



# Approval and Public Hearing for Final Budget for 2011-12

**June 16, 2011**

Shaw-Lee Ouyang

Chief Business Officer

Mountain View Whisman School District

# 2011-12 State Revenue Limit Sources

Total ADA	4703.56
Fully Funded RL/ADA	\$6,226.00
Deficit Factor	19.754%
Total Deficited Funded Revenue Limit	\$24,307,219.05
Unemployment Insurance Revenue	\$383,975.00
PERS Reduction	\$85,008.00
Total Revenue Limit	\$24,606,186.05
Property Tax	\$24,334,500.00
State Aid Portion of Revenue Limit	\$271,686.05

# 2011-12 Budget Assumptions – Federal Revenues

- Consolidated Application II
- No COLA applied to 2011-12 and beyond from 2010-11
- Federal funding update
  - Announced Title II, Improving Teacher Quality Grant, an additional reduction of 18% from 2010-11
- Waiver of Title I funding in 2011-12

# 2011-12 Local Revenues

Parcel Tax

\$2,750,000

MVEF

\$400,000

El Camino Hospital

\$210,000

Shoreline Special District JPA

\$2.8 million

Lease and Rentals

3.1% CPI added

# Expenditures Planning Strategies

- Staff K-3 at 25:1
- Reduce categorical expenditures based upon reduced allocations.
- Utilize Tier III categorical flexibility, as appropriate.
- Utilize parcel tax to provide program support and reduce impact of budget cuts.
- Seek additional revenue and utilize directed contributions.
- Designate GASB45 (post-retirement) liability as component of ending balance.
- Designate \$1.5 million based upon \$330 per ADA potential revenue limit reduction if proposed tax extension fails.

