

AGENDA ITEM: Public Hearing of 2015-16 Original Budget – Reserves Disclosure

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☐ Consent

Board Date June 17, 2015

☐ Information Only

☒ Public Hearing/Discussion/Action

Background Information

Senate Bill (SB) 858, Chapter 32/2014, establishes a hard cap on district reserve levels if certain conditions are met.

1. Proposition 98 maintenance factor must be fully repaid.
2. Proposition 98 must be funded based on Test 1.
3. Proposition 98 provides sufficient funds to support enrollment growth and the statutory Cost Of Living Adjustment.
4. A deposit must be made into the Proposition 98 reserve when capital gains revenues exceed 8 of General fund revenues.

All four conditions will not be met in 2015-16 and thus the trigger for CUSD to implement a cap on reserves is not in effect. However, the legislation also requires additional disclosure of the districts reserves at the public hearing of the Original Budget. CUSD is providing a disclosure of reserve amounts in a template provided by Butte County Office of Education complying with the new reserve disclosure requirement.

Educational Implications

N/A

Fiscal Implications

Maintaining appropriate levels of reserves is prudent in the management of public funds for education. There is no fiscal impact related to SB 858 in the 2015-16 fiscal year.

District: Chico Unified School District
CDS #: 04-61424

2015-16 Budget Attachment

Substantiation of Need for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves

Education Code Section 42127(a)(2)(B) requires a statement of the reasons that substantiate the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for economic uncertainties..

Combined and Unassigned/Unappropriated Fund Balances (Resources 0000-1999, Objects 9780, 9789 and 9790)			
Form	Fund		2015-16 Budget
01	General Fund/County School Service Fund	Form 01	\$17,492,517.00
17	Special Reserve Fund for Other Than Capital Outlay Projects	Form 17	\$0.00
Total Assigned and Unassigned Ending Fund Balances			\$17,492,517.00
District Standard Reserve Level			3%
Less District Minimum Recommended Reserve for Economic Uncertainties			\$3,488,233.00
Remaining Balance to Substantiate Need			\$14,004,284.00
Substantiation of Need for Fund Balances in Excess of Minimum Recommended Reserve for Economic Uncertainties			Amount
Fund	Descriptions		
01	Revolving Cash		\$25,000.00
01	Stores Inventory		\$130,342.00
01	Prepaid Expenditures		\$184,812.00
01	Additional 2% Board Reserve		\$2,325,488.00
01	Unrestricted Programs Carryover Budgets		\$686,664.00
01	One-time Money Proposed in Governor's May Revise		\$6,654,188.00
01	Restricted Programs Carryover Budgets		\$1,453,102.00
	Insert Lines above as needed		
	Total of Substantiated Needs		\$11,459,596.00
	Remaining Unsubstantiated Balance		\$2,544,688.00