2011-2012 Fiscal Year Budget Development

Governor's January Budget Proposal – 2011-2012

Budget Calendar Budget Guidelines & Budget Assumptions

February 8, 2011

2011-2012 Budget Preparation

Preparation of the fiscal year budget is a lengthy process

- Federal, State, and local decisions impact the annual budgeting activities
 - 2011-2012 budget will likely be one of two options proposed by the Governor

Budget guidelines, assumptions, and a calendar provide the framework for constructing the fiscal year budget

2011-2012 Gov.'s January Proposal

\$25+ billion deficit for the State
\$12.5 billion in expenditure reductions
\$12.0 billion in extension of temporary taxes
Realignment of services to the local level
Two (2) budget options presented for education

Extension of Tier III and CSR flexibility

Governor's Proposal – Rev. Limit (Option I)

2011-2012 Reductions per ADA

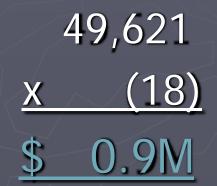
Rev. Limit COLA
Rev. Limit Deficit Factor
Revenue Limit Reduction
Total Reductions

\$ 107 \$ (125) <u>\$ 0</u> \$ (18)

Governor's Proposal – Rev. Limit (Option I)

2011-2012 Potential Impact to CUSD

Projected ADA Total Reductions (\$) January Budget Impact



Governor's Proposal – Rev. Limit (Option II)

2011-2012 Reductions per ADA

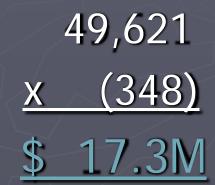
Rev. Limit COLA
 Rev. Limit Deficit Factor
 Subtotal - Option I
 Revenue Limit Reduction
 Total Reductions

\$ 107
\$ (125)
\$ (18)
\$ (330)
\$ (348)

Governor's Proposal – Rev. Limit (Option II)

2011-2012 Potential Impact to CUSD

Projected ADA Total Reductions (\$) January Budget Impact



Putting it all Together

2011-2012 – OPTION I Original Reductions Needed ¹ January Budget Proposal Total

2011-2012 – OPTION II Original Reductions Needed ¹ January Budget Proposal Total

¹ Reduction as of 1st Interim Report

\$ (10.0M) (1.0M) <u>\$ (11.0M)</u>

\$ (10.0M) (17.3M) <u>\$ (27.3M)</u> Additional Challenges
2011-2012
Mental Health Services
Worker's Comp Actuarial
Declining Enrollment
Charter Schools

\$ 5.6 M \$ 0.4 M \$ 2.0 M <u>\$ 0.7 M</u> <u>\$ 8.7 M</u>

Redevelopment (RDA) funds
 Self-Qualified 2nd Interim Report
 State Apportionment Deferrals

 Cash flow / TRAN

 Basic Aid

CUSD Overview

See Spreadsheet Attachment

Capistrano Unified School District San Juan Capistrano, CA

Three-Year Significant Budget Impacts - OPTION I

Reductions Needed	011-12	<u>012-13</u>	2013-14	Note
Original Reductions (First Interim 2010-11)	\$ 10.0	\$ 22.0	\$ 37.0	CSR & Tier III flexibility expiring
Revenue Limit Reduction				
- \$18/ADA Deficit Increase (2011-12)	\$ 0.9	\$ -	\$ -	Deficit factor increase; amount if taxes are not voter approved
- \$330/ADA Reduction (2011-12)	\$ -	\$ -	\$ -	Amount if taxes are not voter approved
- \$330/ADA Reduction (2012-13)	\$ -	\$ -	\$ -	Amount if taxes are not voter approved
- \$330/ADA Reduction (2013-14)	\$ -	\$ -	\$ -	Amount if taxes are not voter approved
Declining Enrollment				
- Enrollment Decline 2010-11	\$ 2.0	\$ -	\$ -	ADA decline protection, one year delay
- Enrollment Decline 2011-12	\$ -	\$ 2.5	\$ -	ADA decline protection, one year delay
- Charter School(s) Decline 2011-12	\$ -	\$ 2.6	\$ -	ADA decline protection, one year delay
Charter Schools	\$ 0.7	\$ 0.2	\$ 0.2	1x (\$500k) and ongoing expenditures (\$500k)
Worker's Comp Actuarial	\$ 0.4	\$ 0.4	\$ 0.4	Ongoing per year
Lottery - ADA decline	\$ 0.1	\$ 0.2	\$ 0.2	1% allocation decrease, ADA decline
Redevelopment Agency (RDA) Funds	\$ -	\$ -	\$ -	Likely no impact for CUSD due to negotiated agreements
Other	\$ -	\$ -	\$ -	
Subtotal (in millions)	\$ 14.1	\$ 27.9	\$ 37.8	Total known and potential reductions (ongoing & 1x)
Reduction Offsets				
Federal Jobs Bill Funding	\$ 9.6	\$ -	\$ -	1x funding
Mandate Carryover (2010-11)	\$ 1.7	\$ -	\$ -	1x funding
Second Round SFSF	\$ _	\$ -	\$ -	Projected to be \$2.0M; advised not to budget per OCDE
Class Size Reduction (CSR) Flexibility Extension	\$ -	\$ 8.0	\$ 8.0	
Tier III Flexibility Extension	\$ -	\$ -	\$ 15.0	
COLA Adjustment	\$ -	\$ 4.6	6.0	
Subtotal (in millions)	\$ 11.3	12.6	29.0	
Total Impact (in millions)	\$ 2.8	\$ 15.3	\$ 8.8	
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Mental Health Services	\$ 5.6	\$ 5.6	\$ 5.6	Ongoing per year
Revised Total Impact (in millions)	\$ 8.4	\$ 20.9	\$ 14.4	
Enrollment				
Prior Year ADA	50,030	49,621	48,600	
Current Year ADA	49,621	48,600	48,600	
Gain / (Loss)	 409	1,021	-	
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Capistrano Unified School District San Juan Capistrano, CA