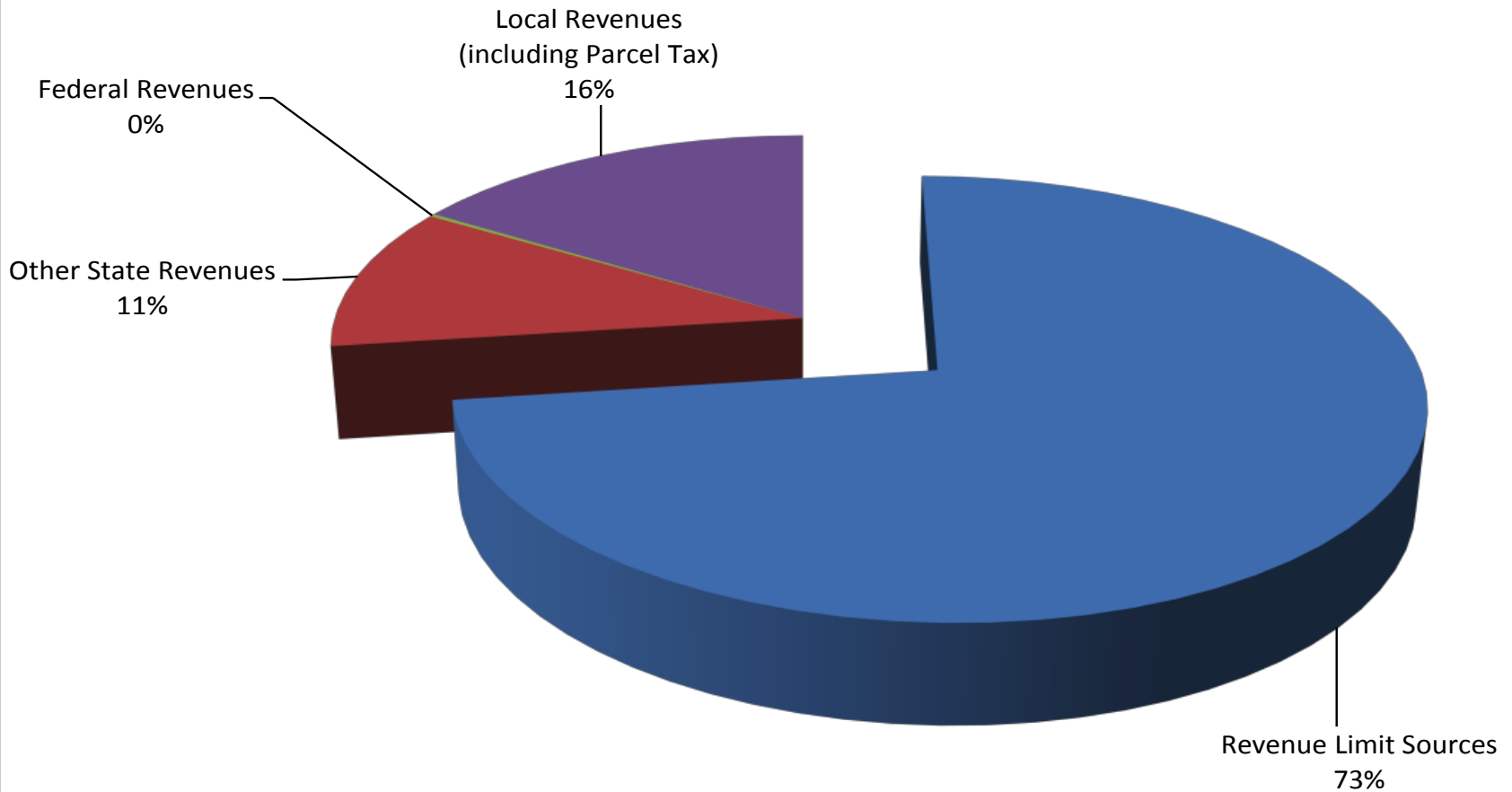
# 2011-12 June Budget Report

## Revenues and Expenditures by Sub-Fund

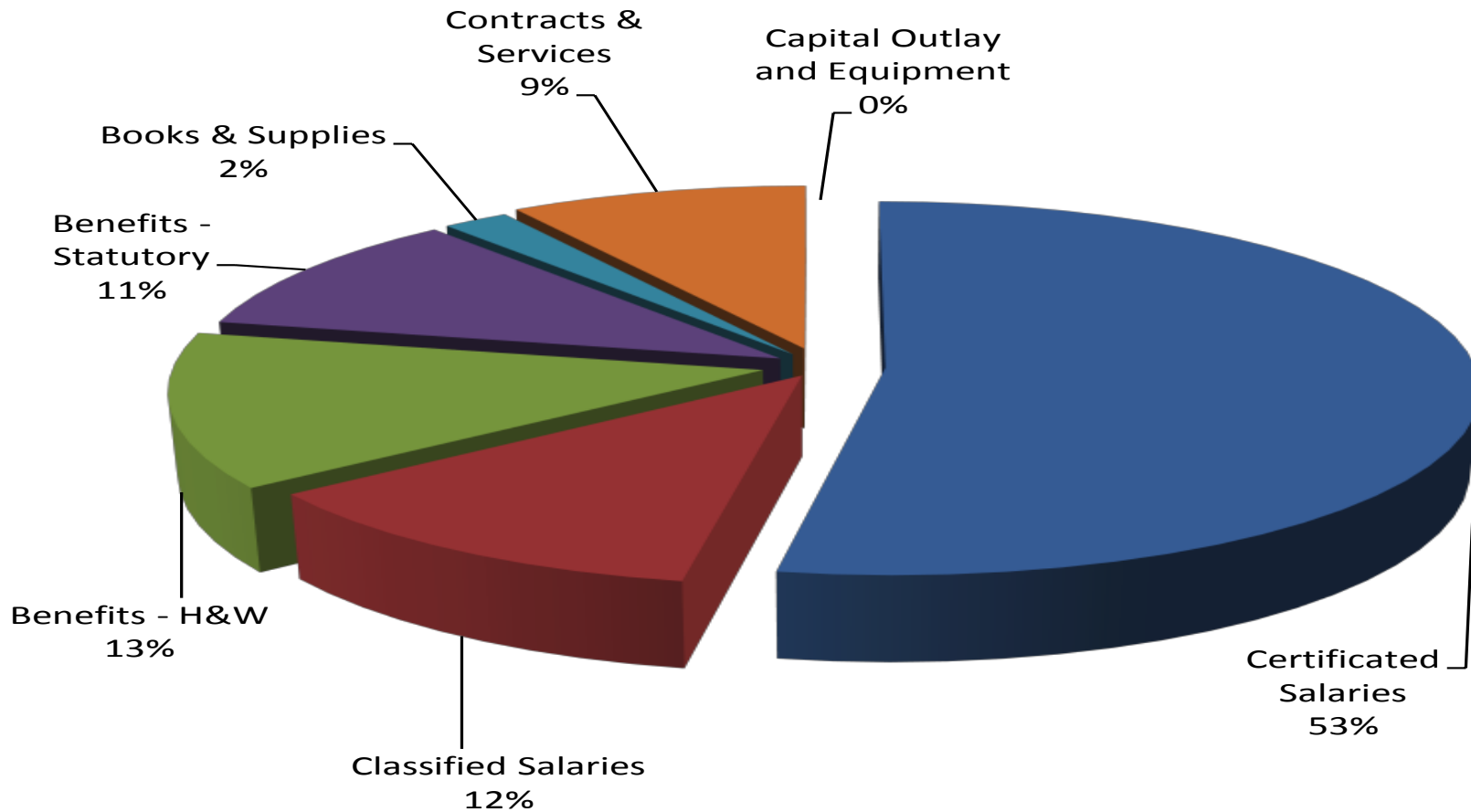
	MVWSD 2011-12 June Budget	Unrestricted General Fund	Parcel Tax	Tier III Categorical Fund	Routine Repair & Maintenance	Categoricals	Transportation	Special Education	TOTALS
	<b>BEGINNING BALANCE</b>	\$2,680,358	\$367,295	\$2,530,061	\$499,711	\$1,085,957	\$0	\$0	\$7,163,381
<b>REVENUES</b>	Revenue Limit Sources: 8010-8099	\$23,774,910						\$2,104,287	\$25,879,197
	Other State Sources: 8300-8599	\$2,370,940		\$1,210,409		\$1,455,361	\$491,442	\$28,194	\$5,556,346
	Federal Sources:8100-8299	\$70,000				\$1,249,209		\$987,949	\$2,307,158
	Local Sources:8600-8799	\$2,448,426	\$2,750,000			\$3,331,803	\$48,000	\$646,198	\$9,224,427
	<b>TOTAL REVENUES</b>	<b>\$28,664,276</b>	<b>\$2,750,000</b>	<b>\$1,210,409</b>		<b>\$0</b>	<b>\$6,036,373</b>	<b>\$539,442</b>	<b>\$3,766,628</b>
<b>EXPENDITURES</b>	Certificated Salaries	\$12,875,384	\$821,607			\$1,495,520	\$400	\$2,743,418	\$17,936,329
	Classified Salaries	\$2,553,258	\$562,139		\$331,410	\$646,601	\$356,110	\$1,451,313	\$5,900,831
