



2012-2013

# Perris Union High School District Budget Update

August 15, 2012





# 2012-2013 State Adopted Budget

- Signed by the Governor on June 27, 2012
- Attempts to close an estimated \$15.7 B budget deficit
  - Assumes \$8.5 B tax initiative passes in November



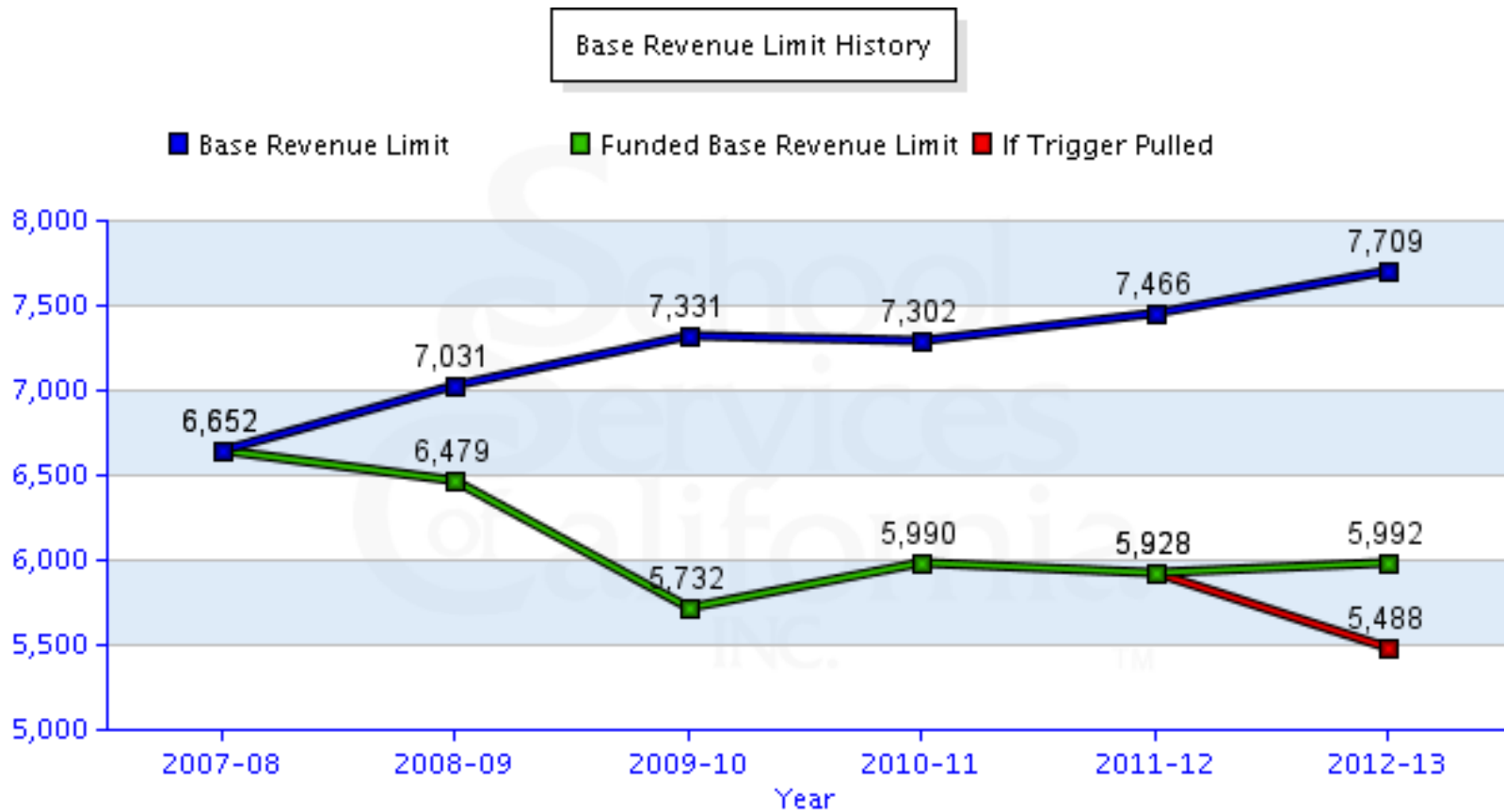
# 2012-2013 State Adopted Budget

- Minimal changes since the May Revise
  - Increases the projected average trigger cut if tax initiative fails from \$441 to \$457 per ADA
    - \$504 for PUHSD
  - Reduces deferrals by \$2.1 B if taxes pass
  - Allows reduced school year to 160 days in both 2012-13 and 2013-14 if taxes fail
  - Eliminates Weighted Student Funding proposal
  - Establishes an optional mandated cost block grant funding of \$28/ADA