Three-Year Significant Budget Impacts - OPTION II

Reductions Needed	<u>FY 201</u>		FY 201		FY	<u>2013-14</u>	Note
Original Reductions (First Interim 2010-11)	\$	10.0	\$	22.0	\$	37.0	CSR & Tier III flexibility expiring
Revenue Limit Reduction							
- \$18/ADA Deficit Increase (2011-12)	\$	0.9	\$	-	\$	-	Deficit factor increase; amount if taxes are not voter approved
- \$330/ADA Reduction (2011-12)	\$	16.4	\$	-	\$	-	Amount if taxes are not voter approved
- \$330/ADA Reduction (2012-13)	\$	-	\$	16.0	\$	-	Amount if taxes are not voter approved
- \$330/ADA Reduction (2013-14)	\$	-	\$	-	\$	16.0	Amount if taxes are not voter approved
Declining Enrollment							
- Enrollment Decline 2010-11	\$	2.0	\$	-	\$	-	ADA decline protection, one year delay
- Enrollment Decline 2011-12	\$	-	\$	2.5	\$	-	ADA decline protection, one year delay
- Charter School(s) Decline 2011-12	\$	-	\$	2.6	\$	-	ADA decline protection, one year delay
Charter Schools	\$	0.7	\$	0.2	\$	0.2	1x (\$500k) and ongoing expenditures (\$500k)
Worker's Comp Actuarial	\$	0.4	\$	0.4	\$	0.4	Ongoing per year
Lottery - ADA decline	\$	0.1	\$	0.2	\$	0.2	1% allocation decrease, ADA decline
Redevelopment Agency (RDA) Funds	\$	-	\$	-	\$	-	Likely no impact for CUSD due to negotiated agreements
Other	\$	-	\$	-	\$	-	
Subtotal (in millions)	\$	30.5	\$	43.9	\$	53.8	Total known and potential reductions (ongoing & 1x)
Reduction Offsets							
Federal Jobs Bill Funding	\$	9.6	\$	-	\$	-	1x funding
Mandate Carryover (2010-11)	\$	1.7	\$	-	\$	-	1x funding
Second Round SFSF	\$	-	\$	-	\$	-	Projected to be \$2.0M; advised not to budget per OCDE
Class Size Reduction (CSR) Flexibility Extension	\$	-	\$	8.0	\$	8.0	J
Tier III Flexibility Extension	\$	-	\$	-	\$	15.0	
COLA Adjustment	\$	-	\$	4.6	\$	6.0	
Subtotal (in millions)	\$	11.3	-	12.6		29.0	
Total Impact (in millions)	\$	19.2	\$	31.3	\$	24.8	
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Mental Health Services	\$	5.6	\$	5.6	\$	5.6	Ongoing per year
Revised Total Impact (in millions)	\$	24.8	\$	36.9	\$	30.4	
Enrollment							
Prior Year ADA		50,030		49,621		48,600	
Comment View ADA		49,621		48,600		48,600	
Current Year ADA		47,021		40,000		40,000	

Budget Calendar, Guidelines & Assumptions

Calendar
Timeline for staff activity and key milestones
Guidelines
Consistent parameters and goals
Assumptions
Basis for revenue and expenditure projections

Review of Calendar, Guidelines, and Assumptions

