

Draft Budget for 2012-13

Glendale Unified School District

Board Meeting of May 15, 2012

Discussion Report No. 2

Eva Rae Lueck
Chief Business and Financial Officer



2012-13 Budget Before May Revise

Budget Items Unknown

- **2011-12 Year-End Balance?**
- **May Revise?**
- **Final State Budget 2012-13?**
- **Success/Failure of November Tax Election?**

2012-13 Budget Before May Revise

2011-12 Projected Ending Balance Significant Changes

■ Increased Special Education Costs


- Mental Health Shift
- Students with Higher Needs

■ Student Attendance Increased

2012-13 Budget Before May Revise

ENROLLMENT AND ADA TRENDS

Year	CBEDS ENROLLMENT (October)	P2 ADA (April)	CBEDS Ratio to P2 ADA
2001-02	30,314	29,213	96.4%
2002-03	29,749	28,788	96.8%
2003-04	29,433	28,361	96.4%
2004-05	28,816	27,656	96.0%
2005-06	28,002	26,821	95.8%
2006-07	27,420	26,394	96.3%
2007-08	27,054	26,033	96.2%
2008-09	26,744	25,765	96.3%
2009-10 *	26,659	25,501	95.7%
2010-11	26,393	25,303	95.9%
2011-12	26,250	25,560	97.4%



Note: In 2009-10, student attendance dropped due to the evacuations and school closures related to the “Station” fire and subsequent mud slides. The absences related to flu were also significantly higher.

Multi-Year Projection

2011-12 PROJECTED Ending Balance Adjustments

Major Changes	2011-12
Second Interim 2011-12 Ending Balance	\$ 42,949,694
<u>Special Education</u>	
2011-12 Projected Actual Expenditure Adjustment	\$ (4,230,929)
<u>Unrestricted General Fund</u>	
Revenue Limit Projected Increase	\$ 1,327,919
State K-3 CSR Increase	\$ 159,065
Unrestricted Lottery Increase	\$ 212,475
Interest Income Decrease	\$ (360,000)
Salary and Benefit Savings	\$ 1,500,000
Supplies / Services / Other Savings	\$ 651,529
Current Year Impact	\$ (739,941)
Adjusted Ending Balance Projection	\$ 42,209,753
<u>Designated and Restricted Portion:</u>	
Revolving Cash	\$ 70,000
Stores	\$ 101,871
3% Mandated Reserve for Economic Uncertainties	\$ 6,746,700
Fund Balance Assignment	\$ 357,683
Adjusted Balance in Excess of Assignment And 3% Reserve	<u>\$ 34,933,499</u>

2012-13 Budget Before May Revise

GUSD Budget Assumptions

■ Revenue

2012-13:

Restored 2011-12 mid-year funding cut → \$5,222 per ADA
(\$13 + \$43)

2013-14 and 2014-15:

Flat Funding → \$5,222 per ADA

2012-13 Budget Before May Revise

GUSD Budget Assumptions

Reserves Budgeted (in millions)

Special Education	\$1.11 m	Balance	0
Post Employment Benefits Fund 20.0	\$2.5 m	Balance	0
Restricted Maintenance Reserve	\$1.0 m	Balance	\$.7

Reserves Not Budgeted (in millions)

Restricted Maintenance Reserve	\$.7
Early Retirement Benefit Fund # 67.2	4.2
Deferred Maintenance Fund #14.0	4.9
Debt Service Fund #56.0	14.9
Total Reserves <u>Not</u> Budgeted	\$24.7

Note: These balances will be adjusted at year-end.

