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# 2015-2016 Budget Public Hearing/Adoption

Dunsmuir Joint Union High  
School District  
June 2015

DJUHS 15/16 Budget  
Adoption



Dunsmuir Joint Union High School District

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## Tigers Strong ! Quality Education!

DJUHS 15/16 Budget  
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```
graph TD; SA((Student Achievement)) --> SE((Student Engagement)); SE --> SC((School Climate)); SC --> S((Services)); S --> CA((Course Access)); CA --> SA;
```

The diagram illustrates a cyclical relationship between five key educational factors: Student Achievement, Student Engagement, School Climate, Services, and Course Access. Each factor is represented by a colored circle, and arrows indicate a clockwise flow from one factor to the next, suggesting that each element contributes to and supports the others in a continuous cycle.

## Budget Committee SSC 6/12/15

- With less than one week from the constitutional deadline...no deal between legislature and Governor.
- The Budget Conference Committee took action on a variety of issues, but may still change before finalized.
  - May see some significant compromises before the deal is done

## 2015 May Revision Proposal

- Excellent News
- Proposition 98 gets most of new funds
- Focus on Dept – Remains fiscally conservative
  - LAO estimates “a few billion dollars higher”
- But keep the funding in proper perspective
  - Future flat
  - Making up for past low funding/restoration
  - Gets us back to where we were -loss of back fill forever - \$59 billion loss

## May Revision Proposal

- General Fund spending increase from \$113.3 to \$115.3 billion
- Rainy Day Fund up to almost \$3.5 billion with additional fund balance of \$2 billion
  - K-12 49.3 billion

## Political Backdrop

- Governor balancing legacy and public policy
- Lawmakers under new, longer term limits weighing in
- Governor's roll will be big – does not rule out tax reform, but issue heavy caution – Prop 30 sunsets.

## One-Time Discretionary Funding

- \$601 per ADA
- Governor trying to use it as Mandate buy-out.
  - Conflicts with district that have not participated and those that have both getting it.
  - No small school block grant
  - Does not comply with constitutional requirement that LEAs be reimbursed for state mandates

## Reserve CAP

- Several meetings, but no action
- Governor has little motivation to act
- CTA pushing for CAP
- Education group continue to rally in opposition
- Legislature consolidated, Governor holds the key

## STRS/PERS

- 32 year plan to eliminate unfunded liability
- Most of the cost borne by LEAs - \$4 billion increased costs by 2020-21
- Long-term pressure on LCFF base funding
- Neither Governor nor Legislature inclined to provide relief

## School Facilities

- Governor wants to reduce the state's role in school construction – no state bond proposed
  - LEAs expected to carve it out of LCFF Base
- Bond bills in Legislature in limbo
- Maintains \$273 million (one-time) for Emergency Repair Program
- Separate ballot strategy launched
  - Voter initiative for November 2016 ballot

## Proposition 39 Funding School Energy

- Plan approved for Water Heater
- Waiting for Engineering plan
- Will go to bid
- Expected three more payments
- Web Site for Information
  - <http://www.energy.ca.gov/efficiency/proposition>

## Adult Ed/ CTE/ROPs

- Maintains Block Grant proposal for Adult Ed
- CTE – No funding beyond second cohort for Pathways Grants
- 2 year MOE requirement on ROP expenditures expires

## California Economy

- The economic effect of the drought is still unknown
  - Ag only 2%, but it is how it effects housing
- Rising gas prices could hinder consumer summer spending
  - Oil goes down 50% Gas goes down 40%
  - Oil goes up 20% Gas goes up 55%
- Uneven recovery in California
  - 11.2% Unemployment rate in Siskiyou

## Spending by State

- National Average \$10,326
- California \$8,612
  - Still a ways to go.....

## Multi-Year Projections

- Resist ongoing expenditure increase
- Likely recession in the future
- Prop 30 tax increases ?
- STRS/PERS increase
- Declining or increasing enrollment ?
