



ALUM ROCK UNION ELEMENTARY SCHOOL DISTRICT

2011-12 First Interim Budget

Board Meeting

December 12, 2011

Presented by Laura Phan, Assistant Superintendent, Business Services



Budget Reporting Periods

Education Code requires districts to submit interim budget reports to the County Office of Education and State Department of Education:

- Budget Adoption – Board action by June 30th
- 1st Interim Report (actuals as of October 31st) – Board action by December 15th
- 2nd Interim Report (actuals as of January 31st) – Board action by March 15th

Certifications (EC 42131 (a)(1))

- Positive Certification: WILL MEET the financial obligations for the current and two subsequent fiscal years
- Qualified Certification: MAY NOT MEET the financial obligations for the current and two subsequent fiscal years
- Negative Certification: WILL BE UNABLE TO MEET the financial obligations for the current and two subsequent fiscal years



2011-12 First Interim Budget

ARUSD has a Qualified Certification
Due to Negative Ending Fund Balance
projected at end of Year 3, 2013-14



2011-12 First Interim Budget Assumptions

FACTOR	2011-12 Adopted Budget	2011-12 First Interim	2012-13 Projection	2013-14 Projection
Revenue Limit Statutory COLA	2.24%	2.24%	3.10%	2.80%
Revenue Limit Deficit	-19.754%	-19.754%	-19.754%	-19.754%
Net Funded Revenue Limit COLA (excluding equalization aid)	0.00%	0.00%	3.10%	2.80%
Other Revenue Limit Adjustments		-\$250.00 per ADA		
CSR, K-3	\$1,071.00	\$1,071.00	\$1,071.00	\$1,071.00
Special Education COLA	0.00%	0.00%	3.10%	2.80%
State Categorical COLA*	0.00%	0.00%	3.10%	2.80%
Home-to-School Transportation		-50.00%		
California Lottery (per ADA)				
Unrestricted	\$111.00	\$111.75	\$111.75	\$111.75
Proposition 20	\$17.50	\$17.00	\$17.00	\$17.00
California Consumer Price Index (CPI)	3.10%	3.20%	2.80%	3.00%
Interest Rate for 10-year Treasuries	3.80%	3.50%	4.00%	4.10%

