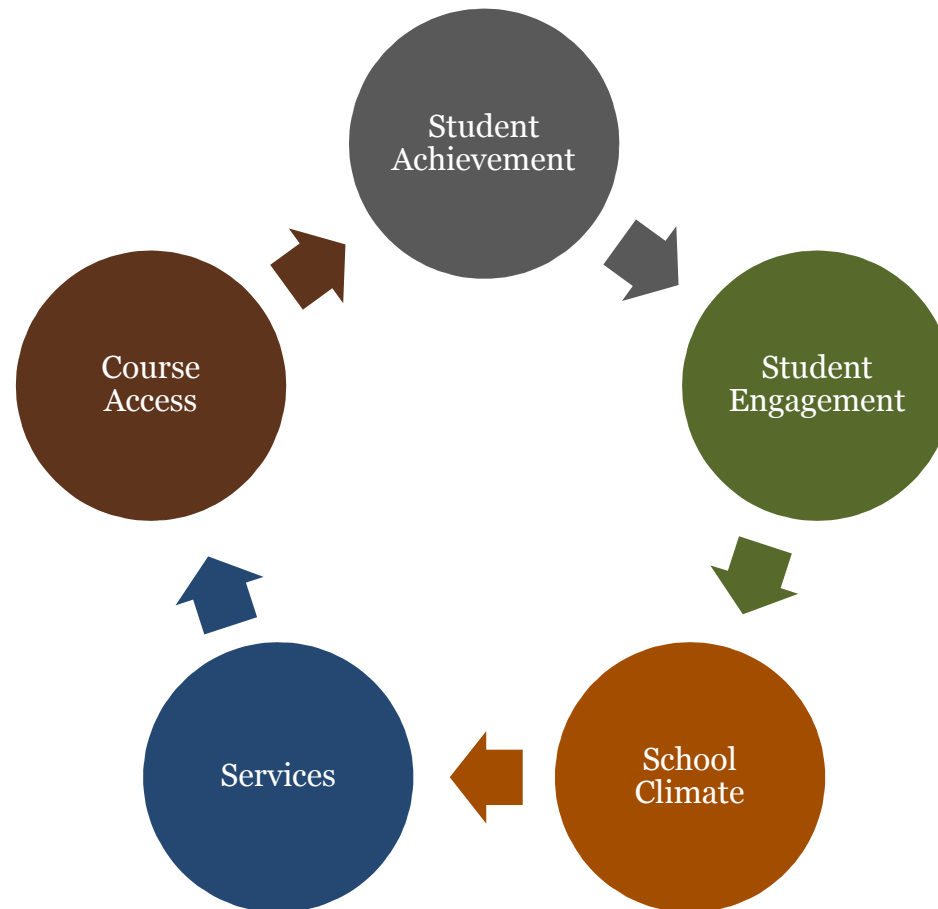


2014-2015 Budget Public Hearing/Adoption

Dunsmuir Joint Union High
School District
June 2014



Tigers Strong ! Quality Education!



What's in the new CA state budget 2014 May Revision Proposal?

- State Teachers' Retirement System funding proposal, which will be funded by school districts, CalSTRS members, and the state. Beginning 7/1/14
- A net increase of \$242 million in Prop 98 General Fund over a 3 year period due to changes in state General Fund revenue

What's in the new CA state budget 2014 May Revision Proposal?

- A net increase of \$742.2 million one-time to accelerate the repayment of deferrals, which is offset by a \$742.2 million reduction in ongoing Prop 98 General Fund.
- A \$103.1 million increase in 2013-14 and a 121.1 million increase in 2014-15 for LEAs to address the technology requirements for common core implementation.

What's in the new CA state budget 2014 May Revision Proposal?

- A \$2.4 billion multiyear expansion in Medi-Cal that will result in coverage of about 30% of the state's population
- A rainy day fund that sets aside nearly \$1.9 billion in 15-16 and \$2 billion each year thereafter.