	Health & Welfare Benefits	\$3,189,608	\$293,984		\$103,882	\$369,289	\$134,759	\$967,353	\$5,058,875
	Other Statutory Benefits	\$2,497,672	\$245,746		\$80,215	\$355,281	\$87,214	\$732,613	\$3,998,741
	Books & Supplies	\$474,906	\$52,597		\$80,000	\$686,933	\$41,600	\$43,585	\$1,379,621
	Contracts & Services	\$1,872,606	\$488,500		\$250,000	\$436,086	\$394,650	\$2,354,409	\$5,796,251
	Capital Outlay & Equipment					\$20,000			\$20,000
	Other Outgo	-\$97,686				\$82,949			-\$14,737
	<b>TOTAL EXPENSES</b>	<b>\$23,365,748</b>	<b>\$2,464,573</b>		<b>\$0</b>	<b>\$845,507</b>	<b>\$4,092,659</b>	<b>\$1,014,733</b>	<b>\$8,292,691</b>
	<b>EXCESS OF REVENUE/EXPENDITURE</b>	<b>\$5,298,528</b>	<b>\$285,427</b>	<b>\$1,210,409</b>	<b>-\$845,507</b>	<b>\$1,943,714</b>	<b>-\$475,291</b>	<b>-\$4,526,063</b>	<b>\$2,891,217</b>
<b>INTERFUND TRANSFERS</b>	TO DEFERRED MAINTENANCE			<b>-200,380</b>					<b>-\$200,380</b>
	TO FOOD SERVICES								<b>\$0</b>
	<b>TOTAL OUTGO</b>			<b>-200,380</b>					<b>-\$200,380</b>
