

GLENDALE UNIFIED SCHOOL DISTRICT

June 12, 2012

ACTION REPORT NO. 4

TO: Board of Education

FROM: Richard M. Sheehan, Superintendent

PREPARED BY: Eva Rae Lueck, Chief Business and Financial Officer

SUBJECT: **Adoption of District Budget for 2012-13**

The Superintendent recommends that, following a "Public Hearing", the Board of Education adopt the District's 2012-13 Budget.

The 2012-13 Budget provides an initial expenditure plan for District instructional and operational programs. The Budget will be revised, as needed, to address changes in priorities. It will also be adjusted to reflect the final State Budget and any additional funding reductions or increase it might contain.

2012-13 BUDGET ASSUMPTIONS AND RECOMMENDATIONS

Unrestricted General Fund

A key component of the Governor's proposed budget is the reliance on the passage of a tax initiative that he is proposing for the November 2012 ballot. Should this tax initiative not pass the Governor is proposing automatic "trigger" cuts, which would severely reduce funding to the K-12 program. It is projected that the reduction would be the equivalent of \$441 per ADA cut which would result in a reduction of \$11.3 million to Glendale in January 2013.

Due to the uncertain outcome of voter approval in November, the District has two budget scenarios for 2012-13.

Scenario 1 - Assumes the proposed tax initiative passes - the "best" case scenario

This is the scenario utilized in the State software and is being submitted to the Board of Education for approval. It is based on the restoration of 2011-12 mid-year "trigger" cuts of \$56 per ADA and "flat" funding for 2012-13 and future years.

In Scenario 1, the District utilizes \$29.3 million in reserves from various funds and will still need to make **\$5.28** million in reductions to maintain a 3% reserve in **2014-15**. The reductions needed to maintain solvency in **2015-16** increase to **\$36.25** million in this scenario. The \$36.25 million reduction needed in 2015-16 is significantly larger than the

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prior year due to the growth in the District's structural deficit and the depletion of the reserves and one-time revenue sources.

Scenario 2 - Utilizes the same assumptions as Scenario 1 except it also assumes the tax initiative fails (worst case)

The \$11.3 million reduction that occurs in January 2013 is projected to be an on-going reduction.

In Scenario 2, the \$29.3 million in reserves will be fully utilized by the end of **2013-14** and the District will need to make expenditure reduction of **\$38.7** million to be solvent in **2014-15**. The reductions needed to maintain solvency in **2015-16** increase to **\$80.64** million in this scenario.

Background

Each year when the District budget is developed, we utilize allocations and ratios for school sites, historical trend data, on-going contractual obligation information, account analysis, and State funding projections. Historically, the most significant variable in the budget has been enrollment. However, this year, as in recent years, the most significant variable is the State funding that will be available. The State fiscal crisis this year continues to overshadow other issues due to the limited State funding. As the District is adopting the 2012-13 Budget the Legislature is in session determining how revenue can be generated to fund the 2012-13 State Budget presented by the Governor in May.

The attached 2012-13 Budget document incorporates the changes that were proposed by the Governor in the May Revise with the assumption the November tax initiative passes (Scenario 1) and complies with the L.A. County Office of Education recommendations for 2012-13. This includes the restoration of the \$13 and \$43 per ADA cut that was experienced in 2011-12, resulting in flat funding at \$5,222 per ADA for 2012-13 and future years.

While the Los Angeles County Office of Education is requesting the District utilize Scenario 1 in the State Software, they are also requesting that we prepare plans on how to address Scenario 2.

It is important to note that neither Scenario 1 nor Scenario 2 reflect the new Weighted Pupil Funding Formula proposed by the Governor. The new funding formula would replace Revenue Limits and most State Categorical Programs and is not fully developed at this time.

In addition to the Budget Adoption Financial Report, districts are required to furnish a narrative for each fund, a cash flow analysis, criteria and standards review, and a report of Average Daily Attendance (ADA). The financial information and certification form included with this report indicates that the District will be able to meet its financial

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obligations for 2012-13 and 2013-14. However, it is anticipated that as one time funding sources are depleted, the budget shortfall will be \$5.28 million in 2014-15 if no action is taken by the District and there are no further reductions in State funding. Additionally, 2014-15 does not reflect the negative impact from the loss of K-3 CSR flexibility should it not be extended by the State. In both Scenarios, significant reductions will need to occur to maintain on-going solvency.

In summary, the Glendale Unified School District has a very serious fiscal challenge that has been mitigated by the reserves that have accumulated over the past decade and one time funding source, i.e. the \$28.3 million of ARRA funds. The multi-year budget plan includes fully utilizing reserves in the Unrestricted General Fund Balance, Restricted Maintenance Reserves, Special Education Reserves, Post Employment Benefits Fund (GASB 45 Reserve), Early Retirement Benefit Fund, Deferred Maintenance Fund, and Debt Service Fund.

The District is in the process of evaluating savings from adjusting staffing ratios, reviewing programs for further reductions and consolidation, and negotiating with bargaining units to contain costs through furlough days, and health and welfare plan modifications. The adoption of the 2012-13 Budget is just another step in an on-going reduction process that began in 2008-09, when the State began applying deficit factors to reduce funding to school districts.

