



Budget Analysis

2016-2019

Galt Joint Union High School District
January 24, 2017



District Vision and Goals

All students succeed in college, career and civic life.

All students complete A-G course sequence and finish at least one CTE pathway.

All graduates achieve at 1300+ Lexile and all students grow 100 Lexile points annually.



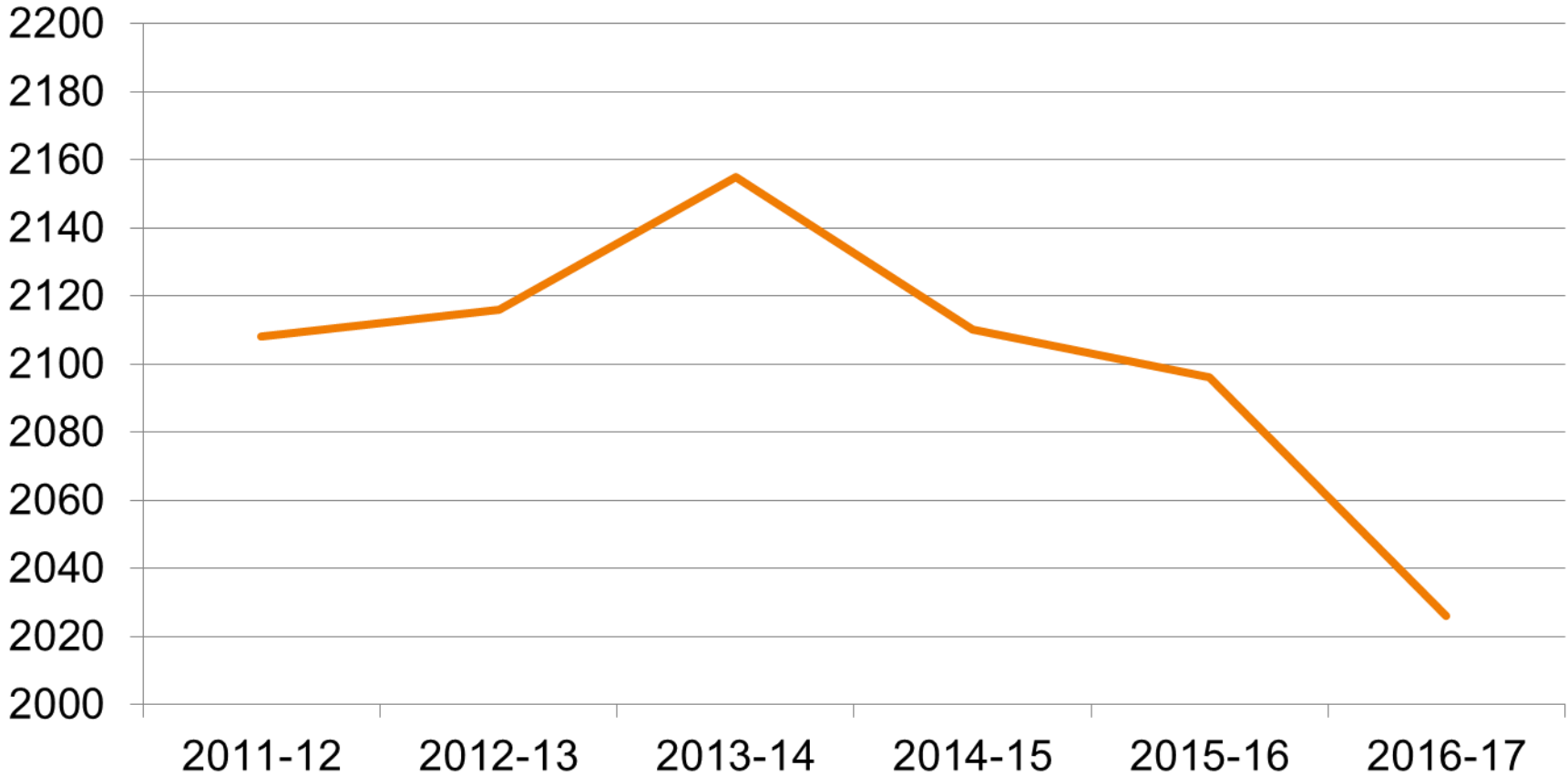
2015-2016 Budget Analysis

- **Beginning fund balance July 2015 = \$2,473,530**
- **Enrollment declined by 29 students from 2014-15 to 2015-16**
– Effect to ADA was less
- **Pension rate increase not included in the adopted budget MYP**
- **Staff salary increase given (2015-2017)**