<b>CONTRIBUTION TO RESTRICTED SUB-FUNDS</b>	To Special Education	<b>-\$3,000,000</b>				<b>-\$1,526,063</b>		\$4,526,063	<b>\$0</b>
	To Transportation			<b>-475,291</b>			\$475,291		<b>\$0</b>
	To Routine Repair & Maintenance			<b>-1,001,898</b>	\$1,001,898				<b>\$0</b>
	<b>TOTAL CONTRIBUTION</b>	<b>-\$3,000,000</b>		<b>-\$1,477,189</b>	<b>\$1,001,898</b>	<b>-\$1,526,063</b>	<b>\$475,291</b>	<b>\$4,526,063</b>	<b>\$0</b>
<b>RESERVE</b>	<b>BALANCE</b>	<b>\$4,978,886</b>	<b>\$652,722</b>	<b>\$2,062,901</b>	<b>\$656,102</b>	<b>\$1,503,608</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,854,218</b>
	3% Designated	\$1,134,352	\$73,937						\$1,208,289
	Revolving Cash	\$8,000							\$8,000
	Prepaid Expense	\$53,458							\$53,458
	Designated - GASB45			\$919,000					\$919,000
	Designated - Flex			\$1,143,901					\$1,143,901
	Designated - Routine Repair & Maintenance				\$656,102				\$656,102
	Designated - Categorical					\$1,503,608			\$1,503,608
	Designated Reserve - \$330 per ADA	\$1,552,175							\$1,552,175
	Parcel Tax Reserve		\$578,785						\$578,785
Undesignated	\$2,230,902	\$0	\$0	\$0	\$0	\$0	\$0	\$2,230,901	