The following is a brief overview of the assumptions utilized in the 2012-13 Budget:

2011-12 Ending Fund Balance:

- The Unrestricted General Fund Ending Balance is projected to be approx. \$42.5 million. This reflects a net adjustment to the ending balance, resulting from salary and benefits projected savings, increased revenues, and Special Education adjustments.

It is important to note that the 2011-12 Ending Fund Balance will shift again at year end closing. The Ending Fund Balance will increase to reflect carry over funds from categorical programs and school site budgets. School sites and program managers are trying to “save” their funds to offset future deficits from the State.

When viewing the multi year projections, it is important to note:

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2012-13

- The on-going adjustments include the PARS Annual payment for Early Retirement Program of \$971,000, utilization of \$500,000 of restricted lottery for instructional materials purchases, and charging Food Services \$350,000 for indirect costs.
- On-going swept Tier III programs including: Professional Development Block Grant, Physical Education Teachers Incentive, Community Based Tutoring, Arts and Music Grant, Supplemental Counseling Program, Instructional Materials Grant, Continuing High School Add-on Tenth Grade Counseling, School Library Improvement Grant (a portion), Deferred Maintenance Fund Revenue and General Fund Contribution, and Supplemental Hourly Programs (Summer School and Remediation).
- An additional \$1,950,000 was added to the 2012-13 health insurance budget to fund increases to health insurance premiums.
- The Budget contains a \$1.11 million “solvency transfer” from the Special Education Reserve, as well as \$2.50 million from the Post Employment Benefits Fund (GASB 45 Reserve), and \$1 million from the Restricted Maintenance Reserve.
- The State Deferred Maintenance Revenue of \$.9 million is budgeted in the General Fund and the \$1.2 million transfer to Deferred Maintenance Fund is eliminated.
- The Summer School program is reduced to providing only remedial courses resulting in a net savings of approximately \$850,000 per year.

2013-14

- The on-going adjustments include the PARS annual payment for Early Retirement Program of \$971,000, utilization of \$500,000 of restricted lottery for instructional materials purchases, and charging Food Services \$350,000 for indirect costs.
- The Budget contains a solvency transfer of \$0.7 million from the Restricted Maintenance Reserve, and \$1.8 million from the Early Retirement Benefit Fund. Solvency transfers from the Special Education and Post Employment Benefits Fund ends.
- The State Deferred Maintenance Revenue of \$0.9 million is budgeted in the General Fund and the \$1.2 million transfer to Deferred Maintenance Fund is eliminated.
- The continuation of the on-going sweep of the Tier III programs previously listed in 2012-13.

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- The Summer School program is reduced to providing only remedial courses resulting in a net savings of \$850,000 per year.

2014-15

- The on-going adjustments include the PARS Annual payment for Early Retirement Program of \$971,000, utilization of \$500,000 of restricted lottery for instructional materials purchases, and charging Food Services \$350,000 for indirect costs.
- There are no “solvency transfers” from the Restricted Maintenance Reserve. The reserve will be depleted in 2013-14.
- The Budget contains solvency transfers of \$2.4 million from the Early Retirement Benefit Fund, \$4.9 million from the Deferred Maintenance Fund, and \$14.9 million from the Debt Service Fund.
- The State Deferred Maintenance Revenue of \$0.9 million is budgeted in the General Fund and the \$1.2 million transfer to Deferred Maintenance Fund is eliminated.
- Continuation of the on-going sweep of the Tier III programs previously listed in 2012-13 and 2013-14.
- The Summer School program is reduced to providing only remedial courses resulting in a net savings of approximately \$850,000 per year.

Projected Reserve Balances and Flexibility Available Outside of Unrestricted General Fund at the End of 2014-15

Reserve Balances – End of 2014-15

• Special Education Reserve	\$0
• Retiree Health Benefits Fund 20.0	\$0
• Early Retirement Benefits Fund 67.2	\$0
• Restricted Major Maintenance Reserve	\$0
• Deferred Maintenance Fund 14.0	\$0
• Debt Service Fund 56.0	\$0

Flexibility Options

- Deferred Maintenance Transfer Savings (through 2014-15) – However, the Long Range Financial Projection (Attachment G) assumes this flexibility is extended through 2015-16.

- Deferred Maintenance Fund Revenue (through 2014-15) – However, the Long Range Financial Projection (Attachment G) assumes this flexibility is extended through 2015-16.
- K-3 CSR – Reduced Penalties (through 2013-14) – However, the Long Range Financial Projection (Attachment G) assumes K-3 CSR flexibility is extended through 2015-16.
- Tier III Flexibility (through 2014-15) – However, the Long Range Financial Projection (Attachment G) assumes Tier III flexibility is extended through 2015-16.

