

GLENDALE UNIFIED SCHOOL DISTRICT

June 21, 2011

ACTION REPORT NO. 3

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 2011-12**

The Superintendent recommends that, following a "Public Hearing", the Board of Education adopt the District's 2011-12 Budget.

The 2011-12 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.

2011-12 BUDGET ASSUMPTIONS AND RECOMMENDATIONS

Unrestricted General Fund

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 2011-12 Budget the Legislature is in session determining how revenue can be generated to fund the 2011-12 State Budget presented by the Governor in May.

The attached 2011-12 Budget document incorporates the changes that were proposed by the Governor in the May Revise and complies with the L.A. County Office of Education recommendations for 2011-12. This includes the continuation of 2010-11 funding rates and a reserve set aside of \$330 per ADA compounded annually. This set aside (or reserve) has resulted in the District not meeting the solvency targets established for the three year projection. A 3% Reserve is maintained in 2011-12 and 2012-13, however in 2013-14, the District is short \$23.4 million. Also, it is important to note that a significant amount of the funds utilized to obtain a 3% reserve in the three year projection is one-time funding and/or transfers from sources that are not on-going.

GLENDALE UNIFIED SCHOOL DISTRICT

June 21, 2011

ACTION REPORT NO. 3

Page 2

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 the \$28.3 million of ARRA funds. Examples of reserves that are not on-going include fully utilizing the Unrestricted General Fund Balance, reductions to the Restricted Maintenance Reserves, the Special Education Reserves, and the Post Employment Benefits Fund (GASB 45 Reserve). The District is in the process of evaluating savings from adjusting staffing ratios, reviewing programs for further reductions and consolidation, determining the best utilization Federal SFSF Stimulus (ARRA), and negotiating with bargaining units to contain costs through furlough days and health and welfare plan modifications. The adoption of the 2011-12 Budget is just another step in an on-going reduction process that began in 2008-09 when the State began reducing funding to school districts.

The following is a brief overview of the assumptions utilized in the 2011-12 Budget:

2010-11 Ending Fund Balance:

- The Unrestricted General Fund Ending Balance is projected to be approx. \$42.9 million. This reflects a positive adjustment to the ending balance, resulting from salary and benefits projected savings and increased revenues.

It is important to note that the 2010-11 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:

2011-12

- The on-going adjustments include the PARS Annual payment for Early Retirement Program of \$971,000, restructured workers’ compensation payment by shifting \$1.55 million of payment to Fund 67.1, utilization of \$500,000 of restricted lottery for instructional materials purchases, and charging Food Services \$350,000 for indirect costs.

GLENDALE UNIFIED SCHOOL DISTRICT

June 21, 2011

ACTION REPORT NO. 3

Page 3

- 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).
- The proposed \$1.2 million in Federal ARRA SFSF funds are **not** included at this time. This funding will be allocated in 2011-12.
- An additional \$1,950,000 was added to the 2011-12 health insurance budget to fund increases to health insurance premiums.
- The Budget contains a \$2.25 million “solvency transfer” from the Special Education Reserve, as well as \$3.75 million from the Post Employment Benefits Fund (GASB 45 Reserve), or \$3 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.

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. Shifting \$1.55 million of workers’ compensation payment to Fund 67.1 ends.
- 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. These transfers completely deplete the reserves.
- 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.

GLENDALE UNIFIED SCHOOL DISTRICT

June 21, 2011

ACTION REPORT NO. 3

Page 4

- The continuation of the on-going sweep of the Tier III programs previously listed in 2011-12.
- The Summer School program is reduced to providing only remedial courses resulting in a net savings of \$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.
- There are no “solvency transfers” from the Special Education Reserve, Post Employment Benefits Fund (GASB 45 Reserve), and Restricted Maintenance Reserve. These reserves will be depleted in 2012-13.
- 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.
- Continuation of the on-going sweep of the Tier III programs previously listed in 2011-12 and 2012-13.
- 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 2013-14

Reserve Balances – End of 2013-14

• Special Education Reserve:	\$0
• Retiree Health Benefits Fund 20.0:	\$0
• Early Retirement Benefits Fund 67.2:	\$4,000,000
• Restricted Major Maintenance Reserve:	\$0
• Deferred Maintenance Fund 14.0:	\$5,000,000

Flexibility Options

- Deferred Maintenance Transfer Savings (through 2014-15)
- Deferred Maintenance Fund Revenue (through 2014-15)

GLENDALE UNIFIED SCHOOL DISTRICT

June 21, 2011

ACTION REPORT NO. 3

Page 5

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

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. 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 District will reserve the current fund balance to provide general fund support as determined by the Board. The District will also make the necessary transfers in order to maintain maximum flexibility as allowed by regulation changes in 2009-10. Additionally, all projects previously listed as Deferred Maintenance will be charged to Capital Projects Fund 40.1.