# 2011-12 June Budget Report

## Sources of Revenue (Unrestricted General Fund)



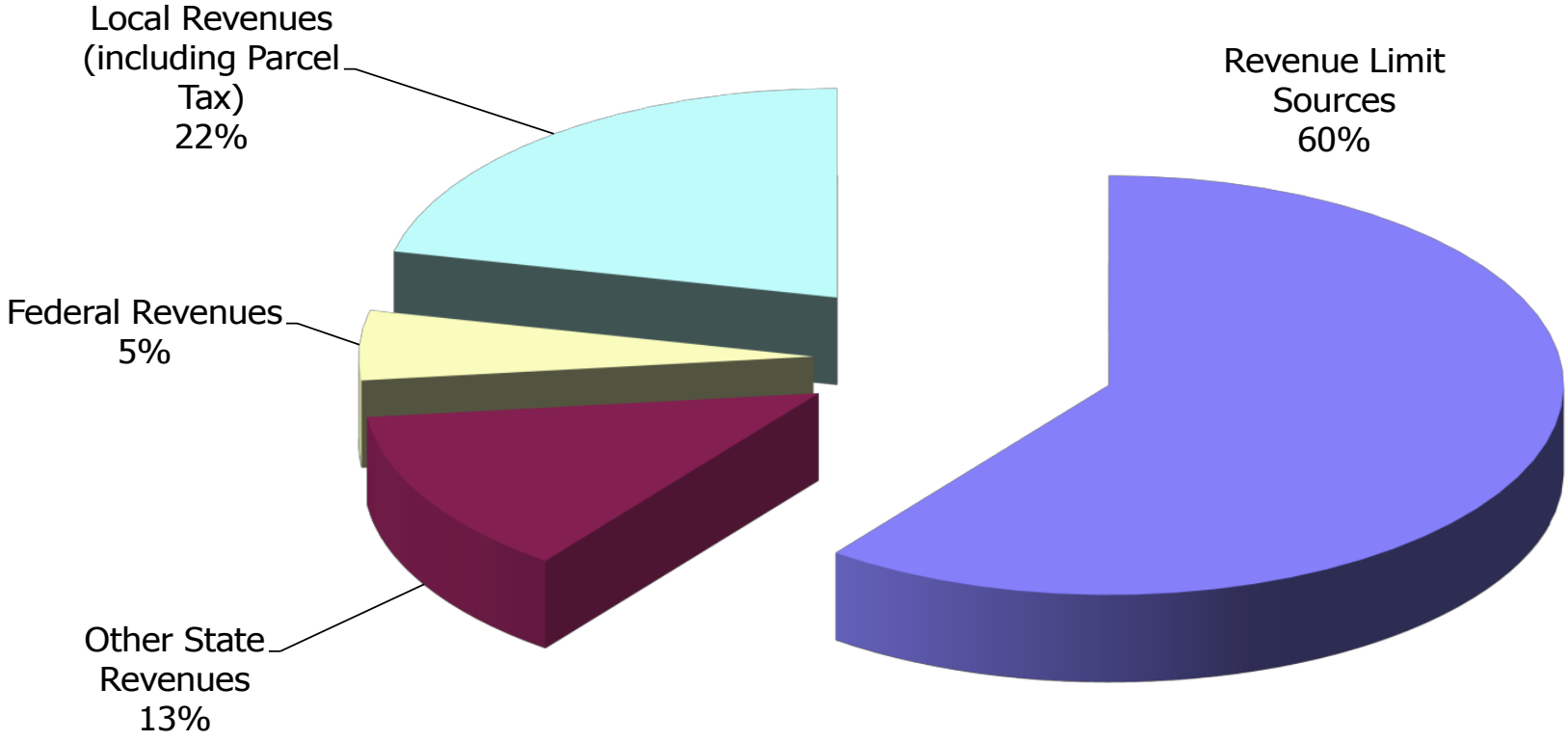
## 2011-12 June Budget Report - Summary of Expenditures (Unrestricted General Fund)



