



# 2015-16 BUDGET OVERVIEW

JANUARY 27, 2015

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# AGENDA

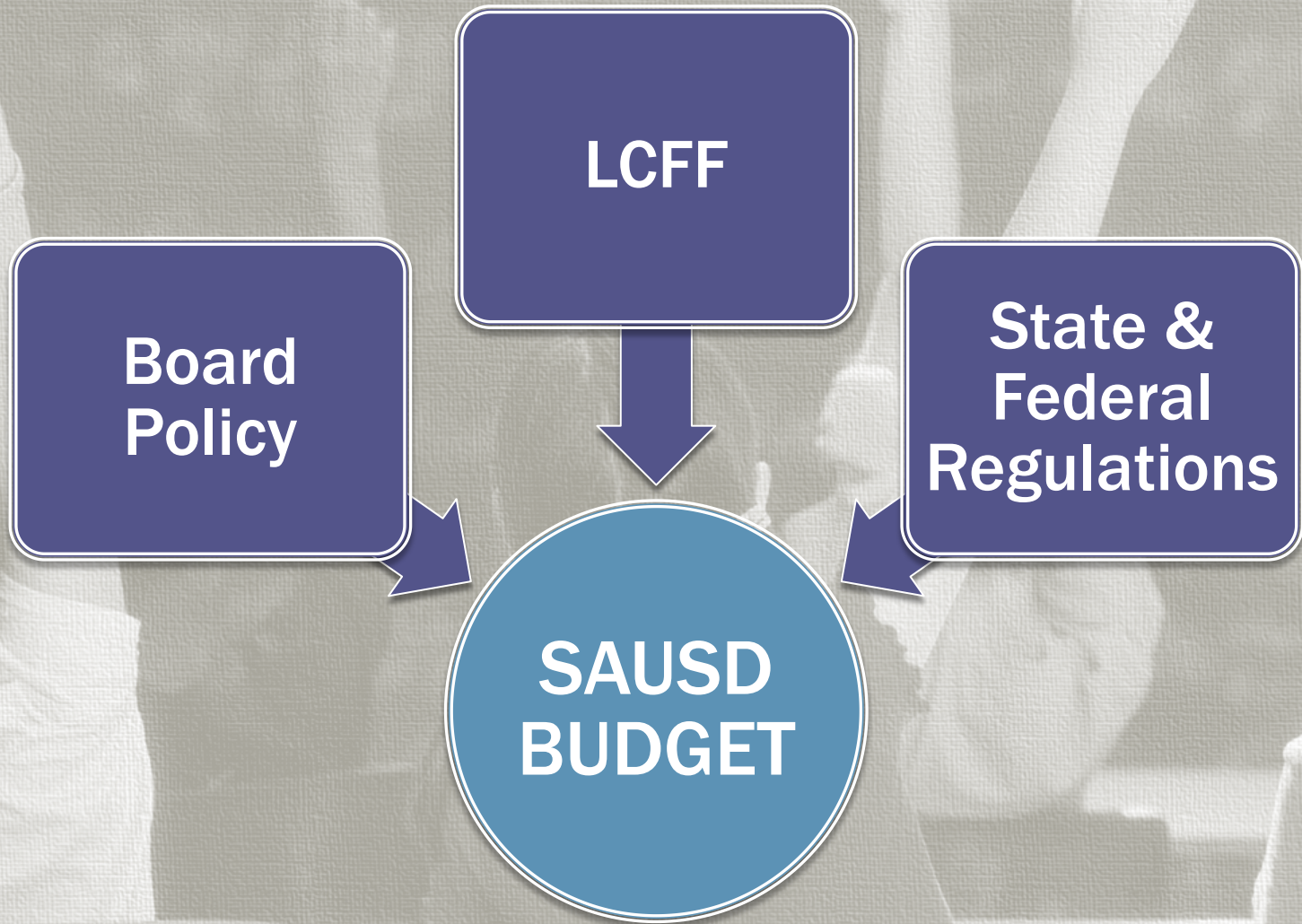
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- **Budget Overview**
- **Budget Development Process**
- **Governor's 2015-16 January Budget Proposal**
  - ▣ **LCFF Funding**
  - ▣ **Other Programs**
- **Ongoing Expenditure Pressures**
- **Budget Development, LCAP, and Next Steps**