No where to be found

- No increase in Common Core Funding
- No Mandate Costs payments
- No higher commitment to LCFF Implementation

Proposition 39 Funding School Energy

- Waiting for Energy audit
- Will Send in “Plan”
- No additional funding for “loans”
- Web Site for Information
 - <http://www.energy.ca.gov/efficiency/proposition>

Accountability LCAP

- Dramatic Changes
- Retains Local Control and Accountability Plan(LCAP), but adds additional requirements
- Increases focus on tracking supplemental/concentration grant funds and authority for CDE and SPI interventions
- Final approval for 2014/15 LCAP June 26, 2014

2014/2015 Budget

DJUHSD 14/15 Budget
Adoption

Budget Approval

- School Districts are required to develop and manage budgets in accordance with standards developed by the California Department of Education and adopted by the State Board of Education. Budget documents contain revenue, expenditures, and other financial information for prior, current and subsequent fiscal years.

Budget Approval

- The budget certification is the Board's acknowledgement of its review of the entire budget presentation.
- The district uses the single budget adoption cycle. Adjustments to the budget should be made throughout the fiscal year.

SSC Financial Planning Dartboard

Factor	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Statutory COLA	1.565%	.85%	2.10%	2.30%	2.50%	2.60%
CalPERS Employer Rate	11.44%	11.771%	12.60%	15.00%	16.60%	18.20%
CalSTRS Employer Rate	8.25%	9.50%	11.10%	12.70%	14.30%	15.90%

Factor	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
LCFF Planning Factors	SSC Simulator	SSC Simulator	SSC Simulator	SSC Simulator	SSC Simulator	SSC Simulator

Factor	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
California Consumer Price Index	1.40%	1.10%	2.30%	2.50%	2.70%	2.60%
10-year Treasuries	2.80%	3.10%	3.50%	3.60%	3.70%	3.60%

LCFF

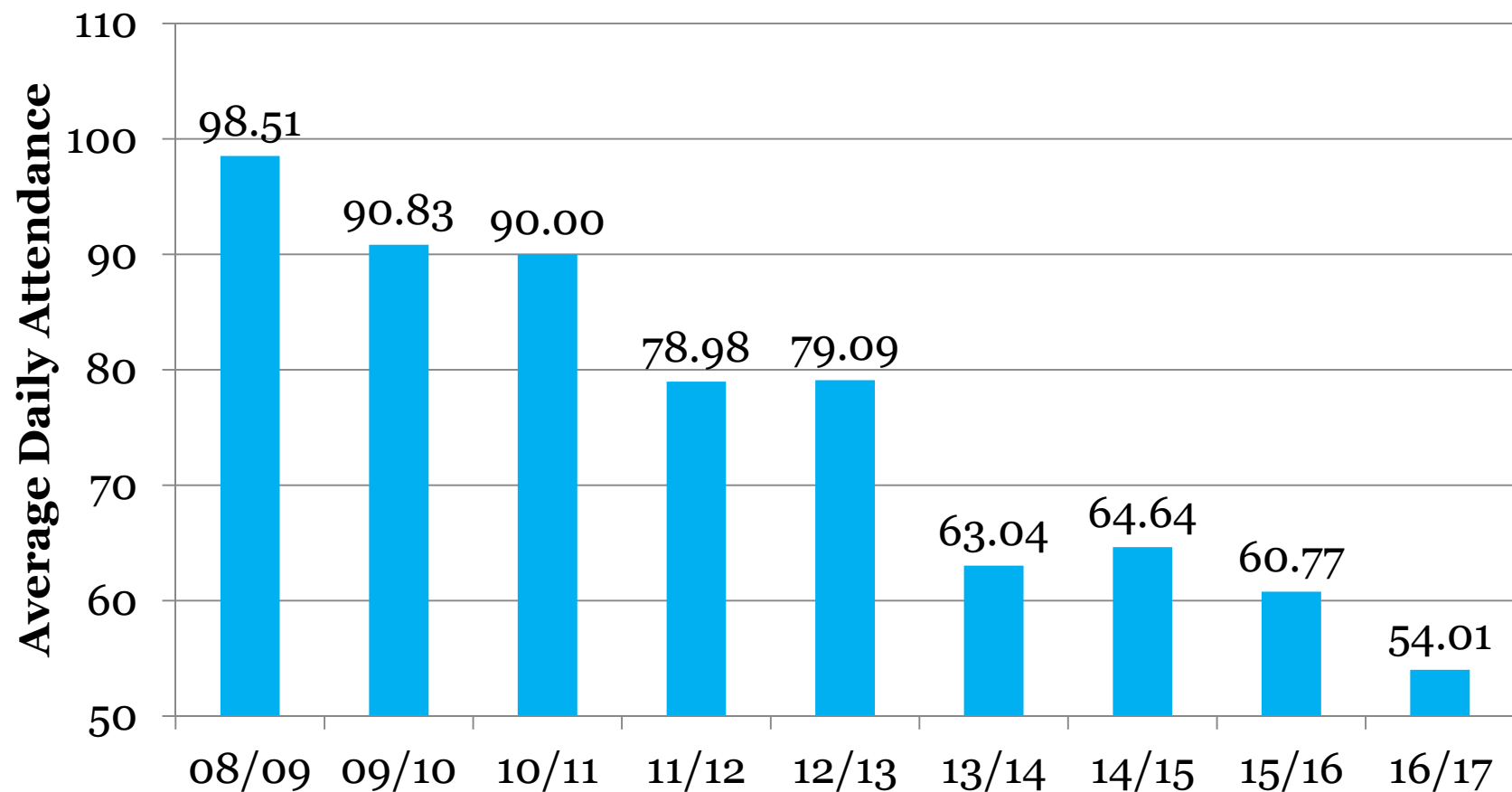
- Calculator pages 15 – 42
- Page 27 NSS “Bands”