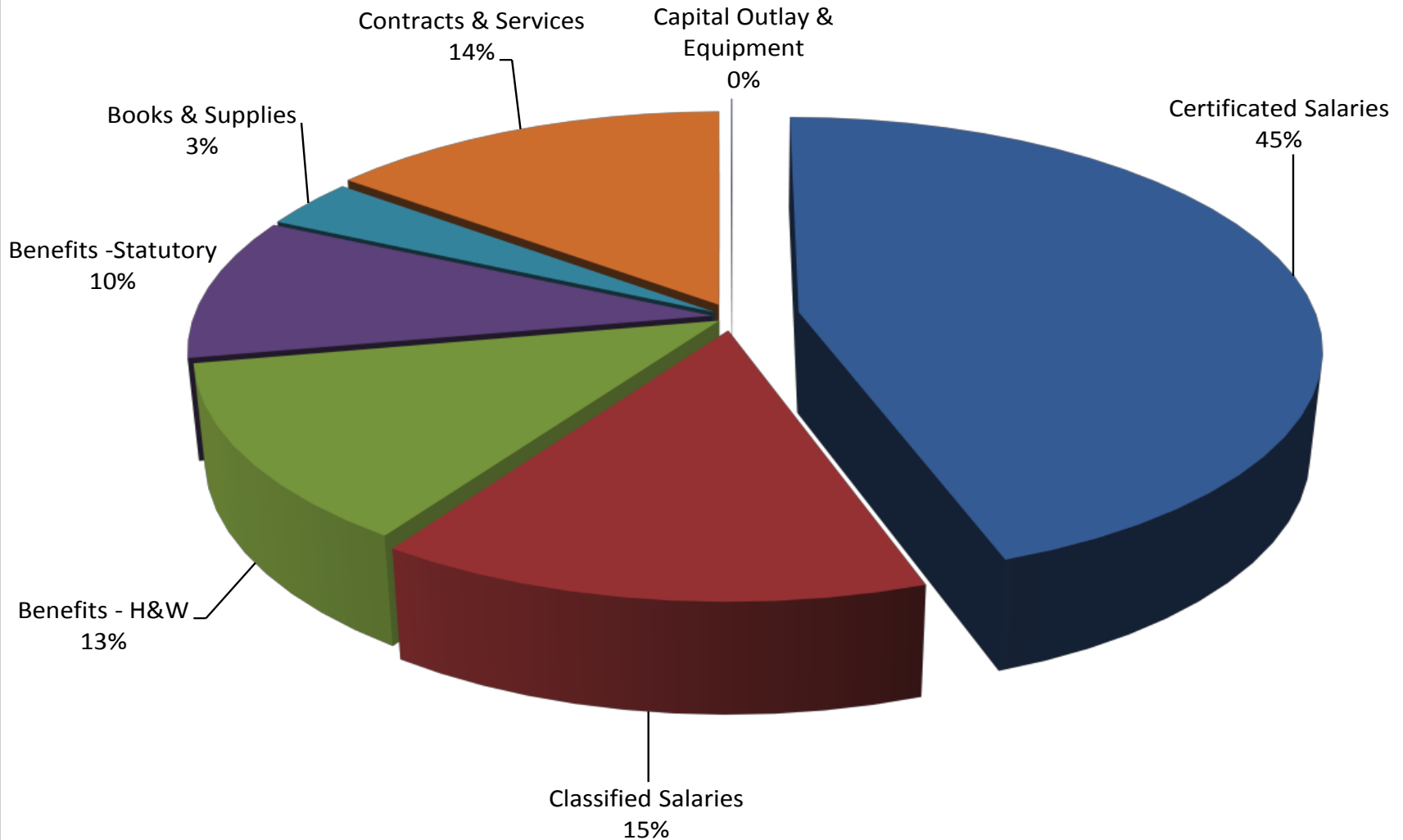


# 2011-12 June Budget Report

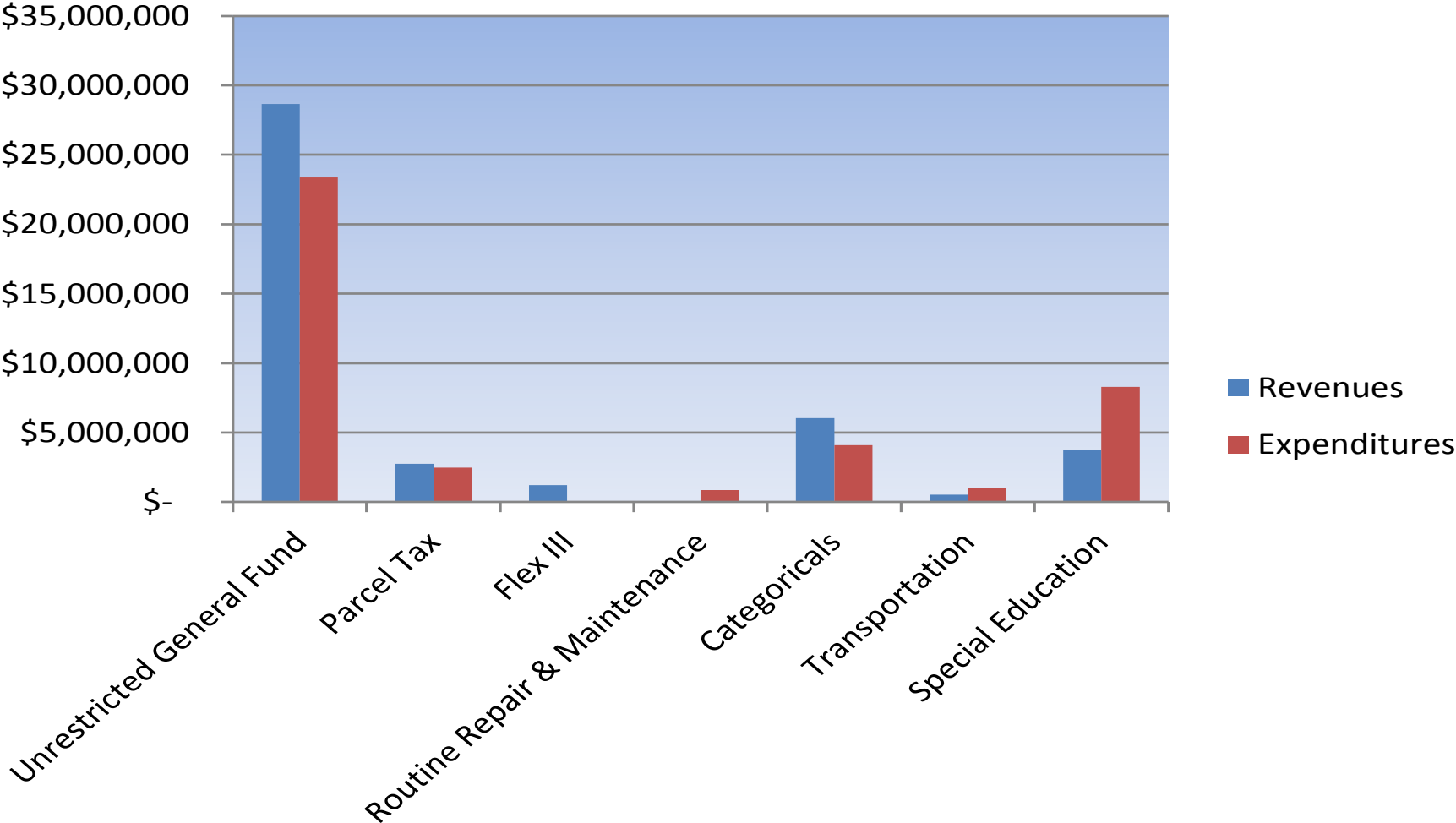
## Sources of Revenue (All Sub-funds)



