Manhattan Beach Unified School District

Special Board Meeting: 2013-14 Budget

Presented by

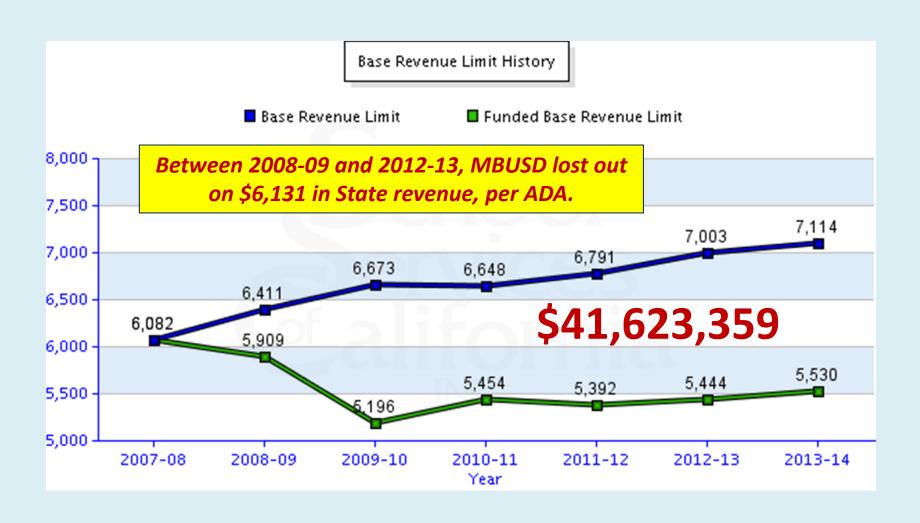
Dr. Michael D. Matthews
Superintendent of Schools

