



Public Hearing and Adoption of Proposed Fiscal Year 2012-13 Budget for All Funds

Board Item #10.1

Board of Education

June 21, 2012



Summary of 2012-13 Budget Process

- December 8 Budget Timeline and Process for 2012-13 – Action
- December 14 2011-12 First Interim Financial Report – Qualified Status – Action
- January 12 2011-12 and 2012-13 Budget Recommendations and Reductions – Conference
- January/
February Parents, Students, Staff Surveyed
Five Community Forums



Summary of 2012-13 Budget Process cont'd

- February 2 2011-12 and 2012-13 Budget Recommendations and Reductions – Action
- March 15 2011-12 Second Interim Financial Report – Qualified Status – Action
- April 19 Budget Overview - Information
- May 17 2011-12 Third Interim Financial Report and Preliminary May Revise Update – Action
- June 14 Public Hearing and Action on State Categorical Program Flexibility – Action
- June 21 Approval of 2012-13 Adopted Budget



Board Approved Reductions to Balance 2012-13 Budget

- PARS Payments Charged to Retiree Benefits Fund \$ 3.740 M
- Reduce Contracts and Central Office Operating Budgets \$ 1.000 M
- Use Reserve for Retiree Benefits Unfunded Liability (One-time) \$ 1.000 M
- Reduce Central Office Staffing or Equivalent \$.500 M
- Five Furlough Days and Freeze Step Increases for Unrepresented Management, Supervisors, Confidential (One-time) \$.190 M
- 25% Reduction of Board Stipend for Calendar Year \$.008 M



Board Approved Reductions to Balance 2012-13 Budget cont'd

- Tier III Programs
 - Eliminate Adult Education \$ 2.90 M
 - Reflects elimination of revenue contribution
 - CAJ Ed Center to be self supporting
 - Eliminate Deferred Maintenance Contribution (One-time) \$.75 M
 - Needs will be compounded
 - Eliminate School Library Improvement Block Grant \$.72 M
 - Eliminates Librarians from middle schools
 - Eliminates literacy support at K-8 schools



Board Approved Reductions to Balance 2012-13 Budget cont'd

– Eliminate Arts and Music Grant	\$.57 M
• Eliminates Music Teachers	
– Reduce ROP by 5%	\$.08 M
– Reduce GATE program by 5%	\$.02 M
• Increase Class Sizes to Contract Maximum – K-3	\$ 4.79 M
• Eliminate 50% Custodial Staff	\$ 3.40 M
• Eliminate 50% Plant Managers	\$ 2.09 M



Board Approved Reductions to Balance 2012-13 Budget cont'd

• Eliminate Middle and High School Counselors	\$ 1.680 M
• Reduce Maintenance Staff by 20%	\$ 1.270 M
• Reduce Co-Curricular Support	\$.257 M
• Eliminate 50% Middle/High School Assistant Principals	\$ 1.130 M
• Eliminate Home-to-School Transportation	\$.981 M
• Eliminate Middle/High School Librarians	\$.820 M
• Closure of Freeport Elementary	<u>\$.442 M</u>
Subtotal	\$28.338 M



Additional Reductions to Balance 2012-13 Budget

- Approved/Pending agreements with bargaining unit partners should Governor's tax initiative not pass \$15.000 M

Grand Total Reductions Included in 2012-13 Adopted Budget **\$43.338 M**



General Fund Revenue Summary

• Beginning Fund Balance	\$ 10.525 M
• Revenues	\$347.436 M
• Transfers In	
– Charter School Fees	<u>\$.711 M</u>
Total Revenues	\$358.672 M



General Fund Summary

• Total Revenues	\$358.672 M
• Less Expenditures	<u>\$349.147 M</u>
Ending Fund Balance	\$ 9.525 M



General Fund Summary cont'd



Revenue Limit in General Fund

- Total Revenue Limit \$203.533 M
 - Includes reduction of \$441 per Average Daily Attendance should Governor's tax initiative not pass
 - Reduced by anticipated restoration of flexible transportation funding
 - Average Daily Attendance of 41,380 (11-12 P-2 ADA)



Federal Revenue in General Fund

• Special Education Entitlement	\$ 8.616 M
• Special Education Discretionary Grants	\$ 1.423 M
• No Child Left Behind	\$24.903 M
– Title I, Title II and Title III	
• Vocational Technology	\$.481 M
• Safe and Drug Free Schools	<u>\$.130 M</u>
Sub-Total Federal Revenue	\$35.553 M