# 2011-12 June budget Report - Summary of Expenditures (All Sub-funds)



# 2011-12 June Budget Comparison of Revenues to Expenditures



# Other Funds

<b>Fund #</b>	<b>Fund Name</b>	<b>2011-12 Estimated Beginning Balance</b>	<b>2011-12 Estimated Revenues</b>	<b>2011-12 Estimated Expenditures</b>	<b>2011-12 Estimated Ending Balance</b>
12	Child Development	80,652	599,298	599,298	80,652
13	Child Nutrition	345,637	1,859,409	1,862,032	343,014
14	Deferred Maintenance	187,014	200,680	122,000	265,694
17	Special Reserve Fund for Other Than Capital Outlay Projects	116,752	300	-	117,052
20	Special Reserve for Post-Employment Benefits	1,939,040	5,000	-	1,944,040
21	Building	624,062	500	166,000	458,562
25	Capital Facilities	166,055	201,000	200,000	167,055
73	Whisman Sports Center Special Purpose	535,323	15,783	250,000	301,106

# Multi-Year Assumptions – Revenues

	2011-12	2012-13	2013-14
ADA	4703.56	4703.56	4703.56
COLA (Revenue Limit)	2.24% Unfunded	3.20%	2.70%
RL Deficited Factor (Note: 17.963% in 2010-11)	19.754%	19.754%	19.754%
COLA (State Categorical)	0%	3.20%	2.70%
Lottery - Unrestricted	\$111	\$110	\$108.75
Lottery - Restricted	\$17.50	\$17.20	\$17.20
Fair Share Reduction (based upon 2010-11 excess tax)	\$78,071	0	0

# Multi-Year Assumptions - Expenditures

- Salary & Benefits:
  - Position control to reflect projected certificated and classified positions and benefits (statutory and health & welfare).
  - Health & welfare for 2012-13 and 2013-14 to reflect mid-year increase of 15%.
  - Annual step & column increase
    - Classified : 1%
    - Certificated: 1.5%
  - Salary Schedule
    - No changes to salary schedule reflected for 2011-12 and beyond.
- Supplies and contract services reflect CPI increases.
- OPEB (GASB45) liability (\$1,104,000 annually) based upon actuarial study completed Summer 2008. Liability (less current year costs) to be fully reflected as designated balance for current year and beyond.
- Encroachments and Contributions
  - Special Education deficit reflect continued growth.
  - Transportation deficits for both Special Education and Home-to-School transportation.