- Once maintenance factor is paid off we will be living in a 2-4% COLA world
- The Reserve CAP issue

## Wild Ride...





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## Accountability LCAP

- 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 2015/16 LCAP June 25, 2015

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## 2015/2016 Budget

## 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.

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## SSC Financial Planning Dartboard

Factor	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Statutory COLA	.85%	1.02%	1.60%	2.48%	2.87%	2.50%
CalPERS Employer Rate	11.771%	11.847%	13.05%	16.60%	18.20%	19.90%
CalSTRS Employer Rate	8.88%	10.73%	12.58%	14.43%	16.28%	18.13%

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%	2.20%	2.40%	2.60%	2.70%	2.50%
10-year Treasuries	2.20%	2.40%	2.80%	3.00%	3.10%	2.90%

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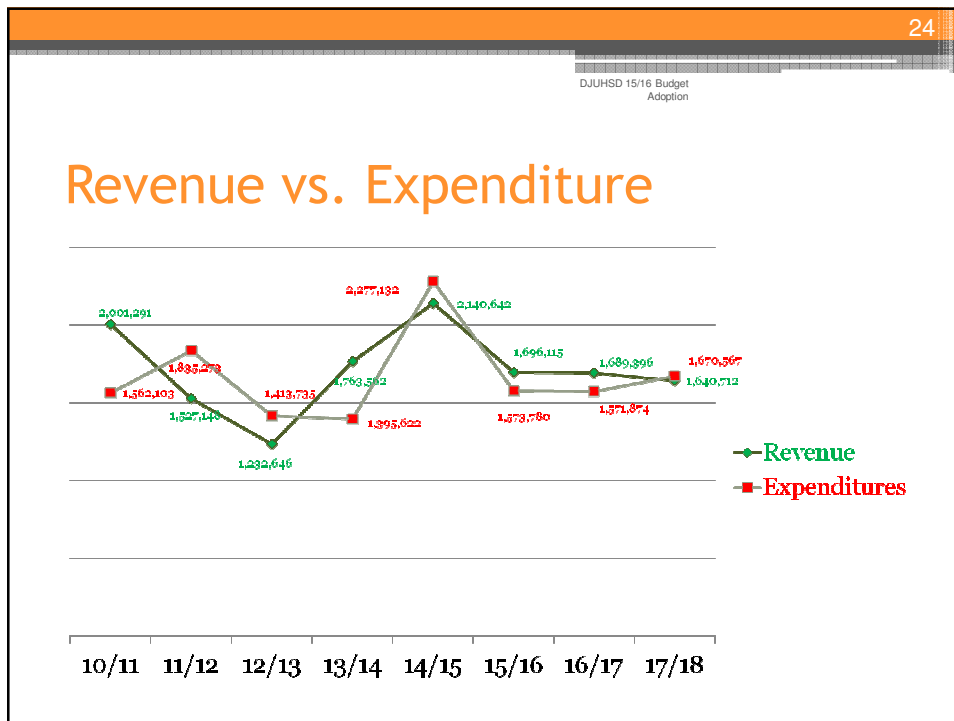