OTHER FUNDS

- **Child Development Fund (12)** – The Child Development Fund contains accounts for the income and expenditures associated with state and federally subsidized child development centers. This is inclusive of preschool programs and school-age program: General Child Care and Development Programs, Latchkey Program, State Preschool Program, as well as General Child Care and Development Programs. This fund operates on an independent basis and does not encroach on the Unrestricted General Fund.
- **Food Service Fund (13)** – The source of revenue for this fund is based solely on lunch sales. The revenue is received on a per meal basis from the State and Federal programs as well as student payments. The State funding for this program was reduced in 2007-08, 2008-09, 2009-10, and remains flat for 2011-12 and 2012-13. This budget includes indirect cost charges of \$350,000 that will be transferred to the Unrestricted General Fund. This fund operates on an independent basis and does not directly encroach on the Unrestricted General Fund.
- **Deferred Maintenance Fund (14)** – The Deferred Maintenance Program is considered a part of the 2008-09 through 2014-15 flexibility options provided in the State Budget Act. The State revenue for this fund was reduced from \$1,291,090 to \$967,000 in 2008-09, and it is anticipated that it will remain at that level through 2014-15. The State revenue is now being deposited into the Unrestricted General Fund. The required matching funds from the Unrestricted General Fund for the Deferred Maintenance Program have also been eliminated through 2014-15.

The multi-year plan utilizes a solvency transfer of all \$4.9 million to the General Fund in 2014-15. Additionally, all projects previously listed as Deferred Maintenance will be charged to the Capital Projects Fund 40.1, and the Measure S Bond Fund 21.1.

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- **Post Employment Benefits Fund (20)** – Since all programs should share in the GASB 45 liability, a new Early Retirement Fund 67.2 was created in 2008-09 to conform to the State accounting system. This fund is no longer being reserved for insurance purposes.

Due to the State fiscal crisis, it is being used for “solvency transfers” to the Unrestricted General Fund. The only revenue that will be generated in Fund 20 for 2011-12 will be interest income. The transfers are budgeted to the Unrestricted General Fund in the following manner: \$0 for 2009-10, \$0 for 2010-11, \$3,750,000 for 2011-12, and \$2,500,000 for 2012-13. This fund will be depleted at the end of 2012-13.

- **Building Fund (21)** – This is the Measure S Bond Fund and is utilized to track expenditures related to the bond projects. The first issuance of the bond series in the amount of \$54 million occurred in August 2011.
- **Developer Fee Fund (25)** – Developer Fee income is designated for the rental or purchase of modular classrooms, the purchase of property and for other classroom facility needs as approved by the Board of Education. In December 2009, the District utilized this Fund to purchase three properties that are contiguous to the District Administration building.
- **State Building Fund (35)** – In 2009-10 and 2010-11, the State Allocation Board approved the disbursement of funds for Glendale High School project and Crescenta Valley High School appeal, Columbus Elementary School Project, Hoover High School Project, and Roosevelt Middle School Project. These funds were transferred to Fund 40.1.
- **Capital Projects Fund (40.1)** – In 2009-10 and 2010-11, funds were received from the State Allocation Board and deposited into Fund 35 and then transferred to Fund 40.1. In 2009-10, 2010-11, and 2011-12 this fund was utilized to assist with the construction payments for the Roosevelt Middle School, Glendale High School, and other projects. This is the fund that will be utilized for Measure S construction projects in 2011-12, as a bridge until G.O. bond funds became available.
- **Food Service Capital Outlay Fund (40.2)** – In prior years, the Food Service Program has transferred monies into this fund for capital projects. The only 2012-13 revenue in this fund will be interest income. In 2011-12, a transfer of \$300,000 is planned to be used in 2012-13 in conjunction with Measure S funds.
- **Debt Service Fund (56)** – The only revenue source in this fund is interest income. This fund was to be utilized to repay the Certificates of Participation (COP), the annual payment is approx. \$1.3 million. Given Measure S will pay off this loan, this reserve can now be utilized by the District as a “reserve” to be utilized for cash flow needs in the Unrestricted General Fund. The multi-year plan reflects the complete utilization of solvency transfers to the General Fund, leaving a \$0 balance by the end of 2014-15.

- **Self Insured Health Insurance (67.0)** – The only revenues are the premiums for the dental and vision insurance plans that are offered to employees and interest earnings. The payroll system allocates the expense for the coverage to the various programs in all the funds. Then an offsetting transfer is made to the revenue account in self-insured fund. The cost of the claims and transfers to the third party administrator are the only expense in this fund.
- **Workers Compensation Fund (67.1)** – This fund was established solely for the purpose of accounting for expenditures related to the workers compensation program. The ASCIP rate for “dollar one” coverage in 2012-13 is 2.919% of salaries.

The expenditures will include the payment to ASCIP for 2012-13 coverage, expenditures related to claims that occurred prior to 2005-06, consultant expenses related to claims management, and other related expenses that may occur.

- **Early Retirement Benefits Fund (67.2)** – This fund is very similar to the Post Employment Benefits Fund (20) and was established to set aside funds for the GASB 45 liability. The revenue in 2007-08 through 2009-10 is from a 2% rate applied to salaries in all programs. In the past, approximately half of this rate was to fund the future liability while the balance was to pay the annual premium that is currently charged for the retiree health insurance. For 2010-11, the rate increased to 2.21% of all salaries and only paid the annual premium, including the increased cost resulting from the early retirement incentive program. In 2011-12 and 2012-13 the rate is projected to be 2.37%.
- **McLennan Trust and Other Scholarships (73)** – This fund’s primary source funding is interest earnings and an occasional donation for a scholarship. Typically, the scholarship donations are managed through the ASB accounts at the high schools. However, if there is a donation that is not directly linked to a school site, it may be deposited into this fund. The only expenditures out of this fund are for student scholarships.