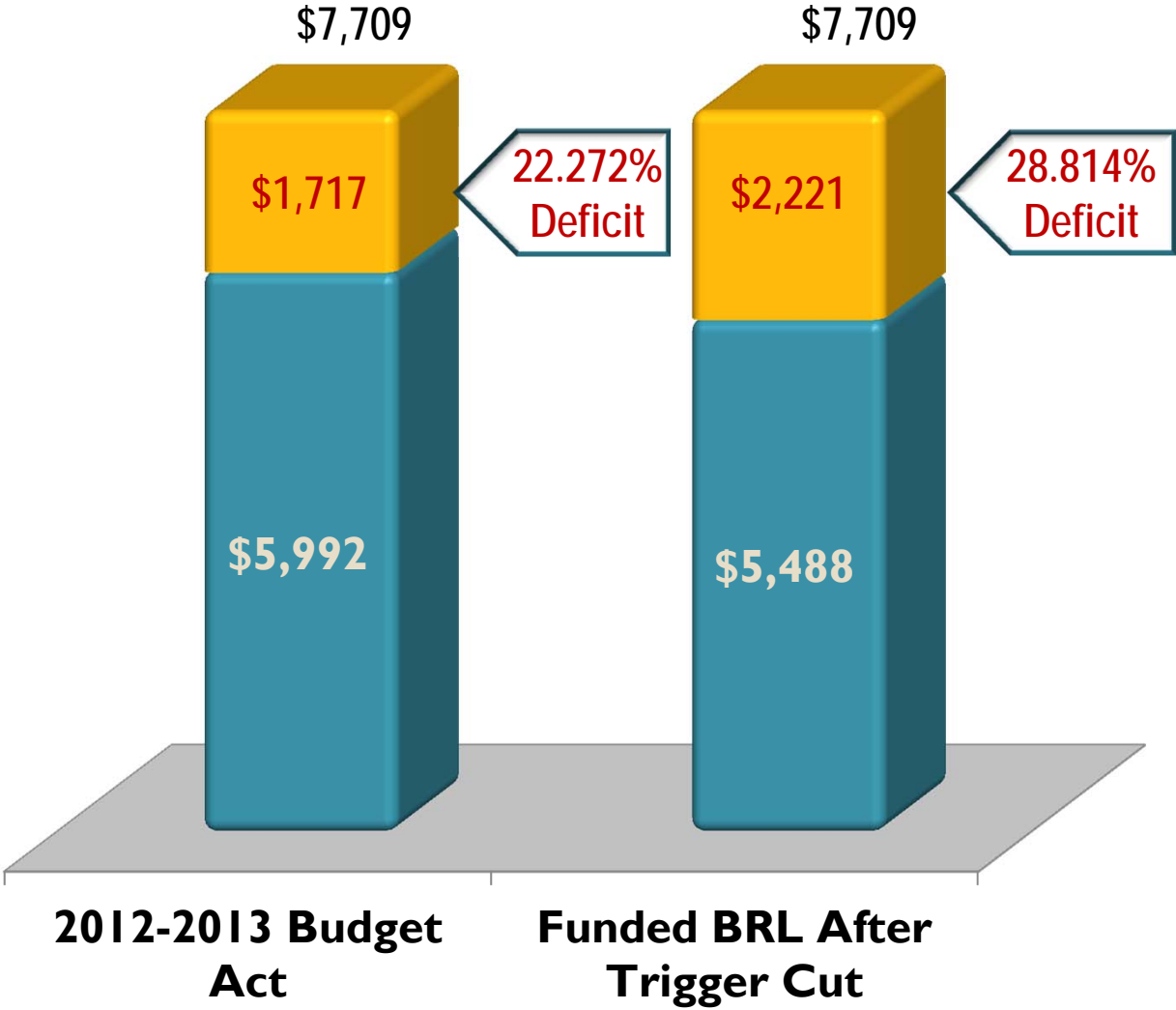
# Is the State Budget Credible?