Band	14-15	15-16	16-17	17-18
58-71	893,744	901,431	920,542	941,715
39-57	773,658	780,312	796,855	815,183

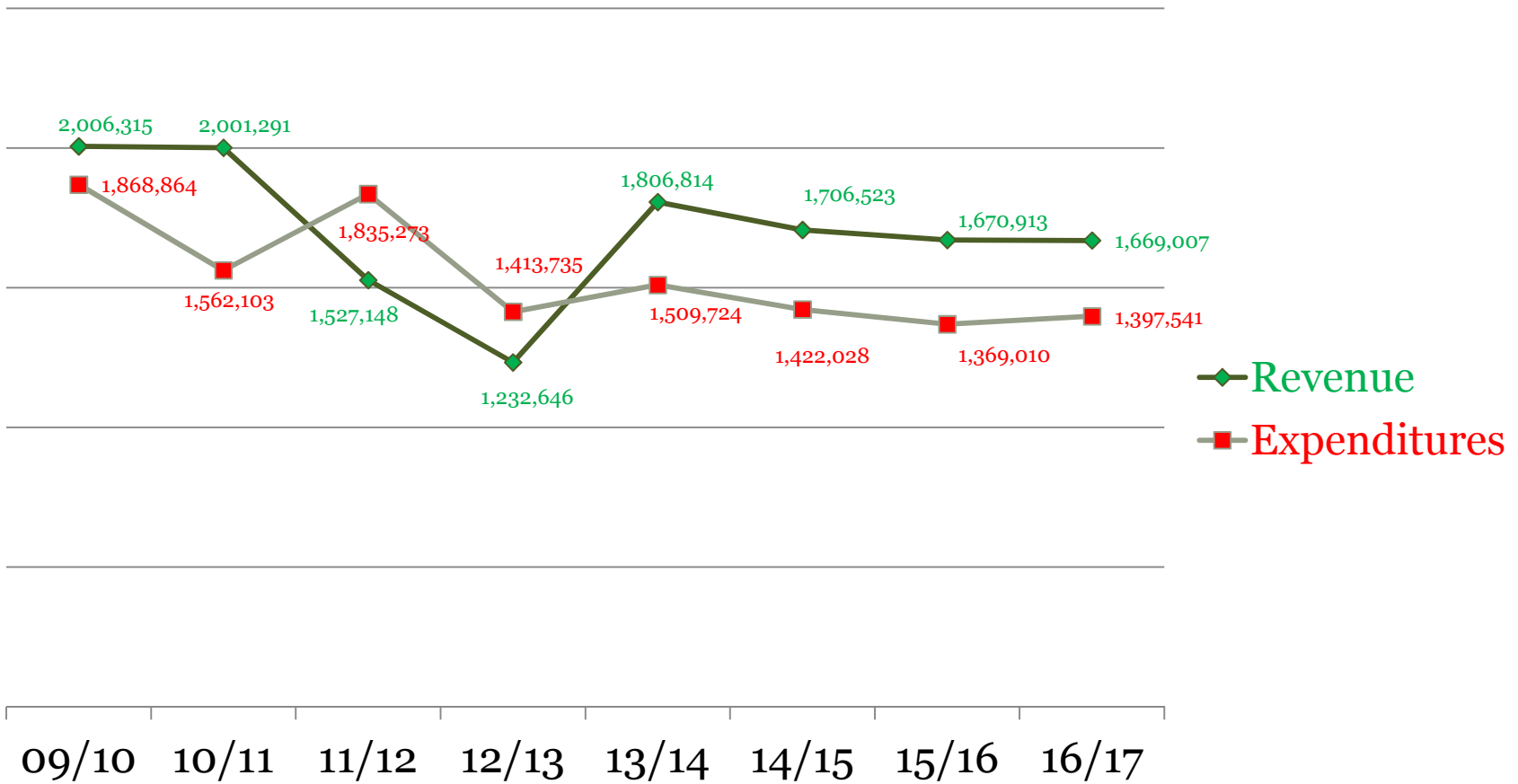
- Cap Funding Rate

14-15	15-16	16-17	17-18
11.78%	28.05%	33.95%	21.67%

Average Daily Attendance Trend

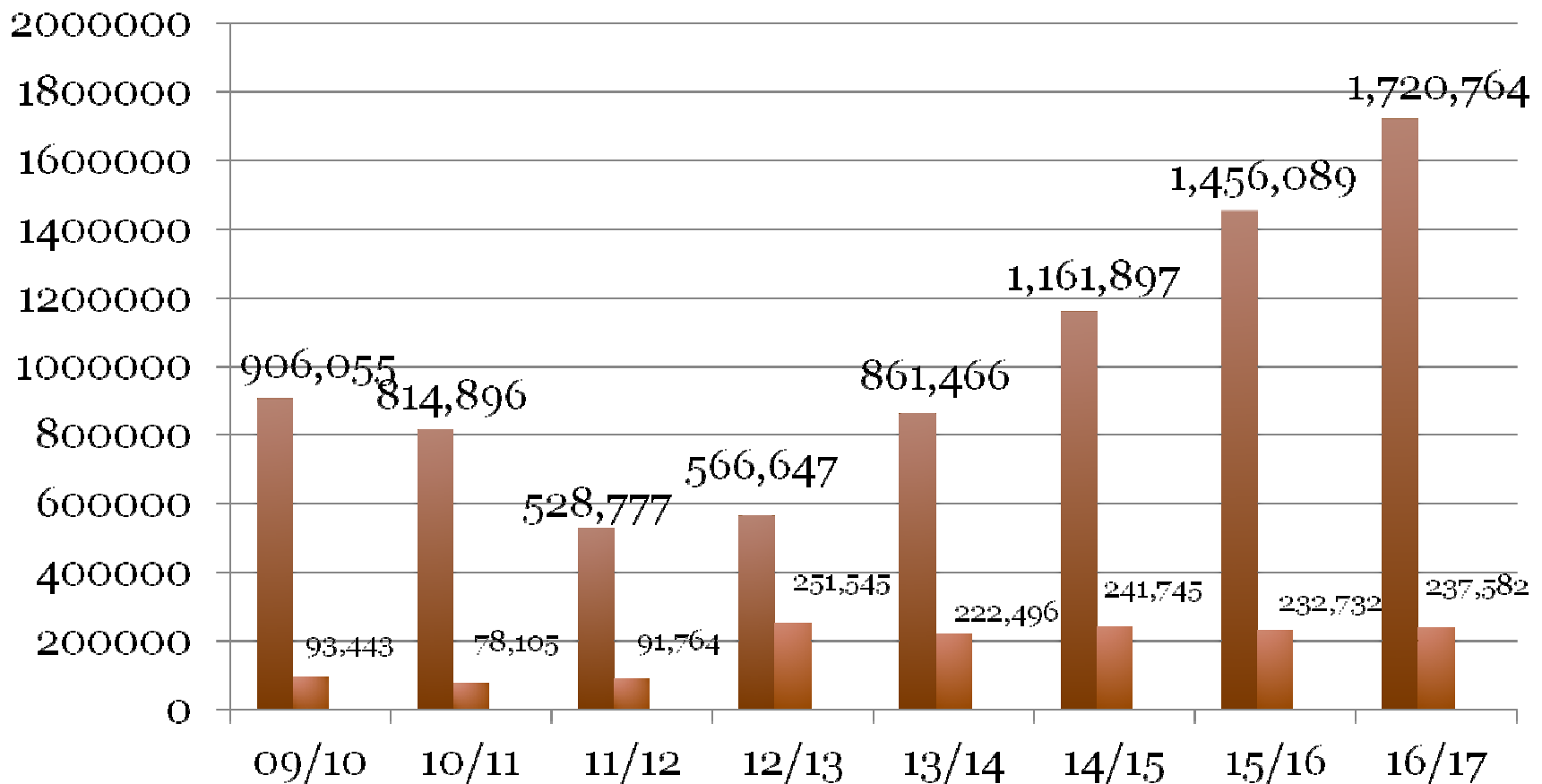


Revenue vs. Expenditure



General Fund Unrestricted Reserves

Available Reserves / Required Economic Uncertainties



Multiyear Projections

Restricted and Unrestricted

	14/15	15/16	16/17
FTEs	14.4	14.4	14.4
REVENUE	\$1,706,523	\$1,670,913	\$1,669,007
EXPENDITURES	\$1,422,027	\$1,369,009	\$1,397,540
NET INCREASE/DECREASE	\$284,495	\$301,903	\$271,466
Transfers	\$6,000 D.M. \$10,000 Tech \$10,000 PERS/STRS	\$6,000 D.M. \$10,000 Tech \$10,000 PERS/STRS	\$6,000 D.M. \$10,000 Tech \$10,000 PERS/STRS

