



2011-12 Budget Book and Budget Update

Board Item # 10.3

**Board of Education
October 20, 2011**



Overview



- 2011-12 Budget Book
 - Available on-line September 7
 - Adopted Budget not revised budget
- 2011-12 Budget
 - “Trigger”
 - Use of Reserves
- 2012-13 Budget
 - Estimated Shortfall



2011-12 Budget Book



- Improvements Over Last Year
 - Going Green
 - Student Achievement Section
 - State testing
 - College entrance exams
 - Academic Performance Index (API)
 - Adequate Yearly Progress (AYP)



2011-12 Budget Book cont'd



- Comparative Analysis
 - Expenditures by year
 - Net ending balances
 - Comparisons to 21 similar districts
- School Site Budgets
 - Narrative
 - More detail
 - Categorical funds allocated

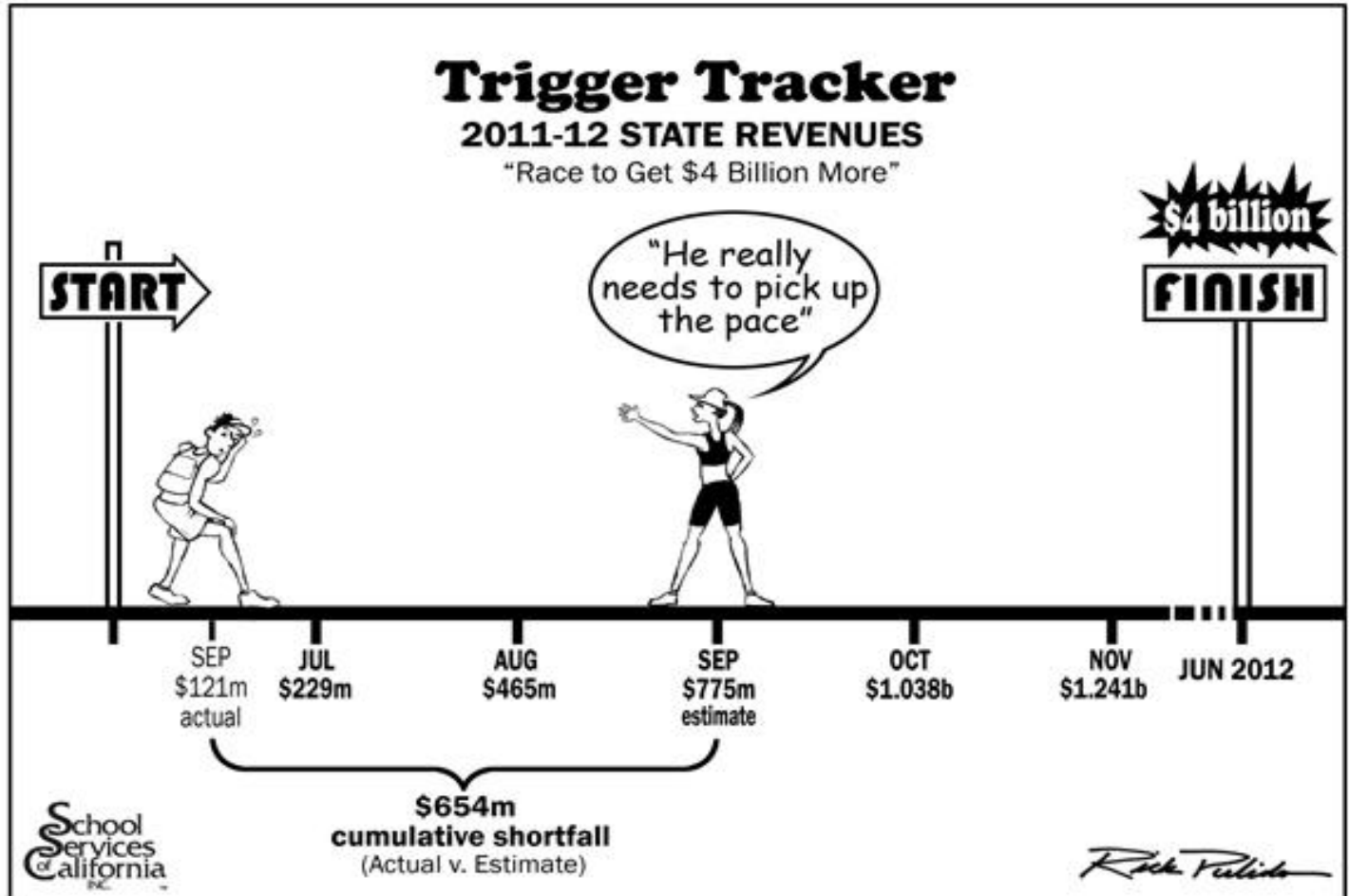


2011-12 Budget



- “Trigger” Potential
 - Less than \$2 billion below projection
 - No impact to K-12 education
 - More than \$2 billion below projection
 - 4% reduction to revenue limits
 - Sliding scale up to \$250 per ADA
 - 50% of transportation revenue
 - Potential \$10-\$12 million revenue reduction for our district

2011-12 Budget cont'd





2011-12 Budget cont'd



- Will the Mid-year “Trigger” Be Pulled?
- Opinions vary
 - State Controller’s Office, Department of Finance
 - Interpretation of information
 - September - \$654 million below projection
 - Personal income tax - up
 - Sales tax - down
 - Corporation tax - down



2011-12 cont'd



- Options if “Trigger” Pulled
 - Immediate spending/hiring freeze
 - Use all reserves
 - Including 2% required reserve for economic uncertainties
 - Negotiations with bargaining units
 - Shorter school year?
 - Additional furlough days?
 - Other?



2012-13 Budget



- Start Discussions and Planning Earlier
 - Revenue increases
 - Expenditure reductions
- Another Difficult Year



2012-13 Budget



- Revenue Reduction
 - Reduction in 475 average daily attendance/enrollment decline \$ 2.48m
 - Special Education \$.86m
 - Declining enrollment
 - Charters pulled out of Special Education Local Plan Area (SELPA)
 - Use of one time funds to balance 2011-12 (Federal Education Jobs, Planned One-time Carryover) \$10.31m

- Total Revenue Reduction \$13.65m



2012-13 Budget cont'd



- Expenditures
 - Step/Column/Attrition \$ 2.50m
 - Estimated 10% increase on Health & Welfare benefits \$ 6.04m
 - Furlough/Salary reduction agreements end June, 2012 \$ 3.07m

- Total Expenditure Increase \$11.61m



2012-13 Budget cont'd



- Revenue Decrease \$13.65m
- Expenditure Increase \$11.61m
- Total Estimated Shortfall \$25.26m

(Does not include any 2011-12 mid-year reductions if “trigger” pulled)



Next Steps



- Monitor mid-year actions for 2011-12
 - Decision by mid-December?
- Begin discussions with bargaining unit partners for 2011-12 (if needed) and 2012-13
- First Interim Financial Report as of October 31, 2011
- Second Interim Financial Report as of January 31, 2012