Mountain View Whisman School District General Fund (Restricted & Unrestricted Combined) Multi-year Projection for 2011-12 @ June Budget prepared as of June 10, 2011		2011-12 @ June Budget Except As Noted \$ Amount	2012-13 @ June Budget Except As Noted \$ Amount	2013-14 @ June Budget Except As Noted \$ Amount
<b>Budget ADA</b>		<b>4703.56</b>	<b>4703.56</b>	<b>4703.56</b>
<b>Net Revenue Limit Change</b>		<b>2.24%</b>	<b>3.200%</b>	<b>2.70%</b>
<b>Total Revenue Limit Deficit Factor</b>		<b>19.754%</b>	<b>19.754%</b>	<b>19.754%</b>
<b>BEGINNING FUND BALANCE</b>		<b>7,163,381</b>	<b>9,854,218</b>	<b>11,265,109</b>
<b>REVENUES</b>	<b>Revenue Limit Sources</b>	<b>25,879,197</b>	<b>26,769,138</b>	<b>27,447,952</b>
	<b>Other State Revenues</b>	<b>5,556,346</b>	<b>5,689,972</b>	<b>5,758,810</b>
	<b>Federal Revenues</b>	<b>2,307,158</b>	<b>1,444,151</b>	<b>1,444,151</b>
	<b>Local Revenues (including Parcel Tax)</b>	<b>9,224,427</b>	<b>9,079,131</b>	<b>6,911,244</b>
	<b>TOTAL REVENUES</b>	<b>\$ 42,967,128</b>	<b>\$ 42,982,391</b>	<b>\$ 41,562,156</b>
<b>EXPENDITURES</b>	<b>Certificated Salaries</b>	<b>17,936,329</b>	<b>18,173,909</b>	<b>18,446,518</b>
	<b>Classified Salaries</b>	<b>5,900,831</b>	<b>5,956,525</b>	<b>6,019,438</b>
	<b>Benefits - H&amp;W</b>	<b>5,058,875</b>	<b>5,815,073</b>	<b>6,687,334</b>
	<b>Benefits -Statutory</b>	<b>3,998,741</b>	<b>4,043,747</b>	<b>4,094,435</b>
	<b>Books &amp; Supplies</b>	<b>1,379,621</b>	<b>1,416,871</b>	<b>1,466,483</b>
	<b>Contracts &amp; Services</b>	<b>5,796,251</b>	<b>5,952,750</b>	<b>6,161,189</b>
	<b>Capital Outlay, Equipment &amp; Other Outgo</b>	<b>5,263</b>	<b>5,803</b>	<b>6,522</b>
	<b>SUB-TOTAL EXPENDITURES</b>	<b>\$ 40,075,911</b>	<b>\$ 41,364,677</b>	<b>\$ 42,881,918</b>
<b>Excess (Deficiency) of Revenue over Expenditures</b>		<b>2,891,217</b>	<b>1,617,714</b>	<b>(1,319,762)</b>
<b>TRANSFERS OUT</b>	<b>Transfer Out to Deferred Maintenance</b>	<b>200,380</b>	<b>206,823</b>	<b>214,410</b>
	<b>Total Transfers Out</b>	<b>200,380</b>	<b>206,823</b>	<b>214,410</b>
	<b>TOTAL EXPENDITURES &amp; TRANSFERS OUT</b>	<b>\$ 40,276,291</b>	<b>\$ 41,571,500</b>	<b>\$ 43,096,328</b>
<b>Excess (Deficiency) of Revenue over Outgo &amp; Expenditures</b>		<b>2,690,837</b>	<b>1,410,891</b>	<b>(1,534,172)</b>
<b>ENDING BALANCE with current budget projections</b>		<b>\$ 9,854,218</b>	<b>\$ 11,265,109</b>	<b>\$ 9,730,938</b>
<b>BALANCES</b>	<b>Revolving Cash, Stores &amp; Prepaid Exp.</b>	<b>61,458</b>	<b>61,458</b>	<b>61,458</b>
	<b>Designated - GASB45</b>	<b>919,000</b>	<b>1,838,000</b>	<b>2,757,000</b>
	<b>Designated - Flex</b>	<b>1,143,901</b>	<b>730,480</b>	<b>1,183,298</b>
	<b>Designated - Routine Repair &amp; Maintenance</b>	<b>656,102</b>	<b>820,219</b>	<b>985,007</b>
	<b>Legally Restricted - Categorical</b>	<b>1,503,608</b>	<b>1,695,728</b>	<b>92,305</b>
	<b>Designated Reserve - \$330 per ADA</b>	<b>1,552,175</b>	<b>1,552,175</b>	<b>1,552,175</b>
	<b>Parcel Tax Reserve (excess of 3%)</b>	<b>578,785</b>	<b>782,168</b>	<b>893,802</b>
<b>UNRESTRICTED and UNDESIGNATED Reserve for Economic Uncertainties</b>		<b>\$ 3,439,190</b>	<b>\$ 3,784,882</b>	<b>\$ 2,205,893</b>
	<b>Reserve as % of Total Expense</b>	<b>8.54%</b>	<b>9.10%</b>	<b>5.12%</b>
	<b>% of Required Reserve for this school district</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>
	<b>\$ Amount of Required Reserve for this school district</b>	<b>\$ 1,208,289</b>	<b>\$ 1,247,145</b>	<b>\$ 1,292,890</b>
<b>ADDITIONAL Reserves above that needed to maintain required reserve</b>		<b>\$ 2,230,901</b>	<b>\$ 2,537,737</b>	<b>\$ 913,003</b>

# Other Current Issues Likely to Impact District Financial Condition

- State budget as passed by Legislature and signed by Governor
- Uncertainty of temporary tax extension
- Inter-year deferrals and impact upon cash flow
- Negotiations
- SELPA (Special Education) apportionment allocation
- Shifts in economy and unemployment

Note: Because of fair share reduction, the impact of the Districts status as “basic aid” or “revenue limit” appears insignificant.



# Key Messages

- While recovery has begun, impact of state and national fiscal crisis will continue 3-5 years.
- On-going revisions to the District's budget are expected based upon the legislature's response to the Governor's May Revision proposals and changes in the economy.
- Special Education encroachment is a significant and growing problem, with little opportunity to engage parents in meaningful solutions.
- We envision an ongoing need to negotiate with employee associations to proactively address structural and budgetary issues.
- We will continue to respond appropriately to maintain our fiscal integrity while keeping our focus on our core values.
- We will plan for the worst, but implement based upon reality.