Federal Revenue in General Fund cont'd

• Other Federal Revenue	
– Medi-Cal	\$ 1.796 M
– Smaller Learning Communities	\$ 1.751 M
– Project Thrive	\$.400 M
– Department of Rehab TPP	\$.192 M
– ROTC	\$.298 M
– Indian Education	\$.021 M
– Independent Living/ILP	\$.137 M
– Good Behavior	<u>\$.052 M</u>
Total Federal Revenue	\$40.200 M



State Revenue in General Fund - Restricted

• Special Education	\$ 22.524 M
• Special Education Transportation	\$ 2.868 M
• Economic Impact Aid	\$ 9.499 M
• Lottery	\$ 1.119 M
• After School Education/Safety	\$ 6.920 M
• Drug/Alcohol/Tobacco	\$.150 M
• Quality Education Investment Act	<u>\$ 5.051 M</u>
Sub-Total Restricted State Revenue	\$ 48.131 M



State Revenue in General Fund – Restricted cont'd

• Other State Revenue	
• Medi-Cal Activities	\$ 1.269 M
• Special Education Mental Health	\$ 1.831 M
• Special Education Workability	\$.362 M
• Foster Youth	<u>\$.276 M</u>
Total Restricted State Revenue	\$51.869 M



State Revenue in General Fund - Unrestricted

• K-3 Class Size Reduction	\$ 7.047 M
• Lottery	\$ 5.658 M
• Other State Revenue:	
– Tier III Revenue/Other	\$32.759 M
– Supplemental Hourly Programs	\$ 3.831 M
– STAR Testing	<u>\$.089 M</u>
Total Unrestricted State Revenue	\$49.384 M



State Revenue in General Fund

• Total State Revenue	
– Restricted	\$ 51.869 M
– Unrestricted	\$ <u>49.384 M</u>
Total State Revenue	\$ 101.253 M



Local Revenue in General Fund

• Interest*	\$.176 M
• Other Local Revenue	
– Charter School Fees/Leases/ Other Misc. Revenue	\$.984 M
– Multiple Pathways	\$.540 M
– California Endowment/Wellness	\$.449 M
– CHIPRA	\$.114 M
– PE Initiative	\$.057 M
– Special Education Local	\$.094 M
– GRIP Grant	\$ <u>.036 M</u>
Total Local Revenue	\$ 2.450 M

*Includes interest earned on Tax Revenue Anticipation Note (TRAN)



Expenditures Included in 2012-13 Budget

• Certificated Salaries	\$150.517 M
• Classified Salaries	\$ 44.745 M
• Employee Benefits	<u>\$ 96.655 M</u>