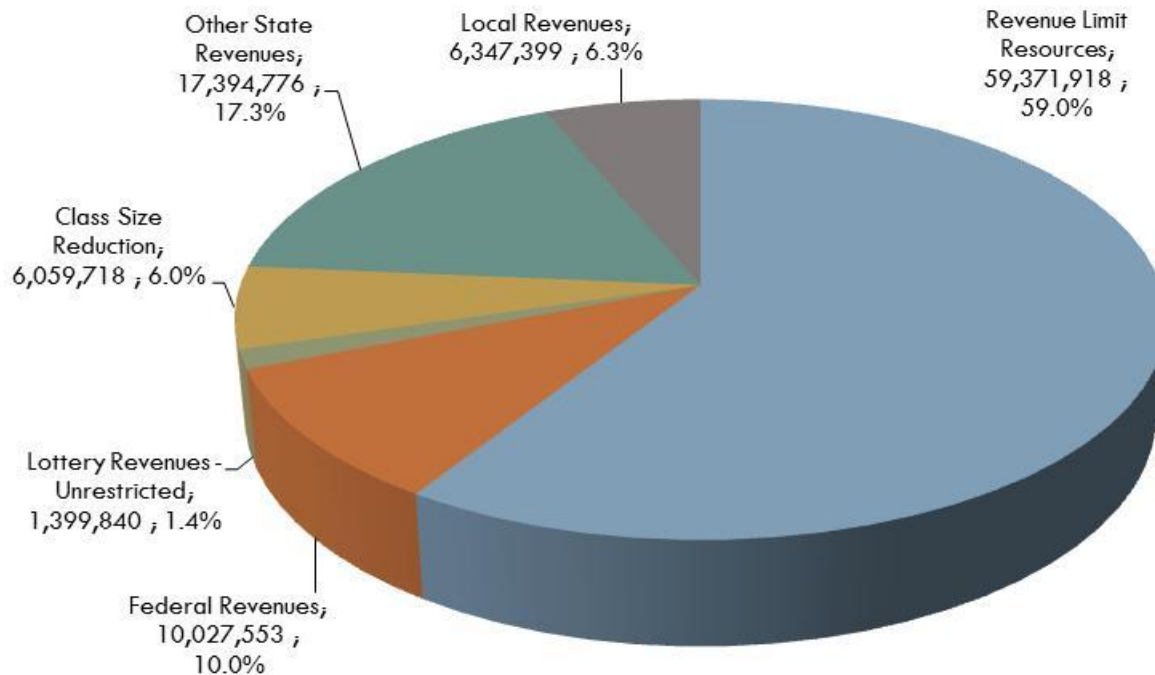


2011-12 General Funds – Combined Total Revenues

Total Revenues : \$100,601,204

Unrestricted: \$77,986,467

Restricted: \$22,614,737



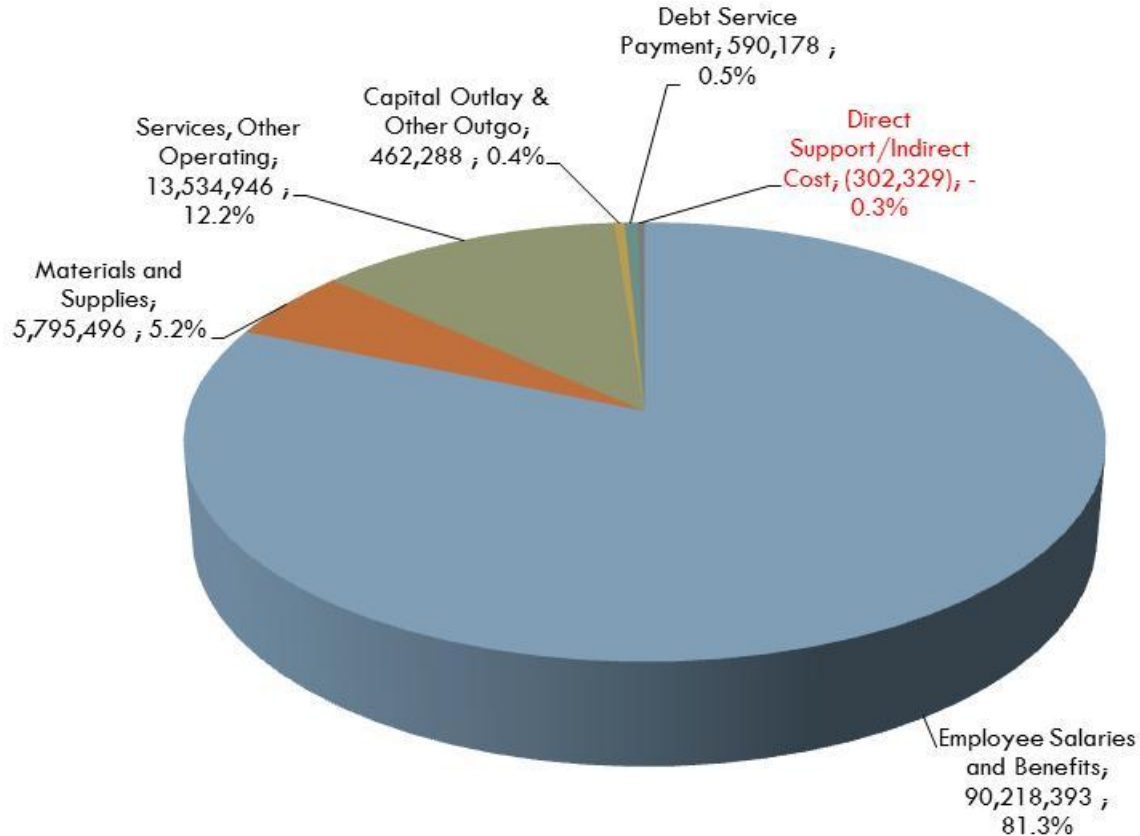


2011-12 General Funds – Combined Total Expenditures

Total Expenditures : \$110,298,972

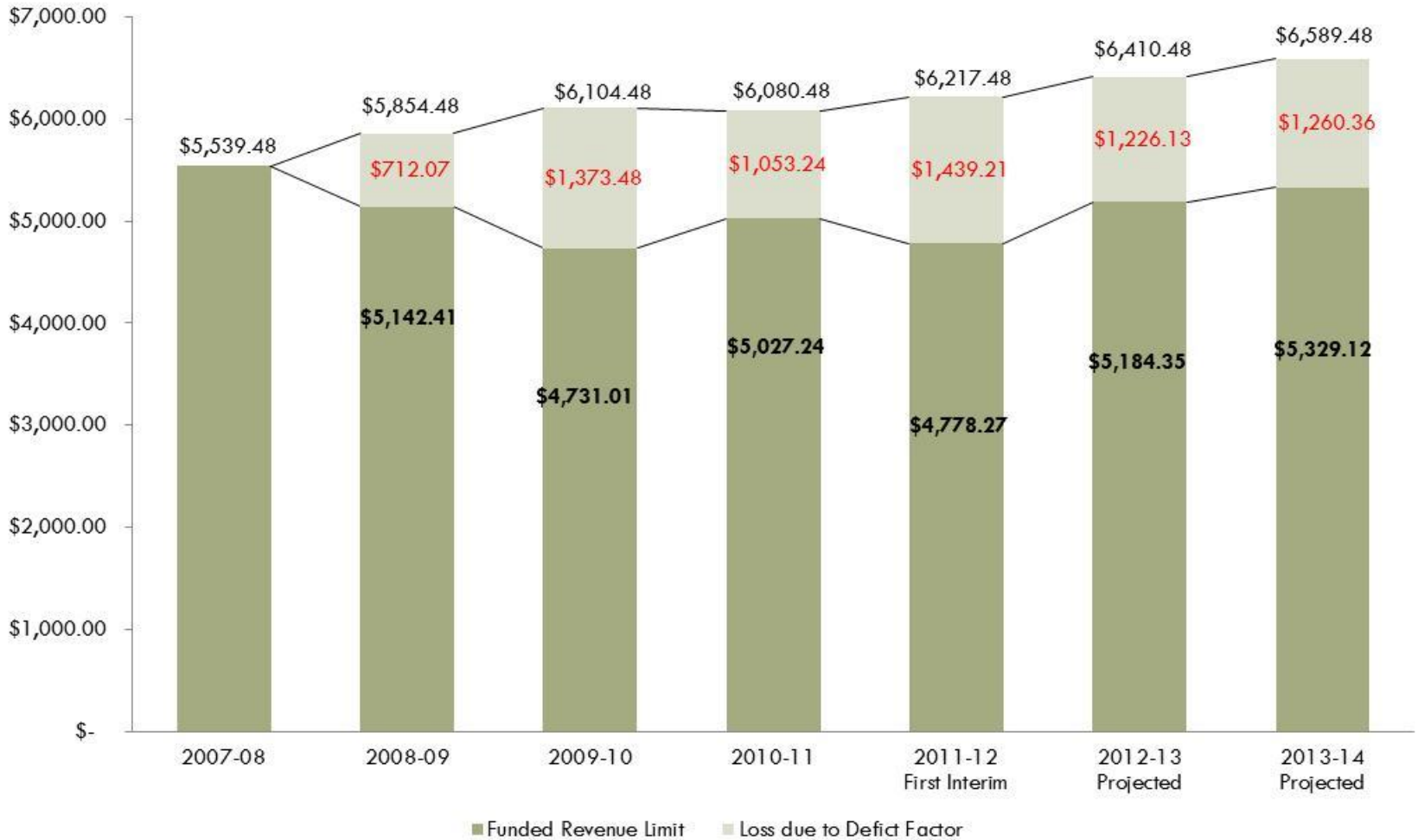
Unrestricted: \$72,049,020

Restricted: \$38,249,952



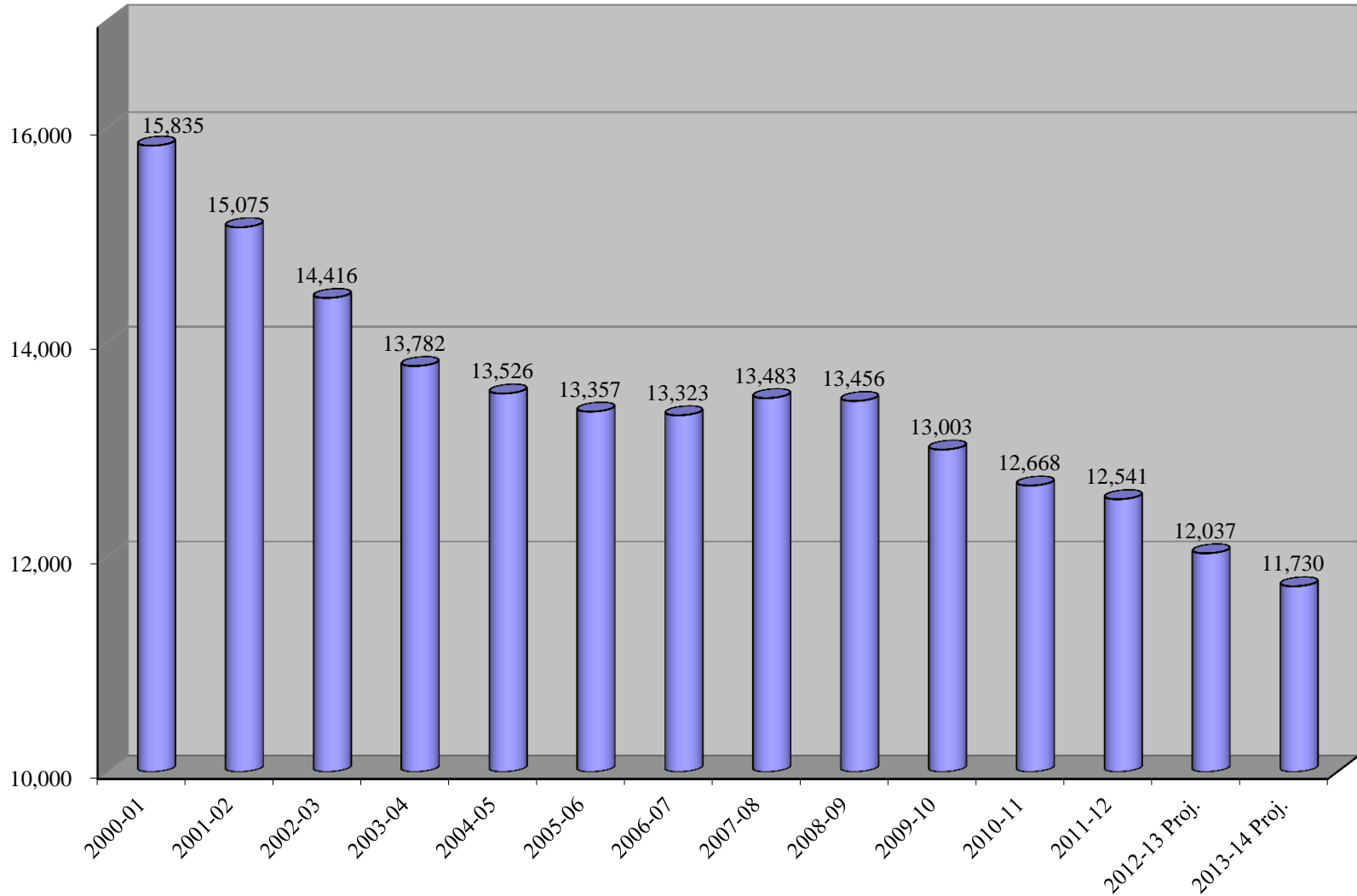


Base Revenue Limit





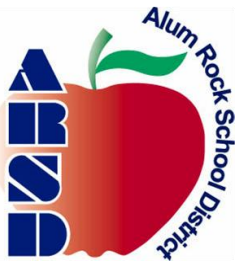
Enrollment Projections for Budget





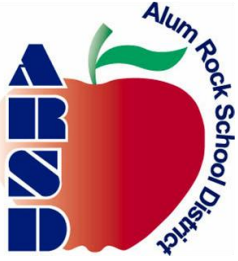
Unrestricted General Fund

	2011-12 Revised Adopted Budget	2011-12 First Interim	Year 2 2012-13 Projected	Year 3 2013-14 Projected
BEGINNING FUND BALANCE	\$ 15,663,963	\$ 15,926,226	\$ 8,468,291	\$ 6,549,788
Revenue Limit	60,722,920	57,465,964	61,749,723	60,735,464
Other Revenues	20,330,519	20,520,503	20,292,057	20,114,468
Total General Fund Revenues	\$ 81,053,439	\$ 77,986,467	\$ 82,041,780	\$ 80,849,932
<u>Contribution to Restricted Programs:</u>				