- **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.

GLENDALE UNIFIED SCHOOL DISTRICT

June 21, 2011

ACTION REPORT NO. 3

Page 6

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 2010-11 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 K Bond Fund and is utilized to tract expenditures related to the bond projects. The Measure K activity is nearing an end and will conclude at the end of 2010-11. The fund will be utilized in 2011-12 for Measure S and the budget will be established with the issuance of the first series of bonds.
- **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 2010-11, the State Allocation Board approved the disbursement of funds for Glendale High School project and Crescenta Valley High School appeal. These funds will carry over to 2011-12.
- **Capital Projects Fund (40.1)** – In 2009-10, funds were received from the State Allocation Board and deposited into Fund 35 and then transferred to Fund 40.1. In 2009-10 and 2010-11, this fund will be 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 become 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 2011-12 revenue in this fund will be interest income. In 2010-11, a transfer of \$300,000 is planned to be used in 2011-12 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 and as a short term funding source. Until Measure S funds become available, the \$1.3 million payment in 2011-12 will be paid from Fund 40.1.
- **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

GLENDALE UNIFIED SCHOOL DISTRICT

June 21, 2011

ACTION REPORT NO. 3

Page 7

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 2011-12 has not been finalized. The estimate in the budget is 2.60% of salaries. Due to a \$5.4 million refund received from the SLIM JPA in 2009-10, there are excess funds available. The District is therefore reducing the workers’ compensation rate charged on payroll to 1.3% and will pay the remaining 1.30% (approx. \$1.8 million) from this fund. This payment supplement began in 2010-11 and will continue through the end of 2011-12.

The expenditures will include the payment to ASCIP for 2011-12 coverage, expenditures related to claims that occurred prior to 2005-06, consultant expenses related to claims management, charges from the prior SLIM JPA, 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, the rate will be 2.37%. In 2010-11 and 2011-12, there is no funding of the future retirement liability.
- **McLeannan 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 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

GLENDALE UNIFIED SCHOOL DISTRICT

June 21, 2011

ACTION REPORT NO. 3

Page 8

- Board of Education Priorities for 2010-11 – Attachment B (to be updated)
- Principles for Guiding Budgetary Decisions – Attachment C
- Staffing Ratios – Attachment D
- CBEDS Based Enrollment History, 2003-04 through 2014-15 – Attachment E
- Budget Adjustment Input on Unrestricted General Fund Balance – Attachment F
- Long-Range Financial Projection (Version 1, June 13, 2011) – Attachment G
- 2011-12 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	2009-10 Actual	2010-11	2011-12	2012-13	2013-14
REVENUE LIMIT					
- Cost of Living Adjustment (COLA) 3/15/11 Second Interim 6/7/11 11/12 Proposed	4.25%	(0.39)% (0.39)% (0.39)%	0.00% 1.67% 2.24%	0.00% 0.00% 0.00%	0.00% 0.00% 0.00%
- Deficit Factor - Adopted Budget 10/19/10 Board 3/15/11 Second Interim 6/7/11 11/12 Proposed	18.36%	18.36% 17.96% 17.96% 17.96%	18.36% 17.96% 19.61% 19.754%	18.36% 17.96% 19.61% 19.754%	18.36% 17.96% 19.61% 19.754%
- COLA Increase- Adopted Budget 10/19/10 Board 3/15/11 Second Interim 6/7/11 11/12 Proposed	(429.00)	(20.00) 4.45 4.45 4.45	0.00- 0.00- (18.32) 0.00	0.00- 0.00- (18.32) 0.00	0.00- 0.00- (18.32) 0.00
- Additional State Adjustment - Adopted Budget 3/15/11 Second Interim 6/7/11 11/12 Proposed	(253.00)	(245.00) 0.00 0.00	(244.00) (330.00) 0.00	(244.00) (330.00) 0.00	(244.00) (330.00) 0.00
- Revenue Limit per ADA 10/19/10 Board 3/15/11 Second Interim 6/7/11 11/12 Proposed	\$4,946	\$4,933- \$5,203 \$5,203 \$5,203	\$4,934 \$5,203- \$4,855- \$5,204	\$4,934 \$5,203- \$4,855- \$5,204	\$4,934 \$5,203- \$4,855- \$5,204
- Net Revenue Limit Change 3/15/11 Second Interim 6/7/11 11/12 Proposed	(12.07)%	5.17% 5.17% 5.17%	0.00% (6.7)% 0.00%	0.00% (6.7)% 0.00%	0.00% (6.7)% 0.00%
- Revenue Limit ADA 3/15/11 Second Interim 6/7/11 11/12 Proposed	25,765	25,411 25,501	25,172 25,291	24,907 25,085	24,782 24,957
- Enrollment- First Interim 3/15/11 Second Interim	26,659	26,196 26,393	25,923 26,119	25,792 25,986	25,684 25,879
- Interest 3/15/11 Second Interim 6/7/11 11/12 Proposed	\$826,817	\$900,000- \$820,000	\$900,000- \$820,000	\$900,000- \$820,000	\$900,000- \$820,000
Lottery (Per ADA)	\$111.37	\$110.00	\$111.00	\$111.00	\$111.00

