

2015-16 Adopted Budget

June 23, 2015

- Positive economic activity
- Improvements to Prop 98 commitments
- Impact on YCJUSD
- Parameters and factors
- Outlook 2015-16 and next two years
- Summary and recommendation

Economic Recovery



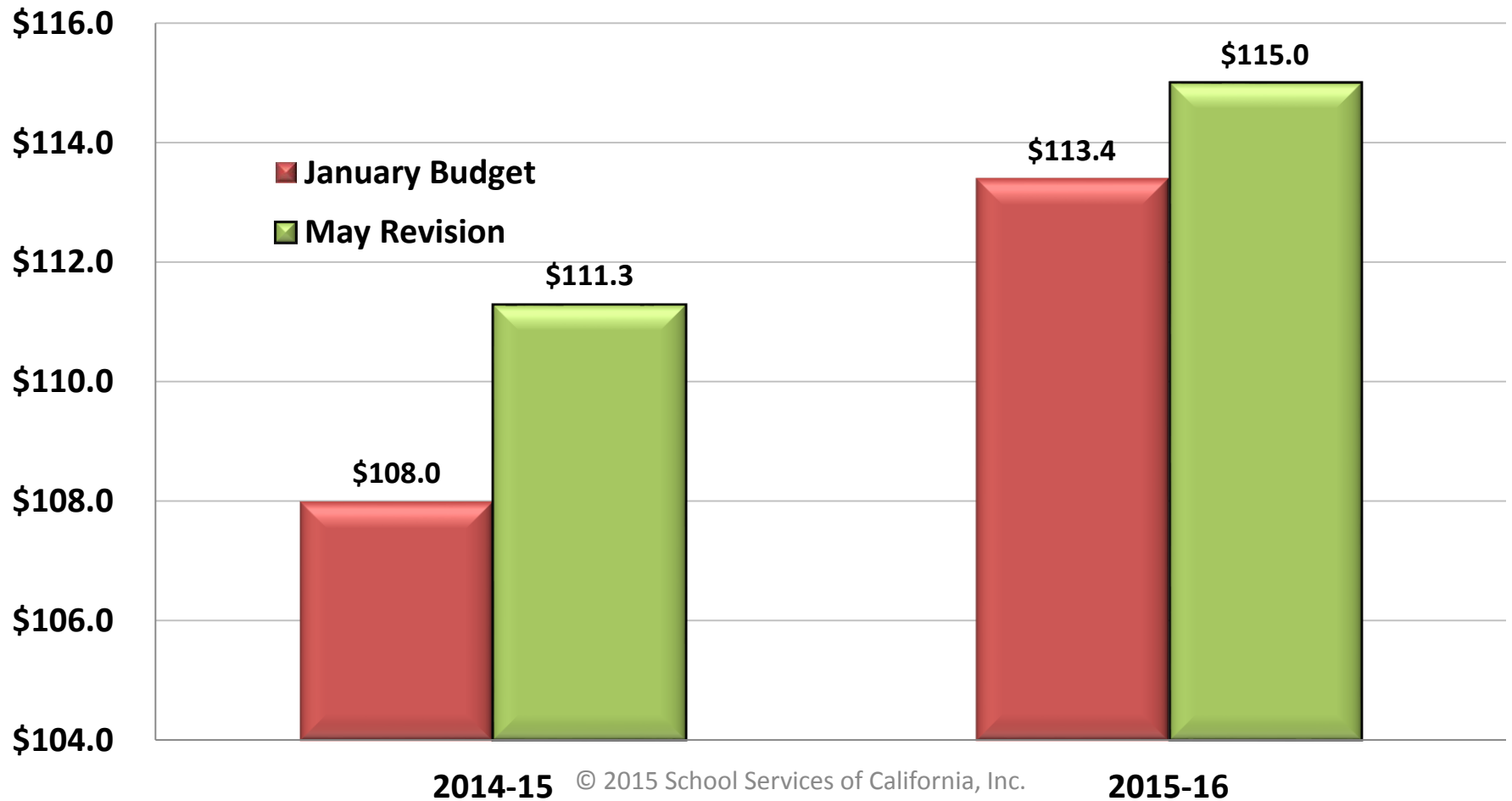
- Economic activity is up
 - Trade imbalance continues
 - Strong dollar
 - Weather/Mother Nature
- Stronger job growth
 - Quantity vs quality
 - Geographically uneven
- Lower oil prices
 - Global decline in prices not entirely felt at the pump
- Real estate prices continue to climb
 - + Increased assessed value
- Stock market upward trend
 - + Capital gains