	<b>Budgeted Reserve at Enactment</b>	<b>Final Reserve One Year Later</b>	<b>Difference</b>
<b>2012-13</b>	<b>\$948</b>	<b>???</b>	<b>???</b>
<b>2011-12</b>	<b>\$543</b>	<b>-\$3,601</b>	<b>-\$4,144</b>
<b>2010-11</b>	<b>\$1,205</b>	<b>-\$1,976</b>	<b>-\$3,181</b>
<b>2009-10</b>	<b>\$500</b>	<b>-\$6,842</b>	<b>-\$7,342</b>
<b>2008-09</b>	<b>\$971</b>	<b>-\$4,458</b>	<b>-\$5,429</b>

# History of Funding - PUHSD



# Base Revenue Limit If Tax Initiative Fails - PUHSD



# Unrestricted General Fund Estimated vs. Unaudited Actuals

	2011-2012 Estimated Actuals	2011-12 Unaudited Actuals	Difference
Beginning Balance	\$6,901,015	\$6,901,015	\$0
Total Revenue/Contributions	\$55,343,954	\$54,959,589	(\$384,365)
Total Expenditures	\$55,674,188	\$55,354,375	(\$319,813)
Net Increase/(Decrease) to Ending Balance	(\$330,234)	(\$394,786)	(\$64,552)
Total Ending Balance	\$6,570,781	\$6,506,229	(\$64,552)
<i>Revolving Reserve</i>	\$25,000	\$25,000	0
<i>3% Required Reserve</i>	\$2,416,216	\$2,377,285	(\$38,931)
<i>Excess/Shortfall of 3% Reserve</i>	\$4,129,565	\$4,103,944	(\$25,621)

# Unrestricted General Fund 2012-2013 Budget & Projections

	2011-12 Unaudited Actuals	2012-2013 Revised Budget	2013-2014 Projected Budget	2014-2015 Projected Budget
Beginning Balance	\$6,901,015	\$6,506,229	\$2,173,752	\$2,039,514
Total Revenue/Contributions	\$54,959,589	\$50,166,704	\$50,590,421	\$50,479,714
Total Expenditures	\$55,354,375	\$54,499,181	\$50,724,659	\$53,994,960
Net Increase/(Decrease) to Ending Balance	(\$394,786)	(\$4,332,477)	(\$134,238)	(\$3,515,246)
Total Ending Balance	\$6,506,229	\$2,173,752	\$2,039,514	(\$1,475,732)
Revolving Reserve	\$25,000	\$25,000	\$25,000	\$25,000
3% Required Reserve	\$2,377,285	\$2,201,520	\$2,069,207	\$2,169,642
Excess/Shortfall of 3% Reserve	\$4,103,944	(\$52,768)	(\$54,693)	(\$3,670,374)

*Updated with actual 2012-13 beginning balance*



# 2012-2013 Budget

- Assumes \$441 per ADA for potential trigger cuts
  - Actual could be up to \$504
    - This difference amounts to an additional cut of \$560,000
    - *Will adjust the budget after the November election*
- Includes previously approved/implemented budget reductions
  - Increased class size \$1.2 M
  - Negotiated employee concessions \$2.1 M
    - Equivalent of 6 Furlough Days
- Includes Budget Reduction/Contingency Plan
  - Furlough Days
    - 2012-13 6 (already implemented) + 5 for contingency plan\*\*
    - 2013-14 6\* + 10 for contingency plan\*
    - 2014-15 6\*

*\*Requires additional negotiations with bargaining units*

*\*\*Requires additional negotiations with PSEA (other units have approved contingency language)*

# Budget Reduction/Contingency Plan

<b>Board approved June 2012</b>	<b>2012-2013</b>	<b>2013-2014</b>
Transportation Distance Changes	\$805,000	\$805,000
Supplemental Early Retirement Program (SERP)	\$337,375	\$415,370
Reduce Department/Site Budgets	\$263,528	\$263,528
Delay Computer Replacements	\$300,000	
Facilities Funding Shifts	\$194,403	\$68,559
Campus Supervisor Funding Shifts to Nutrition	\$29,337	\$29,337
Hiring Freeze/Elimination	\$239,872	\$239,872
<b>Contingency Plan Only if Tax Measure Fails</b>		
Eliminate Remaining Home to School Transportation	\$614,283	\$1,228,565
Contracted Employee Release	\$19,388	\$38,775
Site and District Office Classified/Confidential Layoffs	\$289,368	\$578,735
Management Layoffs	\$155,583	\$507,321
Certificated Layoffs (current overstaffing)		\$775,477
School Closure/Redistribute Services		\$1,300,000
Additional Employee Concessions (12-13 +5 days, 13-14 +10 days)	\$1,308,694	\$3,981,635
<b>Total Budget Reductions</b>	<b>\$4,556,828</b>	<b>\$10,232,174</b>



# Next Steps

- Continue to be prudent
- Await the outcome of the November election
- First Interim will be presented in December with changes due to the election (tax initiative)
  - Will include implementation of contingency plan budget reductions