

JEFFERSON SCHOOL DISTRICT

2012-13 Budget Update

June 19, 2012



JEFFERSON SCHOOL DISTRICT

FINANCIAL MANAGEMENT

- **Continue to protect district programs and employees by proactive budget planning and oversight.**
 - **Continue to provide opportunities for staff and families to access and provide input on ongoing budget updates.**
 - **Continue to explore uses for categorical funds that will take pressure off general fund while providing support for school programs.**
 - **Continue to research opportunities that prevent level of deficit spending that would result in significant program cuts during unprecedented fiscal crisis.**



JEFFERSON SCHOOL DISTRICT

Themes for May Revision

- It's all about the economics:
 - Revenues are improving at a much slower rate than expected in January
 - Immense pressure on State Budget and competition for limited resources
 - Revised Budget has a lot of moving parts again this year
 - Bottom line: Best case is flat funding for education – and maybe a lot worse

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May Revision (cont.)

- In January, the Governor's tax initiative was expected to fill the revenue gap
 - In May, revenues have fallen and, if the initiative passes, it fills only half the gap
- The May Revision first recognizes that January's projected \$9.2 billion State Budget shortfall has grown to \$15.7 billion in May
- In the end, planned K-12 education funding is much like January proposal
 - Flat funding if taxes pass
 - Big cuts if they don't

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May Revision

- The ‘gain’ to schools if the tax initiative passes is the absence of yet another cut
- Schools have not received a single new dollar since 2007-08

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2012-13 Budget Assumptions Previously Presented

- P2 reported ADA of 2471.72. -\$130,917 Revenue Limit in 12/13.
- No salary or benefit changes through 12/13. Benefit cap remains at \$10,000
- No mandated cost claim revenue budgeted
- Retiree benefits maintained as currently in place
- Includes Consumer Price Index adjustment to 4xxx and 5xxx object codes (Supplies and Services) of 2.4% for 13/14 and 2.6% for 14/15
- Increase 3.0 additional teachers in 14/15 for loss of Class Size Reduction flexibility



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2012-13 Budget Assumptions Previously Presented

- Assumed possible -1.0 FTE reduction in 13/14 & 14/15 due to decreased enrollment
 - Will update at interims based on monitoring of enrollment trends
- Assumed possible reduction of up to 15 positions in 14/15 in order to remain positive
 - Reduction shown in Certificated object code on assumptions, all positions will be reviewed as part of budget reduction/review process the district will enter in November, 2012 should tax initiative fail
- Eliminates \$20K annual transfer to Fund 15 (Student Transportation Equipment)
- Eliminates \$17K budgeted contribution to Fund 13 (Food Service)



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2012-13 Budget Assumptions Previously Presented

- Reduced long term substitute budget by \$90K
- -\$40K FICA change for certificated staff (corrected in Caesar)
- -\$30K in recruiting, contracted and other services
 - Unable to reduce property & liability insurance as planned – 12/13 rate increased by amount we planned to reduce (\$8K)



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2012-13 Budget Assumptions

Additional Incorporated

- Reduced 4.0 certificated FTE in 12-13 forward (3 teachers and one teacher on assignment position who returned to district in 12-13)
 - -\$68,800 in Local Revenue for elimination of teacher on assignment with COE
- Revised Step & Column to 1.9% for Certificated and 0.7% for Classified
- Workers Compensation insurance increased 10% in 12/13 & 13/14 - +34,569 (unrestricted) and +7,972 (restricted)
 - No increase in 14/15



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2012-13 Budget Assumptions

Additional Incorporated

- -\$45,500 Special Ed State Revenue
- -\$41,500 reduction of Special Ed expenses for North Valley School & South San Joaquin Education Center
- Added a .4FTE instructional coach position at Jefferson
 - Site funded
- Reserving \$423 per funded ADA across all three years per COE recommendation



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2012-13 Budget Assumptions (cont.)

- District will budget contributions from unrestricted general fund to the following resources:

– Special Education	\$ 951,831
– Special Education Base Grant	\$ 27,531
– Class Size Reduction	\$ 164,375
– Transportation	\$ 115,683
– Routine Repair & Maintenance	\$ 361,180
– Art & Music Block Grant	\$ 37,720
– Economic Impact Aid (EIA)	\$ 3,332
– Title III Lim. Eng. Proficiency	\$ 13,028
• Total Budgeted Contributions	\$1,689,679



