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# **Mt. Diablo Unified School District**

District's Proposed 2011-12 Budget

June 28, 2011

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Steven Lawrence, Ph.D., Superintendent

Bryan Richards, Chief Financial Officer

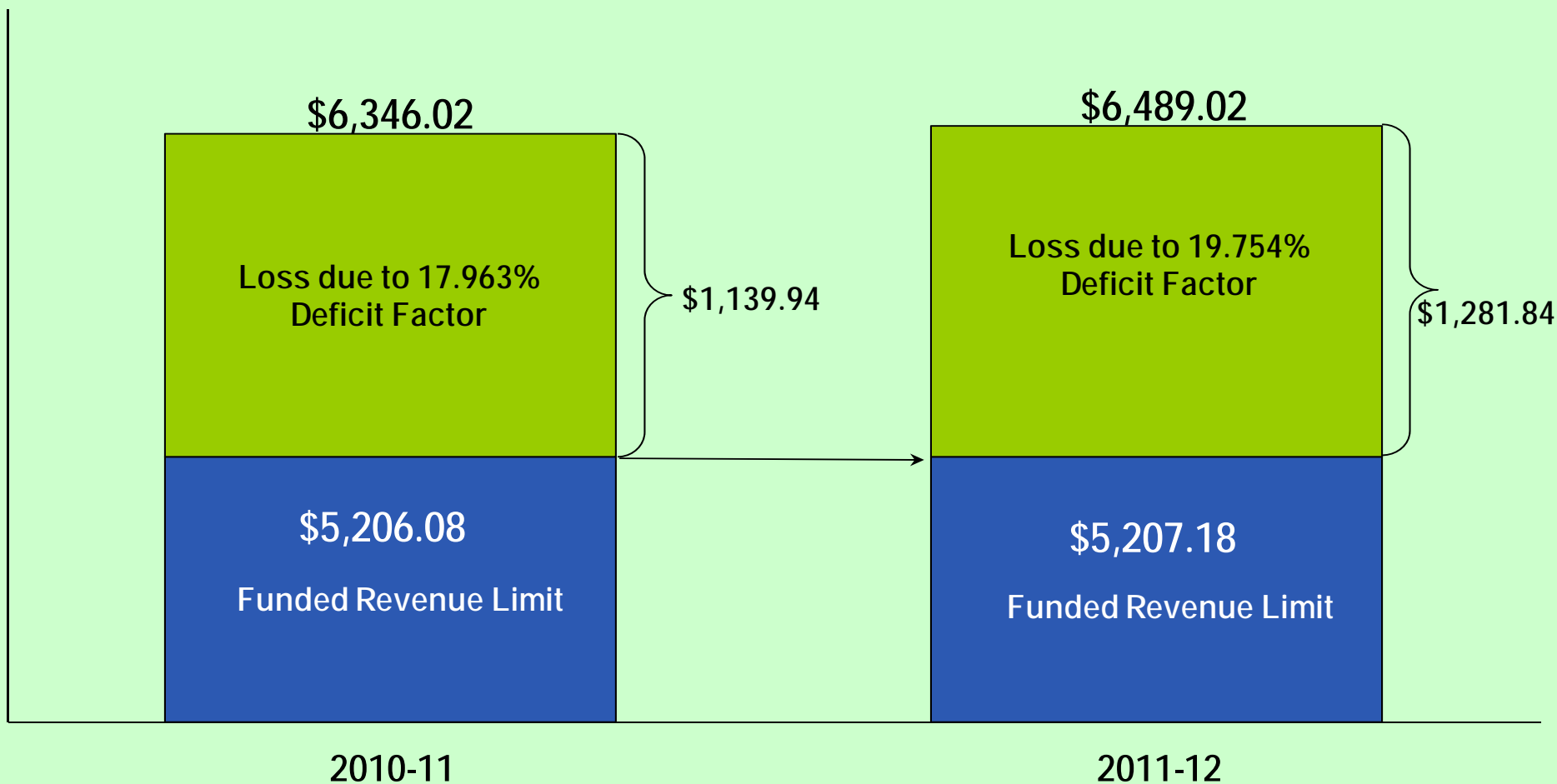
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# COLA & Deficits

- A 2.24% COLA; \$143 per ADA
- 100% deficated, net increase of \$1.10/ADA because we are below average funding
- The State is combining the former Meals for Needy and Beginning Teacher's Salary revenue limit add-ons to the base revenue limit.
- For comparison purposes between the two years we continue to show them separately.

