



2011-12 Budget Study Session Presentation to Mountain View Whisman School District Board of Trustees

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Governor's 2011-12 Budget Proposal – subject to change

	January Proposal	May Revise
COLA	1.67%	2.24%
Deficit Factor	19.608%	19.754%
California CPI	1.70%	3.10%
RL Funding		
Flat Funding	(\$19)/ADA	same as 2010-11
Temporary Tax Extension	(\$330)/ADA	no reduction required yet, but SCCOE expects \$330/ADA revenue reduction or reserve
California Lottery		
Base	\$111.00	\$111.00
Proposition 20	\$17.50	\$17.50
State Categorical Funding		
Tier I	0%	0%
Tier II	0%	0%
Tier III	0%	0%
Inter-year Deferrals	Approx \$1,700 per ADA/average	Approx \$1,400 per ADA/average

SSC School District and County Office Financial Projection Dartboard 2011-12 May Revision

This version of SSC's Financial Projection Dartboard is based on the Governor's 2011-12 May Revision. We have updated the COLA, CPI, and ten-year T-bill factors per the latest economic forecasts. We rely on various state agencies and outside sources in developing these factors, but we assume responsibility for them with the understanding that they are, at best, general guidelines.

Factor	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Statutory COLA (applies to K-12 and COE Revenue Limits)	-0.39%	2.24%	3.20%	2.70%	2.90%	3.10%
K-12 Revenue Limit Deficit %	17.963%	19.754%	19.754%	19.754%	19.754%	19.754%
COE Revenue Limit Deficits %	18.250%	20.041%	20.041%	20.041%	20.041%	20.041%
Net Revenue Limit Change: K-12 COEs	5.17% 5.17%	0.00% 0.00%	3.20% 3.20%	2.70% 2.70%	2.90% 2.90%	3.10% 3.10%
Special Education COLA (on state and local share only)	0.00%	0.00%	3.20%	2.70%	2.90%	3.10%
State Categorical Funding (including adult education and ROC/P)						
Tier I	0.00%	0.00%	3.20%	2.70%	2.90%	3.10%
Tier II	0.00%	0.00%	3.20%	2.70%	2.90%	3.10%
Tier III	0.00%	0.00%	3.20%	2.70%	2.90%	3.10%
California CPI	1.80%	3.10%	2.70%	3.10%	3.20%	3.30%
California Lottery						
Base	\$112.50	\$111.00	\$110.00	\$108.75	\$108.75	\$108.75
Proposition 20	\$17.50	\$17.50	\$17.20	\$17.20	\$17.20	\$17.20
Interest Rate for Ten-Year Treasuries	3.20%	3.80%	4.10%	4.30%	4.40%	4.50%

ESTIMATED STATEWIDE AVERAGE BASE REVENUE LIMITS PER ADA "UNDEFICITED"			
Year	Elementary	High School	Unified
2010-11 Statewide Average (est.)	\$6,110	\$7,340	\$6,392
2011-12 Inflation Increase @ 2.24% COLA	\$137	\$164	\$143
2011-12 Statewide Average (est.)	\$6,247	\$7,504	\$6,535

2011-12 BUDGET ACT ESTIMATED CHARTER SCHOOL RATES				
	K-3	4-6	7-8	9-12
General Purpose Block Grant (will change at each apportionment)	\$5,049	\$5,125	\$5,271	\$6,116
Categorical Block Grant (est.) ¹	\$410	\$410	\$410	\$410
Total	\$5,459	\$5,535	\$5,681	\$6,526

¹ The Charter School Categorical Block Grant rates do not include Economic Impact Aid funding, which is provided separately. In addition, charter schools that began operation in or after 2008-09, there is an additional amount per ADA in supplemental categorical block grant funding.