Multi-Year Budget Assumptions

Attachment A

Category	2009-10 Actual	2010-11	2011-12	2012-13	2013-14
<u>EMPLOYEE BENEFITS</u>					
- STRS	8.25%	8.25%	8.25%	8.25%	8.25%
- Workers Comp	2.46%	1.30%	1.30%	2.60%	2.60%
Utilizing Fund #67.1 Balance	0%	1.30%	1.30%	0.00%	0.00%
- Retiree Benefits	2.00%	2.21%	2.37%	2.37%	2.37%
- Health Insurance Increase - Adopted budget					
First Interim	Actuals	Actuals	\$2,750,000	\$2,750,000	\$2,750,000
6/7/11 11/12 Proposed	\$3,650,000	\$2,750,000	\$2,750,000	\$2,750,000	\$2,750,000
<u>"SOLVENCY" TRANSFERS</u>					
- Special Ed. Reserve (Depleted by end of 2012-13)	\$0	\$0	\$2,250,000	\$1,110,000	\$0
- Post-Employment Benefits Fund #20.0 (Depleted by end of 2012-13)	\$0	\$0	\$3,750,000	\$2,500,000	\$0
- Restricted Major Maintenance Reserve (Depleted by end of 2012-13)	\$0	\$0	\$3,000,000	\$1,000,000	\$0
- No Deferred Maintenance Transfer (Legally ends 2014-15)	\$1,238,000	\$1,238,000	\$1,238,000	\$1,238,000	\$1,238,000
- Deferred Maintenance Fund Revenue to General Fund (Legally ends 2014-15)	\$965,191	\$965,191	\$965,191	\$965,191	\$965,191
<u>ARRA - FEDERAL STIMULUS FUND</u>					
- Title I ARRA - Revised (9/15/09 Board)	\$1,809,025	\$1,453,204	\$0	\$0	\$0
- IDEA ARRA - Revised (9/15/09 Board)	\$5,460,233	\$0	\$0	\$0	\$0
- SFSF ARRA - Revised (10/11 income carryover, additional Revenue & offset to State Cat. cuts)	\$9,348,671	\$3,556,103	\$0	\$0	\$0
- Federal Jobs Program - (10/19/10 Board)	\$0	\$4,466,300	\$0	\$0	\$0

**BOARD OF EDUCATION
PRIORITIES**

2010-11

The Board recognizes that improving student achievement is a comprehensive K-12 effort encompassing all student groups and subject areas, and that maintaining a safe and orderly learning environment is critical to student success.

- A. Ensure in every classroom, 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 the fiscal integrity and stability of the District in ways which best meet Board priorities and student needs.
- C. Continue to find ways to reduce cost while cultivating new funding opportunities to generate revenue.
- D. Establish the 2015 Strategic Plan.

