ALAMEDA UNIFIED SCHOOL DISTRICT
Excellence & Equity For All Students

Governor's 2015-2016 Budget Proposal

27 January 2015

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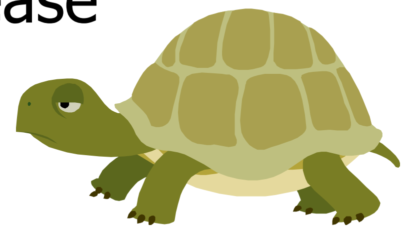
Business Services

US and California Economy

- US economic activity continues to improve
  - Stock market new highs
  - Real estate price gains
  - Low energy prices

- California with resurgent economic trends
  - Unemployment drops to 7.1%
  - Personal Income forecasted to increase
  - Inflation is forecasted to be flat
  - Exports are up

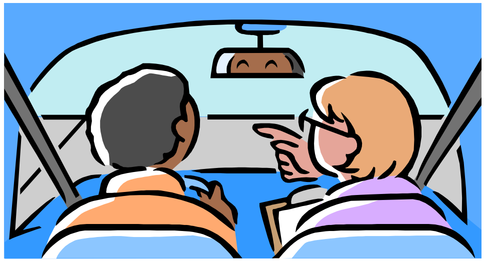


The Highlights…

- 2015-2016: **AVERAGE** 8.7% increase per ADA, but each school district will vary
- Gap amount at 32.19%; 58% of the full LCFF funding gap closed
- COLA at 1.58%
- Deferrals eliminated
- $1.1B one-time money
- Adult Education and Career Technical Education positive

Outside Drivers with Potential Impact on Final Budget

- Other programs request for State funding (in recession, education took the largest reductions)
- STRS/PERS continued increases
- Prop 30 Taxes ($7.9B) expiration – temporary means temporary
- Prop 2 - Rainy Day Fund
- Affordable Care Act (ACA)
- Negotiations
- Deferred Maintenance



Multi-Year Projection (MYP)

- "cautiously positive" and "be conservative"
- Facilities needs, deferred maintenance, routine maintenance, and State bond
- STRS/PERS continued increases to 2020-2021
- Budget volatility- "Volatility is the enemy of stability."
  - The LCFF Gap rate
    - May 2014: 30.39%
    - July 2014: 20.68%
    - Jan 2015: 32.19%

Multi-Year Projection (MYP) (continued)

- Prop 30 (EPA) Funding 2015-2016 last full year
- Measure A Parcel Tax sunsets, with final year of funding 2017-2018
- Forecasted economic downturn as decade closes
- Prop 2 and SB 858 impact of 6% reserve cap

Next Steps

- LCFF Calculator update and impact on AUSD
- 2nd Interim Report – March 10, with MYP
- LCAP progress and impact on budgetary needs to address "targeted community"
- Governor's May Revised Budget released mid May
- Final 2015-2016 AUSD Budget adoption June 23

Questions/Comments/Queries