2011-12 State Revenue Limit Sources

Total ADA	4703.56
Fully Funded RL/ADA	\$6,226
Deficit Factor	19.75%
Total Deficted Funded Revenue Limit	\$24,278,951
Unemployment Insurance Revenue	\$383,975
PERS Reduction	-\$85,008
Total Revenue Limit	\$24,577,918
Property Tax	\$24,334,500
State Aid Portion of Revenue Limit	\$243,418

2011-12 Other State Sources (Unrestricted) & Fair Share

Physical Education Teacher Incentive Grants	88,079
Community Based English Tutoring (CBET)	54,032
School Safety and Violence Prevention	14,237
Arts and Music Block Grant	60,772
GATE	28,904
State Instructional Materials - IMRF	243,390
Peers Assistance and Review (PAR)	19,104
Staff Development Reading Math	24,057
Professional Development Block Grant (PDBG)	220,570
Targeted Instructional Improvement Grant	114,406
School & Library Improvement Block Grant	420,929
Total General Fund Unrestricted State Revenue - Flex (Tier III)	1,288,480
Fair Share Reduction (excess of 2010-11 property tax)	(78,071)
Net General Fund Unrestricted State Revenue	1,210,409

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.
- Utilize TRANS, as appropriate, to address cash flow issues resulting from deferred apportionments.

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
	BEGINNING BALANCE	\$2,692,618	\$367,295	\$2,530,061	\$499,711	\$1,045,366	\$0	\$0	\$7,135,050
REVENUES	Revenue Limit Sources: 8010-8099	\$23,689,902						\$2,104,287	\$25,794,189
	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
	TOTAL REVENUES	\$28,579,268	\$2,750,000	\$1,210,409	\$0	\$6,036,373	\$539,442	\$3,766,628	\$42,882,120
EXPENDITURES	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
	TOTAL EXPENSES	\$23,365,748	\$2,464,573	\$0	\$845,507	\$4,092,659	\$1,014,733	\$8,292,691	\$40,075,911
	EXCESS OF REVENUE/EXPENDITURE	\$5,213,520	\$285,427	\$1,210,409	-\$845,507	\$1,943,714	-\$475,291	-\$4,526,063	\$2,806,209
INTERFUND TRANSFERS	TO DEFERRED MAINTENANCE			-200,380					-\$200,380
	TO FOOD SERVICES								\$0
	TOTAL OUTGO			-200,380					-\$200,380
CONTRIBUTION TO RESTRICTED SUB-FUNDS	To Special Education	-\$3,000,000				-\$1,526,063		\$4,526,063	\$0
	To Transportation			-475,291			\$475,291		\$0
	To Routine Repair & Maintenance			-1,001,898	\$1,001,898				\$0
	TOTAL CONTRIBUTION	-\$3,000,000		-\$1,477,189	\$1,001,898	-\$1,526,063	\$475,291	\$4,526,063	\$0
RESERVE	BALANCE	\$4,906,138	\$652,722	\$2,062,901	\$656,102	\$1,463,017	\$0	\$0	\$9,740,879
	3% designated	\$1,134,352	\$73,937						\$1,208,289
	Revolving Cash	\$8,000							\$8,000
	Prepaid Expense	\$53,458							\$53,458
	Designated - OPEB			\$919,000					\$919,000
	Designated-Flex			\$1,143,901					\$1,143,901
	Designated-RRM				\$656,102				\$656,102
	Designated-categorical					\$1,463,017			\$1,463,017
	Designated Reserve - \$330 per ADA	\$1,552,175							\$1,552,175
	Parcel Tax Reserves		\$578,785						\$578,785
Undesignated	\$2,158,154	\$0	\$0	\$0	\$0	\$0	\$0	\$2,158,153	

Multi-Year Assumptions – Revenues

	2011-12	2012-13	2013-14
ADA	4703.56	4703.56	4703.56
COLA	2.24%	3.20%	2.70%
RL Deficited Factor	19.754%	19.754%	19.754%
Lottery - Unrestricted	\$111	\$110	\$108.75
Lottery - Restricted	\$17.50	\$17.20	\$17.20
State Revenue	0%	3.20%	2.70%
Fair Share Reduction or maximum of excess tax	8.92%	8.92%	8.92%

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 primarily due to costs of Special Education transportation.

