

2016-2017 Final Budget

California's economy remained steady throughout 2015-2016 which has allowed for a positive economic environment. Some provisions of Proposition 30 will expire during this current fiscal year of 2016-2017. As a result, there is a proposition (Prop 55) on the November ballot that will make changes to the remaining provisions hoping to increase the income tax revenues for the State. If this proposition passes it should reduce cuts that would need to be made to schools as the sales taxes portion of the law expires.

In June, the Governor signed a conservative budget that is again favorable to schools. While it is not as generous as the 2015-2016 Budget, it is still strong. The Governor continues to include money being set aside in the Rainy Day Fund to guard against expected downturns in the economy. The UCLA lead economists are forecasting continued economic prosperity based on a number of factors. However, the State revenues have begun to show signs of weakening. The Governor has continued to be consistent with his conservative nature. The Governor has continued to focus on paying down debt, protecting against boom and busts cycles and focusing new money on education, especially in the area of Strong Workforce Development.

The State Approved Budget includes the following for College of the Siskiyous:

Expected on-going funding:

- COLA - None
- 2% growth - \$598,610 (4.18% is allowable for COS)
- An increase of \$200,000 in general operating funds

Categorical programs:

- Restoration of CalWorks
- No changes to Student Equity or Student Success and Support Programs

One-time funding streams anticipated:

- \$347,500 to pay down mandates
- \$466,295 for deferred maintenance, instructional equipment and drought resistance
- \$105,795 in Proposition 39 funding for energy efficiency projects
- A small increase in Basic Skills funding, however a change in how this will be allocated in the upcoming year
- \$218,885 in Strong Workforce Program

A new proposal was included in the State Budget that would allow for back fill should property taxes fall short of the expected levels. This has been a provision for the K-12 system, but was never a part of the community college system. Should these funds not be needed for property tax backfill, they will come back to the Districts as additional mandated costs reimbursements. While all of this has very positive effects for the District, it is important to be prudent in how we approach the use of these funds. So what is included in the general fund budget? It includes a 14% ending fund balance as part of a balanced budget.

Revenues:

- FTES remaining at 2,818.84 (no growth)
- No COLA
- Increase in the base allocation funding
- Pay down of mandated cost backlog
- No deficit factor applied

Expenditures:

- Increase in STRS (12.58%) and PERS (13.888%) rates
- Step and Column increases
- Fully fund the ARC (annual required contribution) for Retiree Health Benefits with an additional \$100K deposited in the trust

In 2015-2016 the District included a line item of \$500K in fund balance section as reserve for future planned spending. The District needed some additional time to evaluate how we spend this additional funding. The District did transfer and use \$200,000 of that line item. The remaining \$300,000 is again included in the Budget for future planned expenditures. We will hopefully be able to capture some growth funding although we have not included that in our revenue projections. We again, have so many opportunities available to make the District even better for our students.