Educational Protection Act

- No new \$
- Approved by the voters in Proposition 30 “*The Schools and Local Public Safety Protection Act of 2012*”
- EPA Spending Plan
 - The District plans to use 100% of the EPA funding for current certificated teacher salaries and benefits

Educational Protection Fund

- Part of the State Aid – not new dollars

	13/14	14/15	15/16	16/17
LCFF State Aid 8011	886,874	806,381	806,381	806,381
LCFF State Aid 8012 - EPA	151,738	131,137	131,137	131,137

Expenditures

	2013/2014 2 nd Interim	2014/15	2015/16	2016/17
Certificated	\$451,010	\$464,409	\$470,614 1.5 step column	\$477,673 1.5 step column
Classified	\$171,531	\$183,882	\$186,640 1.5 step column	\$189,439 1.5 step column
Benefits	\$293,492	\$294,820	\$302,807 Est. increase	\$313,057 Est. increase
Books/Supplies	\$200,778	\$119,800	\$104,064	\$104,072
Services	\$266,273	\$267,504	\$234,552	\$240,416
Cap Out	\$60,188	\$0	\$0	\$0

Projected Ending Fund Balance and Reserves

	13-14	14-15	15/16	16/17
Gen Fund Un	\$861,466	\$1,161,897	\$1,456,089	\$1,720,764
Gen Fund R	\$16,162	\$227	\$7,938	\$14,729
	13-14	14-15	15/16	16/17
Econ Uncert (17%)	\$245,015	\$241,745	\$232,732	\$237,582
Café. (13)	\$331	\$15,690	\$15,000	\$15,000
D.M. (14)	\$226,905	\$139,905	\$118,983	\$97,267
Spec Res (17)	\$698,920	\$722,220	\$745,831	\$769,560
Dev. Fees (25)	\$10,647	\$10,697	\$10,750	\$10,804
Facilities (35)	\$49	\$49	\$49	\$49

