

A stack of three old, worn books with a single red apple resting on top of the stack. The books have dark, textured covers and are stacked on a wooden surface. The apple is bright red and has a small stem. The background is dark and out of focus.

Cotati-Rohnert Park USD 2016-17 Adopted Budget



Top Five Facts about the 2016-17 Budget

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- 1. Second positive budget in a row!**
- 2. It already needs to be revised.**
- 3. Enrollment and ADA have been projected conservatively.**
- 4. Waiting for details about the final state budget.**
- 5. 45 day update will include salary settlements.**



Projected District Enrollment

	District	County Programs	Total	Change
2014-15 Actual	5,868	42	5,910	80
2015-16 Actual	5,897	45	5,942	32
2016-17 Projected	5,968	45	5,984	42
2017-18 Projected	6,028	45	6,073	89
2018-19 Projected	6,106	45	6,151	78

- Forecast is modest growth in two subsequent years
- New housing may not have much impact on official enrollment until 2017-18



Projected Average Daily Attendance (ADA)

	District	County Programs	Total	Change
2014-15 Actual	5,575	45	5,620	-3
2015-16 Actual	5,640	45	5,685	65
2016-17 Projected	5,642	45	5,687	2
2017-18 Projected	5,727	45	5,772	85
2018-19 Projected	5,801	45	5,846	74

- Forecast is very conservative
 - Used 95% ADA to enrollment ratio
 - Three-year average is 96.5%--would increase district ADA by 85 in 2016-17
- ADA growth in two subsequent years due only to increased enrollment



District Revenues for 2016-17

	2015-16 Estimated Actuals	2016-17 Adopted Budget	Net Change 16-17 vs. 15-16
Revenues:			
LCFF Revenue Sources	46,852,543	49,559,243	5.8%
Federal	2,858,312	2,330,239	-18.5%
Other State	7,099,579	5,332,756	-24.9%
Other Local	6,008,374	4,728,352	-21.3%
Total Revenues	62,818,808	61,950,590	-1.4%



2016-17 Adopted Budget General Fund Projection

	15-16 Estimated	16-17 Budget	Difference
Total Revenue	62,818,808	61,950,590	-868,218
Expenditures:			
Certificated Salaries	22,791,673	23,703,120	911,447
Classified Salaries	6,531,872	6,743,846	211,974
Health Benefits: Actives	8,350,600	8,887,957	537,357
Health Benefits: Retirees	1,042,396	992,396	-50,000
Other Employee Benefits	6,360,522	7,482,808	1,122,286
Books & Supplies	2,097,632	1,314,436	-783,196
Services & Operating Expenditures	12,113,214	10,492,669	-1,620,545
Other	3,672,254	2,027,277	-1,644,977
Net Increase (Decrease)	-141,355	306,081	447,436
Beginning Balance	1,755,961	1,614,606	-141,355
Ending Balance	1,614,606	1,920,687	306,081



Budget Highlights for 2016-17

- **Additional one-time mandate backlog payment**
 - \$1.3 million, less than half of the 15-16 amount
 - A portion can pay for two additional days on teacher calendar
 - No Educator Effectiveness funds in 16-17

- **Increased retirement contributions for both STRS and PERS**
 - CalSTRS increase affects employees as well as districts
 - CalPERS is 13.888 vs. 13.05% previously announced
 - No new revenue to cover these costs

- **CVT rates for the October 1, 2016 renewal:**
 - Kaiser rates flat, so no change to cap
 - PPO rates that were below cap have increased, so net cost increase

- **General fund contribution to food service program continues**



2016-17 Budget Adoption Multi-Year Projections

Factor	2016-17	2017-18	2018-19
Statutory COLA	0.0%	1.11%	2.42%

LCFF Factors

Gap Funding Percentage	2016-17	2017-18	2018-19
Dept. of Finance	54.84%	73.96%	41.22%

- COLA increases the LCFF target
- No COLA leaves money to increase gap funding
- Funding has closed 95.7% of the gap by 2016-17



Projected Reserves 2016-17 Adopted Budget

	Unrestricted & Economic Uncertainty	Budget Stabilization Reserve	Special Reserve Fund	Total Reserves	Unrestricted Reserve %
2014-15	323,643	0	855,193	1,178,836	2.21%
2015-16	0	1,037,899	1,898,917	2,936,816	4.63%
2016-17	0	1,529,724	2,332,893	3,440,641	6.13%
2017-18	0	2,332,893	1,922,917	4,255,810	6.82%
2018-19	0	3,053,183	1,934,917	4,988,100	7.82%



District Reserves in Multi-Year Projection: Budget Stabilization Reserve

- If Board approves negotiated salary agreements, this reserve will cover those ongoing costs
 - District will still meet economic uncertainty requirement
- Other uncertainties remain:
 - Gap funding percentage in future years
 - Projected enrollment and staffing
 - Health premium increases—projected at 5% in 17-18 and 18-19
- Shown as “Assigned” in multi-year projection



Issues for Future Years

- **Restoration of past budget cuts, such as:**
 - **Instructional materials**
 - **Technology for students and staff—replacement cycle**
 - **Cleaning schedules (custodial staff), maintenance staff**
 - **Deferred maintenance funding**

- **Ongoing increases to STRS and PERS**

- **Impact of the Affordable Care Act: possible 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?

- **Governor signed the budget yesterday, June 27**
- **More details will come in trailer bills**
- **Awaiting details on new “College Readiness” block grant**
 - **Targets high school unduplicated count students**
- **45 days to update the District budget for the final State budget**
 - **Update to be presented at August 16 board meeting**
- **Unaudited Actuals to be presented at September 20 board meeting**



Questions?