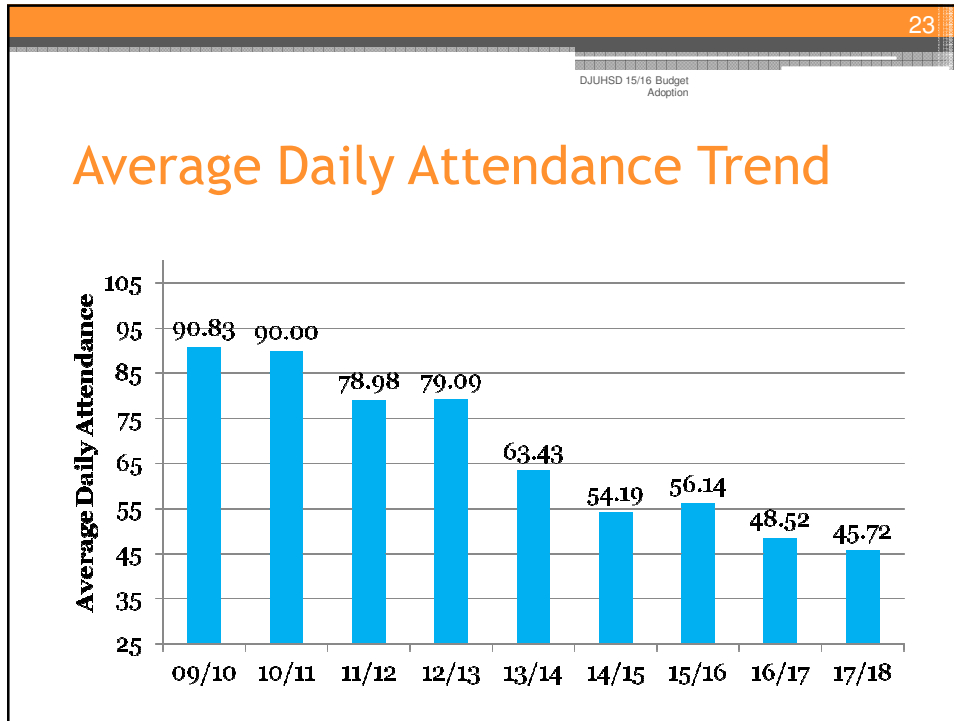
## LCFF

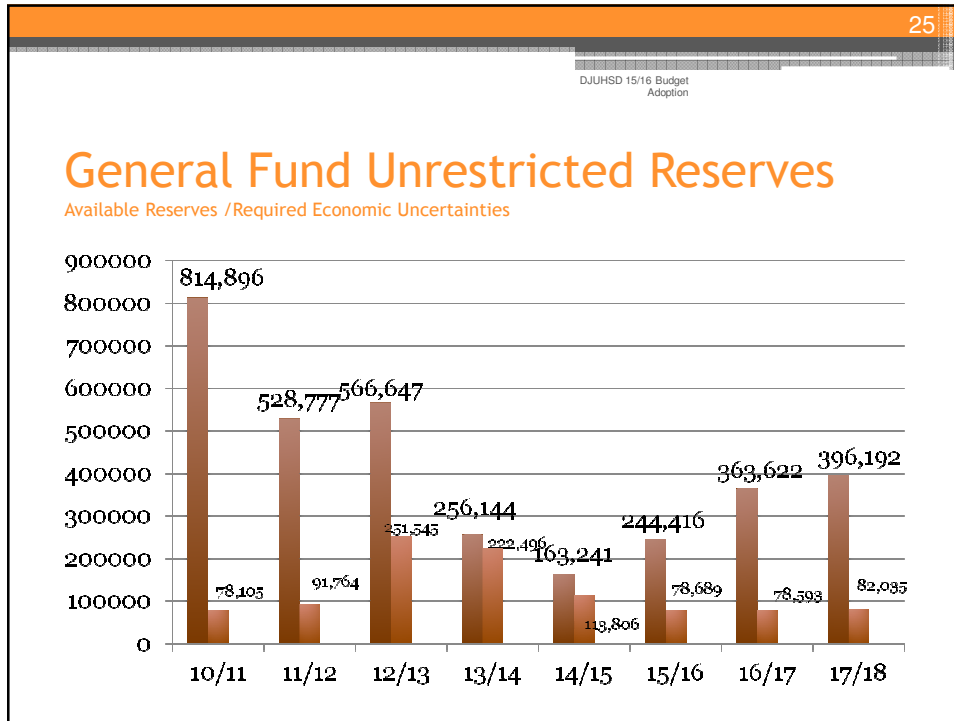
- Calculator pages 15 – 36
- Page 24 NSS “Bands”

Band	15-16	16-17	17-18	18-19
58-71	910,740	925,845	949,980	978,885
39-57	788,400	801,550	822,600	847,850

- Minimum Proportionality Percentage (MPP)

15-16	16-17	17-18	18-19	19-20
37,062	26,695	33,905	48,779	48,779
2.60%	1.86%	2.38%	3.46%	3.45%





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## Ending Fund Balance and Special Reserves

	2014-15	2015-16	2016-17	2017-18
General Fund				
Restricted GASB 54	163,241	244,416	363,622	396,192
Restricted	12,908	12,908	11,224	8,509
Econ Uncert	113,807	78,689	78,594	82,036
Café. 13	14,862	15,750	15,750	15,750
D.M. 14	179,766	123,541	144,158	164,879
Capital Out 17	187,044	203,044	224,059	245,180
Dev Fees 25	13,562	13,612	13,680	13,748
School Fac 35	50	51	51	51
Capital Out 40	1,112,359	1,039,459	1,044,657	1,049,880

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## Multiyear Projections Restricted and Unrestricted

