

WILLOWS UNIFIED SCHOOL DISTRICT
Office of the Superintendent

Date: 11-8-17

Request For Placement on Board Agenda:

AGENDA TOPIC: Senate Bill 751 / Reserve for Economic Uncertainties

PRESENTER: Debby Beymer, Director of Business Services

[] DISCUSSION [] ACTION [X] DISCUSSION/POSSIBLE ACTION

Background Information:

Senate Bill 751 (SB 751) was signed into law in October of 2017 which increases the school district reserve cap for medium and large school districts from a maximum of 6% to 10%. SB 751 also exempts small school districts with less than 2500 in average daily attendance.

In alignment with the Local Control Funding Formula, SB 751 makes reasonable and appropriate changes to existing law to provide schools with adequate flexibility necessary to maintain fiscal solvency while simultaneously prioritizing the education of students they are currently serving.

Local Control Funding is nearing full funding levels. The days of significant increases in revenue are nearing the end. In light of impending increases in operational costs, step and column, post-employment costs, more specifically Cal STRS and Cal PERS, many school districts across the state of California are strengthening reserves to avoid significant budgets cuts should the economy turn downward as it has historically.

Recommendation:

In an effort to help better ensure, protect, and maintain fiscal solvency in the coming years, District Administration recommends the board approve increasing the District's Designation for Economic Uncertainties to 10%.