Note: The 2011-12 Priorities will be incorporated once they are finalized by the Board of Education.

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.

2011-12 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	+1 for large campus
		+ .5 for gym and 2 locker rooms	+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	\$24.00 per student
		\$2,000 for summer school	\$8,300 for summer school
		\$300 for graduation	\$300 for graduation
<i>* Ratios have been or may be reduced with categorical or other funding.</i>			

GLENDALE UNIFIED SCHOOL DISTRICT
CBEDS BASED ENROLLMENT HISTORY

ATTACHMENT E

GRADE	2003-04		2004-05		2005-06		2006-07		2007-08		2008-09		2009-10		2010-11		2011-12		2012-13		2013-14		2014-15	
	Actual Enrollment	Enrollment	Actual Enrollment	Enrollment	Actual Enrollment	Enrollment	Actual Enrollment	Enrollment	Actual Enrollment	Enrollment	Actual Enrollment	Enrollment	Actual Enrollment	Enrollment	Actual Enrollment	Enrollment	Standard Progression	Enroll.Mest Projections	Enroll.Mest Projections	Enroll.Mest Projections	Enroll.Mest Projections	Enroll.Mest Projections	Enroll.Mest Projections	
K	1,666	1,560	1,496	1,468	1,511	1,534	1,631	1,749	1,749	1,749	1,749	1,749	1,749	1,749	1,749	1,749	1,749	1,749	1,749	1,749	1,749	1,749	1,749	1,749
1	1,812	1,752	1,690	1,638	1,574	1,658	1,648	1,774	1,774	1,749	1,691	1,691	1,691	1,691	1,691	1,691	1,749	1,691	1,691	1,691	1,691	1,691	1,691	1,691
2	1,882	1,863	1,749	1,696	1,681	1,622	1,735	1,671	1,671	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,774	1,720	1,720	1,720	1,720	1,720	1,720	1,720
3	2,052	1,910	1,894	1,784	1,728	1,785	1,658	1,754	1,754	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,671	1,783	1,783	1,783	1,783	1,783	1,783	1,783
<i>Gr 1-3 Total</i>	<i>5,746</i>	<i>5,525</i>	<i>5,333</i>	<i>5,118</i>	<i>4,983</i>	<i>5,045</i>	<i>5,041</i>	<i>5,199</i>	<i>5,199</i>	<i>5,194</i>	<i>5,194</i>	<i>5,194</i>	<i>5,194</i>	<i>5,194</i>	<i>5,194</i>	<i>5,194</i>	<i>5,194</i>	<i>5,194</i>	<i>5,194</i>	<i>5,194</i>	<i>5,194</i>	<i>5,194</i>	<i>5,194</i>	<i>5,194</i>
4	2,012	2,030	1,916	1,930	1,793	1,768	1,791	1,682	1,682	1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,754
5	2,149	1,995	2,034	1,938	1,978	1,876	1,795	1,850	1,850	1,882	1,882	1,882	1,882	1,882	1,882	1,882	1,882	1,882	1,882	1,882	1,882	1,882	1,882	1,882
6	2,355	2,188	2,062	2,104	2,013	2,075	1,958	1,877	1,877	1,890	1,890	1,890	1,890	1,890	1,890	1,890	1,890	1,890	1,890	1,890	1,890	1,890	1,890	1,890
<i>Gr 4-6 Total</i>	<i>6,516</i>	<i>6,213</i>	<i>6,012</i>	<i>5,972</i>	<i>5,784</i>	<i>5,719</i>	<i>5,544</i>	<i>5,409</i>	<i>5,409</i>	<i>5,286</i>	<i>5,286</i>	<i>5,286</i>	<i>5,286</i>	<i>5,286</i>	<i>5,286</i>	<i>5,286</i>	<i>5,286</i>	<i>5,403</i>	<i>5,487</i>	<i>5,574</i>	<i>5,574</i>	<i>5,574</i>	<i>5,574</i>	<i>5,486</i>
TOTAL ELEMENTARY	13,928	13,298	12,841	12,558	12,278	12,298	12,216	12,357	12,357	12,229	12,229	12,229	12,229	12,229	12,229	12,229	12,229	12,346	12,430	12,517	12,517	12,517	12,517	12,439