Routine Restricted Maintenance	(2,112,125)	(2,112,125)	(2,205,669)	(2,525,315)
Transportation (program encroachment)	(1,403,526)	(2,151,961)	(1,482,484)	(1,517,922)
Special Ed (program encroachment)	(9,154,020)	(9,131,296)	(9,281,248)	(9,356,478)
Total Contributions	\$ (12,669,671)	\$ (13,395,382)	\$ (12,969,401)	\$ (13,399,715)
Indirect Costs	1,932,419	1,891,705	1,987,549	1,958,445
TOTAL RESOURCES	\$ 70,316,187	\$ 66,482,790	\$ 71,059,928	\$ 69,408,662



Unrestricted General Fund (cont.)

	2011-12 Revised Adopted Budget	2011-12 First Interim	Year 2 2012-13 Projected	Year 3 2013-14 Projected
Salaries and Benefits	(64,755,695)	(65,110,358)	(64,853,307)	(65,194,661)
Supplies, Operating & Other Expenditures	(7,381,046)	(8,240,189)	(7,534,946)	(7,623,248)
Other Debt Service Payments	(590,178)	(590,178)	(590,178)	(431,223)
TOTAL EXPENDITURES	\$ (72,726,919)	\$ (73,940,725)	\$ (72,978,431)	\$ (73,249,132)
Net Change to Fund Balance	\$ (2,410,732)	\$ (7,457,935)	\$ (1,918,503)	\$ (3,840,470)
ENDING FUND BALANCE	\$ 13,253,231	\$ 8,468,291	\$ 6,549,788	\$ 2,709,318
