

2015-16 Adopted Budget

06/23/2015
Public Hearing

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Key Assumptions - May Revise

- State's actual revenue substantially over previous projections
- Continued dedication to funding restoration
 - Provides \$6 billion more for Education / Prop 98
 - LCFF Gap Funding 53.08% (new estimate updated by Legislature to 51.52%)
- Continued focus on fiscal stability
 - One-time unrestricted Mandated Costs claims liability payoff (suggested for STRS/PERS and CCCSS) . . . becoming the trend, but volatile
 - \$1.9 billion to the State's Rainy Day Fund

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Impact on 2015-16 Funding for EUSD

- LCFF (State)
 - 1.02% COLA added to Statewide Target
 - 53.08% GAP
- One-Time Mandated Costs (State)
 - \$601 per ADA
- EUSD - \$1.6 million
 - 7.2% increase in LCFF revenue
 - 10.3% increase per ADA (\$671)
 - \$7,897 average target
 - \$7,318 average funded
 - Blended K-3,4-6,7-8
 - Includes Supplemental 20%
 - Includes “CSR” \$737

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Impact on 2015-16 Funding for EUSD con't . . .

- One-Time Mandated Costs (State)
 - \$601 per ADA
- EUSD – \$1.9 million
 - Unrestricted
 - New Expenses not budgeted
 - Temporarily adds to Reserve
 - Helps to pay for
 - STRS/PERS increases
 - Salary increases
 - LCAP implementation

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Multi-Year Projection

- Positive Certification -
 - Projected 22% Reserve in 2015-16
 - Projected 15.1% Reserve in 2016-17
 - Projected 10.1% Reserve in 2017-18 (certif basis)
 - Projection 3.8% Reserve in 2018-19
- Factors Affecting Reserve
 - PERS/STRS rate increases \$300,000 per year
 - Increase costs of LCAP and negotiated salary increases
 - Substantial and fluctuating one-time funds

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Consideration of Priorities

- LCAP
 - Maintain current programs -- instructional, operational, and facilities
 - Restored services previously reduced -- primarily support programs
 - New/Improved Services – primarily instructional programs
 - Proportional funds required to be spent on F/R, EL, F/Y students
- CCCSS
 - Ongoing implementation costs
 - Professional Development and Resources (textbook adoptions)
 - Technology (upgrades/replacements/maintenance)
- EMPLOYEE COMPENSATION - Ongoing Increases
 - Need for recruitment, retention and recognition of highly qualified employees
 - Statutory increases to STRS/PERS (e.g. 1.85% each year going to STRS)
 - Step/Column – rates tend to increase when long-term employees retire

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Excess Minimum Reserve

● Disclosure is a new requirement-EC42127

• \$190,184.00	Site Staff Accounts (13-14 EFB)
• \$1,720,253.00	Deferred Maintenance Reserve (14-15 estim EFB)
• \$400,000.00	IMFRP Textbooks for 16-17 purchase of Social Studies tentative adoption in 17-18
• \$400,000.00	IMFRP Textbooks ongoing contribution for future textbook adoption cycles (2 year contribution @ \$200,000)
• \$984,807.00	Reserve 1 Year LCFF Gap Funding per PCOE and SSC recommendations (based on 4 year average)
• \$300,000.00	Bus Replacement Contributions
• \$185,427.00	LCAP - future implementation of World Language school day program
• \$400,000.00	LCAP - ongoing contribution for Technology Replacement Plan (2 year contrib @ \$200,000)
• \$920,705.55	Board Fund Balance Policy requiring available reserves to respond to unanticipated emergencies, state funding shortages/deferrals, avoidance of outside borrowing, future additional LCAP provisions, increased salary/benefit costs including STRS/PERS, step/column, and future negotiated increases) - COVERAGE OF DEFICIT SPENDING
• \$523.00	Minimal balance to maintain open Fund 17
• \$5,501,899.55	
• \$0.00	Remaining Unsubstantiated Balance (should = 0)