Reference Materials

The following supplemental materials are provided for reference:

- Multi-Year Budget Assumptions – Attachment A
- Board of Education Priorities for 2012-13 – Attachment B (draft)
- Principles for Guiding Budgetary Decisions – Attachment C
- Staffing Ratios – Attachment D
- CBEDS Based Enrollment History, 2003-04 through 2015-16 – Attachment E

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- Budget Adjustment Input on Unrestricted General Fund Balance – Attachment F
- Long-Range Financial Projection (Version 1, June 1, 2012) – Attachment G
- 2012-13 Line Item Budget Summary – Attachment H (*Provided under separate cover*)
- Other Funds Fiscal Projection – Attachment I (*Provided under separate cover*)
- District Budget and Certification – Attachment J (*Provided under separate cover*)

Multi-Year Budget Assumptions

Attachment A

Category	2010-11 Actual	2011-12	2012-13	2013-14	2014-15
REVENUE LIMIT					
- Cost of Living Adjustment (COLA)	(0.39)%	2.24%	3.24%	0.00%	0.00%
- Deficit Factor - 2nd Interim & 2012-13 Proposed Budget	17.96%	20.602%	22.272%	22.272%	22.272%
- Beginning Teacher Incentive Rolled Into Per ADA	\$21.15	\$21.62	22.31	22.31	22.31
- Net COLA Increase - 2nd Interim & 12-13 Proposed Budget (2011-12 Includes \$13 per ADA RL Cut And \$43 per ADA RL Cut In Lieu Of 50% Transportation Cut)	\$257.28	(\$55.00)	0.00	0.00	0.00
- Scenario 1 = 2012-13 Proposed Budget Ongoing - No Additional Cuts, Flat Funding			0.00	0.00	0.00
- Scenario 2 = 2012-13 Proposed Budget Ongoing - Initiative Fails - Trigger Cuts			(441.00)	(441.00)	(441.00)
- Revenue Limit per ADA - Proposed 2012-13 Budget	\$5,221	\$5,167	\$5,222	\$5,222	\$5,222
- Revenue Limit ADA - 1st and 2nd Interims	25,501	25,303	25,085	24,958	24,855
- Revenue Limit ADA - 2012-13 Proposed Budget	25,501	25,560	25,560	25,169	24,994
- Enrollment - 2nd Interim and 2012-13 Proposed Budget	26,393	26,250	26,138	25,956	25,848
- Interest - 1st and 2nd Interims	\$753,665	\$820,000	\$820,000	\$820,000	\$820,000
- Interest - 2012-13 Proposed Budget	\$753,665	\$460,000	\$460,000	\$460,000	\$460,000
Lottery (Per ADA) - 1st and 2nd Interims	\$110.00	\$111.00	\$111.00	\$111.00	\$111.00
Lottery (Per ADA) - 2012-13 Proposed Budget	\$110.00	\$117.00	\$118.00	\$118.00	\$118.00
EMPLOYEE BENEFITS					
- STRS	8.25%	8.25%	8.25%	8.25%	8.25%
- Workers Comp	1.30%	1.437%	2.919%	2.919%	2.919%
Utilizing Fund #67.1 Balance	1.30%	1.30%	0.00%	0.00%	0.00%
- Retiree Benefits	2.21%	2.37%	2.37%	2.37%	2.37%
- Health Insurance Increase - Adopted budget	Actuals	\$1,950,000	\$1,950,000	\$1,950,000	\$1,950,000
"SOLVENCY" TRANSFERS					
- Special Ed. Reserve (Depleted by end of 2012-13)	\$0	\$2,250,000	\$1,110,000	\$0	\$0
- Post-Employment Benefits Fund #20.0 (Depleted by end of 2012-13)	\$0	\$3,750,000	\$2,500,000	\$0	\$0
- Restricted Major Maintenance Reserve (Depleted by end of 2013-14)	\$0	\$3,000,000	\$1,000,000	\$700,000	\$0
- No Deferred Maintenance Transfer (Legally ends 2014-15)	\$1,238,000	\$1,238,000	\$1,238,000	\$1,238,000	\$1,238,000
- Early Retirement Benefit Fund #67.2 (Depleted by end of 2014-15)	\$0	\$0	\$0	\$1,800,000	\$2,400,000
- Deferred Maintenance Fund #14.0 (Depleted by end of 2014-15)	\$0	\$0	\$0	\$0	\$4,900,000
- Debt Service Fund #56.0 (Depleted by end of 2014-15)	\$0	\$0	\$0	\$0	\$14,900,000
- Deferred Maintenance Fund Revenue to General Fund (Legally ends 2014-15)	\$965,191	\$965,191	\$965,191	\$965,191	\$965,191
ARRA - FEDERAL STIMULUS FUND					
- Title I ARRA	\$1,091,063	\$362,141	\$0	\$0	\$0
- IDEA ARRA	\$0	\$0	\$0	\$0	\$0
- SFSF ARRA	\$2,272,828	\$1,283,275	\$0	\$0	\$0
- Federal Jobs Program	\$4,458,331	\$497,192	\$0	\$0	\$0

DRAFT

2012-2013 BOARD PRIORITIES

- A. Ensure, in every learning environment, instructional practices that are high quality, research based, consistent with the models of effective teaching and the California teaching standards and that support student success.
- B. Use Board adopted budgetary principles to maintain District fiscal integrity and stability of instruction and programs.
- C. Develop Measure S sequencing plan and implement the first phase of Measure S.
- D. Continue implementation of the GUSD 2015 Strategic Plan.