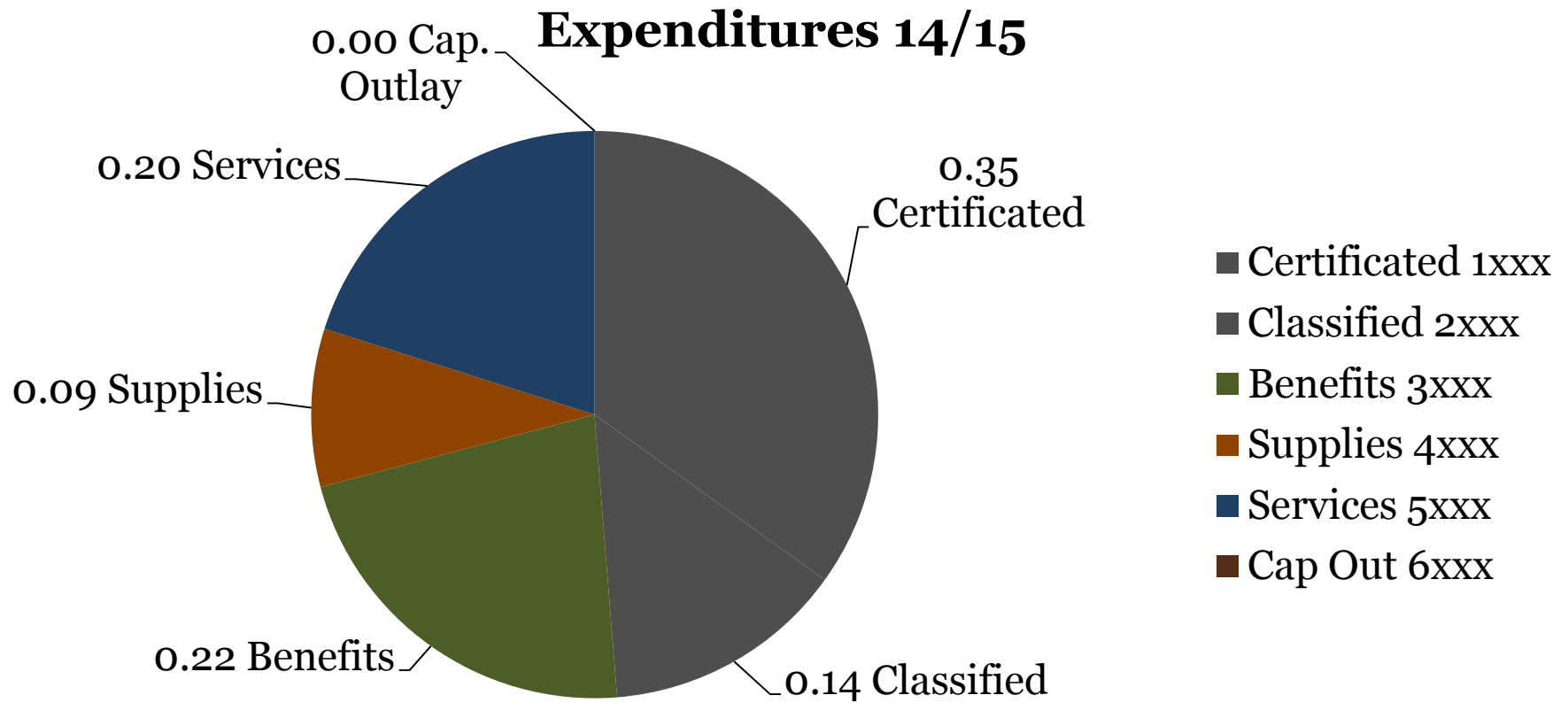
MAA Revenue not budgeted for, when received is transferred to Fund 17 per Board Resolution TBD

Mandated Reimbursement not budgeted for TBD

Classroom Compensation

	13-14 Estimated	14-15 Budget
	45.59%	46.14%
50% High School Required	Exempt	Exempt

EXPENDITURES (.71 people)



STANDARDS AND CRITERIA



pages 1-4

pages 142-168

ADA Projections

	13/14	14/15	15/16	16/17
Reg K-12	67.00	66.00	62.00	55.00
Comm Day Sch	0.0	0.0	0.0	0.0
Spec Day	0.0	.00	0.0	0.0
Total Estimated P-2 ADA	63.04	64.64	60.77	54.01

ADA to Enrollment

- The enrollment and P2 were taken at two different points in time. The District has experienced a decrease in enrollment after P2.

Local Control Funding Formula (LCFF)

- The District will see a drop of -3.68% due to the GAP funding rate and declining enrollment in the 14/15 year, but then remain at 0.00% change.

