

A red apple with a small stem is placed on top of a stack of three old, worn books. The books have dark covers with gold-colored decorative patterns. The stack is on a wooden surface with a visible grain. The background is dark and out of focus.

# Cotati-Rohnert Park USD 2015-16 Adopted Budget



# Top Five Facts about the 2015-16 Budget

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1. It's the most positive budget we've had in many years
2. It already needs to be revised
3. 45 day update will include more revenue and higher fund balance
4. Enrollment and ADA have been projected conservatively
5. It includes increased budgets for supplies and maintenance



# Projected District Enrollment

|                   | District | County Programs | Total | Change |
|-------------------|----------|-----------------|-------|--------|
| 2013-14 Actual    | 5,788    | 42              | 5,830 | 18     |
| 2014-15 Actual    | 5,868    | 42              | 5,910 | 80     |
| 2015-16 Projected | 5,868    | 40              | 5,908 | -2     |
| 2016-17 Projected | 5,968    | 40              | 6,008 | 100    |
| 2017-18 Projected | 6,063    | 40              | 6,103 | 95     |

- Forecast is very conservative—no increase in 2015-16
  - Reflects input from trustees and county office
- Modest growth in two subsequent years
  - New housing still expected in 2016-17



# Projected Average Daily Attendance (ADA)

|                   | District | County Programs | Total | Change |
|-------------------|----------|-----------------|-------|--------|
| 2013-14 Actual    | 5,531    | 92              | 5,623 | 24     |
| 2014-15 Actual    | 5,575    | 45              | 5,620 | -3     |
| 2015-16 Projected | 5,575    | 43              | 5,618 | -2     |
| 2016-17 Projected | 5,670    | 43              | 5,712 | 94     |
| 2017-18 Projected | 5,760    | 43              | 5,803 | 91     |

- Forecast is very conservative
  - Used 14-15 ADA to enrollment ratio, 95.7%
  - Three-year average is 96.6%--difference of 53 ADA in 2014-15
- Growth in two subsequent years due only to increased enrollment



# District Revenues for 2015-16

|                      | 2014-15<br>Estimated<br>Actuals | 2015-16<br>Adopted<br>Budget | Net<br>Change<br>15-16 vs.<br>14-15 |
|----------------------|---------------------------------|------------------------------|-------------------------------------|
| Revenues:            |                                 |                              |                                     |
| LCFF Revenue Sources | 40,854,310                      | 45,553,571                   | 11.5%                               |
| Federal              | 2,562,647                       | 2,242,103                    | -12.5%                              |
| Other State          | 2,906,860                       | 5,348,642                    | 84.0%                               |
| Other Local          | 6,037,888                       | 4,869,068                    | -19.4%                              |
| Total Revenues       | 52,361,705                      | 58,013,384                   | 10.8%                               |



# 2015-16 Adopted Budget General Fund Projection

|                                   | 14-15 Estimated | 15-16 Budget | Difference |
|-----------------------------------|-----------------|--------------|------------|
| Total Revenue                     | 52,361,705      | 58,013,384   | 5,651,679  |
| Expenditures:                     |                 |              |            |
| Certificated Salaries             | 21,635,706      | 22,666,806   | 1,031,100  |
| Classified Salaries               | 5,421,962       | 5,700,548    | 278,586    |
| Health Benefits: Actives          | 7,991,369       | 8,925,519    | 934,150    |
| Health Benefits: Retirees         | 1,198,497       | 1,113,284    | -85,213    |
| Other Employee Benefits           | 4,196,790       | 4,786,132    | 589,342    |
| Books & Supplies                  | 1,641,765       | 1,133,762    | -508,003   |
| Services & Operating Expenditures | 9,820,361       | 9,674,759    | -145,602   |
| Other                             | 953,056         | 1,619,375    | 666,319    |
| Net Increase (Decrease)           | -497,801        | 2,393,200    | 2,891,001  |
| Beginning Balance                 | 1,522,100       | 1,024,299    | -497,801   |
| Ending Balance                    | 1,024,299       | 3,417,499    | 2,393,200  |



## Budget Highlights for 2015-16

- No additional Common Core funding
- Increased retirement contributions for both STRS and PERS
  - CalSTRS increase affects employees as well as districts
  - No new revenue to cover these costs
- 3% annualized increase in CVT rates for the October 1, 2015 renewal
- General fund contribution to food service program
- No deferred maintenance contribution



# 2015-16 Budget Adoption Multi-Year Projections

| Factor         | 2015-16 | 2016-17 | 2017-18 |
|----------------|---------|---------|---------|
| Statutory COLA | 1.02%   | 1.60%   | 2.48%   |

## LCFF Factors

| Gap Funding Percentage | 2015-16 | 2016-17 | 2017-18 |
|------------------------|---------|---------|---------|
| Dept. of Finance       | 51.52%  | 35.55%  | 35.11%  |

- COLA increases the LCFF target
- Final State budget reduced Gap Funding from May Revise
  - Down from 53.08% for 2015-16
  - Down from 37.40% for 2016-17
  - Down from 36.74% for 2017-18
- All years increased significantly since January budget proposal