Dr. Rick E. Bagley
Deputy Superintendent, Administrative Services

February 28, 2013

A Pattern of Declining Revenues and Escalating Expenditures

CUTS IN STATE REVENUE SINCE 2008 HAVE BEEN DEVASTATING AND REMAIN UNADDRESSED



Our Multi-Year Projection

2012-13 through 2015-16

REVENUES Revenue Limit \$ 35,417,219 \$ 35,747,689 \$ 35,747,689 \$ 36,225,873 \$ 37,022,834 \$ 37,909,553 Federal Revenue \$ 2,374,289 \$ 1,127,121			2011-12 Audited	F	2012-13 irst Interim		RAFT 2012-13 cond interim		Projected 2013-14		Projected 2014-15		Projected 2015-16
Revenue Limit \$ 35,417,219 \$ 35,747,689 \$ 35,747,689 \$ 36,225,873 \$ 37,022,834 \$ 37,090,553 Federal Revenue \$ 2,374,289 \$ 1,127,121 \$ 1,227,128 \$ 1,227,128 \$ 1,227,128 \$ 1,227,128	DEVENITIES		Actuals		Buaget		Buaget		Budget		Budget		Buaget
Federal Revenue		¢	25 <i>/</i> 17 210	¢	35 7/17 680	¢	35 7/17 680	¢	26 225 872	¢	37 022 834	Ċ	37 909 553
Other State Revenue \$ 8,250,651 \$ 8,225,023 \$ 8,225,023 \$ 8,360,736 \$ 8,544,672 \$ 8,749,744 Other Local Revenue \$ 8,469,741 \$ 8,013,249 \$ 8,113,249 \$ 8,514,442 \$ 8,625,130 \$ 8,737,308 TOTAL REVENUES \$ 54,511,900 \$ 53,113,082 \$ 53,213,082 \$ 54,228,172 \$ 55,319,757 \$ 56,523,726 EXPENDITURES Certificated Salaries \$ 25,082,909 \$ 26,869,089 \$ 27,218,387 \$ 27,572,226 \$ 27,930,665 Classified Salaries \$ 8,018,896 \$ 8,634,584 \$ 8,634,584 \$ 8,746,833 \$ 8,860,541 \$ 8,975,728 Employee Benefits \$ 9,732,491 \$ 10,081,980 \$ 10,900,770 \$ 11,042,481 \$ 11,186,032 Books and Supplies \$ 3,467,044 \$ 3,020,587 \$ 3,020,587 \$ 3,020,587 \$ 3,020,587 \$ 3,020,587 \$ 3,020,587 \$ 3,020,587 \$ 3,020,587 \$ 3,020,587 \$ 3,020,587 \$ 3,020,587 \$ 3,020,587 \$ 3,020,587 \$ 3,020,587 \$ 3,020,587 \$ 3,020,587 \$ 3,020,587 \$ 3,020,587 \$ 3,020,587 \$. ,			-				•		-	
Other Local Revenue \$ 8,469,741 \$ 8,013,249 \$ 8,113,249 \$ 8,514,442 \$ 8,625,130 \$ 8,737,308 TOTAL REVENUES \$ 54,511,900 \$ 53,113,082 \$ 53,213,082 \$ 54,228,172 \$ 55,319,757 \$ 56,523,726 EXPENDITURES Certificated Salaries \$ 25,082,909 \$ 26,869,089 \$ 27,218,387 \$ 27,572,226 \$ 27,930,665 Classified Salaries \$ 8,018,896 \$ 8,634,584 \$ 8,634,584 \$ 8,746,833 \$ 8,660,541 \$ 8,975,728 Employee Benefits \$ 9,732,491 \$ 10,081,980 \$ 10,081,980 \$ 10,900,770 \$ 11,042,481 \$ 11,186,032 Books and Supplies \$ 3,467,044 \$ 3,020,587 <td< td=""><td></td><td>-</td><td></td><td>•</td><td></td><td>•</td><td></td><td>•</td><td></td><td>- 1</td><td></td><td>•</td><td></td></td<>		-		•		•		•		- 1		•	
EXPENDITURES										•			
EXPENDITURES Certificated Salaries \$ 25,082,909 \$ 26,869,089 \$ 26,869,089 \$ 27,218,387 \$ 27,572,226 \$ 27,930,665 Classified Salaries \$ 8,018,896 \$ 8,634,584 \$ 8,634,584 \$ 8,746,833 \$ 8,860,541 \$ 8,975,728 Employee Benefits \$ 9,732,491 \$ 10,081,980 \$ 10,081,980 \$ 10,900,770 \$ 11,042,481 \$ 11,186,032 Books and Supplies \$ 3,467,044 \$ 3,020,587 \$ 3,				-	•					<u> </u>			
Certificated Salaries \$ 25,082,909 \$ 26,869,089 \$ 26,869,089 \$ 27,218,387 \$ 27,572,226 \$ 27,930,665 Classified Salaries \$ 8,018,896 \$ 8,634,584 \$ 8,634,584 \$ 8,746,833 \$ 8,860,541 \$ 8,975,728 Employee Benefits \$ 9,732,491 \$ 10,081,980 \$ 10,081,980 \$ 10,900,770 \$ 11,042,481 \$ 11,186,032 Books and Supplies \$ 3,467,044 \$ 3,020,587 \$ 3,022,587 \$ 3,022,587 \$ 3,022,58	TOTAL NEVENOLS	Ą	34,311,900	ڔ	33,113,002	ڔ	33,213,002	ڔ	34,220,172	۲	33,313,737	۲	30,323,720
Certificated Salaries \$ 25,082,909 \$ 26,869,089 \$ 26,869,089 \$ 27,218,387 \$ 27,572,226 \$ 27,930,665 Classified Salaries \$ 8,018,896 \$ 8,634,584 \$ 8,634,584 \$ 8,746,833 \$ 8,860,541 \$ 8,975,728 Employee Benefits \$ 9,732,491 \$ 10,081,980 \$ 10,081,980 \$ 10,900,770 \$ 11,042,481 \$ 11,186,032 Books and Supplies \$ 3,467,044 \$ 3,020,587 \$ 3,022,587 \$ 3,022,587 \$ 3,022,58	EXPENDITURES												
Classified Salaries \$ 8,018,896 \$ 8,634,584 \$ 8,634,584 \$ 8,746,833 \$ 8,860,541 \$ 8,975,728 Employee Benefits \$ 9,732,491 \$ 10,081,980 \$ 10,081,980 \$ 10,900,770 \$ 11,042,481 \$ 11,186,032 Books and Supplies \$ 3,467,044 \$ 3,020,587 \$ 3,020,587 \$ 3,020,587 \$ 3,020,587 \$ 3,020,587 \$ 5ervices/Other Op. Exp. \$ 6,831,075 \$ 8,202,390 \$ 8,052,390 \$ 8,052,390 \$ 8,052,390 \$ 8,052,390 \$ 8,052,390 \$ 0.000 \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -		\$	25,082,909	\$	26,869,089	\$	26,869,089	\$	27,218,387	\$	27,572,226	\$	27,930,665
Employee Benefits \$ 9,732,491 \$ 10,081,980 \$ 10,081,980 \$ 10,900,770 \$ 11,042,481 \$ 11,186,032 Books and Supplies \$ 3,467,044 \$ 3,020,587 \$ 1,782,807 \$ 1,782,807 \$ 1,782,807 \$ 1,782,807 <td>Classified Salaries</td> <td>\$</td> <td>8,018,896</td> <td>\$</td> <td>8,634,584</td> <td>\$</td> <td>8,634,584</td> <td>\$</td> <td>8,746,833</td> <td>\$</td> <td>8,860,541</td> <td>\$</td> <td></td>	Classified Salaries	\$	8,018,896	\$	8,634,584	\$	8,634,584	\$	8,746,833	\$	8,860,541	\$	
Services/Other Op. Exp. \$ 6,831,075 \$ 8,202,390 \$ 8,052,390 \$ 9,052,390 \$ 9,093,20	Employee Benefits		9,732,491	\$	10,081,980	\$	10,081,980	\$	10,900,770	\$	11,042,481	\$	11,186,032
Capital Outlay \$ 35,548 \$ 20,000 \$ 20,000 \$ - \$ 1,782,807 \$ 10,000 \$ 1,782,807 \$ 1,782,807 \$ 10,000 \$ 1,782,807 \$ 1,782,807 \$ 1,782,807 \$ 1,782,807 \$ 1,782,807 \$ 1,782,807 \$ 1,782,807 \$ 1,782,807 \$ 1,782,807 \$ 1,782,807 \$ 1,782,807 \$ 1,782,807 \$ 1,782,807 \$ 1,782,807 \$	Books and Supplies	\$	3,467,044	\$	3,020,587	\$	3,020,587	\$	3,020,587	\$	3,020,587	\$	3,020,587
Capital Outlay \$ 35,548 \$ 20,000 \$ 20,000 \$ - \$ - \$ - \$ - \$ - \$ Other Outgo \$ 2,422,071 \$ 1,782,807 \$	Services/Other Op. Exp.	\$	6,831,075	\$	8,202,390	\$	8,052,390	\$	8,052,390	\$	8,052,390	\$	8,052,390
TOTAL EXPENDITURES \$ 55,590,035 \$ 58,611,437 \$ 58,461,437 \$ 59,721,774 \$ 60,331,032 \$ 60,948,209 REVENUES - EXPENDITURES \$ (1,078,135) \$ (5,498,355) \$ (5,248,355) \$ (5,493,602) \$ (5,011,275) \$ (4,424,483) FUND BALANCE (RESERVES) Beginning Fund Balance (July 1) \$ 16,319,690 \$ 15,241,555 \$ 15,241,555 \$ 9,993,200 \$ 4,499,598 \$ (511,677) Audit Adjustment \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ (511,677) \$ (4,999,598) \$ (511,677) \$ (4,996,598) \$ (511,677) \$ (4,936,160)	Capital Outlay	\$	35,548	\$	20,000	\$	20,000	\$	-	\$	-	\$	-
TOTAL EXPENDITURES \$ 55,590,035 \$ 58,611,437 \$ 58,461,437 \$ 59,721,774 \$ 60,331,032 \$ 60,948,209 REVENUES - EXPENDITURES \$ (1,078,135) \$ (5,498,355) \$ (5,248,355) \$ (5,493,602) \$ (5,011,275) \$ (4,424,483) FUND BALANCE (RESERVES) Beginning Fund Balance (July 1) \$ 16,319,690 \$ 15,241,555 \$ 15,241,555 \$ 9,993,200 \$ 4,499,598 \$ (511,677) Audit Adjustment \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ (4,499,598) \$ (511,677) Adjusted Beginning Balance \$ 16,319,690 \$ 15,241,555 \$ 15,241,555 \$ 9,993,200 \$ 4,499,598 \$ (511,677) Ending Fund Balance (June 30) \$ 15,241,555 \$ 9,993,200 \$ 4,499,598 \$ (511,677) Ending Fund Balance (June 30) \$ 15,241,555 \$ 9,743,200 \$ 9,993,200 \$ 4,499,598 \$ (511,677) \$ (4,936,160) Revolving Cash and Stores \$ 30,000 \$ 30,000 \$ 30,000 \$ 30,000 \$ 30,000 \$ 30,000 \$ 3,047,410	Other Outgo	\$	2,422,071	\$	1,782,807	\$	1,782,807	\$	1,782,807	\$	1,782,807	\$	1,782,807
FUND BALANCE (RESERVES) Beginning Fund Balance (July 1) \$ 16,319,690 \$ 15,241,555 \$ 15,241,555 \$ 9,993,200 \$ 4,499,598 \$ (511,677) Audit Adjustment \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ (511,677) \$ (511,677) \$ (511,677) \$ (511,677) \$ (511,677) \$ (4,995,598) \$ (511,677) \$ (4,936,160) <	TOTAL EXPENDITURES		55,590,035	\$	58,611,437	\$	58,461,437	\$	59,721,774	\$	60,331,032	\$	60,948,209
FUND BALANCE (RESERVES) Beginning Fund Balance (July 1) \$ 16,319,690 \$ 15,241,555 \$ 15,241,555 \$ 9,993,200 \$ 4,499,598 \$ (511,677) Audit Adjustment \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ (511,677) \$ (511,677) \$ (511,677) \$ (511,677) \$ (511,677) \$ (4,995,598) \$ (511,677) \$ (4,936,160) <													
Beginning Fund Balance (July 1) \$ 16,319,690 \$ 15,241,555 \$ 15,241,555 \$ 9,993,200 \$ 4,499,598 \$ (511,677) Audit Adjustment \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ (511,677) \$ (511,677) \$ (511,677) \$ (511,677) \$ (511,677) \$ (511,677) \$ (4,499,598) \$ (511,677) \$ (4,936,160)	REVENUES - EXPENDITURES	\$	(1,078,135)	\$	(5,498,355)	\$	(5,248,355)	\$	(5,493,602)	\$	(5,011,275)	\$	(4,424,483)
Beginning Fund Balance (July 1) \$ 16,319,690 \$ 15,241,555 \$ 15,241,555 \$ 9,993,200 \$ 4,499,598 \$ (511,677) Audit Adjustment \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ (511,677) \$ (511,677) \$ (511,677) \$ (511,677) \$ (511,677) \$ (511,677) \$ (511,677) \$ (4,936,160)	FLIND RALANCE (RESERVES)												
Audit Adjustment \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - - \$ - - \$ - - \$ - - \$ - - \$ - - \$ - - \$ -		\$	16 319 690	Ś	15 241 555	Ś	15 241 555	\$	9 993 200	Ś	4 499 598	ς	(511 677)
Adjusted Beginning Balance \$ 16,319,690 \$ 15,241,555 \$ 15,241,555 \$ 9,993,200 \$ 4,499,598 \$ (511,677) Ending Fund Balance (June 30) \$ 15,241,555 \$ 9,743,200 \$ 9,993,200 \$ 4,499,598 \$ (511,677) \$ (4,936,160) Revolving Cash and Stores \$ 30,000 \$ 30,00			-						-		-	Y	(311,077)
Ending Fund Balance (June 30) \$ 15,241,555 \$ 9,743,200 \$ 9,993,200 \$ 4,499,598 \$ (511,677) \$ (4,936,160) Revolving Cash and Stores \$ 30,000 \$ 30,000	-		16 319 690		15 241 555	•	15 241 555		9 993 200	•	<i>4 4</i> 99 598	ς	(511 677)
Revolving Cash and Stores \$ 30,000 \$ 30,000 \$ 30,000 \$ 30,000 \$ 30,000 \$ 30,000 \$ 30,000 \$ 30,000 Reserve for Economic Unc. \$ 2,779,502 \$ 2,930,572 \$ 2,923,072 \$ 2,986,089 \$ 3,016,552 \$ 3,047,410	, ,	-		•			• •	•		•		-	• , ,
Reserve for Economic Unc. \$ 2,779,502 \$ 2,930,572 \$ 2,923,072 \$ 2,986,089 \$ 3,016,552 \$ 3,047,410	_	-								•			
	· ·	-					•			-	•	-	
	Undesignated Ending Balance	\$	12,432,053	\$	6,782,628	\$	7,040,128	\$	1,483,509	\$	(3,558,229)	\$	(8,013,570)

