

**WILLOWS UNIFIED SCHOOL DISTRICT
Office of the Superintendent**

Date: June 20, 2016

Request For Placement on Board Agenda:

AGENDA TOPIC: Public Hearing for the Disclosure of the Components of Ending Fund Balance/District Reserves in Excess of Minimum Reserve Requirements for fiscal year 2016-17

PRESENTER: Debby Beymer, Director of Business Services

BACKGROUND:

Commencing with budgets adopted for the 2015-16 fiscal year, and in accordance with Education Code Section 42127, subparagraphs (B) and (C) of paragraph (2) of subdivision (a), the governing board of a school district that proposes to adopt a budget, or revise a budget pursuant to subdivision (e), that includes a combined assigned and unassigned ending fund balance in excess of the minimum recommended reserve for economic uncertainties adopted by the state board, shall disclose during a public hearing a report of district reserves.

INFORMATION:

Please see attached:

Report of Reserves in Excess of State Minimum, which outlines the districts need for reserves in excess of 3%.

2016-17 Budget Adoption Report of Reserves in Excess of Minimum

Substantiation of need for reserves greater than the state required minimum reserve for economic uncertainty

District: WILLOWS UNIFIED SCHOOL DISTRICT

CDS #: 11-62661

The governing board of a school district that proposes to adopt a budget that includes a combined assigned and unassigned ending fund balance in excess of the minimum recommended reserve for economic uncertainties, shall, at the Budget Adoption public hearing, provide:

The minimum recommended reserve for economic uncertainties;

The combined assigned and unassigned ending fund balances that are in excess of the minimum recommended reserve for economic uncertainties for each fiscal year identified in the budget; and

A statement of reasons to substantiate the need for reserves that are higher than the minimum recommended reserve.

			2016-17
Total General Fund Expenditures & Other Uses	(FUND 01 Unrestricted & Restricted)	\$	13,752,935
Minimum Reserve requirement	3%	\$	412,588
General Fund Combined Ending Fund Balance		\$	4,261,711
Special Reserve Fund Ending Fund Balance		\$	-
Components of ending balance:			
Nonspendable (revolving, prepaid, etc.)		\$	6,775
Restricted		\$	2,621,261
Committed		\$	246,547
Assigned		\$	512,204
Reserve for economic uncertainties		\$	859,173
Unassigned and Unappropriated		\$	15,752
Subtotal Assigned, Unassigned & Unappropriated		\$	1,387,129
Total Components of ending balance		\$	4,261,712
Assigned & Unassigned balances above the minimum reserve requirement		\$	974,541

Statement of Reasons		
The District's Fund Balance includes assigned, unassigned and unappropriated components, that in total are greater than the Minimum Recommended Reserve for Economic Uncertainties, See below the list of items that will require additional district funds:		
JUSTIFICATION		
STRS/PERS INCREASES 2017-18	\$155,063	See attached estimated impact.
STRS/PERS INCREASES 2018-19	\$156,706	
STRS/PERS INCREASES 2019-20	\$158,427	
STRS/PERS INCREASES 2020-21	\$96,225	
Facility Master Plan Needs updated 5/24/16	\$25,526,032	Failure to pass school bond (4 attempts) See attached updated Facility Master Plan Summary
BOARD POLICY TARGET RESERVE = 17%		
Total of Substantiated Needs		\$26,092,453.00

CALSTRS IMPACT

	BUDGET 2016-17	2% S&C 2017-18	2% S&C 2018-19	2% S&C 2019-20	2% S&C 2020-21	TARGET RATE 2020-21
SALARIES	6,702,315	6,836,361	6,973,089	7,112,550	7,254,801	
Increase		0.0185	0.0185	0.0185	0.0097	19.1%
Est Addl Cost		\$126,473	\$129,002	\$131,582	\$70,372	
2016-17 RATE:	12.58%					

Estimated using 2% for step and column.

CALPERS IMPACT

	BUDGET 2016-17	2% S&C 2017-18	2% S&C 2018-19	2% S&C 2019-20	2% S&C 2020-21	TARET RATE 2020-21
SALARIES	1,810,092	1,753,979	1,699,606	1,646,918	1,595,864	
Increase		0.0163	0.0163	0.0163	0.0162	20.4%
Est Addl Cost		\$28,590	\$27,704	\$26,845	\$25,853	
2016-17 RATE:	13.89%					

Estimated using 2% for step and column @ 95% Pers Creditable.

TOTAL INCREASE IN COSTS: \$155,063 \$156,706 \$158,427 \$96,225