Multi-Year Projection (in millions)

	2011-12 Projected Actuals	2012-13 Projected Budget	2013-14 Projected Budget	2014-15 Projected Budget
Revenues				
Revenue Limit	\$ 128.8	\$ 129.7	\$ 127.6	\$ 126.7
Federal	0.1	0.2	0.2	0.2
State	20.2	20.0	19.9	19.9
Local	5.9	5.3	5.3	5.3
Total Revenues	\$ 155.0	\$ 155.2	\$ 153.0	\$ 152.1
Expenditures				
Certificated Salaries	\$ 78.8	\$ 79.7	\$ 82.1	\$ 82.9
Classified Salaries	16.6	17.2	16.6	17.2
Employee Benefits	33.7	37.9	39.8	41.7
Books & Supplies	4.8	1.2	1.2	1.2
Services/Capital Outlay/Support	10.8	9.8	10.0	10.3
Total Expenditures	\$ 144.7	\$ 145.8	\$ 149.7	\$ 153.3
Other Financing Sources/Uses	(16.6)	(21.9)	(26.7)	(26.8)
Net Increase/(Decrease) in Fund Balance	(6.3)	(12.6)	(23.5)	(28.1)
Beginning Balance	\$ 48.5	\$ 42.2	\$ 29.6	\$ 6.2
Ending Balance	\$ 42.2	\$ 29.6	\$ 6.2	\$ (21.9)
Additional funds needed to reach 3% Reserve			\$ 0.98	\$ 29.1

Multi-Year Projection (in millions)

	2011-12 Projected Actuals	2012-13 Projected Budget	2013-14 Projected Budget	2014-15 Projected Budget
Deficit Spending	\$ (6.3)	\$ (12.6)	\$ (23.5)	\$ (28.1)
Adjust for Short Term Strategies/Impacts				
ARRA	(2.1)	-	-	-
Mandated Cost	(0.6)	-	-	-
Utilize Workers Comp for Premium	(1.2)	-	-	-
Insurance Refund	(1.7)	-	-	-
Furlough Days	-	(2.3)	(0.9)	-
Solvency Transfers	(9.0)	(4.6)	-	-
Prior Year - Designated Carryover (Tier III, Sites, etc.)	5.8	-	-	-
Total Short Term Strategies/Impacts	\$ (8.80)	\$ (6.9)	\$ (0.9)	-
Structural Deficit	\$ (15.1)	\$ (19.5)	\$ (24.4)	\$ (28.1)

2012-13 Budget Before May Revise

Projected Impact if November
Election Fails



\$450/ADA Cut



Impact to GUSD

\$450 x 25,560 ADA = (\$11.5 M)

? Per ADA x 25,560 = Impact to GUSD



NEXT STEPS

Develop Budget Reduction Plan



Supplemental Report

May Revise Update

May 15, 2012

May Revise – Initial Information

**State Budget Deficit Increased
from \$9.2 billion to \$15.7 billion**

Governor Proposes

- **\$8.3 billion in Additional Cuts-**

State Employee Compensation, Welfare, Health Care, Higher Education, Courts

- **\$6.8 to \$8.5 billion – November Tax Measure**

May Revise – Initial Information

If November Election Fails

Governor Proposes

- Trigger Reductions to K-14 **\$5.5 billion**
(an increased cut of \$656.7 million over January Proposal)
- Flexibility to Reduce School Year 15 days
- Additional Flexibility in Categorical Programs
- Weighted Student Funding Formula – put on hold

Impact to GUSD – Uncertain...\$370...\$450... \$\$\$ per ADA

May Revise – Initial Information

If November Election Passes

Governor Proposes

- Deferrals: Cash Flow from State Expedited (not an increase in funding)
- Modified Weighted Student Funding Formula Implemented
 - Phased in over 7 years
 - Base Grant increased from \$4,920 to \$5,421
 - Grade Span for Base Grant: K-3, 4-6, 7-8, 9-12
 - Weighting for English Learners and low-income students
 - Dropped from 37% to 20%
 - Added: Home to School Transportation and Targeted Instructional Improvement Grant

May Revise – Initial Information

If November Election Passes

Impact to GUSD – Uncertain
Weighted Student Formula – Very Complex

The intent is that districts will be held harmless and funding will be no less than received in 2011-12

However, that was said with the first version but it would have resulted in a \$3.7 million cut