# BUDGET DEVELOPMENT FRAMEWORK

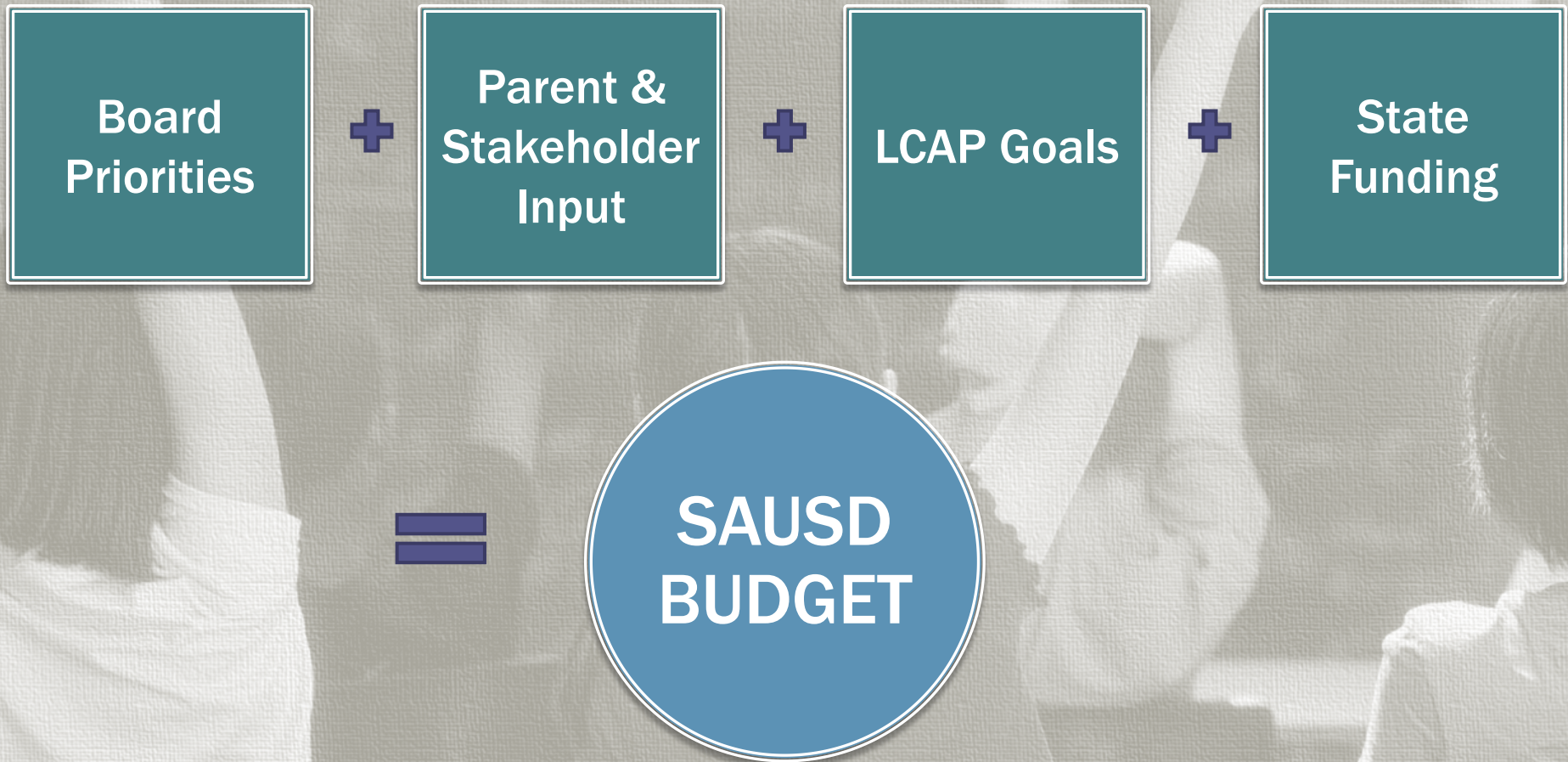
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# BUDGET DEVELOPMENT PROCESS

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# INTERIM REPORTS & YEAR-END AUDIT