7	2,345	2,356	2,189	2,080	2,126	2,064	2,123	2,022	2,022	1,877	1,877	1,877	1,877	1,877	1,877	1,877	1,877	1,881	1,868	1,855	1,855	1,855	1,855	1,912
8	2,473	2,359	2,375	2,197	2,117	2,209	2,085	2,136	2,136	2,022	2,022	2,022	2,022	2,022	2,022	2,022	2,022	2,001	1,939	1,877	1,877	1,877	1,877	1,877
<i>Gr 7-8 Total</i>	<i>4,818</i>	<i>4,715</i>	<i>4,564</i>	<i>4,277</i>	<i>4,243</i>	<i>4,273</i>	<i>4,208</i>	<i>4,158</i>	<i>4,158</i>	<i>3,899</i>	<i>3,899</i>	<i>3,899</i>	<i>3,899</i>	<i>3,899</i>	<i>3,899</i>	<i>3,899</i>	<i>3,899</i>	<i>3,882</i>	<i>3,807</i>	<i>3,732</i>	<i>3,732</i>	<i>3,732</i>	<i>3,732</i>	<i>3,789</i>
<i>TOTAL K-8</i>	<i>18,746</i>	<i>18,013</i>	<i>17,405</i>	<i>16,835</i>	<i>16,521</i>	<i>16,571</i>	<i>16,424</i>	<i>16,515</i>	<i>16,515</i>	<i>16,128</i>	<i>16,128</i>	<i>16,128</i>	<i>16,128</i>	<i>16,128</i>	<i>16,128</i>	<i>16,128</i>	<i>16,128</i>	<i>16,228</i>	<i>16,237</i>	<i>16,249</i>	<i>16,249</i>	<i>16,249</i>	<i>16,249</i>	<i>16,228</i>
9	2,483	2,512	2,376	2,439	2,245	2,213	2,282	2,167	2,167	2,136	2,136	2,136	2,136	2,136	2,136	2,136	2,136	2,224	2,070	1,940	1,940	1,940	1,940	2,032
10	2,402	2,477	2,500	2,375	2,444	2,318	2,246	2,317	2,317	2,167	2,167	2,167	2,167	2,167	2,167	2,167	2,167	2,222	2,274	2,326	2,326	2,326	2,326	2,271
11	2,394	2,327	2,354	2,393	2,306	2,391	2,218	2,168	2,168	2,317	2,317	2,317	2,317	2,317	2,317	2,317	2,317	2,266	2,172	2,079	2,079	2,079	2,079	2,236
12	2,263	2,218	2,128	2,164	2,261	2,156	2,269	2,123	2,123	2,168	2,168	2,168	2,168	2,168	2,168	2,168	2,168	2,074	2,128	2,180	2,180	2,180	2,180	2,180
<i>Gr 9-12 Total</i>	<i>9,542</i>	<i>9,534</i>	<i>9,359</i>	<i>9,371</i>	<i>9,256</i>	<i>9,078</i>	<i>9,015</i>	<i>8,775</i>	<i>8,775</i>	<i>8,788</i>	<i>8,788</i>	<i>8,788</i>	<i>8,788</i>	<i>8,788</i>	<i>8,788</i>	<i>8,788</i>	<i>8,788</i>	<i>8,786</i>	<i>8,644</i>	<i>8,525</i>	<i>8,525</i>	<i>8,525</i>	<i>8,525</i>	<i>8,719</i>
<i>Continuation Programs</i>	319	326	327	366	434	403	426	401	401	401	401	401	401	401	401	401	401	403	403	403	403	403	403	403
TOTAL SECONDARY	14,679	14,575	14,249	14,014	13,933	13,754	13,649	13,334	13,334	13,088	13,088	13,088	13,088	13,088	13,088	13,088	13,088	13,071	12,854	12,660	12,660	12,660	12,660	12,911
Elem and Sec. Subtotal	28,607	27,873	27,090	26,572	26,211	26,052	25,865	25,691	25,691	25,317	25,317	25,317	25,317	25,317	25,317	25,317	25,317	25,417	25,284	25,177	25,177	25,177	25,177	25,350
<i>Special Education</i>	826	943	912	848	843	692	794	702	702	702	702	702	702	702	702	702	702	702	702	702	702	702	702	702
DISTRICT TOTAL	29,433	28,816	28,002	27,420	27,054	26,744	26,659	26,393	26,393	26,019	26,019	26,019	26,019	26,019	26,019	26,019	26,019	26,119	25,986	25,879	25,879	25,879	25,879	26,052
Increase/Decrease	-316	-617	-814	-582	-366	-310	-85	-266	-266	-374	-374	-374	-374	-374	-374	-374	-374	-274	-133	-107	-107	-107	-107	173
Percent	-1.06%	-2.10%	-2.82%	-2.08%	-1.33%	-1.15%	-0.32%	-1.00%	-1.00%	-1.42%	-1.42%	-1.42%	-1.42%	-1.42%	-1.42%	-1.42%	-1.42%	-1.04%	-0.57%	-0.41%	-0.41%	-0.41%	-0.41%	0.67%

