

2016-17 PROPOSED BUDGET REPORT

PUSD *Budget Review Advisory Committee* (BRAC)

May 31, 2016

BRAC Process

- **5 meetings over 7 months**
- **Staff presented budget information**
- **Large and complicated budget – with regulation**
- **Zeroed in on one apparent budget issue**
- **Structural Deficit**

2015-16 Structural Deficit

• Revenue	\$ 353,162,800
• One-time State funding	(\$ 18,270,200)
• OPEB Reserve Xfer	<u>(\$ 1,251,600)</u>
• Adjusted Revenues	\$ 333,641,000
• Expenditures	\$ 346,077,000
• One-time State Funds	(\$ 2,773,700)
• <i>Carryover Adjustment</i>	<u>\$ 1,247,700</u>
• Adjusted Expenditures	\$ 344,456,000
• Structural Deficit	(\$ 10,815,000)

2016-17 Structural Deficit

• Revenue	\$ 357,034,500
• One-time State funding	(\$ 8,198,000)
• Lan System upgrade	(\$ 5,000,000)
• OPEB Reserve	<u>(\$ 1,251,600)</u>
• Adjusted Revenues	\$ 342,584,900
• Expenditures	\$ 376,026,100
• County comm. System	(\$ 1,400,000)
• Lan System upgrade	(\$ 5,000,000)
• <i>Carryover Adjustment</i>	<u>(\$ 8,618,200)</u>
• Adjusted Expenditures	\$ 361,007,900
• Structural Deficit	(\$ 18,423,000)

Note: a 70% increase in deficit over 2015-16

Deficit Increase

- **Revenues**

• 2015-16	\$ 333,641,000
• 2016-17	<u>\$ 342,585,000</u>
• Increase	\$ 8,944,000

- **Expenditures**

• 2015-16	\$ 344,456,000
• 2016-17	<u>\$ 361,008,000</u>
• Increase	\$ 16,552,000

- **Deficit Increase** (\$ 7,608,000)

2016-17 Expenditure Increases

Total Expenditure Increases	\$ 16,552,000
Annual Personnel Costs	<u>(\$ 8,902,000)</u>
New Expenditures	\$ 7,650,000

BRAC Recommendations

2016-17 Deficit \$ 18,423,000

- **Stop all new planned program expenditures in 2016-17 (i.e. Exploration program, growth staffing etc.).**
- **Reduce all non-required expenditures as quickly as possible.**
- **Start preparing a plan to bring the deficit in 2017-18 to Zero.**
- **December 1st Interim – qualified status**