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## □ Interim Reports

Snapshot of financial status based on most current information



Big Idea: Fiscal solvency projected over 3 years

**Positive – Qualified – Negative**

## □ Year End Audit

Year end review and testing of processes and compliance



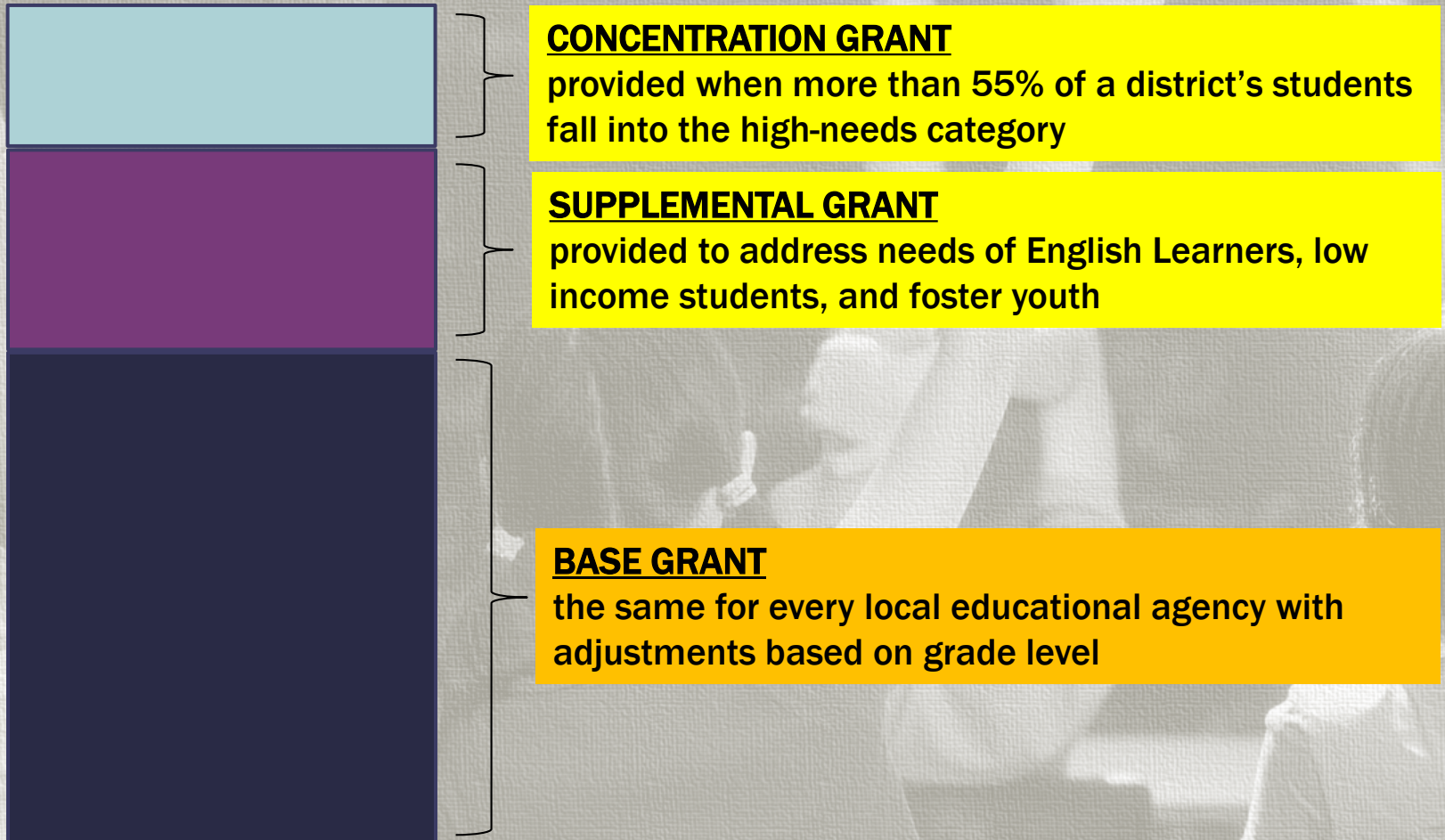
Big Idea: Fairly and materially represented financial statements

**Unqualified audit opinion**



# STATE FUNDING: LCFF REVIEW

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# GOVERNOR'S JANUARY BUDGET PROPOSAL

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- **Funding for Adult Education/CTE**
- **Elimination of remaining deferrals (one-time)**
- **Prior year repayment for past mandate claims (one-time)**
- **LCFF Funding**



# LCFF GAP FUNDING FOR 2015-16

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- **Governor proposes increased gap funding from 20.68% to 32.19%**
- **Base Grant funds – align to LCAP goals that serve all students**
  - Includes COLA of 1.58% on the target
  - Includes add-on funding for specific purposes
    - K-3 CSR (implementation based upon current collective bargaining contract)
    - CTE add-on 9-12
- **Supplemental and Concentration Grant funds – align to LCAP goals that service identified students**
- **Assumptions will be included in the 2<sup>nd</sup> Interim Budget Report**



# ONGOING EXPENDITURE PRESSURES

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- Multiple external increased expenditures impact the operating budget that must be incorporated into the multi-year projection

<b>STRS/PERS Employer Contributions</b>	<b>Declining enrollment</b>
<b>Health &amp; Welfare increases</b>	<b>Increased Technology requirements/infrastructure (E-rate sunset)</b>
<b>Affordable Care Act (ACA)</b>	<b>Common Core implementation</b>
<b>Other Post Employee Benefits (OPEB)</b>	<b>Textbook curriculum adoptions</b>
<b>AB1522 (Sick Leave)</b>	<b>Smarter Balanced (SBAC) Assessments</b>
<b>Increased caseload/Special Education costs</b>	<b>Implementation of LCAP Goals</b>
<b>Loss of ROP Revenue</b>	<b>Expiration of temporary taxes at the State level (revenue impact) 2015-16/2017-18</b>



# NEXT STEPS – LCAP AND BUDGET

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**January 27, 2015 (Tonight)**

- **Governor's January Budget Proposal**

**March 2015**

- **LCAP Update to the Board and Second Interim Report**

**May 2015**

- **LCAP Update to the Board**

**June 2015**

- **LCAP and Budget**



# QUESTIONS?