Sub-Total **\$291.917 M**

- 84% of Total Expenditures
 - Unrestricted Funding – 90%

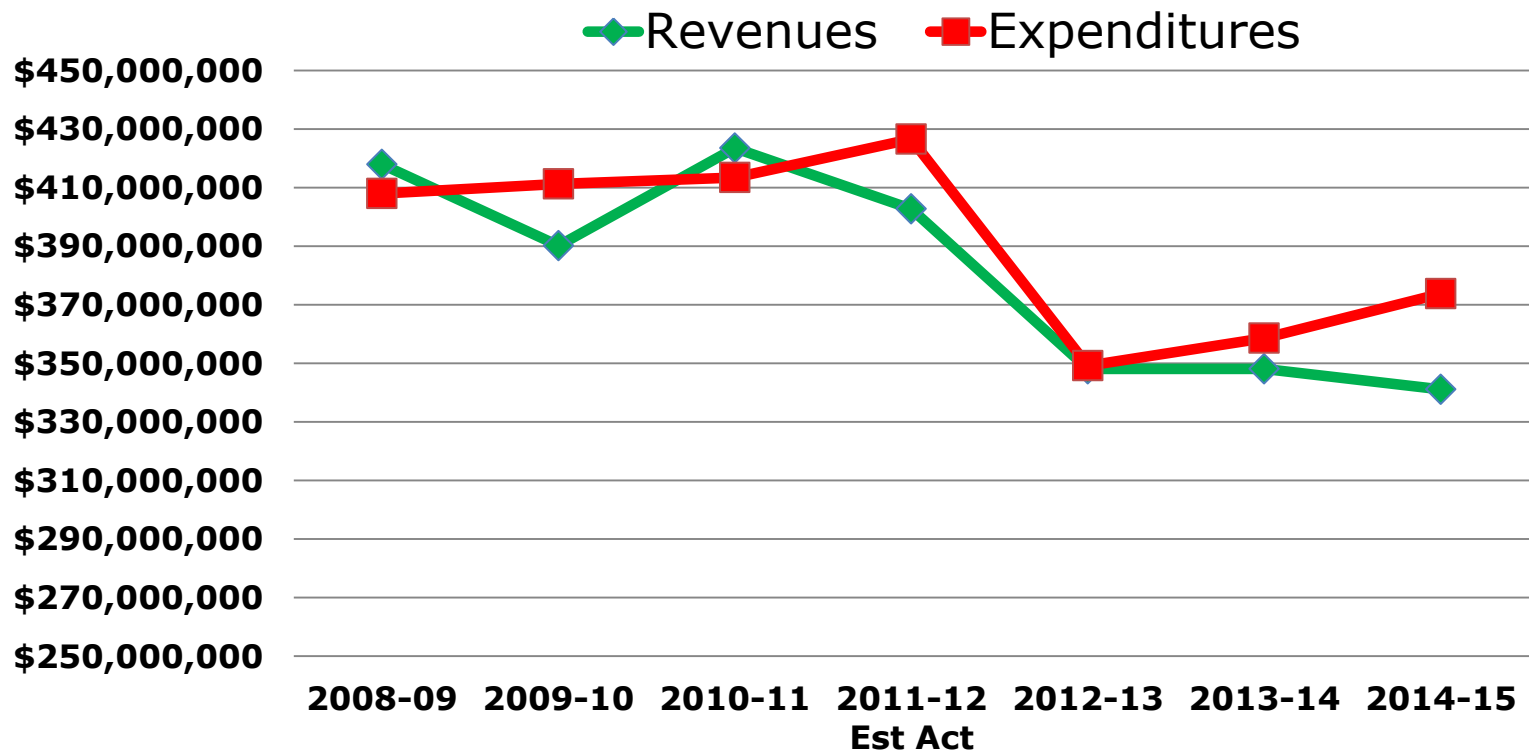


Expenditures Included in 2012-13 Budget cont'd

– Salaries/Benefits	\$ 291.917 M
– Books and Supplies	\$ 10.180 M
– Services/Other Operating Expenditures	\$ 46.071 M
– Capital Outlay	\$.240 M
– Other Outgo	\$ 2.125 M
• Debt Service Payment	
– Indirect Costs	<u>(\$ 1.386) M</u>
Total Expenditures	\$ 349.147 M



Deficit Spending (with no 2013-14 and 2014-15 reductions)