Principles for Guiding Future Budgetary Decisions

- Maintain competitive salaries and benefits that will enable the District to attract and retain an excellent teaching and support service staff.
- Maintain a balance between current and future-year income and expenditures so as to ensure the long-term financial integrity of the District.
- Recognize that the highest financial priority is directly related to improving student achievement.
- Instructional and support service programs shall be aligned with the Glendale Schools 2015 Strategic Plan and Board of Education identified priorities.
- Recognize that some programs and services may need to be reduced or eliminated. Regularly evaluate all programs and services for cost effectiveness.
- Align resource distribution with accountability for student achievement; the greater the degree of accountability the more direct control the school site should have over the distribution of funding.
- Work to reduce/eliminate the financial impact (encroachment) that various categorical and incentive programs have on the General Fund.
- Recognize that an adequate infrastructure is needed in order to provide a high level of programs and services.
- Ensure that the District is in compliance with state and federal mandates.

2012-13 BUDGET ALLOCATIONS AND STAFFING FORMULAS

Attachment D

Description	Elementary Schools	Middle Schools	High Schools
Teacher Staffing Ratios (students to teachers)			
Grade K - 3 Class Size Reduction (incl 3/4's)	24.94 : 1 *	n/a	n/a
Grades 4-6	31.90:1 *	n/a	n/a
Grades 7-8 (not including 0 or 7 period classes)	n/a	33.80:1 *	n/a
Grades 9-12 (not including 0 or 7 period classes)	n/a	n/a	34.80:1 *
Additional Reduction of One FTE Per 1000 Students for Grades 7-12	n/a	Yes	Yes
Counselor Staffing Ratio (students to counselors)	n/a	600:1	600:1
Elementary Music Teachers	5.2	n/a	n/a
High School Librarians	n/a	n/a	1 FTE per school
Middle School Library Technicians	n/a	0.75 FTE per school	n/a
School Site Administrative Support			
Principals, Associate & Assistant Principals - MS, HS (can be augmented with transfer from teacher allocation)	n/a	525:1	550:1
School Site Principals, Elementary	1 Per School	n/a	n/a
Asst. Principals, Trad Elementary	650 : 0.5, 800:1	n/a	n/a
School Site Clerical Support (students to clerical support)			
Administrative Secretary (1 per principal)	1	1	1
Traditional Elementary	600:1	n/a	n/a
Traditional Secondary	n/a	300:1	300:1
Custodial Staff (students to custodial support)			
Custodial Supervisor	n/a	n/a	1
Lead Custodian	n/a	1	1
Custodian II	1	1	n/a
Custodian I	520:1	390:1	390:1
	(YRE schools @ 390:1 & 75% enroll)	+ .5 for large campus + .5 for gym and 2 locker rooms	+1 for large campus +1 for 2 gyms and locker rooms +.5 for swimming pool
Custodial Overtime	\$ 1 per student	\$ 1 per student	\$ 1 per student
Custodial Supplies	\$9 per student	\$9 per student	\$9 per student
Pool Supplies (Central FASO Account)	n/a	n/a	\$27,000 per year
Instructional Material Support	\$28.50 per student	\$42.75 per student	\$44.65 per student
Summer School Supplies	n/a	\$3 per summer student	\$3 per summer student
Secondary Security Allocations	n/a	\$24.00 per student \$2,000 for summer school \$300 for graduation	\$24.00 per student \$8,300 for summer school \$300 for graduation
<i>* Ratios have been or may be reduced with categorical or other funding.</i>			

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CBEDS BASED ENROLLMENT HISTORY

