

Board Budget Session
March 31, 2011



Economic Environment



- US economic showing signs of recovery.
 - National Unemployment is 8.9%
 - Gross Domestic Product rose 3.1% for US in 4th QTR
 - Dow now tops 12,000
- Economy is key to financial recovery for the state.
- California Unemployment is 12.2%
 - Second highest in the Country



State Budget

- Governors Budget Proposal
 - Flat Funding K-12
 - Flexibility
 - Deferrals
 - Legislative Actions



Governors Budget Proposal

- Flat Funding

This scenario is based entirely on the governor's budget. Planned cut to the revenue limit of \$19 per ADA and assume that all of the other proposals in the governor's budget come true. This scenario assumes the extension of the temporary taxes.



Governors Budget Proposal

- No Tax Extensions

This scenario is based on the assumption that without the revenue extension, the exposure for K-12 schools is a drop in the Proposition 98 guarantee of \$2 billion to \$47.3 billion. Assume a minimum additional \$330 per ADA cut.

Solano County has directed all districts to base their budgets on this scenario.



Governors Budget Proposal

- No Tax Extensions

Potential cuts could be higher:

- ❖ \$620 per ADA all cuts budget no suspension of Prop. 98
- ❖ Could go as high as \$1,000 per ADA



Governors Budget Proposal

- Flexibility

The governor's proposal to extend all of the various forms of flexibility for another two years is another fairly safe bet. With the administration making that issue part of its budget, it puts this item in the certain status.

Passed



Governors Budget Proposal

- Deferrals

The deferral alone represents about 15% of the Budget cuts and would shift about \$1.3 billion from March 2012 to August 2012, with another \$763 million deferred from the April 2012 apportionment to August 2012.

Passed



Deferrals

2011-12 Fiscal Year				
	Original Payments		Proposed Deferrals	
State Apportionment		11,469,886.00		11,469,886.00
July	5.0%	573,494.30	0.00%	-
August	5.0%	573,494.30	0.00%	-
September	9.0%	1,032,289.74	11.50%	1,319,036.89
October	9.0%	1,032,289.74	0.00%	-
November	9.0%	1,032,289.74	9.00%	1,032,289.74
December	9.0%	1,032,289.74	9.00%	1,032,289.74
January	9.0%	1,032,289.74	25.50%	2,924,820.93
February	9.0%	1,032,289.74	1.30%	149,108.52
March	9.0%	1,032,289.74	0.00%	-
April	9.0%	1,032,289.74	5.80%	665,253.39
May	9.0%	1,032,289.74	2.00%	229,397.72
June	9.0%	1,032,289.74	0.00%	-
July 2012			21.30%	2,443,085.72
August 2012			14.60%	1,674,603.36
Monthly Payroll 1,300,000				
	100.0%	11,469,886.00	100%	11,469,886.00



State Budget

- A Field Poll found 58 percent of registered voters said they would vote to maintain the taxes for five additional years as Governor Brown has proposed if such an election were held today; 39 percent opposed the taxes and said they would vote to return them to previous levels.



Requirements for the Budget

- State Requirements
- District Requirements

California Requirements



- 41020. (a) It is the intent of the Legislature to encourage sound fiscal management practices among local educational agencies for the most efficient and effective use of public funds for the **education** of children in California by strengthening fiscal accountability at the district, county, and state levels.



California Requirements

- 42127. (a) On or before July 1 of each year, the governing board of each school district shall accomplish the following:
 - (1) Hold a public hearing on the budget to be adopted for the subsequent fiscal year.
 - (2) Adopt a budget. Not later than five days after that adoption or by July 1, whichever occurs first, the governing board shall file that budget with the county superintendent of schools

California Requirements



- All reports required by this subdivision shall be in a format or on forms prescribed by the Superintendent of Public Instruction, and shall be based on standards and criteria for fiscal stability adopted by the State Board of **Education** pursuant to Section 33127.

California Requirements



- The certifications shall be classified as positive, qualified, or negative, as prescribed by the Superintendent of Public Instruction ...



Certifications

- POSITIVE (Best Possible)
- A positive certification is assigned when the district will meet its financial obligations for the current and two subsequent fiscal years.



