



2010-11 Second Interim Financial Report

Board Item # 10.2

Board of Education
March 3, 2011



Overview

- Education Code Section 42130 requires report
- Provides “early warning system”
- District certifies Positive, Qualified or Negative
- Qualified certification submitted
 - May not meet financial obligations for current or two subsequent fiscal years



Assumptions



- 2010-11
 - Balanced at this time
 - State Funding Reserve to Help with 2011-12 Deficit
 - Federal Education Jobs Funds will carry over into 2011-12
 - No mid-year reductions planned at this time
 - Deficit Spending
 - Use of one time funds



Assumptions con't



- 2011-12
 - Maintain same level of Average Daily Attendance as revised 2010-11
 - Projected \$349 per ADA reduction in state revenue
 - Step and Column cost increases
 - Health and Welfare cost increases
 - Recover from one-time funds used to balance 2010-11



Assumptions cont'd



- 2011-12
 - Fund Strategic Plan Initiatives
 - Maintain 2% Reserve for Economic Uncertainties
 - Recommended Budget Reductions
 - Included in Multi-Year Projection



Assumptions con't



- 2012-13
 - Maintain same level of Average Daily Attendance
 - 1.9% COLA on Revenue Limit
 - Step and Column cost increases
 - Health and Welfare cost increases
 - 5% Salary Reduction for 2011-12 Only
 - 2% Reserve for Economic Uncertainties requirement not met



Next Steps

- Board Approval of Certificated Lay Off Notices by March 15
 - Education Code Deadline
- Continue dialog with Sacramento County Office of Education
- Continue to Analyze State Budget Information
- Continue to follow the approved budget calendar
- Continue to provide information to the board, parents, community and staff