Includes \$330 per ADA Reserve (compounded)

Budget Adjustment Impact on Unrestricted General Fund Ending Balance**2011-12 GOVERNOR'S MAY REVISE BUDGET PROPOSAL**

Major Changes	2010-11	2011-12	2012-13	2013-14
Second Interim Ending Balance Projection (from Scenario 1)	\$ 39,234,402	\$ 37,109,476	\$ 24,650,629	\$ (1,866,284)
2010-11 Estimated Adjustment to Ending Balance	\$ 3,713,169			
IMPACT OF THE GOVERNOR'S MAY REVISE AND ADJUSTMENTS				
2011-12 Adjustments				
Adjust Revenue Limit - 2.24% COLA & Increase Deficit to 19.754%		\$ 463,331	\$ 459,557	\$ 457,212
Adjust Revenue Limit - Increased ADA Multi Year Projection		\$ 617,035	\$ 922,960	\$ 907,405
Special Education, Interest Income and K-3 CSR Revenue Adjustments		\$ 220,000	\$ 220,000	\$ 220,000
Health And Welfare Inflation Cost Reductions		\$ 800,000	\$ 1,600,000	\$ 2,400,000
Special Education Costs		\$ (350,000)	\$ (350,000)	\$ (350,000)
Retiree and Health and Welfare Costs		\$ (350,000)	\$ (350,000)	\$ (350,000)
Indirect and Summer School Costs		\$ (270,000)	\$ (270,000)	\$ (270,000)
Adjust 2011-12 Furlough Day Costs Savings to Unrestricted GF (3 days = \$2.1 million initial estimate and \$1.9 million adjusted)		\$ (180,000)	\$ -	\$ -
Adjust 2012-13 Furlough Day Costs Savings to Unrestricted GF (4 days = \$2.8 million initial estimate and \$2.5 million adjusted)		\$ -	\$ (250,000)	\$ -
Adjustments from staffing, vacancy, step/column and other changes		\$ (505,389)	\$ (455,171)	\$ (346,256)
Deferred Maintenance Flexibility Extended to 2014-15				\$ 2,200,000
Current Year Impact	\$ 3,713,169	\$ 444,977	\$ 1,527,346	\$ 4,868,361
Cumulative Impact to Ending Balance	\$ 3,713,169	\$ 4,158,146	\$ 5,685,493	\$ 10,553,854
Adjusted Ending Balance Projection *	\$ 42,947,571	\$ 41,267,622	\$ 30,336,122	\$ 8,687,570
Designated and Restricted Portion:				
Revolving Cash	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000
Stores	\$ 117,345	\$ 117,345	\$ 117,345	\$ 117,345
3% Mandated Reserve for Economic Uncertainties	\$ 6,995,000	\$ 6,373,156	\$ 6,482,209	\$ 6,642,574
Assignment for Additional State Cut of \$330 per ADA	\$ -	\$ 8,346,030	\$ 16,624,080	\$ 24,859,890
Assignment for ERRP and Site Mandated Cost	\$ 366,119	\$ 366,119	\$ 366,119	\$ 366,119
Adjusted Balance in Excess of 3% Reserve	\$ 35,399,107	\$ 25,994,972	\$ 6,676,369	\$ (23,368,358)

* This is a projection and will be finalized to reflect actual revenues and expenses. The balance will also be increased to include outstanding purchase orders, school site and Tier III carry-overs, and other designations.

