

PARAMOUNT UNIFIED SCHOOL DISTRICT

2015-16

First Interim Report

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State Budget

- The Administration will provide its economic forecast and financial plan for the state on January 8, 2016
- The release of the Governor's Budget Proposal for 2016-17 begins the process for legislative consideration of the budget
- The budget provides critical information for school districts budgets
- Proposition 30 temporary taxes begin to expire in 2016 How will the Governor respond?

State Budget

- The 2016-17 Budget will also be impacted by whether or not the state chooses to revise its projections upward to reflect the more optimistic economic forecasts provided by the Legislative Analyst's Office

First Interim Assumptions

- Slight decrease in LCFF revenue from Adopted Budget

	2015-16	2016-17	2017-18
LCFF Funding – Adopted Budget	\$146,033,656	\$151,745,407	\$156,233,032
LCFF Funding – 1 st Interim	\$146,021,150	\$151,306,908	\$155,664,863

- Slight decrease in GAP % from Adopted Budget

	2015-16	2016-17	2017-18
LCFF Funding – Adopted Budget	53.08%	37.40%	36.70%
LCFF Funding – 1 st Interim	51.52%	35.55%	35.11%

First Interim Assumptions

Salary and Fringe Benefits

- Includes salary enhancements of 5%
- District's health & welfare cap increased to \$13,923
- Includes STRS & PERS rate increases

Enrollment (excluding NPS students)

- District enrollment decreased by 373 students in 2014-15
- In 2015-16 enrollment only decreased by 13 students

Rate of Attendance

- The District's goal for rate of attendance is 97%, although the District budgets at 95%
- In 2014-15 at P-2 the District's rate of attendance was 97.5%
- As of the third month of attendance reporting the rate of attendance is 97%

Multi Year Projections - Unrestricted General Fund

	2015-16	2016-17	2017-18
Revenues	\$148,993,506	\$154,279,264	\$158,637,219
Expenditures	\$137,968,305	\$136,668,062	\$138,512,152
Other Financing Uses	\$1,495,000	\$1,542,000	\$1,577,000
Contributions (Encroachments)	\$(19,115,097)	\$(19,120,000)	\$(19,229,285)
Net Change in Fund Balance	\$(9,584,896)	\$(3,050,798)	\$(681,218)
Beginning Fund Balance	\$22,961,923	\$13,377,027	\$10,326,229
Ending Fund Balance	\$13,377,027	\$10,326,229	\$9,645,011

Multi Year Projections – Unrestricted General Fund

- Components of Ending Fund Balance

	2015-16	2016-17	2017-18
Ending Fund Balance	\$13,377,027	\$10,326,229	\$9,645,011
Components of Ending Fund Balance			
• Revolving Cash	\$40,000	\$40,000	\$40,000
• Stores	\$300,000	\$300,000	\$300,000
• Education Protection Act (EPA)	\$2,527,757	\$0	\$0
• Reserve for Economic Uncertainties	\$10,509,270	\$9,986,229	\$9,305,011

Deficit Spending

- Deficit spending for 2015-16 is large primarily due to salary enhancements
- Deficit spending decreases in 2016-17 and 2017-18
- The one-time mandated cost revenues are not budgeted. Once revenue is received and budgeted 2015-16 deficit spending will decrease significantly
- Reserves will need to be increased to \$10,900,000 as established by the Board policy.

Summary

- The District's financial outlook is good
- Depending on who you listen to, the State's revenues are on target or better than projected
- On January 8, 2016, when the Governor releases his 2016-17 budget proposal the District will have more insight as to what is to come
- The question regarding the expiring taxes from Proposition 30 will be answered

Questions