		2011-12 Audited Actuals	F	2012-13 irst Interim Budget		RAFT 2012-13 cond interim Budget	Projected 2013-14 Budget	Projected 2014-15 Budget		Projected 2015-16 Budget
<u>REVENUES</u>										
Revenue Limit	\$	35,417,219	\$	35,747,689	\$	35,747,689	\$ 36,225,873	\$	37,022,834	\$ 37,909,553
Federal Revenue	\$	2,374,289	\$	1,127,121	\$	1,127,121	\$ 1,127,121	\$	1,127,121	\$ 1,127,121
Other State Revenue	\$	8,250,651	\$	8,225,023	\$	8,225,023	\$ 8,360,736	\$	8,544,672	\$ 8,749,744
Other Local Re	\$	8,469,741	\$	8,013,249	\$	8,113,249	\$ 8,514,442	\$	8,625,130	\$ 8,737,308
TOTAL REVEL Structural	\$	54,511,900	\$	53,113,082	\$	53,213,082	\$ 54,228,172	\$	55,319,757	\$ 56,523,726
Deficit EXPENDITURES										
Certificated Salaries	\$	25,082,909	\$	26,869,089	\$	26,869,089	\$ 27,218,387	\$	27,572,226	\$ 27,930,665
Classified Salaries	Ş	8,018,896	\$	8,634,584	\$	8,634,584	\$ 8,746,833	\$	8,860,541	\$ 8,975,728
Employee Benefits	\$	9,732,491	\$	10,081,980	\$	10,081,980	\$ 10,900,770	\$	11,042,481	\$ 11,186,032
Books and Supplies	\$	3,467,014	\$	3,020,587	\$	3,020,587	\$ 3,020,587	\$	3,020,587	\$ 3,020,587
Services/Other Op. Exp.	\$	6,831,075	*	8,202,390	\$	8,052,390	\$ 8,052,390	\$	8,052,390	\$ 8,052,390
Capital Outlay	\$	35,548	\$	20,000	\$	20,000	\$ -	\$	-	\$ -
Other Outgo	\$	2,422,071	\$	1,782,807	\$	1,782,807	\$ 1,782,807	\$	1,782,807	\$ 1,782,807
TOTAL EXPENDITURES	\$	55,590,035	\$	58,611,437	Ś	58,461,437	\$ 59,721,774	\$	60,331,032	\$ 60,948,209
REVENUES - EXPENDITURES	\$	(1,078,135)	\$	(5,498,355)	\$	(5,248,355)	\$ (5,493,602)	\$	(5,011,275)	\$ (4,424,483)
FUND BALANCE (RESERVES)										
Beginning Fund Balance (July 1)	\$	16,319,690	\$	15,241,555	\$	15,241,555	\$ 9,993,200	\$	4,499,598	\$ (511,677)
Audit Adjustment	\$	-	\$	-	\$	-	\$ -	\$	-	
Adjusted Beginning Balance	\$	16,319,690	\$	15,241,555	\$	15,241,555	\$ 9,993,200	\$	4,499,598	\$ (511,677)
Ending Fund Balance (June 30)	\$	15,241,555	\$	9,743,200	\$	9,993,200	\$ 4,499,598	\$	(511,677)	\$ (4,936,160)
Revolving Cash and Stores	\$	30,000	\$	30,000	\$	30,000	\$ 30,000	\$	30,000	\$ 30,000
Reserve for Economic Unc.	\$	2,779,502	\$	2,930,572	\$	2,923,072	\$ 2,986,089	\$	3,016,552	\$ 3,047,410
Undesignated Ending Balance	\$	12,432,053	\$	6,782,628	\$	7,040,128	\$ 1,483,509	\$	(3,558,229)	\$ (8,013,570)

How do we arrive at a \$5.2 million structural Deficit in 2012-13?

REVENUES .	2011-12 Audited Actuals	F	First Interim Second interim 2013-14 2014-15 2		Projected 2015-16 Budget						
Revenue Limit	\$ 35,417,219	\$	35,747,689	\$	35,747,689	\$	36,225,873	\$	37,022,834	\$	37,909,553
Federal Revenue	\$ 2,374,289	\$	1,127,121	\$	1,127,121	\$	1,127,121	\$	1,127,121	\$	1,127,121
Other State Revenue	\$ 8,250,651	\$	8,225,023	\$	8,225,023	\$	8,360,736	\$	8,544,672	\$	8,749,744
Other Local Revenue	\$ 8,469,741	\$	lm '	20	11 12 NA	DI	ICD over	-	lituros		8,737,308
TOTAL REVENUES	\$ 54,511,900	\$			11-12, M		•				56,523,726
			exceed	lec	<mark>l revenue</mark>	25	(i.e. defic	it	spending	5)	
EXPENDITURES					hy \$	1 (078,135				_
Certificated Salaries	\$ 25,082,909	\$		Ţ	Бу Э	±,\	770,133			,	27,930,665
Classified Salaries	\$ 8,018,896	\$	8,634,584	\$	8,634,584	\$	8,746,833	\$	8,860,541	\$	8,975,728
Employee Benefits	\$ 9,732,491	\$	10,081,980	\$	10,081, 9 80	\$	10,900,770	\$	11,042,481	\$	11,186,032
Books and Supplies	\$ 3,467,044	\$	3,020,587	\$	3,020,587	\$	3,020,587	\$	3,020,587	\$	3,020,587
Services/Other Op. Exp.	\$ 6,831,075	\$	8,202,390	\$	8,052,390	\$	8,052,390	\$	8,052,390	\$	8,052,390
Capital Outlay	\$ 35,548	\$	20.000	\$	20,000	\$	-	\$	-	\$	-
Other Outgo	\$ 2,422,071	\$	1,782,807	\$	1,782,807	\$	1,782,807	\$	1,782,807	\$	1,782,807
TOTAL EXPENDITURES	\$ 55,590,035	Ċ	58,611,437	\$	58,461,437	\$	59,721,774	\$	60,331,032	\$	60,948,209
REVENUES - EXPENDITURES	\$ (1,078,135)	\$	(5,498,355)	\$	(5,248,355)	\$	(5,493,602)	\$	(5,011,275)	\$	(4,424,483)
FUND BALANCE (RESERVES)											
Beginning Fund Balance (July 1)	\$ 16,319,690	\$	15,241,555	\$	15,241,555	\$	9,993,200	\$	4,499,598	\$	(511,677)
Audit Adjustment	\$ -	\$	-	\$	-	\$	-	\$	-		
Adjusted Beginning Balance	\$ 16,319,690	\$	15,241,555	\$	15,241,555	\$	9,993,200	\$	4,499,598	\$	(511,677)
Ending Fund Balance (June 30)	\$ 15,241,555	\$	9,743,200	\$	9,993,200	\$	4,499,598	\$	(511,677)	\$	(4,936,160)
Revolving Cash and Stores	\$ 30,000	\$	30,000	\$	30,000	\$	30,000	\$	30,000	\$	30,000
Reserve for Economic Unc.	\$ 2,779,502	\$	2,930,572	\$	2,923,072	\$	2,986,089	\$	3,016,552	\$	3,047,410
Undesignated Ending Balance	\$ 12,432,053	\$	6,782,628	\$	7,040,128	\$	1,483,509	\$	(3,558,229)	\$	(8,013,570)

REVENUES .		2011-12 Audited Actuals	Fi	2012-13 DRAFT 2012-13 First Interim Second interim Budget Budget			Projected 2013-14 Budget	1	Projected 2014-15 Budget	2014-15 2015-16		
Revenue Limit	ċ	35,417,219	\$	35,747,689	\$	35,747,689	\$	36,225,873	\$	37,022,834	ç	37,909,553
Federal Revenue	ې د	2,374,289	۶ \$	1,127,121	•	1,127,121	۶ \$	1,127,121	۶ \$	1,127,121	۶ \$	1,127,121
Other State Revenue	Ş		ې د							-	•	•
Other State Revenue Other Local Revenue	ې د	8,250,651	ç	8,225,023	ې د	8,225,023	\$ \$	8,360,736	\$	8,544,672	\$	8,749,744
	<u> </u>	8,469,741	<u>\$</u>	8,013,249	Ċ	8,113,249		8,514,442	\$	8,625,130	\$	8,737,308
TOTAL REVENUES	\$	54,511,900	\$	53,113,082	\$	53,213,082	\$	54,228,172	\$	55,319,757	\$	56,523,726
EVENINE IN INC.												
EXPENDITURES		25 002 000		25 252 222		25,050,00		27 240 207		27 572 226		27 020 665
Certificated Salaries	\$	25,082,909	-	26,869,089	\$	26,869,089	\$	27,218,387	\$	27,572,226		27,930,665
Classified Salaries	\$	8,018,896	\$	8,634,584	\$	8,634,584	\$	8,746,833	\$	8,860,541	\$	8,975,728
Employee Benefits	\$	9,732,491	\$	10,081,980	\$	10,081,980	\$	10,900,770	\$	11,042,481	\$	11,186,032
Books and Supplies	\$	3,467,044	\$	3,020,587	\$	3,020,587	\$	3,020,587	\$	3,020,587	\$	3,020,587
Services/Other Op. Exp.	\$	6,831,075	\$	8 202 390	ς_	8 052 390	Ċ	8 052 90	\$	8 052 390	\$	8 052 390
Capital Outlay	\$	35,548	\$		No	te, too, t	tha	t as the	las	t of the I	Fed	deral
Other Outgo	\$	2,422,071	\$	Gov	V O	rnment's		aa tima i	nf.	icion of	م م	ditional
TOTAL EXPENDITURES	\$	55,590,035	\$	3								
REVENUES - EXPENDITURES	\$	(1,078,135)	\$	fui	nd	s ended, d		r Federa ped \$1,			th	is year
FUND BALANCE (RESERVES)												
Beginning Fund Balance (July 1)	\$	16,319,690	\$	2011	12	Budget	Dei	ficit	_		\$1	,078,135
Audit Adjustment	\$	-	\$						_			
Adjusted Beginning Balance	\$	16,319,690	\$	1 Loss o	of F	ederal F	un	ds	=		<u>\$1</u>	<u>,245,168</u>
Ending Fund Balance (June 30)	\$	15,241,555	\$	Tot	al	loss carr	امما	forward	ı _		\$2	,323,303
Revolving Cash and Stores	\$	30,000	\$	101	aı	ioss carr		TOTAVATO			72	,323,303
Reserve for Economic Unc.	\$	2,779,502	\$	2,930,572	\$	2,923,072	\$	2,986,089	\$	3,016,552	\$	3,047,410
Undesignated Ending Balance	\$	12,432,053	\$	6,782,628	\$	7,040,128	\$	1,483,509	\$	(3,558,229)	-	(8,013,570)
2	7	==, .5=,555	Τ	5,. 52,520	~	.,0.0,220	Τ	_, .55,565	Τ	(3,000,=20)	~	(=,0=0,0.0)

