3/8/2016

BERKELEY UNIFIED SCHOOL DISTRICT

STATE OF THE BUDGET

THEMES FROM JANUARY 2 GOVERNOR’S BUDGET

The Governor continues to stabilize funding and programs in all
areas of the State Budget

Completing repayment of the education Maintenance Factor
(back to 2007-08 levels including funding prior and current Cost
of Living Adjustments (COLA) by 2015-16, as projected

* Economic growth is much stronger than in past years, but Governor Jerry Brown highlights the risk of recession

The Local Control and Accountability Plan (LCAP) remains a

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PREPARING FOR THE SLOWDOWN

The growth in education funding has been fueled by three major factors, all of which could change during 2016-17:
The Proposition 30 temporary taxes
• Growth in the economy
• Repayment of the Maintenance Factor
At full implementation, each district will receive only cost-of-living adjustment (COLA) increases to its LCFF funding each year
• COLAs over the next few years are estimated to be in the 2% to 3%
range
• If those COLA projections come to

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STATE OF THE DISTRICT BUDGET

2015-IS Positive ceftiflcation, 3% state required reserve has been met

The District has received $6.5 million in one-time funds which has helped support one-time needs and provide a healthier ending fund balance.

The District is deficit spending by $3.5 million in 2016-17, however, most of the deficit spending is to spend reserves for planned purposes such as common core implementation $1.1 million, program support $2 million and salary bonus $2.5 million.

The District’s current ongoing revenue is limited and the District is projected to be slightly deficit spending on an ongoing basis. The District budget priorities proposed
for 2016-17 could place the District into a $300,000 to $500,000 ongoing deficit.

The District will be better able to evaluate the State of the District’s Budget after the 2016-17 budget is actually loaded and the Governor’s May Revision is available.

The District has invested funds in ongoing ($13.3 million) and one-time needs (12.6
million) over the last four years.

STATE OF THE DISTRICT BUDGET 6

The budget should be closely monitored to ensure that the structural deficit does not
grow to a level where major reduction have to be made or reserves are quickly
exhausted.

The implementation of common core, although one-time in the projections. is about $1.2 million a year and has not been reserved for 2017-IS. Salary increases have also not been negotiated for 2017-la, STRS and PERS cost are increasing annually at about $1 million a year.

This focus of this presentation is the State of the District’s base grant funds (general funds) which are only part of the budget. Other restricted funds and resources such as supplemental grant funds for targeted students, special Education budget, SSER Categorical budget, Child Development, Cafeteria, Adult Education and more are not included in this presentation.

Over the last several years, the District has provided improved and increased services for $4.3 million annually for targeted students using supplemental grant funds.

The proposed budget process for Supplemental Grant funds supported

2011-12 2012-13 2013-14 201415 2015-16

CBEDS 9451 9,441 9,585 9,839 9,852 Enrollment October
Change in Enrollment (192) (10) 144 254 13

Second Period (P-2) 8,947 8,905 9,133 9,350 9,370

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GENERAL FUND REVENUE $139 7 MILLION (15-16)

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LCFF REVENUE CALCULATIONS

AND PROJECTIONS

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ONE TIME

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QUESTIONS AND ANSWERS

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