TOTAL ENROLLMENT BY GRADE LEVEL		2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
GRADE	Enrollment	Actual	Enrollment	Actual	Enrollment	Actual	Enrollment	Actual	Enrollment	Actual	Enroll. Mast. Projections	Enroll. Mast. Projections	Enroll. Mast. Projections	Enroll. Mast. Projections
K	1,666	1,560	1,468	1,511	1,631	1,749	1,764	1,764	1,764	1,764	1,764	1,764	1,764	1,764
1	1,812	1,752	1,638	1,574	1,648	1,774	1,869	1,869	1,869	1,869	1,803	1,803	1,803	1,803
2	1,882	1,863	1,696	1,681	1,622	1,671	1,811	1,811	1,811	1,869	1,835	1,835	1,835	1,835
3	2,052	1,910	1,784	1,728	1,658	1,754	1,723	1,723	1,723	1,811	1,942	1,870	1,870	1,870
<i>Gr 1-3 Total</i>	<i>5,746</i>	<i>5,525</i>	<i>5,118</i>	<i>4,983</i>	<i>5,041</i>	<i>5,199</i>	<i>5,403</i>	<i>5,403</i>	<i>5,403</i>	<i>5,444</i>	<i>5,560</i>	<i>5,508</i>	<i>5,508</i>	<i>5,508</i>
4	2,012	2,030	1,930	1,793	1,791	1,682	1,782	1,782	1,782	1,723	1,750	1,875	1,971	1,902
5	2,149	1,995	1,938	1,978	1,795	1,850	1,720	1,720	1,850	1,782	1,836	1,802	1,926	2,023
6	2,355	2,188	2,062	2,013	1,958	1,877	1,943	1,943	1,877	1,720	1,754	1,835	1,786	1,858
<i>Gr 4-6 Total</i>	<i>6,516</i>	<i>6,213</i>	<i>5,972</i>	<i>5,784</i>	<i>5,544</i>	<i>5,409</i>	<i>5,445</i>	<i>5,445</i>	<i>5,409</i>	<i>5,225</i>	<i>5,340</i>	<i>5,512</i>	<i>5,683</i>	<i>5,783</i>
TOTAL ELEMENTARY	13,928	13,298	12,558	12,278	12,216	12,357	12,612	12,612	12,357	12,433	12,664	12,856	12,955	13,055
7	2,345	2,356	2,080	2,126	2,123	2,022	1,896	1,896	2,022	1,943	1,989	1,792	1,878	1,824
8	2,473	2,359	2,197	2,117	2,085	2,136	2,063	2,063	2,136	1,896	1,918	2,011	1,813	1,900
<i>Gr 7-8 Total</i>	<i>4,818</i>	<i>4,715</i>	<i>4,277</i>	<i>4,243</i>	<i>4,208</i>	<i>4,158</i>	<i>3,959</i>	<i>3,959</i>	<i>4,158</i>	<i>3,839</i>	<i>3,907</i>	<i>3,803</i>	<i>3,691</i>	<i>3,724</i>
TOTAL K-8	18,746	18,013	16,835	16,521	16,424	16,515	16,571	16,571	16,515	16,272	16,571	16,659	16,646	16,779
9	2,483	2,512	2,439	2,245	2,282	2,167	2,168	2,168	2,167	2,063	2,132	2,008	2,077	1,915
10	2,402	2,477	2,375	2,444	2,246	2,317	2,180	2,180	2,317	2,168	2,177	2,140	2,012	2,083
11	2,394	2,327	2,354	2,306	2,218	2,168	2,202	2,202	2,168	2,180	2,095	2,093	2,058	1,935
12	2,263	2,218	2,164	2,261	2,269	2,123	2,082	2,082	2,123	2,202	2,116	2,009	2,008	1,975
<i>Gr 9-12 Total</i>	<i>9,542</i>	<i>9,534</i>	<i>9,371</i>	<i>9,256</i>	<i>9,015</i>	<i>8,775</i>	<i>8,632</i>	<i>8,632</i>	<i>8,775</i>	<i>8,673</i>	<i>8,520</i>	<i>8,250</i>	<i>8,155</i>	<i>7,908</i>
<i>Continuation Programs</i>	319	326	366	434	426	401	358	358	401	358	358	358	358	358
TOTAL SECONDARY	14,679	14,575	14,014	13,933	13,649	13,334	12,949	12,949	13,334	12,810	12,785	12,411	12,204	11,990
Elem and Sec. Subtotal	28,607	27,873	26,572	26,211	25,865	25,691	25,561	25,561	25,691	25,243	25,449	25,267	25,159	25,045
<i>Special Education</i>	826	943	848	843	794	702	689	689	702	689	689	689	689	689
DISTRICT TOTAL	29,433	28,816	27,420	27,054	26,659	26,393	26,250	26,250	26,393	25,932	26,138	25,956	25,848	25,734
<i>Increase/Decrease Percent</i>	-316	-617	-582	-366	-85	-266	-143	-143	-266	-318	-112	-182	-108	-114
	-1.06%	-2.10%	-2.08%	-1.33%	-0.32%	-1.00%	-0.54%	-0.54%	-1.00%	-1.21%	-0.43%	-0.70%	-0.42%	-0.44%

Scenario 1 - 2012-13 Proposed Budget Impact on Unrestricted General Fund Ending Balance
Assumes Initiatives Win and No Trigger Cuts