<u>REVENUES</u>		2011-12 Audited Actuals	F	2012-13 irst Interim Budget		RAFT 2012-13 cond interin Budget		Projected 2013-14 Budget		Projected 2014-15 Budget		Projected 2015-16 Budget
Revenue Limit	\$	35,417,219	\$	35,747,689	\$	35,747,689	9 \$	36,225,873	\$	37,022,834	\$	37,909,553
Federal Revenue	\$	2,374,289	\$	1,127,121	\$	1,127,12	-	1,127,121	\$	1,127,121	\$	1,127,121
Other State Revenue	\$	8,250,651	\$	8,225,023	\$	8,225,02	3 \$	8,360,736	\$	8,544,672	\$	8,749,744
Other Local Revenue	\$	8,469,741	\$	8,013,249	\$	8,113,24	9 \$	8,514,442	\$	8,625,130	\$	8,737,308
TOTAL REVENUES	\$	54,511,900	\$	53,113,082	\$	53,213,08	2 \$	54,228,172	\$	55,319,757	\$	56,523,726
EXPENDITURES Certificated Salaries Classified Salaries Employee Benefits Books and Supplies Services/Other Op. Exp. Capital Outlay	\$ \$ \$ \$	25,082,909 8,018,896 9,732,491 3,467,044 6,832,075 35,548	\$ \$ \$ \$ \$	26,869,089 8,634,584 10,081,980 3,020,587 8,202,390 20,000	\$ \$ \$ \$ \$	26,869,08 8,634,58 10,081,98 3,020,58 8,052,39 20,00	4 \$ 0 \$ 7 \$ 0 \$	27,218,387 8,746,833 10,900,770 3,020,587 8,052,390	\$ \$ \$ \$ \$	27,572,226 8,860,541 11,042,481 3,020,587 8,052,390	\$ \$ \$ \$ \$	27,930,665 8,975,728 11,186,032 3,020,587 8,052,390
Other Outes	<u>.</u>	2 422 074	<u>,</u>	1 702 007	<u>.</u>	1 70 7,80		1,782,807	\$	1,782,807	\$	1,782,807
Also, expenditures	asso	ociated v	wit	h emplo	ye	e 1,43	7 \$	59,721,774	\$	60,331,032	\$	60,948,209
salaries and benefits \$2,751,35	are	projecte	ed t	to increa	•	by	5) \$	(5,493,602)	\$	(5,011,275)	\$	(4,424,483)
2011-12 Budget Deficit	t	=		\$1,078	3,1	35 L,55!	5 \$ - \$	9,993,200	\$ \$	4,499,598 -	\$	(511,677)
Loss of Federal Funds		=		\$1,245	5.1	68 L,55!	5 \$	9,993,200	\$	4,499,598	\$	(511,677)
	oct c	=			•	k 20) \$	4,499,598	\$	(511,677)	\$	(4,936,160)
Increased Employee Co				<u>\$2,751</u>		,,,,,) \$	30,000	\$	30,000	\$	30,000
Total loss carried fo	rwa	rd =		\$5,076	5,6			2,986,089	\$	3,016,552	\$	3,047,410
опасывнатеа спать ваганее	Y	12,732,033	Ÿ	0,702,020	Ţ	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	3 \$	1,483,509	\$	(3,558,229)	\$	(8,013,570)

How have costs associated with personnel gone up by \$2.75 million in 2012-13?

		Aud		Projected	Mean	
	2008-09	2009-10	2010-11	2011-12	2012-13	
Certificated	\$ 24,989,364	\$ 24,321,0	46 \$ 24,259,350	\$ 25,082,909	\$ 26,869,089	\$ 25,104,352
Classified	\$ 7,492,461	\$ 7,368,5	25 \$ 7,667,723	\$ 8,018,896	\$ 8,634,584	\$ 7,836,438
Benefits	\$ 7,741,992	\$ 8,023,5	84 \$ 8,717,782	\$ 9,732,491	\$ 10,081,980	\$ 8,859,566
CERTIFICATED ONLY						
PERCENT OF TOTAL PERSONNEL COSTS	62.13%	61.2	4% 59.69%	58.56%	58.94%	60.11%
INCREASE/(DECREASE)		\$ (668,3	18) \$ (61,696)	\$ 823,559	\$ 1,786,180	
PERCENT INC/(DEC)		-2.6	7% -0.25%	3.39%	7.12%	
CLASSIFIED ONLY						
PERCENT OF TOTAL PERSONNEL COSTS	18.63%	18.5	5% 18.87%	18.72%	18.94%	18.74%
INCREASE/(DECREASE)		\$ (123,9	36) \$ 299,198	\$ 351,173	\$ 615,688	
PERCENT INC/(DEC)		-1.6	5% 4.06%	4.58%	7.68%	
BENEFITS ONLY						
PERCENT OF TOTAL PERSONNEL COSTS	19.25%	20.2	0% 21.45%	22.72%	22.12%	21.15%
INCREASE/(DECREASE)		\$ 281,5	92 \$ 694,198	\$ 1,014,709	\$ 349,489	
PERCENT INC/(DEC)		3.6	4% 8.65%	11.64%	3.59%	
<u>TOTAL</u>						
TOTAL PERSONNEL	\$ 40,223,817	\$ 39,713,1	55 \$ 40,644,855	\$ 42,834,296	\$ 45,585,653	\$ 41,800,355
INCREASE/(DECREASE)		\$ (510,6	62) \$ 931,700	\$ 2,189,441	\$ 2,751,357	\$ 1,340,459
PERCENT INC/(DEC)		-1.2	7% 2.35%	5.39%	6.42%	3.22%

		Projected	Mean			
	2008-09	2009-10	2010-11	2011-12	2012-13	
Certificated Classified Benefits	\$ 24,989,364 \$ 7,492,461 \$ 7,741,992	\$ 24,321,046 \$ 7,368,525 \$ 8,023,584	\$ 7,667,723	\$ 25,082,909 \$ 8,018,896 \$ 9,732,491	\$ 26,869,089 \$ 8,634,584 \$ 10,081,980	\$ 25,104,352 \$ 7,836,438 \$ 8,859,566
CERTIFICATED ONLY PERCENT OF TOTAL PERSONNEL COSTS	62.13%	61.24%	59.69%	58.56%	58.94%	60.11%
Of the personnel cost incre	eases for 2	2012-13,	(61,696)	\$ 823,559	1,786,180 7 12%	
64.92% = Certif	ficated —		0.23/6	3.33/0	2/0	
22.38% = Clas						
		C 2.	18.87%	18 72%	18.94%	18.74%
12.70% = Health and W	<mark>'eltare Ber</mark>	nefits 👡	299,198	\$ 351,173	\$ (615,688	
PERCENT INC/(DEC)		-1.65%	4.06%	4.58%	7.68%	
BENEFITS ONLY						
PERCENT OF TOTAL PERSONNEL COSTS	19.25%		21.45%	22.72%	22.12%	21.15%
INCREASE/(DECREASE) PERCENT INC/(DEC)		\$ 281,592 3.64%	\$ 694,198 8.65%	\$ 1,014,709 11.64%	\$ 349,489	
PERCENT INC/(DEC)		3.04%	8.03%	11.04%	3.55%	
<u>TOTAL</u>						
TOTAL PERSONNEL	\$ 40,223,817	\$ 39,713,155	\$ 40,644,855	\$ 42,834,296	\$ 45,585,653	\$ 41,800,355
INCREASE/(DECREASE)		\$ (510,662)		\$ 2,189,441	\$ 2,751,357	\$ 1,340,459
PERCENT INC/(DEC)		-1.27%	2.35%	5.39%	6.42%	3.22%