Description	2015-16	2016-17	2017-18
Additional Funding (COLA, GAP, S&C, etc...)	2,232,100	1,082,000	779,500
Decrease in ADA – revenue loss	(349,800)	(127,500)	(616,500)
Increase in pension cost	(205,300)	(299,900)	(296,800)
Increase in salary costs [step & column, staffing, raise (15-16 & 16-17)]	(1,337,400)	(1,007,498)	(350,500)
Difference	339,600	(352,898)	(484,300)



ADA Trends



Loss of 129 ADA from 2013-14 to 2016-17
 $\$9,689.84 \times 129 \text{ ADA} = \mathbf{\$1,249,989.36 \text{ loss}}$



CALSTRS Rate Increase

- Employer rates increasing significantly annually
 - No specific funds are provided for this cost increase

Year	Employer	Pre-PEPRA Employees	Post-PEPRA Employees
2015-16	10.73%	9.20%	8.560%
2016-17	12.58%	10.25%	9.205%
2017-18	14.43%	10.25%	9.205%
2018-19	16.28%	10.25%	9.205%
2019-20	18.13%	10.25%	9.205%
2020-21	19.10%	10.25%	9.205%



CALPERS Rate Increases

- **The employer contribution to CalPERS is proposed to increase to 15.8% in 2017-18, up from 13.888% in 2016-17**
- **Estimates of the resulting future contribution rate increases for school employers are as follows:**

Description	2016-17 Actual	2017-18 Projected	2018-19 Projected	2019-20 Projected	2020-21 Projected
Updated Rates	13.888%	15.80%	18.70%	21.60%	24.90%
Rates @ 1 st Interim	13.888%	15.50%	17.10%	18.60%	19.80%
Difference	0%	0.30%	1.60%	3.00%	5.10%



1st Interim Summary

Description	2016-17 Unrestricted	2017-18 Unrestricted	2018-19 Unrestricted
Beginning Fund Balance	\$2,748,333	\$2,587,816	\$823,245
Budgeted Income	22,215,948	21,487,751	21,768,150
Total Budgeted Expenditures	22,376,465	23,252,322	23,901,155
NET INCREASE/DECREASE	(160,517)	(1,764,571)	(2,133,005)
Total Ending Fund Balance	2,587,816	823,245	(1,309,760)
3% Reserve	1,196,000	798,577	818,042
REMAINING ENDING FUND BALANCE	\$1,391,816	\$24,668	(\$2,127,802)



Current Financial Status

- **District is projecting a \$1.76 million deficit**
- **The deficit must be corrected now.**
- **Many districts throughout the state are experiencing deficits this year**



Why are we experiencing this deficit?

- **State revenue growth is slowing markedly**
 - Governor's proposed budget will increase our deficit
 - Possibility of recession
- **Declining Enrollment**
- **Pension costs are rising rapidly**
- **Overstaffing**
- **Ongoing cost increases and reduction of one time funding**



Significant Changes from 2016-17 to 2017-18

Revenues

- LCFF
\$162,900
- ROP Funds
(\$45,992)
- One-Time Mandate
(\$449,644)
- Contribution to RRM & MH
(\$209,952)

Expenses

- Step & Column + Statutories
\$350,460
- Pension Increase
\$296,784
- Reduction in Indirect Costs CCPT
\$534,270

Total Impact

- **\$1,724,202**
- These 7 items account for nearly 98% of our deficit in 2017-18



What have we done so far?

- **Passage of bond mitigated impact technology and facilities upgrades on general fund**
- **Restructured M&O leadership**
- **Restructured EHS**
- **Audited consultants and planned reductions**
- **Formation of a Budget Advisory Committee**



Budget Advisory Committee

- **Composed of :**

- 1 Parent from each site
- 1 Administrator from each site
- 1 Representative from each of the 3 Unions
- Superintendent
- Chief Business Official
- Director of Educational Services

- **Meeting Dates/Times**

- January 25, 2017 3:00-4:00PM
- January 30, 2017 4:00-6:00PM
- February 6, 2017 3:00-4:00PM



Timeline

- **Recommendations to the Board of Trustees by February 14, 2017**