

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	\$ 107
▶ Rev. Limit Deficit Factor	\$ (125)
▶ Revenue Limit Reduction	<u>\$ 0</u>
Total Reductions	<u>\$ (18)</u>

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

2011-2012 Potential Impact to CUSD

Projected ADA	49,621
Total Reductions (\$)	<u>x (18)</u>
January Budget Impact	<u>\$ 0.9M</u>

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

2011-2012 Reductions per ADA

▶ Rev. Limit COLA	\$ 107
▶ Rev. Limit Deficit Factor	<u>\$ (125)</u>
Subtotal - Option I	\$ (18)
▶ Revenue Limit Reduction	<u>\$ (330)</u>
Total Reductions	<u>\$ (348)</u>

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

2011-2012 Potential Impact to CUSD

Projected ADA	49,621
Total Reductions (\$)	<u>x (348)</u>
January Budget Impact	<u>\$ 17.3M</u>

Putting it all Together

2011-2012 – OPTION I

Original Reductions Needed ¹	\$ (10.0M)
January Budget Proposal	<u>(1.0M)</u>
Total	<u>\$ (11.0M)</u>

2011-2012 – OPTION II

Original Reductions Needed ¹	\$ (10.0M)
January Budget Proposal	<u>(17.3M)</u>
Total	<u>\$ (27.3M)</u>

¹ Reduction as of 1st Interim Report

Additional Challenges

2011-2012

- ▶ Mental Health Services \$ 5.6 M
- ▶ Worker's Comp Actuarial \$ 0.4 M
- ▶ Declining Enrollment \$ 2.0 M
- ▶ Charter Schools \$ 0.7 M
- \$ 8.7 M
- ▶ 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

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>Note</u>
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
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Revised Total Impact (in millions)

\$ 8.4	\$ 20.9	\$ 14.4
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Enrollment

Prior Year ADA	50,030	49,621	48,600
Current Year ADA	49,621	48,600	48,600
Gain / (Loss)	409	1,021	-

Capistrano Unified School District
San Juan Capistrano, CA

Three-Year Significant Budget Impacts - OPTION II

<u>Reductions Needed</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>Note</u>
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
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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)
<u>Reduction Offsets</u>				
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)	\$ 19.2	\$ 31.3	\$ 24.8	
Mental Health Services	\$ 5.6	\$ 5.6	\$ 5.6	Ongoing per year
Revised Total Impact (in millions)	\$ 24.8	\$ 36.9	\$ 30.4	
<u>Enrollment</u>				
Prior Year ADA	50,030	49,621	48,600	
Current Year ADA	49,621	48,600	48,600	
Gain / (Loss)	409	1,021	-	

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