Other Revenue

Other Expenditures

- Accounting for some deferred revenue and the loss of Forest Reserve
- Common Core and Prop 39 money
- The way ROP money is handled

Deferred Maintenance/Major Maintenance Account

- No longer a Criteria and Standard
- The district will continue to function within compliance standards, utilized Fund 14 and continue to track the Ongoing and Major Maintenance Expenses.

Deficit Spending

- The District continues to cut expenditures to avoid deficit spending. Especially in light of the fact that the State has not certified any school 13/14 budget due to the implementation of LCFF.

Supplemental Information

- Contributions to the General Fund have been reduced due to reductions in expenditures.
- Transfers/contributions to other Funds include Deferred Maintenance , LCFF support, PERS/STRS
- The District has no long term commitments nor postemployment benefits (OPEB) , besides compensated absences (vacation)

Supplemental Information

- Other Self Insurance Benefits
 - The district participates in four JPAs
 - **NCSIG (Liability)**
 - **NEJPA (Work Comp)**
 - **SELF (School Excess Liability)**
 - **SISC (Health and Welfare)**

- Other Self Insurance Benefits

Supplemental Information

- Status of Labor Negotiations
- Employees participate in a Benefits “pool” cost plan

Settled	14/15	15/16	16/17	Cost of a 1%
Certificated Non-management	Yes	Yes	No	\$4,198
FTE	8.9	8.9	8.9	
Classified	Yes	Yes	No	\$1,351
FTE	3.4	3.4	3.4	
Management/Supervisor/ Confidential	Yes	Yes	No	\$1,938
FTE	1.65	1.65	1.65	

Additional Fiscal Indicators

- The District will not end the budget year with a negative cash balance.
- The system of personnel position control is independent from the payroll system
- Enrollment is decreasing in both the prior and budget year
- No new Charter Schools are operating in district boundaries

Additional Fiscal Indicators

- No bargaining agreements have been entered into that are expected to exceed the projected state funded COLA – 13/14 not settled
- Uncapped benefits are provided for Administration/Management – but the employees all participate in a “pool” for benefits costs
- The District’s financial systems is not independent from the SCOE

Additional Fiscal Indicators

- The district has no reports that indicate fiscal distress –
- LCFF 2013/2014 State budgets should be certified after June 30th
- Continue to monitor enrollment drop

Challenges

- Implement LCAP and Prop 39 Energy
- Continue to monitor ADA and increase enrollment with new and innovative programs
 - **Current NSS ADA “band” 71.49-57.5**
- PERS/STRS
 - PERS 11.442% to 15.00% in 16/17
 - STRS 8.25% to 12.70% in 16/17
- State
 - Recovery could be derailed
 - Close ties to other economies in trade and finance
 - State revenue dependency on capital gains income

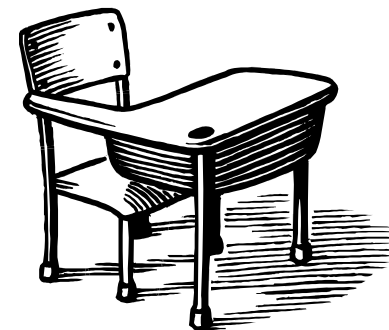
State Concerns

- Prison overcrowding and health care
- Rising health care costs
- Legislature at Odds with Governor on Revenue Forecast (2.2 Billion difference)
- Expiration of Prop 30 taxes

Mandates

- Breaking Mandate News
- Both houses of the Legislature acknowledge that mandate money needs to be allocated this budget year.
 - Assembly Subcommittee recommends \$313 m
 - Senate Budget Committee has earmarked \$457 m as part of their budget proposal

- A highly educated CA work force and good jobs for Californians go hand in hand to support a strong tax base.
- CA at the bottom of the national average for education funding.
- The foundation of every state is the education of its youth. -Diogenes Laertius



SSC Fiscal Report 6/13/14

- **New Proposal Would Cap Local Reserves and Reduce Local Control**
 - 11th Hour proposal – 5 days away from the Constitutional deadline
 - State Controller Reports Lower than Expected Revenues for May
 - Given the volatility of the state funding in the past 10 years????? Reserves are our only safety net and way to save for large projects.

It will be an exciting future !

DJUHSO 14/15 Budget
Adoption