Certifications

- QUALIFIED (Marginal Acceptance)
- A qualified certification is assigned when the district may not meet its financial obligations for the current or two subsequent fiscal years.
- This certification allows the LEA's county office of education to provide assistance to the LEA.



Certifications

- NEGATIVE (Worst Case Unacceptable)
- A negative certification—the most serious of the classifications—is assigned when a district will be unable to meet its financial obligations for the remainder of the current year or for the subsequent two fiscal years.
- This certification means the LEA's county office of education may intervene in the LEA's finances.



District Requirements

The primary mission of the Dixon Unified School District is to provide a quality educational opportunity for each learner attending Dixon Schools.



District Requirements

•Focus Areas

1. Student Learning and Achievement to Close the Achievement Gap
2. Building Learning Communities
3. Maintain the Fiscal Stability of the District
4. Restore Staff and Public Confidence in the District through communication to all stakeholders



Budget Advisory Committee

- Goals of the Committee
 - Level of Service remains high to students
 - Pride of the Community and the District
 - Communication to our community
 - Equal Treatment of employees

Management Guidelines



- State Requirements
- Meet Board Vision and Focus Areas
- Follow Board Process
 - Learn from Budget Advisory Committee
 - Listen to all Stakeholders



Assumptions

- Certificated Salaries

2011-12 step/column inc., 1.75%=\$197,000

2012-13 step/column inc., 1.55%= \$198,000

- Classified Salaries

2011-12 step/column inc., 2.0%=\$47,000

2012-13 step/column inc., 2.0%= \$58,000



Assumptions

- Health & Welfare

12% increase annually,

\$206,000 & \$253,000 respectively

- Supplies & Services

CPI increase of 1.7% 2011-12 ;

2.2% 2012-13

- CBEDS Enrollment 3,603 Students

- Staffing level is 29:1 per contract



Current Status

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
2010-11 SECOND INTERIM BUDGET REPORT PROJECTED FUND BALANCE	5,432,804.00	3,049,463.00	(36,006.95)	(3,519,442.00)
Economic Uncertainty Designation (3%)	(808,308.00)	(775,550.00)	(793,564.00)	(813,420.00)
Adult Ed Repayment	(502,448.00)	(502,448.00)	(502,448.00)	(502,448.00)
SUBTOTAL REMAINING UNDESIGNATED BALANCE	4,122,048.00	1,771,465.00	(1,332,018.95)	(4,835,310.00)
STRUCTURAL DEFICIT	(94,141.00)	(2,378,227.00)	(3,083,689.00)	(3,485,330.00)
PROPOSED BUDGET ADJUSTMENTS		1,532,802.00	1,937,202.00	915,637.00
ADJUSTED UNDESIGNATED BALANCE WITH BUDGET ADJUSTMENTS		3,304,267.00	2,157,780.00	(411,913.00)



Recommendations

- District Support Adjustments
- Site Adjustments
- Program Adjustments
- Other Adjustments



Recommendations

DIXON UNIFIED SCHOOL DISTRICT				
BOARD BUDGET WORKSHOP				
District Support Adjustments	Estimate	2011-12	2012-13	2013-14
Cut to district office operating budget	50,000	50,000	50,000	50,000
Restructure workdays during school break periods District office energy savings	5,000	5,000	5,100	5,202
Subtotal	55,000	55,000	55,100	55,202
Site Support Adjustments				
25% cut to school supplies	43,000	43,000	43,000	43,000
Subtotal	43,000	43,000	43,000	43,000
Program Adjustments				
Eliminate contribution for Athletics program	84,924	85,000	85,000	85,000
Ed Jobs Fund	739,000	739,000		
Declining Enrollment Adjustment 3 FTE	165,000	165,000	333,300	336,633
Subtotal	988,924	989,000	418,300	421,633
Other Adjustments				
2% reduction for all salaries with contingency language	310,802	310,802	310,802	310,802
Increase Food Service contribution	30,000	30,000	30,000	30,000
SERP	100,000	100,000	75,000	50,000
Farm Sale	1,000,000		1,000,000	-
Irrigation	5,000	5,000	5,000	5,000
Subtotal	1,445,802	445,802	1,420,802	395,802
	2,532,726	1,532,802	1,937,202	915,637