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

Long Range Financial Projection (V1)

Description	Account Codes	Base Year 2011/12	Proj. 1 2012/13	Proj. 2 2013/14	Proj. 3 2014/15	Proj. 4	Proj. 5
A. REVENUES							
1) Revenue Limit Sources	8010-8099	128,828,444	127,732,214	127,071,224	127,393,912	0	
2) Federal Revenues	8100-8299	175,000	175,000	175,000	175,000	0	
3) Other State Revenues	8300-8599	19,670,923	19,637,547	19,614,884	19,617,123	0	
4) Other Local Revenues	8600-8799	5,841,160	5,841,160	5,841,160	5,841,160	0	
5) TOTAL REVENUES		154,515,527	153,385,921	152,702,268	153,027,195	0	
B. EXPENDITURES							
1) Certificated Salaries	1000-1999	79,434,159	79,396,322	82,013,521	83,103,209	0	
2) Classified Salaries	2000-2999	16,665,759	16,552,444	17,005,704	17,005,704	0	
3) Employee Benefits	3000-3999	35,549,173	39,035,671	40,994,528	43,204,450	0	
4) Books and Supplies	4000-4999	1,236,952	1,231,135	1,226,455	1,234,021	0	
5) Services, Other Operatin Expense	5000-5999	11,859,996	12,165,572	12,486,427	12,823,325	0	
6) Capital Outlay	6000-6999	72,590	72,590	72,590	72,590	0	
7) Other Outgo	7100-7299	109,000	109,000	109,000	109,000	0	
8) Direct Support/Indirect Cost	7300-7399	(1,086,481)	(1,086,481)	(1,086,481)	(1,086,481)	0	
9) TOTAL EXPENDITURES		143,841,148	147,476,253	152,821,744	156,465,818	0	
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)							
		10,674,379	5,909,668	(119,476)	(3,438,623)	0	
D. OTHER FINANCING SOURCES/USES							
1) Interfund Transfers							
a) Transfers In	8910-8929	3,750,000	2,500,000	0	0	0	
b) Transfers Out	7610-7629	1,015,638	1,015,638	1,015,638	1,015,638	0	
2) Other Sources	8930-8979	0	0	0	0	0	
Other Uses	7630-7699	0	0	0	0	0	
3) Contributions to Restrict Programs	8980-8999	(15,088,690)	(18,325,530)	(20,513,438)	(20,387,474)	0	
4) TOTAL, OTHER SOURCES/USES		(12,354,328)	(16,841,168)	(21,529,076)	(21,403,112)	0	

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

Long Range Financial Projection (V1)

Description	Account Codes	Base Year 2011/12	Proj. 1 2012/13	Proj. 2 2013/14	Proj. 3 2014/15	Proj. 4	Proj. 5
E. NET INCREASE (DECREASE)							
IN FUND BALANCE							
What If? Sources		0	0	0	0	0	
What If? Uses		0	0	0	0	0	
Total (What If + C + D4)		(1,679,949)	(10,931,500)	(21,648,552)	(24,841,735)	0	
F. FUND BALANCE, RESERVES							
1) Beginning Balance		42,947,571	41,267,622	30,336,122	8,687,570	0	
a) Adjustments		0	0	0	0	0	
b) Net Beginning Balance		42,947,571	41,267,622	30,336,122	8,687,570	0	
2) Ending Balance (E + F1b)		41,267,622	30,336,122	8,687,570	(16,154,165)	0	
COMPONENTS OF ENDING FUND BALANCE							
a) Reserved Amounts							
Revolving Cash	9711	70,000	70,000	70,000	70,000	0	
Stores	9712	117,345	117,345	117,345	117,345	0	
Other, Prepay, Etc.	9719	0	0	0	0	0	
General Reserve	9730	0	0	0	0	0	
Legally Restricted Balances	9740	0	0	0	0	0	
b) Designated Amounts							
For Economic Uncertainties							
Other Designated	9770	6,373,156	6,482,209	6,642,574	6,751,896	0	
	9780	8,712,149	16,990,199	25,226,009	33,427,829	0	
	97yy	0	0	0	0	0	
c) FREE Balance							
	9790	25,994,972	6,676,369	0	0	0	
d) (DEFICIT) Balance							
	9790	0	0	(23,368,358)	(56,521,235)	0	