Mountain View Whisman School District General Fund (Restricted & Unrestricted Combined) Multi-year Projection for 2011-12 @ June Budget prepared as of May 31, 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
Budget ADA		4703.56	4703.56	4703.56
Net Revenue Limit Change		2.24%	3.200%	2.70%
Total Revenue Limit Deficit Factor		19.754%	19.754%	19.754%
BEGINNING FUND BALANCE		7,135,050	9,740,879	11,151,770
REVENUES	Revenue Limit Sources	25,794,189	26,769,138	27,447,952
	Other State Revenues	5,556,346	5,689,972	5,758,810
	Federal Revenues	2,307,158	1,444,151	1,444,151
	Local Revenues (including Parcel Tax)	9,224,427	9,079,131	6,911,244
	TOTAL REVENUES	\$ 42,882,120	\$ 42,982,391	\$ 41,562,156
EXPENDITURES	Certificated Salaries	17,936,329	18,173,909	18,446,518
	Classified Salaries	5,900,831	5,956,525	6,019,438
	Benefits - H&W	5,058,875	5,815,073	6,687,334
	Benefits -Statutory	3,998,741	4,043,747	4,094,435
	Books & Supplies	1,379,621	1,416,871	1,466,483
	Contracts & Services	5,796,251	5,952,750	6,161,189
	Capital Outlay & Equipment	20,000	20,540	21,259
	Other Outgo	(14,737)	(14,737)	(14,737)
	Capital Outlay, Equipment & Other Outgo	5,263	5,803	6,522
	SUB-TOTAL EXPENDITURES	\$ 40,075,911	\$ 41,364,677	\$ 42,881,918
Excess (Deficiency) of Revenue over Expenditures		2,806,209	1,617,714	(1,319,762)
TRANSFERS OUT	Transfer Out to Deferred Maintenance	200,380	-	214,410
	Total Transfers Out	200,380	-	214,410
TOTAL EXPENDITURES & TRANSFERS OUT		\$ 40,276,291	\$ 41,364,677	\$ 43,096,328
Excess (Deficiency) of Revenue over Outgo & Expenditures		2,605,829	1,617,714	(1,534,172)
ENDING BALANCE with current budget projections		\$ 9,740,879	\$ 11,358,593	\$ 9,617,599
BALANCES	Revolving Cash, Stores & Prepaid Exp.	61,458	61,458	61,458
	Designated-OPEB	919,000	1,838,000	2,757,000
	Designated-Tier III Categorical	1,143,901	730,480	1,183,298
	Designated-Routine Repair & Maintenance	656,102	820,219	985,007
	Legally Restricted (Categorical)	1,463,017	1,655,137	51,714
	Designated Reserve - \$330 per ADA	1,552,175	1,552,175	1,552,175
	Parcel Tax Reserves (excess of 3%)	578,785	782,168	893,802
UNRESTRICTED and UNDESIGNATED Reserve for Economic Uncertainties		\$ 3,366,442	\$ 3,918,957	\$ 2,133,145
	Reserve as % of Total Expense	8.36%	9.47%	4.95%
	% of Required Reserve for this school district	3%	3%	3%
	\$ Amount of Required Reserve for this school district	\$ 1,208,289	\$ 1,247,145	\$ 1,292,890
ADDITIONAL Reserves above that needed to maintain required reserve		\$ 2,158,153	\$ 2,671,812	\$ 840,255

Other Current Issues Likely to Impact District Financial Condition

- State budget as passed by Legislature and signed by Governor
- Temporary Tax Extension
- Inter-year Deferrals
- Negotiations
- SELPA (Special Education) apportionment allocation
- Enrollment
 - Impact on Basic Aid status and fair share liability
 - Potential increase in expenditures without increase in revenue

Local property tax

Tax revenue appeals

Proposition 8 adjustment

New construction

Shifts in economy and unemployment

Key Messages

- While recovery has begun, impact of fiscal crisis will continue 3-5 years.
- On-going revisions 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 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 focus on our core values.
- We will plan for the worst and implement based upon reality.