		Audited Actuals		Projected	Mean
	2008-09	2009-10 2010-11	2011-12	2012-13	
Certificated Classified Benefits	\$ 24,989,364 \$ 7,492,461 \$ 7,741,992	\$ 7,368,525 \$ 7,667,723	\$ 8,018,896	\$ 26,869,089 \$ 8,634,584 \$ 10,081,980	\$ 25,104,352 \$ 7,836,438 \$ 8,859,566
CERTIFICATED ONLY PERCENT OF TOTAL PERSONNEL COSTS INCREASE/(DECREASE) PERCENT INC/(DEC)	62.13%	\$ 61.24% 59.69% \$ (668,318) \$ (61,696) -2.67% -0.25%	58.56% \$ 823,559 3.39%	58.94% \$ 1. 786,18 0 7.12%	60.11%
CLASSIFIED ONLY PERCENT OF TOTAL PERSONNEL COSTS INCREASE/(DECREASE) PERCENT INC/(DEC)	18.63%	\$ 18.55% 18.87% \$ (123,936) \$ 299,198 -1.65% 4.06%	18/2% \$ 251,173 4.58%	18.94% \$ 61 5,688 7.68%	18.74%
Increase over last year's cost over 7% and 6.42% o		ries is 21,45% 694,198 8.65%	22.72% \$ 1,014,709 11.64%	22.12% \$ 349,489 3.59%	21.15%
TOTAL TOTAL PERSONNEL INCREASE/(DECREASE) PERCENT INC/(DEC)	\$ 40,223,817	\$ 39,713,155 \$ 40,644,855 \$ (510,662) \$ 931,700 -1.27% 2.35%	\$ 42,834.296 \$ 2,189,441 5.39%	\$ 45,585,653 2,751,357 6.42%	\$ 41,800,355 \$ 1,340,459 3.22%

		Audited	l Actuals		Projected	Mean
	2008-09	2009-10	2010-11	2011-12	2012-13	
Certificated	\$ 24,989,364	\$ 24,321,046		25,082,909	\$ 26,869,089	\$ 25,104,352
Classified	\$ 7,492,461	\$ 7,368,525	\$ 7,667.723	\$ 8,018,896	\$ 8,634,584	\$ 7,836,438
Benefits	\$ 7,741,992	\$ 8,023,584	\$ 8,717,782	\$ 9,732,491	\$ 10,081,980	\$ 8,859,566
CERTIFICATED ONLY						
PERCENT OF TOTAL PERSONNEL COSTS	62 13%	61.24%	59.69%	58.56%	58.94%	60.11%
INCREASE/(D				323,559	\$ 1,786,180	
PERCENT IN				3.39%	7.12%	
What causes	s this ty	pe of ir	crease	?		
CLASSIFIED ON	•				10.040/	10 740/
PERCENT OF				18.72%	18.94%	18.74%
INCREASE/(I • 3% Salary Incre	ease = \$76	6,377		351,173		
• 2.22% Step/Co	•	•		4.58%	7.68%	
	•	•				
BENEFITS ONL Net New/Return Net New/Return Net New/Return Net New/Return New/Return	rning Posit	tions = \$4	62,998			
PERCENT OF INCREASE // 1.0 Eleme	ntary Teac	her		22.72%	22.12%	21.15%
11101127102710	•)14,709		
PERCENT IN • 1.6 High S	chool Teac	chers		11.64%	3.59%	
• 2.0 Middle	e School Te	eachers				
TOTAL TOTAL PERSO 2.0 Specia	LEducation	n Teachar	·c	334,296	\$ 45,585,653	\$ 41,800,355
INCREASE/(D	Luucatio	ii leacilei	3	189,441	\$ 43,363,033	\$ 1,340,459
PERCENT INC				5.39%	\$ 2,731,337 6.42%	1 ' ' '
PENCEINT IIIV				5.39%	0.42%	3.22%

	2011-12 Audited Actuals	F	2012-13 irst Interim Budget	RAFT 2012-13 cond interim Budget		Projected 2013-14 Budget	I	Projected 2014-15 Budget		Projected 2015-16 Budget
<u>REVENUES</u>										
Revenue Limit	\$ 35,417,219	\$	35,747,689	\$ 35,747,689	\$	36,225,873	\$	37,022,834	\$	37,909,553
Federal Revenue	\$ 2,374,289	\$	1,127,121	\$ 1,127						
Other State Revenue	\$ 8,250,651	\$	8,225,023	\$ 8,225		The	po	ttom line	:	••
Other Local Revenue	\$ 8,469,741	\$	8,013,249	\$ 8,113	\$5	.24 millio	n (of structi	ura	al deficit
TOTAL REVENUES	\$ 54,511,900	\$	53,113,082	\$ 53,213	•					
					m	ust be al	osc	rbed 100	J%	by our
<u>EXPENDITURES</u>							re	eserve.		
Certificated Salaries	\$ 25,082,909	\$	26,869,089	\$ 26,869 <mark>,</mark>	Ţ	21,210,301	Y	21,312,220	Ţ	27,550,005
Classified Salaries	\$ 8,018,896	\$	8,634,584	\$ 8,634,584	\$	8,746,833	\$	8,860,541	\$	8,975,728
Employee Benefits	\$ 9,732,491	\$	10,081,980	\$ 10,081,980	\$	10,900,770	\$	11,042,481	\$	11,186,032
Books and Supplies	\$ 3,467,044	\$	3,020,587	\$ 3,020,587	\$	3,020,587	\$	3,020,587	\$	3,020,587
Services/Other Op. Exp.	\$ 6,831,075	\$	8,202,390	\$ 8,052,390	\$	8,052,390	\$	8,052,390	\$	8,052,390
Capital Outlay	\$ 35,548	\$	20,000	\$ 20,000	\$	-	\$	-	\$	-
Other Outgo	\$ 2,422,071	\$	1,782,807	\$ 1,782,807	\$	1,782,807	\$	1,782,807	\$	1,782,807
TOTAL EXPENDITURES	\$ 55,590,035	\$	58,611,437	\$ 58,461,437	ķ	59,721,774	\$	60,331,032	\$	60,948,209
REVENUES - EXPENDITURES	\$ (1,078,135)	\$	(5,498,355)	\$ (5,248,355)) \$	(5,493,602)	\$	(5,011,275)	\$	(4,424,483)
FUND BALANCE (RESERVES)										
Beginning Fund Balance (July 1)	\$ 16,319,690	\$	15,241,555	\$ 15,241,555	\$	9,993,200	\$	4,499,598	\$	(511,677)
Audit Adjustment	\$ -	\$	-	\$ -	\$	-	\$	-		
Adjusted Beginning Balance	\$ 16,319,690	\$	15,241,555	\$ 15,241,555	\$	9,993,200	\$	4,499,598	\$	(511,677)
Ending Fund Balance (June 30)	\$ 15,241,555	\$	9,743,200	\$ 9,993,200	\$	4,499,598	\$	(511,677)	\$	(4,936,160)
Revolving Cash and Stores	\$ 30,000	\$	30,000	\$ 30,000	\$	30,000	\$	30,000	\$	30,000
Reserve for Economic Unc.	\$ 2,779,502	\$	2,930,572	\$ 2,923,072	\$	2,986,089	\$	3,016,552	\$	3,047,410
Undesignated Ending Balance	\$ 12,432,053	\$	6,782,628	\$ 7,040,128	\$	1,483,509	\$	(3,558,229)	\$	(8,013,570)

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	2011-12 Audited Actuals	2012-13 First Interim Budget		DRAFT 2012-13 Second interim Budget		Projected 2013-14 Budget		Projected 2014-15 Budget			Projected 2015-16 Budget
<u>REVENUES</u>											
Revenue Limit	\$ 35,417,219	\$	35,747,689	\$	35,747,689	\$	36,225,873	\$	37,022,834	\$	37,909,553
Federal Revenue	\$ 2,374,289	\$	1,127,121	\$	1,127,121	73	1,127,121	\$	1,127,121	\$	1,127,121
Other State Revenue	\$ 8,250,651	\$	8,225,023	\$	8,225,023	\$	8,360,736	\$	8,544,672	\$	8,749,744
Other Local Revenue	\$ 8,469,741	\$	8,013,249	\$	8,113,249	7	8,514,412	\$	8,625,130	\$	8,737,308
TOTAL REVENUES	\$ 54,511,900	\$	53,113,082	\$	53,213,682	\$	54,228,172	\$	55,319,757	\$	56,523,726

GOOD NEWS

State funding is expected to modestly increase over the next few years.

