

# 2011-2012 Fiscal Year Budget Adoption

June 29, 2011



Information Based on the  
Governor's May Budget Revision and Preliminary CUSD Budget

# Governor's May Revision

- ▶ Proposes flat funding
  - Same funding level as 2010-2011
  - Acknowledges COLA - deficits by same amount
  - K-12 revenue limit deficit 19.754%
  - Net RL change from 2010-2011  $\pm 0.0\%$
- ▶ Increase to CUSD from January = \$17.2m
- ▶ Categorical flexibility extended 2 years
- ▶ Funds county mental health services
- ▶ First "non-cut" year since 2007-2008



# 2011-2012 State Budget

- ▶ Legislature adopted June 28, 2011
- ▶ Waiting for governor's signature
- ▶ Based on additional revenue:
  - \$4b above the May revise uptick of \$6.6b
- ▶ Flat funding – same as 2010-2011
- ▶ Includes \$2.1b January K-12 deferral
- ▶ Sets aside multi-year fiscal solvency obligation
- ▶ Re-benches Prop 98
  - Removes child care from Prop 98
  - Lowers guarantee by \$1.5b



# 2011-2012 State Budget

- ▶ Mid-year cuts?
  - Not if add. revenues are up by \$2.0b in January
  - DOF to make determination/certify
- ▶ If add. revenues are below \$2.0b in January
  - Elimination of home-to-school transportation
  - Revenue limit reduction tied to a shorter year
  - 7 additional days (above current 5 days)
- ▶ Pressure to maintain jobs
- ▶ Details still emerging



# Items Included in 2011-2012 Projections

<u>One-time Revenue Sources</u>		<u>Millions</u>
Federal Job Fund		\$9.6
State Fiscal Stabilization Funds		\$2.3
Mandate Reimbursement		<u>\$1.8</u>
One-time Revenue Total		\$13.7
<u>Enrollment Revenue Losses</u>		
Enrollment Decline	(-500)	(\$2.4)
Charter School	(-359)*	(\$1.8)

\*Was 550, \$2.7m



# 2011-2012 Ending Balance

May revise projected shortfall	(\$6.90)
Charter school enrollment	0.36
County mental health	<u>4.37</u>
Revised shortfall	(2.17)
Est. 2010-11 over-encumbrances	0.30
Deferred maintenance*	<u>2.00</u>
Revised est. ending balance	\$0.13

\*Leaves a balance of \$1.0m in DF plus ongoing amount of \$1.2m, for a total of \$2.2 m for 2011-2012.

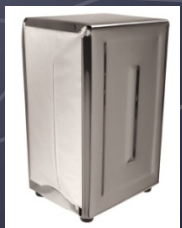


# 2011-2012 General Fund\*

## Budget at a Glance

Certificated salaries	\$	191.1	} 87.6%
Classified salaries		57.0	
Employee benefits		78.0	
Books and supplies		10.5	
Services, other		25.3	
Capital outlay		00.4	
Other outgo		10.4	
Direct support/indirect costs		<u>(0.5)</u>	
Total	\$	372.2m	

\*Budget development, restricted + unrestricted.





# Next Steps



CUSD budget hearing/adoption	June 29
District budget revisions	August 8
<ul style="list-style-type: none"><li>■ Required within 45 days after state budget adoption</li><li>■ Report to Board outlining impacts of state budget on CUSD budget.</li></ul>	
Monitor and report	On-going
DOF state revenue evaluation	Jan 2012
2012 budget proposal	Jan 2012
2011-2012 Midyear Cuts?	Feb 2012



# Fiscal Acknowledgement

In approving the 2011-2012 budget, the Board understands its fiduciary responsibility to maintain fiscal solvency for the current and subsequent two fiscal years. It is recognized that, if the \$4 billion projected state revenue increase included in the recently approved state budget drops below \$2 billion for 2011-2012, the state will impose mid-year revenue cuts to local educational agencies, forcing the district to make mid-year cuts. Assuming that there will not be mid-year revenue reductions in 2011-12, the District projects it will need to make ongoing expenditure reductions of approximately \$26.6 million in 2012-2013, and no additional reductions in 2013-2014, in order to maintain fiscal solvency. It is further recognized the District will submit details of Board approved budget reductions for 2012-2013 with the 2011-2012 First Interim Report.

# Questions



# Thank You!