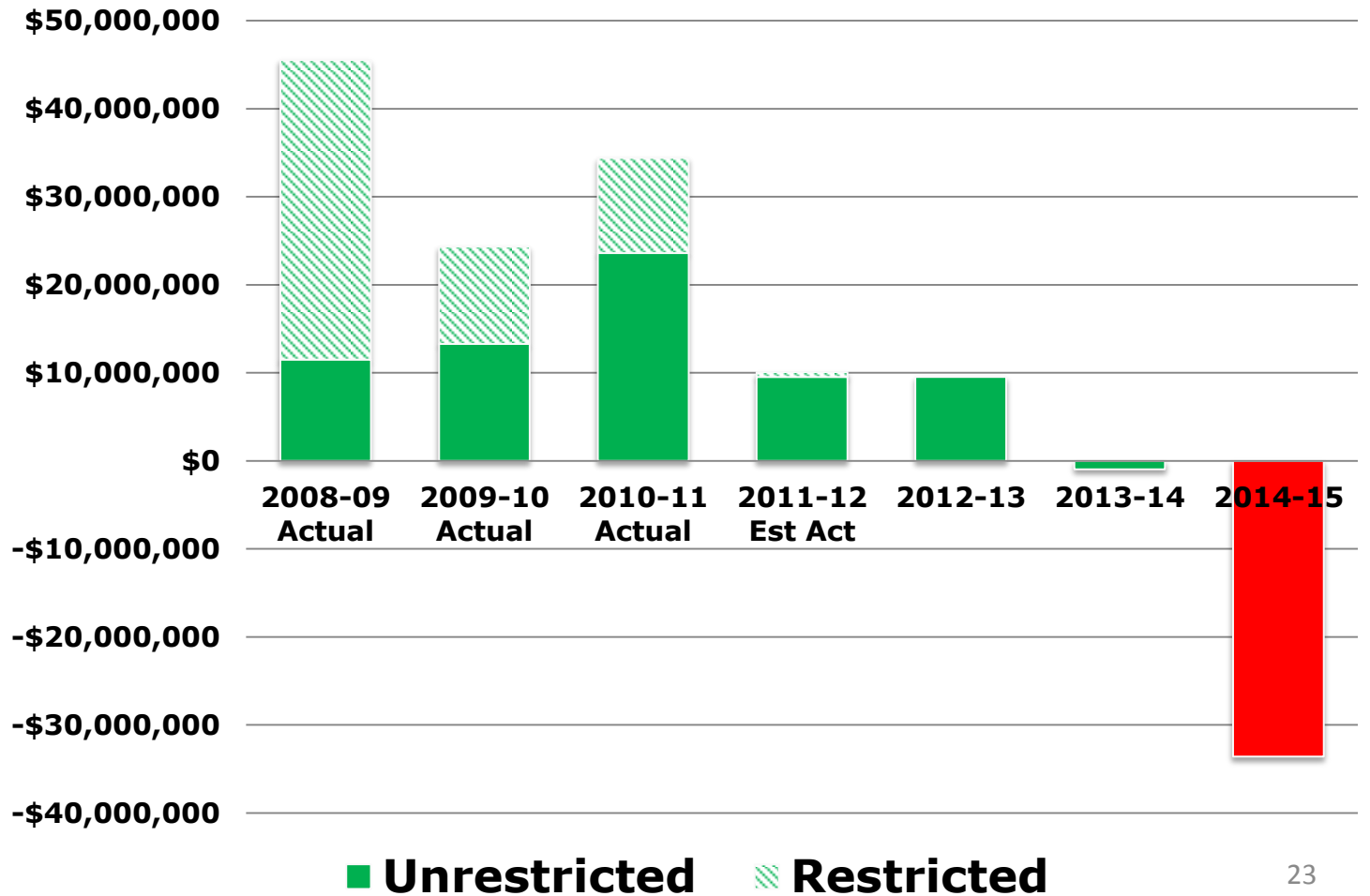


Green – Revenues and Interfund Transfers IN

Red – Expenditures and Interfund Transfers OUT



Fund Balance (with no 2013-14 and 2014-15 reductions)

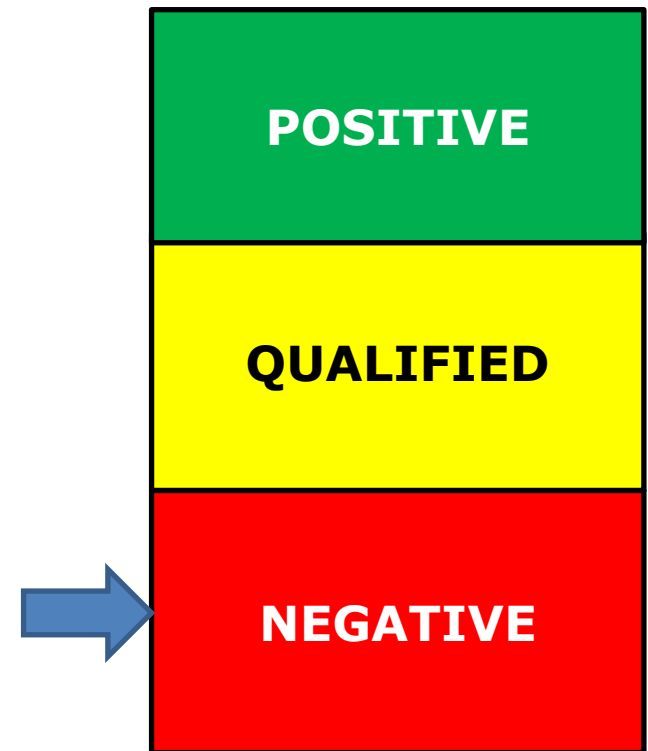


Fiscal Condition

For 2013-14, the district needs to reduce expenditures by \$10.5 million.

For 2014-15, \$32.64 million.

If the district does not take appropriate action, the district's fiscal condition would go to negative.





Next Steps

- Continue meeting with bargaining unit partners
- Complete and post budget document
- Continue to monitor State Budget
- Revise budget within 45 days of signed State Budget
- First Interim Financial Report as of October 31, 2012
- Analyze results of November Election
- Second Interim Financial Report as of January 31, 2013