Major Changes	2011-12	2012-13	2013-14	2014-15
Second Interim 2011-12 Ending Balance (Scenario 1)	\$ 42,949,694	\$ 30,791,521	\$ 7,993,044	\$ (18,513,949)
Salary Settlements Occurring After Second Interim				
March CSEA & GSMA Settlements			\$ (349,460)	
April CSEA & GSMA Settlements		\$ (698,920)	\$ 698,920	
Special Education				
2011-12 Through 2014-15 Projected Actual Expenditure Increase	\$ (4,230,929)	\$ (4,645,110)	\$ (4,645,110)	\$ (4,645,110)
Unrestricted General Fund				
Revenue Limit Projected Increase (Net of SUI Rate Change in Out Years)	\$ 1,327,919	\$ 1,775,125	\$ 419,221	\$ (798,011)
Reverse Revenue Limit \$86 per ADA Cut In Lieu Of Transportation Cut		\$ 2,157,310	\$ 2,146,302	\$ 2,137,444
State K-3 CSR Increase	\$ 159,065	\$ 159,065	\$ 159,065	\$ 159,065
Unrestricted Lottery Increase	\$ 212,475	\$ 237,975	\$ 237,975	\$ 237,975
Interest Income Decrease	\$ (360,000)	\$ (360,000)	\$ (360,000)	\$ (360,000)
Net ERRP Income	\$ 311,740			
Salary and Benefit Adjustments	\$ 1,500,000	\$ (154,043)	\$ (154,043)	\$ 445,957
Supplies / Services / Other	\$ 664,639	\$ 854,049	\$ 978,112	\$ 939,441
Remaining Solvency Transfers of \$24.7 Million				
Restricted Maintenance Reserve			\$ 700,000	
Early Retirement Benefit Fund #67.2			\$ 1,800,000	\$ 2,400,000
Deferred Maintenance Fund #14.0				\$ 4,900,000
Debt Service Fund #56.0				\$ 14,900,000
Current Year Impact	\$ (415,091)	\$ (674,549)	\$ 1,630,982	\$ 20,316,761
Cumulative Impact to Ending Balance	\$ (415,091)	\$ (1,089,640)	\$ 541,342	\$ 20,858,103
Adjusted Ending Balance Projection	\$ 42,534,603	\$ 29,701,881	\$ 8,534,386	\$ 2,344,154
Designated and Restricted Portion:				
Revolving Cash	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000
Stores	\$ 101,871	\$ 101,871	\$ 101,871	\$ 101,871
3% Mandated Reserve for Economic Uncertainties	\$ 7,065,922	\$ 6,600,203	\$ 6,704,921	\$ 6,815,966
Fund Balance Assignment *	\$ 632,860	\$ 632,860	\$ 632,860	\$ 632,860
Adjusted Balance in Excess of Assignment And 3% Reserve	\$ 34,663,950	\$ 22,296,947	\$ 1,024,734	\$ (5,276,543)

* Assignment Excludes Any Reserve For State Reduction, And Reflects Only The ERRP Designation.

Scenario 2 - 2012-13 Proposed Budget Impact on Unrestricted General Fund Ending Balance
Assumes Initiatives Go Down and Trigger Ongoing Cuts of \$441 per ADA

Major Changes	2011-12	2012-13	2013-14	2014-15
Second Interim 2011-12 Ending Balance (Scenario 1)	\$ 42,949,694	\$ 30,791,521	\$ 7,993,044	\$ (18,513,949)
<u>Salary Settlements Occurring After Second Interim</u>				
March CSEA & GSMA Settlements			\$ (349,460)	
April CSEA & GSMA Settlements		\$ (698,920)	\$ 698,920	
<u>Special Education</u>				
2011-12 Through 2014-15 Projected Actual Expenditure Increase	\$ (4,230,929)	\$ (4,645,110)	\$ (4,645,110)	\$ (4,645,110)
<u>Unrestricted General Fund</u>				
Revenue Limit Projected Increase (Net of SUI Rate Change in Out Years)	\$ 1,327,919	\$ 1,775,125	\$ 419,221	\$ (798,011)
Reverse Revenue Limit \$86 per ADA Cut In Lieu Of Transportation Cut		\$ 2,157,310	\$ 2,146,302	\$ 2,137,444
State K-3 CSR Increase	\$ 159,065	\$ 159,065	\$ 159,065	\$ 159,065
Unrestricted Lottery Increase	\$ 212,475	\$ 237,975	\$ 237,975	\$ 237,975
Interest Income Decrease	\$ (360,000)	\$ (360,000)	\$ (360,000)	\$ (360,000)
Net ERRP Income	\$ 311,740			
Salary and Benefit Adjustments	\$ 1,500,000	\$ (154,043)	\$ (154,043)	\$ 445,957
Supplies / Services / Other	\$ 664,639	\$ 854,049	\$ 978,112	\$ 939,441
Trigger Cuts of \$441 per ADA if November Initiatives Go Down		\$ (11,271,960)	\$ (11,099,529)	\$ (11,022,354)
<u>Remaining Solvency Transfers of \$24.7 Million</u>				
Restricted Maintenance Reserve			\$ 700,000	
Early Retirement Benefit Fund #67.2			\$ 4,200,000	
Deferred Maintenance Fund #14.0			\$ 4,900,000	
Debt Service Fund #56.0			\$ 14,900,000	
Current Year Impact	\$ (415,091)	\$ (11,946,509)	\$ 12,731,453	\$ (12,905,593)
Cumulative Impact to Ending Balance	\$ (415,091)	\$ (12,361,600)	\$ 369,853	\$ (12,535,740)
Adjusted Ending Balance Projection	\$ 42,534,603	\$ 18,429,921	\$ 8,362,897	\$ (31,049,689)
<u>Designated and Restricted Portion:</u>				
Revolving Cash	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000
Stores	\$ 101,871	\$ 101,871	\$ 101,871	\$ 101,871
3% Mandated Reserve for Economic Uncertainties	\$ 7,065,922	\$ 6,600,203	\$ 6,704,921	\$ 6,815,966
Fund Balance Assignment *	\$ 632,860	\$ 632,860	\$ 632,860	\$ 632,860
Adjusted Balance in Excess of Assignment And 3% Reserve	\$ 34,663,950	\$ 11,024,987	\$ 853,245	\$ (38,670,386)

* Assignment Excludes Any Reserve For State Reduction, And Reflects Only The ERRP Designation.

