

2011-2012 Third Interim Report



May 16, 2012

WHY A THIRD INTERIM?

- Qualified Second Interim Certification
 - The District may not meet its financial obligations for the current and subsequent two fiscal years
- RCOE approved this certification, highlighting budget shortfalls and the operating deficit as their areas of fiscal concern
- Third Interim Financial Report Required
 - Updated General Fund budget and multi-year projections through 2013-2014
 - Ending fund and cash balance projections for 2011-2012 for all funds within the District
 - A detailed plan to address the budget shortfalls identified for the subsequent fiscal year

2011-2012 THIRD INTERIM REPORT

- Revenue assumptions remain the same as were included with Second Interim
 - Includes the one-time trigger reductions of \$62 per ADA in 2011-2012
 - Projects the ongoing loss of \$448 per ADA beginning in 2012-2013
- Community Day School ADA projections were decreased by 23 ADA
- Transportation expenditure reductions of \$805,000 were included

2011-2012 THIRD INTERIM REPORT

- 2012-2013 Includes
 - 2nd year of the 2-year agreement with PSEA
 - 5 furlough days
 - Change in 6th period assignment pay from 1/5 to 1/6 (equal to 1 furlough day)
 - Freeze in automatic step increases (equal to 3 furlough days)
 - CSEA Salary Concessions in an amount similar to the negotiated concessions in 2011-2012
 - Negotiations set for the end of the month
 - 6 furlough days for Management and Confidential employees
- 2013-2014 Includes
 - Salaries for all groups - status quo (back to 100%)

DISTRICT BUDGET SUMMARY

Combined General Fund Budget Summary Third Interim Budget and Multi-Year Projections

	2011-2012 Revised Budget	2012-2013 Projected Budget	2013-2014 Projected Budget
Beginning Balance	\$12,721,914	\$5,523,598	(\$870,517)
Total Revenue	\$74,651,851	\$69,645,294	\$69,484,426
Total Expenditures	\$81,850,167	\$76,039,409	\$78,574,772
Net Increase/(Decrease) to Ending Balance (deficit spending amount)	(\$7,198,316)	(\$6,394,115)	(\$9,090,346)
Ending Fund Balance	\$5,523,598	(\$870,517)	(\$9,960,863)
Components of Ending Balance			
Required Minimum Reserves (3%)	\$2,455,506	\$2,281,201	\$2,357,277
Nonspendable & Restricted Balances	\$27,757	\$25,000	\$25,000
Excess Ending Balance/ Budget Shortfall	\$3,040,335	(\$3,176,718)	(12,343,140)

2012-2013 TIER III CATEGORICAL FLEXIBILITY

Program Name	Estimated Allocation	Estimated Flexibility Transfer Amount
National Board Certification Teacher Incentive Grant	\$3,355.00	\$3,355.00
Community Based English Tutoring	\$42,377.00	\$42,377.00
School Safety and Violence Prevention	\$271,278.00	\$271,278.00
Arts and Music Block Grant	\$138,014.00	\$138,014.00
Supplemental School Counseling Program	\$559,578.00	\$559,578.00
Gifted and Talented Education (GATE)	\$61,902.00	\$46,304.00
AB466/AB472 Math/Reading and Math/Reading ELL	\$18,038.00	\$18,038.00
English Learner Professional Development	\$32,066.00	\$32,066.00
Community Day Schools	\$386,685.00	\$386,685.00
Administrator Training	\$33,945.00	\$33,945.00
Pupil Retention Block Grant	\$51,102.00	\$51,102.00
Professional Development Block Grant	\$108,474.00	\$108,474.00

2012-2013 TIER III CATEGORICAL FLEXIBILITY

Program Name	Estimated Allocation	Estimated Flexibility Transfer Amount
Targeted Instructional Improvement Block Grant (TIIBG)	\$203,227.00	\$203,227.00
School and Library Improvement Block Grant	\$126,031.00	\$126,031.00
California High School Exit Exam (CAHSEE)	\$217,375.00	\$217,375.00
AB1781 Instructional Materials Funding Realignment Program (IMFRP)	\$514,005.00	\$264,005.00
Supplemental Hourly Programs – CORE	\$138,863.00	\$138,863.00
Supplemental Hourly Programs – CAHSEE	\$659,528.00	\$659,528.00
Supplemental Hourly Programs – Retained/Recommended for Retention Grades 2-9	\$1,938.00	\$1,938.00
Adult Education	\$540,570.00	\$379,935.00
Deferred Maintenance	\$296,362.00	\$296,362.00
Morgan Hart – Class Size Reduction Grade 9	\$486,192.00	\$486,192.00
Total	\$4,890,905.00	\$4,464,672.00

2011-2012 PROJECTED ENDING BALANCES

Fund	Description	Projected Ending Fund Balance	Projected Ending Cash Balance
03/06	General Fund *	\$5,523,597	(\$1,628,745)
09	Charter Schools Special Revenue Fund	\$1,427,838	\$583,719
11	Adult Education Fund	\$0	\$0
13	Nutrition Services Special Revenue Fund	\$468,511	\$375,000
21	Building Fund	\$0	\$0
25	Capital Facilities Fund *	\$8,282,718	\$9,011,868
35	County School Facilities Fund	\$3,813,023	\$4,084,531

* Fund 03 will receive a Temporary Loan from Fund 25

FISCAL HEALTH OF THE DISTRICT

- Even in the best case scenario with a successful tax measure, there still exists a significant budget shortfall in 2013-2014 (and beyond) – **this is 13 months away!**
- The Educational Leadership Team has been and will continue to work on budget priorities and determining viable budget reductions and a detailed plan to address the shortfall

NEXT STEPS?

- We will continue attempts to work with employee bargaining groups to develop contingency language if a tax measure is not successful
- The District's 2012-2013 budget must be adopted by the Board of Trustees prior to June 30, 2012
 - The Adopted Budget will need to assume a tax measure is not successful since its success or failure will not be known until November 2012