NOT-SO-GOOD NEWS

Under Governor Brown's new "Local Control Funding Formula" (LCFF), the increases are expected to be lower than shown here.

BAD NEWS

Whether we keep the current funding model or move to the LCFF, revenues are not increasing fast enough to offset our deficit.

	\$	26,869,089	\$	27,218,387	\$	27,572,226	\$	27,930,665	
	\$	8,634,584	\$	8,746,833	\$	8,860,541	\$	8,975,728	
)	\$	10,081,980	\$	10,900,770	\$	11,042,481	\$	11,186,032	
•	\$	3,020,587	\$	3,020,587	\$	3,020,587	\$	3,020,587	
)	\$	8,052,390	\$	8,052,390	\$	8,052,390	\$	8,052,390	
)	\$	20,000	\$	-	\$	-	\$	-	
	\$	1,782,807	\$	1,782,807	\$	1,782,807	\$	1,782,807	
•	\$	58,461,437	\$	59,721,774	\$	60,331,032	\$	60,948,209	
)	\$	(5,248,355)	\$	(5,493,602)	\$	(5,011,275)	\$	(4,424,483)	
)	\$ <	(5,248,355)	\$	(5,493,602)	\$	(5,011,275)	\$	(4,424,483)	
)	\$	(5,248,355)	\$	(5,493,602)	\$	(5,011,275)	\$	(4,424,483)	
)	\$ <	(5,248,355) 15,241,555	\$ \$	9,993,200	\$	(5,011,275) 4,499,598	\$	(4,424,483)	
)		1							
)	\$	1	\$		\$				
)	\$	15,242,555	\$	9,993,200	\$	4,499,598	\$	(511,677)	
)	\$	15,241,555 - 15,241,555	\$ \$ \$	9,993,200 - 9,993,200	\$ \$ \$	4,499,598 - 4,499,598	\$	(511,677) (511,677)	
)	\$ \$ \$	15,241,555 - 15,241,555 9,993,200	\$ \$ \$ \$	9,993,200 - 9,993,200 4,499,598	\$ \$ \$ \$	4,499,598 - 4,499,598 (511,677)	\$ \$ \$	(511,677) (511,677) (4,936,160)	
)	\$ \$ \$ \$	15,241,555 - 15,241,555 9,993,200 30,000	\$ \$ \$ \$	9,993,200 - 9,993,200 4,499,598 30,000	\$ \$ \$ \$	4,499,598 - 4,499,598 (511,677) 30,000	\$ \$ \$ \$	(511,677) (511,677) (4,936,160) 30,000	

How can we move toward a balanced budget?

Recommended Budget Adjustment Schedule 2013-14 to 2015-16

	2013-14	2014-15	2015-16	TOTAL
PHASE 1	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 3,750,000
PHASE 2		\$ 1,250,000	\$ 1,250,000	\$ 2,500,000
PHASE 3	·		\$ 1,250,000	\$ 1,250,000
		Total by 6/30,	/16	\$ 7,500,000

A combination of revenue increases and/or expenditure decreases are needed in order to end 2015-16 with a balanced budget. Note that with \$6 million in reductions, the reserve for economic uncertainties will be approximately at the 3% level; the minimum reserve required by law.

		2011-12 Audited Actuals	2012-13 First Interim Budget		DRAFT 2012-13 Second interim Budget		Projected 2013-14 Budget		Projected 2014-15 Budget		Projected 2015-16 Budget	
REVENUES												
Revenue Limit	\$	35,417,219	\$	35,747,689	\$	35,747,689	\$	36,225,873	\$	37,022,834	\$	37,909,553
Federal Revenue	\$	2,374,289	\$	1,127,121	\$	1,127,121	\$	1,127,121	\$	1,127,121	\$	1,127,121
Other State Revenue	\$	8,250,651	\$	8,225,023	\$	8,225,023	\$	8,360,736	\$	8,544,672	\$	8,749,744
Other Local Revenue	\$	8,469,741	\$	8,013,249	\$	8,113,249	\$	8,514,442	\$	8,625,130	\$	8,737,308
TOTAL REVENUES	\$	54,511,900	\$	53,113,082	\$	53,213,082	\$	54,228,172	\$	55,319,757	\$	56,523,726
<u>EXPENDITURES</u>												
Certificated Salaries	\$	25,082,909	\$	26,869,089	\$	26,869,089	\$	27,218,387	\$	27,572,226	\$	27,930,665
Classified Salaries	\$	8,018,896	\$	8,634,584	\$	8,634,584	\$	8,746,833	\$	8,860,541	\$	8,975,728
Employee Benefits	\$	9,732,491	\$	10,081,980	\$	10,081,980	\$	10,900,770	\$	11,042,481	\$	11,186,032
Books and Supplies	\$	3,467,044	\$	3,020,587	\$	3,020,587	\$	3,020,587	\$	3,020,587	\$	3,020,587
Services/Other Op. Exp.	\$	6,831,075	\$	8,202,390	\$	8,052,390	\$	8,052,390	\$	8,052,390	\$	8,052,390
Capital Outlay	\$	35,548	\$	20,000	\$	20,000	\$	-	\$	-	\$	-
Other Outgo	\$	2,422,071	\$	1,782,807	\$	1,782,807	\$	1,782,807	\$	1,782,807	\$	1,782,807
TOTAL EXPENDITURES	\$	55,590,035	\$	58,611,437	\$	58,461,437	\$	59,721,774	\$	60,331,032	\$	60,948,209
ADJUSTED							\$	1,250,000	\$	2,500,000	\$	3,750,000
REVENUES - EXPENDITURES	\$	(1,078,135)	\$	(5,498,355)	\$	(5,248,355)	\$	(4,243,602)	\$	(2,511,275)	\$	(674,483)
FUND BALANCE (RESERVES)												
Beginning Fund Balance (July 1)	\$	16,319,690	\$	15,241,555	\$	15,241,555	\$	9,993,200	\$	5,749,598	\$	3,238,323
Audit Adjustment	\$	-	\$	-	\$	-	\$	-	\$	-	·	. ,
Adjusted Beginning Balance	\$	16,319,690	\$	15,241,555	\$	15,241,555	\$	9,993,200	\$	5,749,598	\$	3,238,323
Ending Fund Balance (June 30)	, \$	15,241,555	\$	9,743,200	\$	9,993,200	\$	5,749,598	\$	3,238,323	\$	2,563,840
Revolving Cash and Stores	\$	30,000	, \$	30,000	\$	30,000	\$	30,000	\$	30,000	\$	30,000
Reserve for Economic Unc.	\$	2,779,502	\$	2,930,572	\$	2,923,072	\$	2,986,089	\$	3,016,552	\$	1,828,446
Undesignated Ending Balance	\$	12,432,053	\$	6,782,628	\$	7,040,128	\$	2,733,509	, \$	191,771	;	705,394

REVENUES Revenue Limit Federal Revenue Other State Revenue Other Local Revenue		2011-12 Audited Actuals 35,417,219 2,374,289 8,250,651 8,469,741	dited First Interim Stuals Budget 5,417,219 \$ 35,747,689 \$ 2,374,289 \$ 1,127,121 \$ 8,250,651 \$ 8,225,023 \$			AFT 2012-13 cond interim Budget 35,747,689 1,127,121 8,225,023 8,113,249	Projected 2013-14 Budget \$ 36,225,873 \$ 1,127,121 \$ 8,360,736 \$ 8,514,442		\$ 1,127,121 \$ 8,544,672		\$ 1,127,121 \$ 8,749,744	
TOTAL REVENUES	\$	54,511,900	\$	53,113,082	\$	53,213,082	\$	54,228,172	\$	55,319,757	\$	56,523,726
Factoring in the pr	•			0.000	\$	26,869,089	\$	27,218,387	\$	27,572,226	\$	27,930,665
of budget adjustn	nen	ts for eac	ch	of 19,089 4,584	\$	8,634,584	ب \$	8,746,833	۶ \$	8,860,541	ب \$	8,975,728
the next thr	ee v	ears		1,980	\$	10,081,980	\$	10,900,770	\$	11,042,481	\$	11,186,032
Books and Supplies	\$	3,467,044	Ş	3,020,587	\$	3,020,587	\$	3,020,587	\$	3,020,587	\$	3,020,587
Services/Other Op. Exp.	\$	6,831,075	\$	8,202,390	\$	8,052,390	; \$	8,052,390	\$	8,052,390	\$	8,052,390
Capital Outlay	\$	35,548	\$	20,000	\$	20,000	\$	-	\$	-	\$	-
Other Outgo	\$	2,422,071	\$	1,782,807	\$	1,782,807	\$	1,782,807	\$	1,782,807	\$	1,782,807
TOTAL EXPENDITURES	\$	55,590,035	\$	58,611,437	\$	58,461,437	\$	59,721,774	\$	60,331,032	\$	60,948,209
ADJUSTED							\$	1,250,000	\$	2,500,000	\$	3,750,000
REVENUES - EXPENDITURES	\$	(1,078,135)	\$	(5,498,355)	\$	(5,248,355)	\$	(4,243,602)	\$	(2,511,275)	\$	(674,483)
FUND BALANCE (RESERVES)	,	46 240 600	۲.	45 244 555	,	45 244 555	,	0.002.200	,	F 740 F00		2 220 222
Beginning Fund Balance (July 1)	\$	16,319,690	\$	15,241,555	\$ ¢	15,241,555	\$	9,993,200	\$	5,749,598	\$	3,238,323
Adjusted Regioning Palance	\$	16 210 600	\$ ¢	15 241 555	Ş د	15 241 555	\$	- 0.002.200	\$	- F 740 F09	Ļ	2 220 222
Adjusted Beginning Balance Ending Fund Balance (June 30)	\$ \$	16,319,690 15,241,555	\$ \$	15,241,555 9,743,200	\$ \$	15,241,555 9,993,200	\$ \$	9,993,200 5,749,598	\$ \$	5,749,598 3,238,323	\$ \$	3,238,323 2,563,840
Revolving Cash and Stores	۶ \$	30,000	۶ \$	30,000	۶ \$	30,000	۶ \$	30,000	۶ \$	30,000	۶ \$	30,000
Reserve for Economic Unc.	۶ \$	2,779,502	۶ \$	2,930,572	۶ \$	2,923,072	۶ \$	2,986,089	۶ \$	3,016,552	۶ \$	1,828,446
Undesignated Ending Balance	\$	12,432,053	\$	6,782,628	\$	7,040,128	\$	2,733,509	\$	191,771	\$	705,394