Accounting Restriction	20,000	20,000	20,000	20,000
Committed for Economic Uncertainties	3,172,442	3,308,969	3,217,622	3,204,090
Unassigned Fund Balance	\$ 10,060,789	\$ 5,139,322	\$ 3,312,166	\$ (514,772)



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Cashflow – Apportionments Deferral

	Per Education Code 14041	2011-12 Apportionment Schedule
Jul-11	15.0%	0.0%
Aug-11	15.0%	0.0%
Sep-11	15.0%	11.7%
Oct-11	15.0%	0.0%
Nov-11	0.0%	9.0%
Dec-11	0.0%	9.0%
Jan-12	6.0%	25.3%
Feb-12	6.8%	0.5%
Mar-12	6.8%	0.0%
Apr-12	6.8%	4.6%
May-12	6.8%	1.5%
Jun-12	6.8%	0.0%
Cash Apportionments, 2011-12		61.6%
Jul-12		22.6%
Aug-12		15.8%
Deferred Apportionments, 2012-13		38.4%
	100.0%	100.0%

**38.4% of 2011-12
funding delayed until
2012-13**



Concerns

- As of November, the Legislative Analyst's Office (LAO) forecasts state general fund shortfall of \$13 billion combined for fiscal years 2011-12 and 2012-13
- Mid-year cuts from the "triggers" appears to be a reality (in order of)
 1. Child Care
 2. Community Colleges
 3. Revenue Limit
 4. Home-to-School Transportation
 5. Additional cuts to Community Colleges



Concerns (cont.)

- Cashflow is an ongoing problem created by State deferrals
 - Short-term borrowing is planned for Spring 2012

- Multi-year budget assumptions are uncertain and subject to change, which may impact projected fund balance negatively

- ARUSD operates with structural deficits – expenditure growth exceeds revenue growth



State Budget Timeline

2011-12 “Triggers”

- Director of Finance to assess tax receipts, and spending reductions are automatically triggered if revenue level falls short of forecast

2012-13 Budget

- January 10, 2012 – Governor to release budget proposal
- May 2012 – Governor to release revised proposal
- By June 30, 2012 – Legislature to adopt State Budget



District Budget Timeline

2011-12 Budget Updates

- March 2012 – Second Interim
- June 2012 – Estimated Actuals

2012-13 Budget

- March 2012 – budget priorities determined
- April 2012 – Budget draft
- June 2012 – Budget Adoption



Thank You