GENERAL FUND
Unrestricted Program Only
REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE

Long Range Financial Projection (V1)

Description	Account Codes	Base Year 2012/13	Proj. 1 2013/14	Proj. 2 2014/15	Proj. 3 2015/16	Proj. 4	Proj. 5
A. REVENUES							
1) Revenue Limit Sources	8010-8099	129,754,339	127,711,969	126,797,865	126,254,625	0	0
2) Federal Revenues	8100-8299	175,000	175,000	175,000	175,000	0	0
3) Other State Revenues	8300-8599	20,055,425	19,994,922	19,965,748	19,944,478	0	0
4) Other Local Revenues	8600-8799	5,299,563	5,299,563	5,299,563	5,299,563	0	0
5) TOTAL REVENUES		155,284,327	153,181,454	152,238,176	151,673,666	0	0
B. EXPENDITURES							
1) Certificated Salaries	1000-1999	79,705,402	82,118,760	83,016,633	83,620,696	0	0
2) Classified Salaries	2000-2999	17,209,853	16,643,278	17,209,853	17,209,853	0	0
3) Employee Benefits	3000-3999	38,053,487	39,958,427	41,941,108	42,954,595	0	0
4) Books and Supplies	4000-4999	1,232,685	1,224,782	1,220,092	1,215,142	0	0
5) Services, Other Operatin Expense	5000-5999	10,667,993	10,914,743	11,173,831	11,445,873	0	0
6) Capital Outlay	6000-6999	72,590	72,590	72,590	72,590	0	0
7) Other Outgo	7100-7299	109,000	109,000	109,000	109,000	0	0
8) Direct Support/Indirect Cost	7300-7399	(1,028,426)	(1,028,426)	(1,028,426)	(1,028,426)	0	0
9) TOTAL EXPENDITURES		146,022,584	150,013,154	153,714,681	155,599,323	0	0
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)							
		9,261,743	3,168,300	(1,476,505)	(3,925,657)	0	0
D. OTHER FINANCING SOURCES/USES							
1) Interfund Transfers							
a) Transfers In	8910-8929	2,500,000	2,500,000	22,200,000	0	0	0
b) Transfers Out	7610-7629	1,015,638	1,015,638	1,015,638	1,015,638	0	0
2) Other Sources							
Other Uses	7630-7699	0	0	0	0	0	0
3) Contributions to Restrict Programs							
	8980-8999	(23,578,827)	(25,820,157)	(25,898,089)	(25,980,351)	0	0
4) TOTAL, OTHER SOURCES/USES							
		(22,094,465)	(24,335,795)	(4,713,727)	(26,995,989)	0	0

GENERAL FUND
Unrestricted Program Only
REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE

Long Range Financial Projection (V1)

Description	Account Codes	Base Year 2012/13	Proj. 1 2013/14	Proj. 2 2014/15	Proj. 3 2015/16	Proj. 4	Proj. 5
E. NET INCREASE (DECREASE)							
IN FUND BALANCE							
What If? Sources		0	0	0	0	0	0
What If? Uses		0	0	0	0	0	0
Total (What If + C + D4)		(12,832,722)	(21,167,495)	(6,190,232)	(30,921,646)	0	0
F. FUND BALANCE, RESERVES							
1) Beginning Balance		42,534,603	29,701,881	8,534,386	2,344,154	0	0
a) Adjustments		0	0	0	0	0	0
b) Net Beginning Balance		42,534,603	29,701,881	8,534,386	2,344,154	0	0
2) Ending Balance (E + F1b)		29,701,881	8,534,386	2,344,154	(28,577,492)	0	0
COMPONENTS OF ENDING FUND BALANCE							
a) Reserved Amounts							
Revolving Cash	9711	70,000	70,000	70,000	70,000	0	0
Stores	9712	101,871	101,871	101,871	101,871	0	0
Other, Prepay, Etc.	9719	0	0	0	0	0	0
General Reserve	9730	0	0	0	0	0	0
Legally Restricted Balances	9740	0	0	0	0	0	0
b) Designated Amounts							
For Economic							
Uncertainties	9770	6,600,203	6,704,921	6,815,966	6,872,506	0	0
Other Designated	9780	632,860	632,860	632,860	632,860	0	0
	97yy	0	0	0	0	0	0
c) FREE Balance	9790	22,296,947	1,024,734	0	0	0	0
d) (DEFICIT) Balance	9790	0	0	(5,276,543)	(36,254,729)	0	0