State revenues are strong

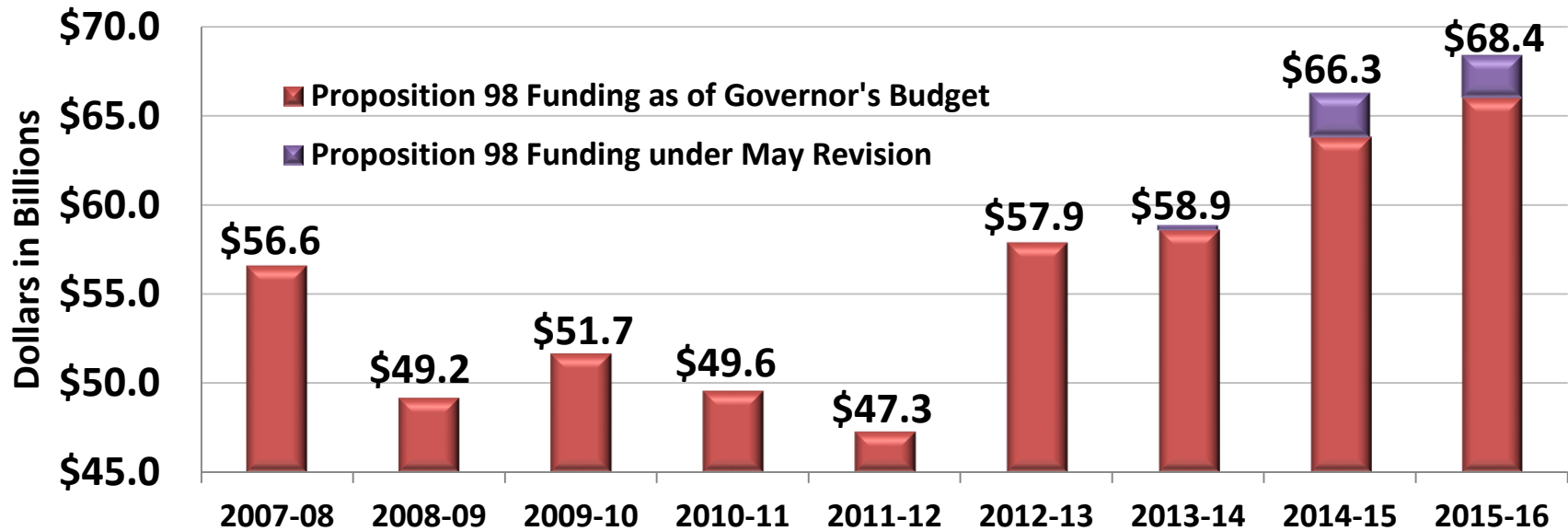
- More money for Prop 98
- Prop 30 phase out

State General Fund Revenues 2015-16

(In Billions)



Prop 98



Increases Prop 98 by \$21.1B since 2011-12

- \$6.1B in 2015-16 for LCFF/Closure of gap
- \$3.1B in 2014-15
 - Treated as one-time

Benefits to YCJUSD

2015-16

Year	Gap	% Closure	GAP Funding Amt	Funds Received(a)
2013-14	\$20,181,694	12.00%	\$2,421,803	\$1,403,484
2014-15	\$18,084,766	29.97%	\$5,420,004	\$5,298,952
2015-16	\$13,414,293	53.08%	\$7,120,307	\$7,121,303
2016-17 (p)	\$7,257,789	37.40%	\$2,714,413	\$1,775,519
2017-18 (p)	\$6,361,013	36.74%	\$2,337,036	\$1,885,787

- Gap Closure (\$7,120,000)
 - + Increase or improve services to students (LCAP)
 - + Afford salary commitments
 - + Less reliant on potential cuts, reconfigurations, one-time sources and/or reserves
 - + Significantly improves cash supply
- One-time augmentation --- \$4,700,000 to YCJUSD
 - + Conduct facility repair
 - + Enhance safety and security
 - + Procure textbooks
 - + Improve technology infrastructure
 - + Address CCSS needs
 - + Pay off debts

Other Parameters

2015-16

- Gap closure & one-time augmentation
- Enrollment trend
 - Expansion of other local LEAs
 - + Housing developments
- Salary advancements
- CalSTRS & CalPERS employer rate hikes

Schedule of Rate Increase		
FY	STRS	PERS
13-14	8.25%	11.44%
14-15	8.88%	11.77%
15-16	10.73%	11.85%
16-17	12.58%	13.05%
17-18	14.43%	16.60%
18-19	16.28%	18.20%
19-20	18.13%	19.90%
20-21	19.10%	20.40%

2016-17 & 2017-18

- Tapering of Prop 98
 - Sunset of Prop 30
 - Complete restoration of Prop 98 MOE
- Escalation of pension employer rates through 2020-21
- Enrollment trend

Year	Estimated Statutory COLA
2016-17	1.60%
2017-18	2.48%
2018-19	2.87%
2019-20	2.50%

Level of Services

- Educate 8,889 students
- Maintain 25:1 K-3 CSR
 - 2,519 students
 - 107 classes
- Serve 1,275 students with IEP
 - 23 buses/routes transporting 221 students
- Employ 431 (FTE) teachers, 284 (FTE) classified personnel and 49 administrative personnel
 - Provide benefits to 84 retirees



Financial Outlook

General Fund (Estimates)			
	2015-16	2016-17	2018-19
Beginning Balance	\$6,086,237	\$6,797,983	\$5,977,495
Revenue	\$80,974,597	\$77,973,975	\$79,988,231
Expense	\$80,262,851	\$78,794,463	\$82,106,527
Ending Balance	\$6,797,983	\$5,977,495	\$3,859,199

Components of Ending Balance			
Revolving Cash & Stores	\$104,079	\$110,000	\$110,000
3% Economic Uncertainty	\$2,433,575	\$2,370,000	\$2,463,502
Unused Vacation	\$205,000	\$205,000	
Budget Stabilization	\$2,585,000	\$1,907,933	
Site & Dept Carryover	\$593,959	\$593,959	\$593,959
Restricted	\$876,370	\$790,602	\$691,738
Total	\$6,797,983	\$5,977,494	\$3,859,199

Maintain Positive Certification

Summary and Recommendation

Good budget -- realistic appraisal of revenue and expense anticipated

- Maintain level of services and Positive financial certification
- Less robust revenues beginning in 2016-17
 - Rapid gap closure
 - Prop 30 sunset and ramp down of State augmentations
 - Enrollment trend
- Increases in pension taxes hampers progress
- No on-going set aside for DM and Text books

Recommendation: Approve 2015-16 Budget