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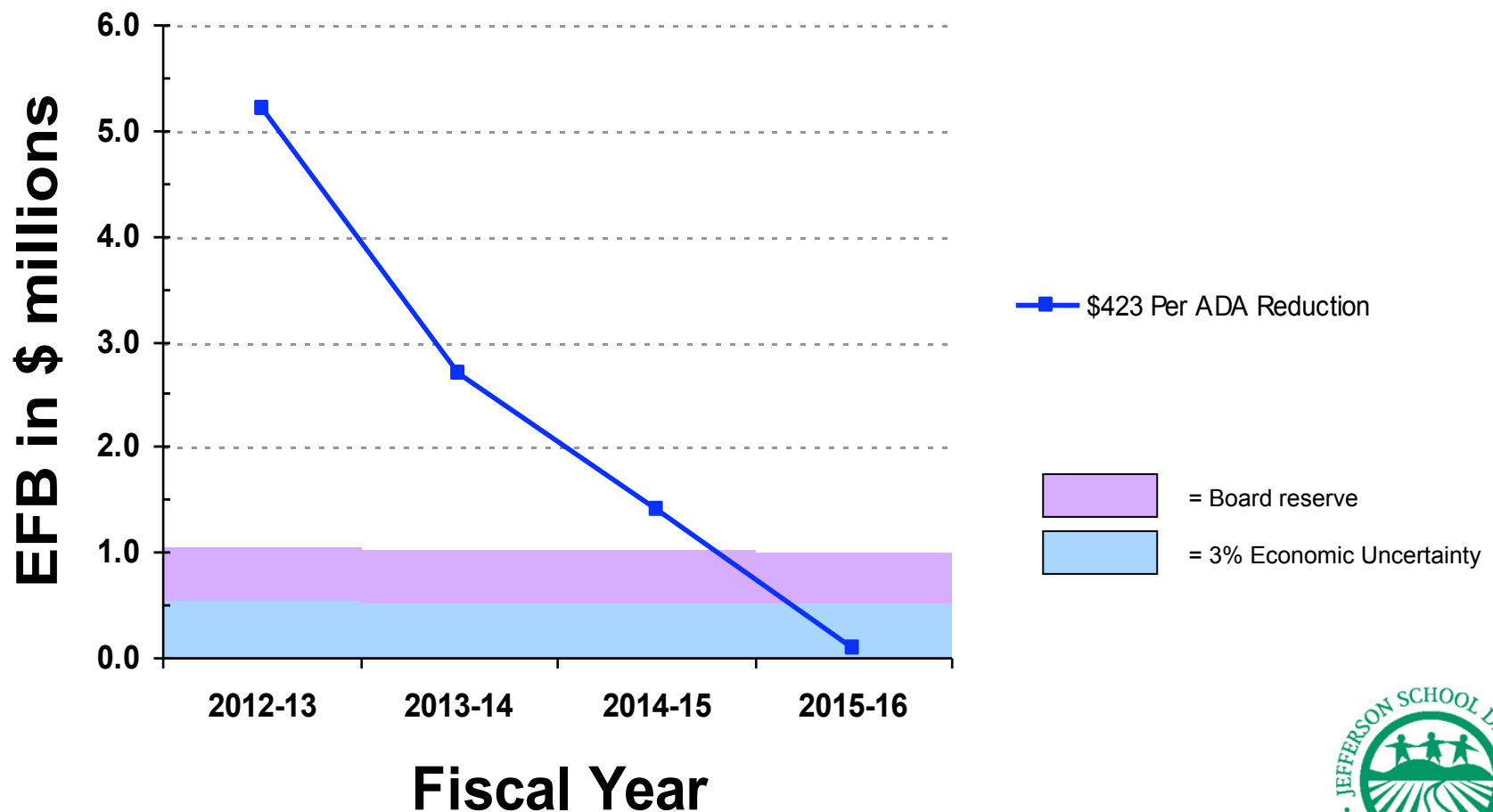
Multi Year Projection \$423 per ADA Reduction

	2012-13	2013-14	2014-15
Revenue	\$13,055,476	\$13,339,823	\$13,550,183
People Expenses	\$12,409,050	\$12,540,178	\$11,747,489
Non-People Expenses	\$2,176,756	\$2,093,771	\$2,049,090
Total Expenses	\$14,585,806	\$14,633,949	\$13,796,579
Net Incr/(Decr) in Fund Balance	(\$1,530,330)	(\$1,294,126)	(\$246,396)
Start Balance	\$7,319,971	\$5,789,641	\$4,495,515
Est. UR Ending Fund Balance	\$5,789,641	\$4,495,515	\$4,249,119
Designations			
\$423 per ADA Reserve	(\$1,045,284)	(\$2,090,136)	(\$3,112,658)
Est. UR Ending Fund Balance w/ \$440 p	\$4,744,357	\$2,405,379	\$1,136,461
Revolving	(\$5,000)	(\$5,000)	(\$5,000)
Board Designated Reserves	(\$500,000)	(\$500,000)	(\$500,000)
3% Economic Uncertainty	(\$534,436)	(\$537,300)	(\$513,545)
Mandated Costs	(\$271,110)		
Lottery Carryover	(\$436,227)		
Unrestricted Instructional Materials	(\$280,166)		
Math & Reading Staff Development	(\$26,054)		
	\$2,691,364	\$1,363,079	\$117,916



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Unrestricted Ending Fund Balance



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Next Steps

- Year-end process –
 - In August, will bring year-end assumptions to Board for their input/approval
 - Possible sweep of Tier 3 categorical flexible funds
 - Identify other year-end items and estimate impact
- As previously mentioned, we are preparing in case tax initiative fails in November
 - If initiative fails, the \$423 reduction is effective immediately
 - We will initiate collaborative process seeking input from staff and parents and bring recommendations for reductions to the board.