REVENUES Revenue Limit \$ 35 Federal Revenue \$ 2 Other State Revenue \$ 8 Other Local Revenue \$ 8		Actuals Budget 35,417,219 \$ 35,747,689 2,374,289 \$ 1,127,121 8,250,651 \$ 8,225,023			RAFT 2012-13 cond interim Budget 35,747,689 1,127,121 8,225,023 8,113,249 53,213,082	2013-14 Budget 36,225,873 1 \$ 1,127,121 3 \$ 8,360,736 0 \$ 8,514,442		Projected 2014-15 Budget \$ 37,022,834 \$ 1,127,121 \$ 8,544,672 \$ 8,625,130 \$ 55,319,757		Projected 2015-16 Budget \$ 37,909,553 \$ 1,127,121 \$ 8,749,744 \$ 8,737,308 \$ 56,523,726		
EVDENDITUDES			W	e are stil	l d							
EXPENDITURES Certificated Salaries Classified Salaries Employee Benefits	\$ \$ \$	25,0 S F 8,0 9,7		nding at 1 2015-	the	e end of		27,218,387 8,746,833 10,908,770	\$ \$ \$	27,572,226 8,860,541 11,042,481	\$ \$ \$	27,930,665 8,975,728 11,186,032
Books and Supplies	\$	3,467,044	\$	•	\$	3,020,587	\$	3,020,587	\$	3,020,587	\$	3,020,587
Services/Other Op. Exp. Capital Outlay	\$ \$	6,831,075 35,548	\$ \$	8,202,390 20,000	\$ \$	8,052,390 20,000	\$ \$	8,052,390	\$ \$	8,052,390	\$ \$	8,052,390
Other Outgo	\$	2,422,071	\$	1,782,807	\$	1,782,807	\$	1,782,807	\$	1,782,807	\$	1,782,807
TOTAL EXPENDITURES	\$	55,590,035	\$	58,611,437	\$	58,461,437	\$	59,721,774	\$	60,331,032	\$	60,948,209
ADJUSTED							\$	1,250,000	\$	2,500,000	5	3,750,000
REVENUES - EXPENDITURES	\$	(1,078,135)	\$	(5,498,355)	\$	(5,248,355)	\$	(4,243,602)	\$	(2,511,275)	\$	(674,483)
FUND BALANCE (RESERVES) Beginning Fund Balance (July 1) Audit Adjustment	\$ \$	16,319,690	\$ \$	15,241,555 -	* \$	15,241,555 -	\$ \$	9,993,200	\$ \$	5,749,598 -	\$	3,238,323
Adjusted Beginning Balance	\$	16,319,690	\$	15,241,555	\$	15,241,555	\$	9,993,200	\$	5,749,598	\$	3,238,323
Ending Fund Balance (June 30)	\$	15,241,555	\$	9,743,200	\$	9,993,200	\$	5,749,598	\$	3,238,323	\$	2,563,840
Revolving Cash and Stores	\$	30,000	\$	30,000	\$	30,000	\$	30,000	\$	30,000	\$	30,000
Reserve for Economic Unc. Undesignated Ending Balance	\$ \$	2,779,502 12,432,053	\$ \$	2,930,572 6,782,628	\$ \$	2,923,072 7,040,128	\$ \$	2,986,089 2,733,509	\$ \$	3,016,552 191,771	\$ \$	1,828,446 705,394

		2011-12		2012-13		RAFT 2012-13	Projected	Projected	F	Projected
		Audited	F	First Interim	Se	cond interim	2013-14	2014-15		2015-16
		Actuals		Budget		Budget	Budget	Budget		Budget
<u>REVENUES</u>										
Revenue Limit	\$	35,417,219	\$	35,747,689	\$	35,747,689	\$	\$ 37,022,834		37,909,553
Federal Revenue	\$	2,374,289	\$	1,127,121	\$	1,127,121	\$ 1,127,121	\$ • •	\$	1,127,121
Other State Revenue	\$	8,250,651	\$	8,225,023	\$	8,225,023	\$ 8,360,736	\$ 8,544,672	\$	8,749,744
Other Local Revenue	\$	8,469,741	\$	8,013,249	\$	8,113,249	\$ 8,514,442	\$ 8,625,130	\$	8,737,308
TOTAL REVENUES	\$	54,511,900	\$	53,113,082	\$	53,213,082	\$ 54,228,172	\$ 55,319,757	\$	56,523,726
<u>EXPENDITURES</u>										
Certificated Salaries	\$	25,082,909	\$	26,869,089	\$	26,869,089	\$ 27,218,387	\$ 27,572,226	\$	27,930,665
Classified Salaries	\$	8,018,896	\$	8,634,584	\$	8,634,584	\$ 8,746,833	\$ 8,860,541	\$	8,975,728
Employee Benefits	\$	9,732,491	\$	10,081,980	\$	10,081,980	\$ 10,900,770	\$ 11,042,481	\$	11,186,032
Books and Supplies	\$	3,467,044	\$	3,020,587	\$	3,020,587	\$ 3,020,587	\$ 3,020,587	\$	3,020,587
Services/Other Op. Exp.	\$	6,831,075	\$	8,202,390	\$	8,052,390	\$ 8,052,390	\$ 8,052,390	\$	8,052,390
Capital Outlay	\$	35,548	\$	20,000	\$	20,000	\$ -	\$ -	\$	- -
Other Outgo	\$	2.422.071	\$	1.782.807	\$	1,782,807	\$ 1,782,807	\$ 1,782,807	\$	1,782,807
TOTAL EXPENDITURES	Ou	rosorvo	fo	r econon	nic	58,461,437	\$ 59,721,774	\$ 60,331,032	\$	60,948,209
ADJUSTED			_		_		\$ 1,250,000	\$ 2,500,000	\$	3,750,000
	un	certainty	d d	rops to 3	%					
REVENUES - EXPENDITURES	in 2	<mark>2015-16</mark>	an	d our tot	al	(5,248,355)	\$ (4,243,602)	\$ (2,511,275)	\$	(674,483)
FUND BALANCE (RESERVES)	re	eserve is	de	epleted to						
Beginning Fund Balance (July 1)		\$2.5 m	ill	ion by		15,241,555	\$ 9,993,200	\$ 5,749,598	\$	3,238,323
Audit Adjustment		June 3	Λ	2012		-	\$ -	\$		
Adjusted Beginning Balance		Julie 5	U,	2015.		15,241,555	\$ 9,993,200	\$ 5,749,598	\$	3,238,323
Ending Fund Balance (June 30)	\$	15,241,555	\$	9,743,200	\$	9,993,200	\$ 5,749,598	\$ 3,238,323	\$	2,563,840
Revolving Cash and Stores	\$	30,000	\$	30,000	\$	30,000	\$ 30,000	\$ 30,000	\$	30,000
Reserve for Economic Unc.	\$	2,779,502	\$	2,930,572	\$	2,923,072	\$ 2,986,089	\$ 3,016,552	\$	1,828,446
Undesignated Ending Balance	\$	12,432,053	\$	6,782,628	\$	7,040,128	\$ 2,733,509	\$ 191,771	\$	705,394

The Board's Direction from the 2-15-13 Budget Workshop

- 1. Identify \$1.5 million in potential budget adjustments for 2013-14.
- 2. Prioritize the adjustments according to educational need.
- 3. Present recommendations at a special Board meeting on 2-28-13.
- 4. Be prepared to implement adjustments immediately; including consideration of the possibility of layoffs.