# Projected Reserves 2015-16 Adopted Budget

|                   | Unrestricted<br>& Economic<br>Uncertainty | Budget<br>Stabilization<br>Reserve | Salary<br>Settlement,<br>Nonspendable<br>& Restricted | General<br>Fund<br>Total | Special<br>Reserve<br>Fund | Unrestricted<br>Reserves | Unrestr.<br>Reserve<br>% |
|-------------------|---|------------------------------------|---|--------------------------|----------------------------|--------------------------|--------------------------|
|                   | A   | B                                  |   |                          | C                          | D = A + B + C            |                          |
| 2013-14<br>Actual | 683,232                                   | 0                                  | 838,867   | 1,522,099                | 851,193                    | 1,534,425                | 3.05%                    |
| 2014-15           | 270,790                                   | 0                                  | 753,509   | 1,024,299                | 855,193                    | 1,125,983                | 2.21%                    |
| 2015-16           | 824,843                                   | 550,377                            | 2,042,279   | 3,417,499                | 859,393                    | 2,234,613                | 3.98%                    |
| 2016-17           | 881,084                                   | 579,284                            | 1,649,610   | 3,109,978                | 864,393                    | 2,324,761                | 3.99%                    |
| 2017-18           | 949,920                                   | 0                                  | 456,331   | 1,406,251                | 869,493                    | 1,819,413                | 3.00%                    |



## District Reserves in Multi-Year Projection: Budget Stabilization Reserve

- Significant uncertainties:
  - Transportation funding
  - Gap funding percentage will still float
  - Projected enrollment
  - Health premium increases—projected at 10%
  
- Revised budget stabilization reserve:
  - \$550,377 in 2015-16
  - \$579,284 in 2016-17
  
- Shown as “Assigned” in multi-year projection



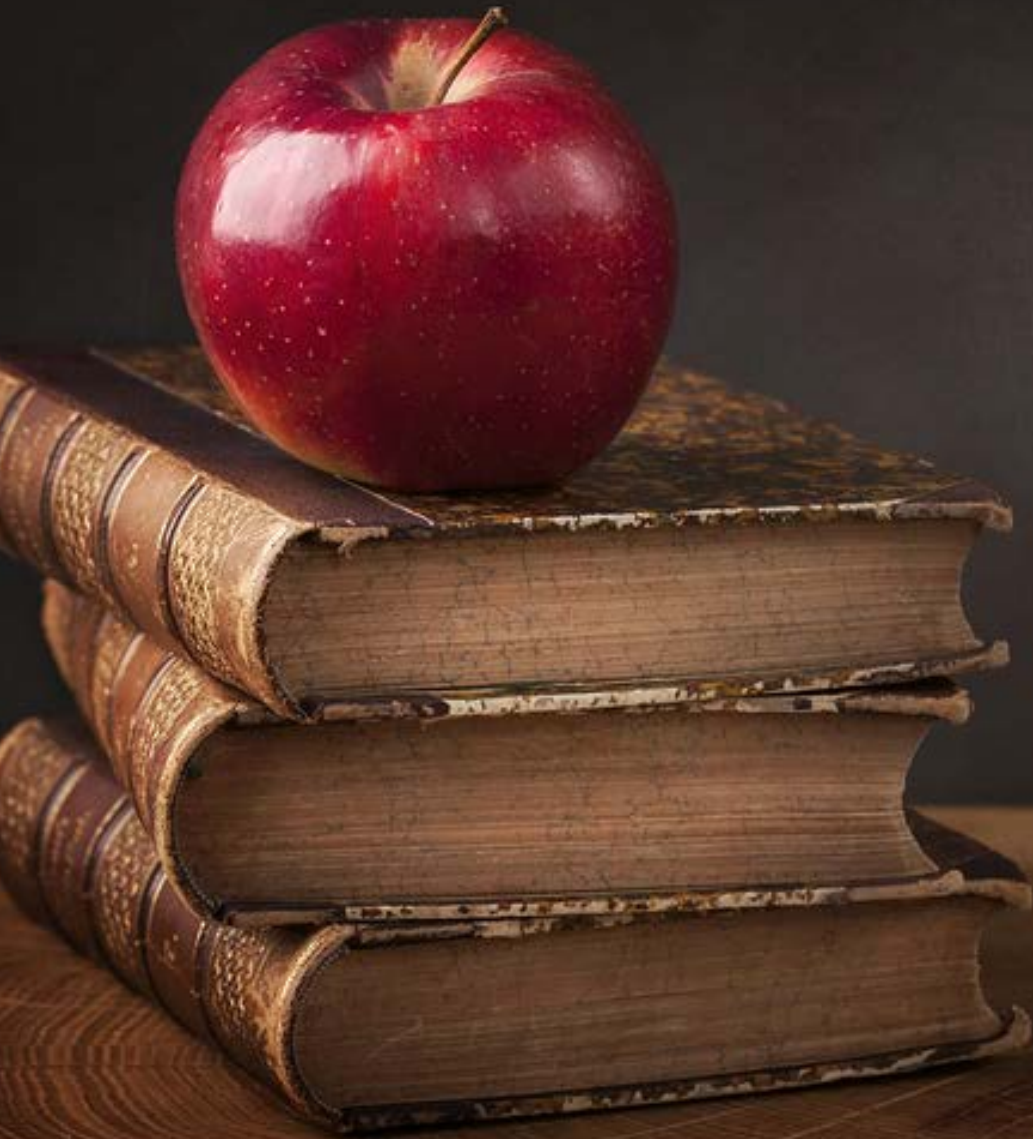
# Issues for Future Years

- Renewal of Measure D
- Restoration of past budget cuts, such as:
  - Instructional materials
  - Technology for students and staff—replacement cycle
  - Cleaning schedules (custodial staff), maintenance staff, vehicle replacements
  - Deferred maintenance funding
- Impact of the Affordable Care Act: likely exposure to “Cadillac” tax
- Funding of retiree medical liability
- Proposed minimum wage increases with no funding increase
- Any future negotiated salary increases



## What's Next?

- 45 days to update the District budget for the final State budget
  - Update to be presented at August 18 board meeting
  
- Awaiting details on new “teacher effectiveness” block grant
  - Can fund existing programs such as BTSA
  - Plan will come to the board
  
- Unaudited Actuals to be presented at September 15 board meeting



Questions?