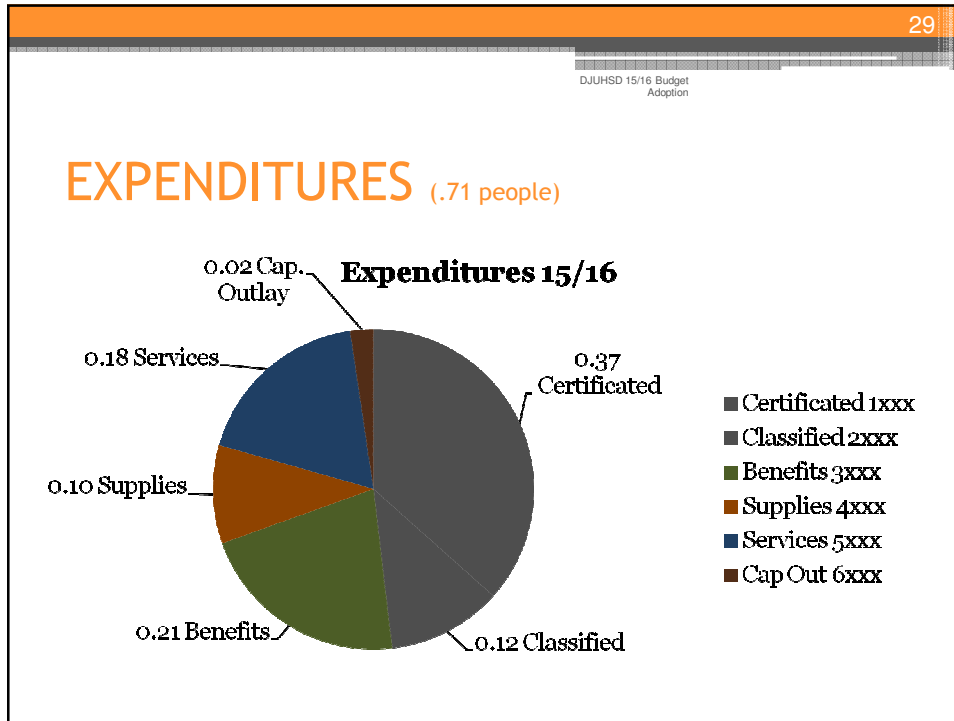
	15/16	16/17	17/18
FTEs	15.1	15.1	15.1
REVENUE	\$1,696,114	\$1,689,396	\$1,670,567
EXPENDITURES	\$1,573,780	\$1,571,874	\$1,640,712
NET INCREASE/DECREASE	\$122,334	\$117,521	\$29,855
Transfers	\$20,000 D.M. \$20,000 Fund 17	\$20,000 D.M. \$20,000 Fund 17	\$20,000 D.M. \$20,000 Fund 17

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## Classroom Compensation

	14-15 Estimated	15-16 Budget
	42.35%	44.92%
50% High School Required	Exempt	Exempt




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# STANDARDS AND CRITERIA SUPPLEMENTAL INFORMATION

pages 1-4  
pages 149-175



## 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 – 16/17 on 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 –
- Continue to monitor enrollment drop

## Challenges

- Prop 39 Energy Expenditures
- Continue to monitor ADA and increase enrollment with new and innovative programs
- PERS/STRS Increases