Our Assumptions

- 1. Fund 25 (Developer Fees) will be allocated solely for prioritized maintenance projects, repairs and equipment replacement.
- 2. In 2013-14 and beyond, any Chevron Grant funds received (\$215,000 in 2012-13), will be allocated to support professional development and/or the iPad program; up to and no greater than the Grant amount.
- 3. In 2013-14 and beyond, any Title II Federal Funds received (\$88,000 in 2012-13), will be allocated to support professional development; up to the funding amount.

Recommended Budget Adjustments for 2013-14

LEVEL 1 ADJUSTMENTS	LEVEL 1	<u>ADJUST</u>	<u>'MENTS</u>
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Certificated Teaching Staff	MCHS	3.80	\$ 345,250
Athletic Director	MCHS	1.00	\$ 113,177
Certificated Teaching Staff	MBMS	2.20	\$ 77,788
Advisor	MBMS	0.40	\$ 32,761
Systems Technician (vacant)		1.00	\$ 63,745
Certificated Teaching Staff	Elem	4.00	\$ 320,000
4000s/5000s Reduction	Gen Fund		\$ 300,000

Total Level 1 Adjustments \$1,252,721

LEVEL 2 ADJUSTMENTS

Certificated Teaching Staff	Elem	3.00	\$ 250,000
Computer Lab Specialists *	Elem	2.85	\$ 123,518
School Supply Funds (\$20/stu	dent)		\$ 140,000

Total Level 2 Adjustments \$ 513,518

LEVEL 3 ADJUSTMENTS

Certificated Staff * TBD 2.00 \$ 160,000

Total Level 3 Adjustments \$ 160,000

Certificated Teaching Staff	MCHS	3.80	\$ 345,250
Athletic Director	MCHS	1.00	\$ 113,177
Certificated Teaching Staff	MBMS	2.20	\$ 77,788
Advisor	MBMS	0.40	\$ 32,761
Systems Technician (vacant)		1.00	\$ 63,745
Certificated Teaching Staff	Elem	4.00	\$ 320,000
4000s/5000s Reduction	Gen Fund		\$ 300,000

Total Level 1 Adjustments

\$1,252,721

LEVEL 2 ADJUSTMENTS

Certificated Teaching Staff Elem 3.00
Computer Lab Specialists * Elem 2.85
School Supply Funds (\$20/student)

Total Level 2

All Level 1 reductions can be made through attrition, reassignment and/or releasing temporary contract personnel.

LEVEL 3 ADJUSTMENTS

Certificated Staff * TBD 2.00 \$ 160,000

Total Level 3 Adjustments \$ 160,000

^{*} Layoffs may or will be required

L	EV	'EL	1	AD.	JU	STI	ME	INTS

Certificated Teaching Staff	MCHS	3.80	\$	345,250
Athletic Director	MCHS	1.00	\$	113,177
Certificated Teaching Staff	MBMS	2.20	\$	77,788
Advisor	MBMS	0.40	\$	32,761
Systems Technician (vacant)		1.00	\$	63,745
Certificated Teaching Staff	Elem	4.00	\$	320,000
4000s/500th Reduction	Gen Fund		Ş	300,000

3.0 FTE will result from increasing class size in 3rd grade to approximately 29:1. To avoid the need to transfer students from school-to-school to balance classes, it may also be necessary to create occasional 3rd/4th combination grade classes.

lem	3.00	\$	250,000		
lem	2.85	\$	123,518		
nt)		\$	140,000		
Total Level 2 Adjustments BD 2.00 \$ 160,000					513,518
Total Level 3 Adjustments					160,000

\$1,252,721

\$1,926,239

Total Level 1 Adjustments

Total for All Levels

^{*} Layoffs may or will be required

LEVEL 1 ADJUSTM	

Certificated Teaching Sta	aff MCHS	3.80	\$	345,250
Athletic Director	MCHS	1.00	\$	113,177
Certificated Teaching Sta	aff MBMS	2.20	\$	77,788
Advisor	MBMS	0.40	\$	32,761
Systems Technician (vac	ant)	1.00	\$	63,745
Certificated Teaching Sta	aff Elem	4.00	\$	320,000
4000s/5000s Reduction	Gen Fund		\$ 1	300,000

Total Level 1 Adjustments

\$1,252,721

3.0 FTE will result from increasing class size in 3rd grade to approximately 29:1. To avoid the need to transfer students from school-to-school to balance classes, it may also be necessary to create occasional 3rd/4th combination grade classes.

3.00 1.0 FTE will result from the creation of a 4th/5th grade combination class.

2.85 \$ 123,518 \$ 140,000

Level 2 Adjustments \$ 513,518

2.00 \$ 160,000

Total Level 3 Adjustments \$ 160,000

^{*} Layoffs may or will be required

	LEV	<u>'EL 1</u>	. ADJ	<u>IUST</u>	MEI	<u>NTS</u>
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Certificated Teaching Staff	MCHS	3.80	\$ 345,250
Athletic Director	MCHS	1.00	\$ 113,177
Certificated Teaching Staff	MBMS	2.20	\$ 77,788
Advisor	MBMS	0.40	\$ 32,761
Systems Technician (vacant)		1.00	\$ 63,745
Certificated Teaching Staff	Elem	4.00	\$ 320,000
4000s/5000s Reduction	Gen Fund		\$ 300.000

_	_		
_	/		

LEVEL 2/ADJUSTMENTS

The General Fund budget currently contains \$300,000 in maintenance projects, routine repairs and equipment replacement that we recommend moving to Fund 25 (Developer Fees).

NOTE: Average 5-year ending balance in Fund 25 = \$420,591

-	lem	3.00	\$	250,000
	lem	2.85	\$	123,518
	nt)		\$	140,000
	110)		Y	1-0,000

Total Level 1 Adjustments

Total Level 2 Adjustments	\$ 513,518

\$1,252,721

.D.D	2.00	۲	160 000
BD	2.00	Ş	160,000

Total Level 3 Adjustments	\$	160,000
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^{*} Layoffs may or will be required

LEVEL 1 ADJUSTMENTS

Certificated Teaching Staff	MCHS	3.80	\$ 345,250
Athletic Director	MCHS	1.00	\$ 113,177
Certificated Teaching Staff	MBMS	2.20	\$ 77,788
Advisor	MBMS	0.40	\$ 32,761
		1.00	\$ 63,745

If this target amount is not reached with the identified Level 1 adjustments, staff will identify alternate adjustments to make-up any shortfall.

al Level 1 Adjustments

4.00

nd

\$1,252,721

LEVEL 2 ADJUSTMENTS

Certificated Teaching Staff	Elem	3.00	\$	250,000
Computer Lab Specialists *	Elem	2.85	\$	123,518
School Supply Funds (\$20/student)				140,000

Total Level 2 Adjustments \$ 513,518

320,000

300,000

LEVEL 3 ADJUSTMENTS

Certificated Staff * TBD 2.00 \$ 160,000

Total Level 3 Adjustments \$ 160,000

^{*} Layoffs may or will be required

Level 2 and 3 adjustments may require a certificated and/or classified reduction in force (e.g. layoff) process. Action would be needed right away if adjustments need to extend into these levels.

	1CHS	3.80	\$ 345,250
	1CHS	1.00	\$ 113,177
	1BMS	2.20	\$ 77,788
	1BMS	0.40	\$ 32,761
		1.00	\$ 63,745
	em	4.00	\$ 320,000
G	en Fund		\$ 300,000

Total Level 1 Adjustments

\$1,252,721

LEVEL 2 ADJUSTMENTS

4000s/5000s Reduction

Certificated Teaching Staff	Elem	3.00	\$ 250,000
Computer Lab Specialists *	Elem	2.85	\$ 123,518
School Supply Funds (\$20/student)			\$ 140,000

Total Level 2 Adjustments \$ 513,518

LEVEL 3 ADJUSTMENTS

Certificated Staff * TBD 2.00 \$ 160,000

Total Level 3 Adjustments \$ 160,000

^{*} Layoffs may or will be required

Our Recommendations

- 1. Fully implement all Level 1 adjustments.
- 2. Effective immediately, any addition(s) to the budget shall be presented to the Board for consideration along with offsets to make the addition(s) cost-neutral.
- 3. Implement an operational position control system through LACOE, by July 1, 2013.
- 4. Begin exploring the feasibility of transitioning to a "zero based budget" (ZBB) methodology.
- 5. Study overtime costs/patterns and make adjustments as needed.