# Funded Revenue Limit 2010-11 vs. 2011-12

Mt. Diablo Unified School District



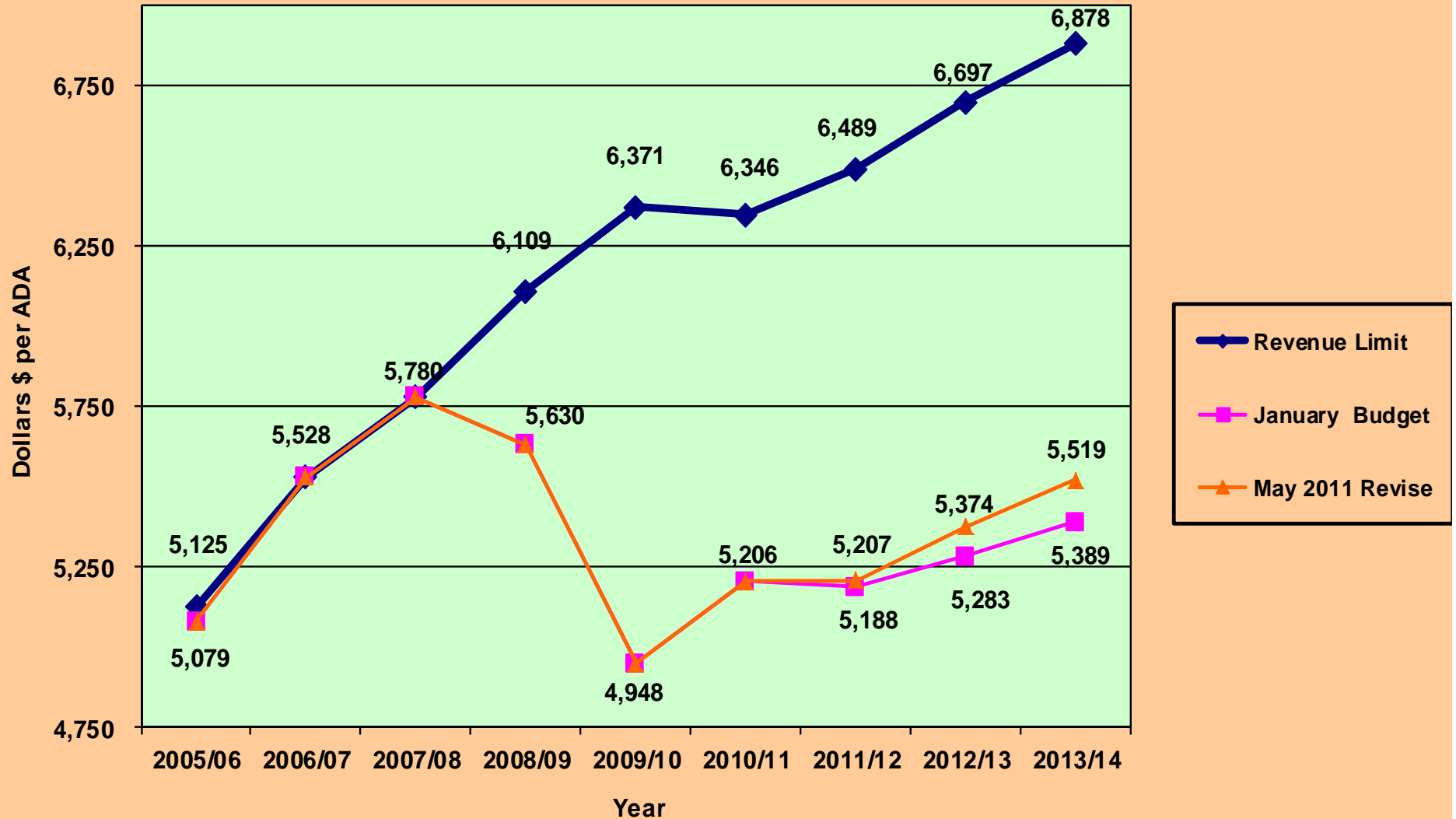
Graph courtesy of School Services of California, Inc.

## What does a 19.754% cut look like?

- School year is 180 days
- 19.754% of school year is 35½ days
- To cut school by 19.754% we would have to close after school ends on April 25<sup>th</sup>
- A 19.754% reduction of the school day would equal about 1-1¼ hour less instruction daily

# 10/11 revenue limit cut deepens to \$1,409/ADA

## MDUSD Revenue Limit Funding per ADA

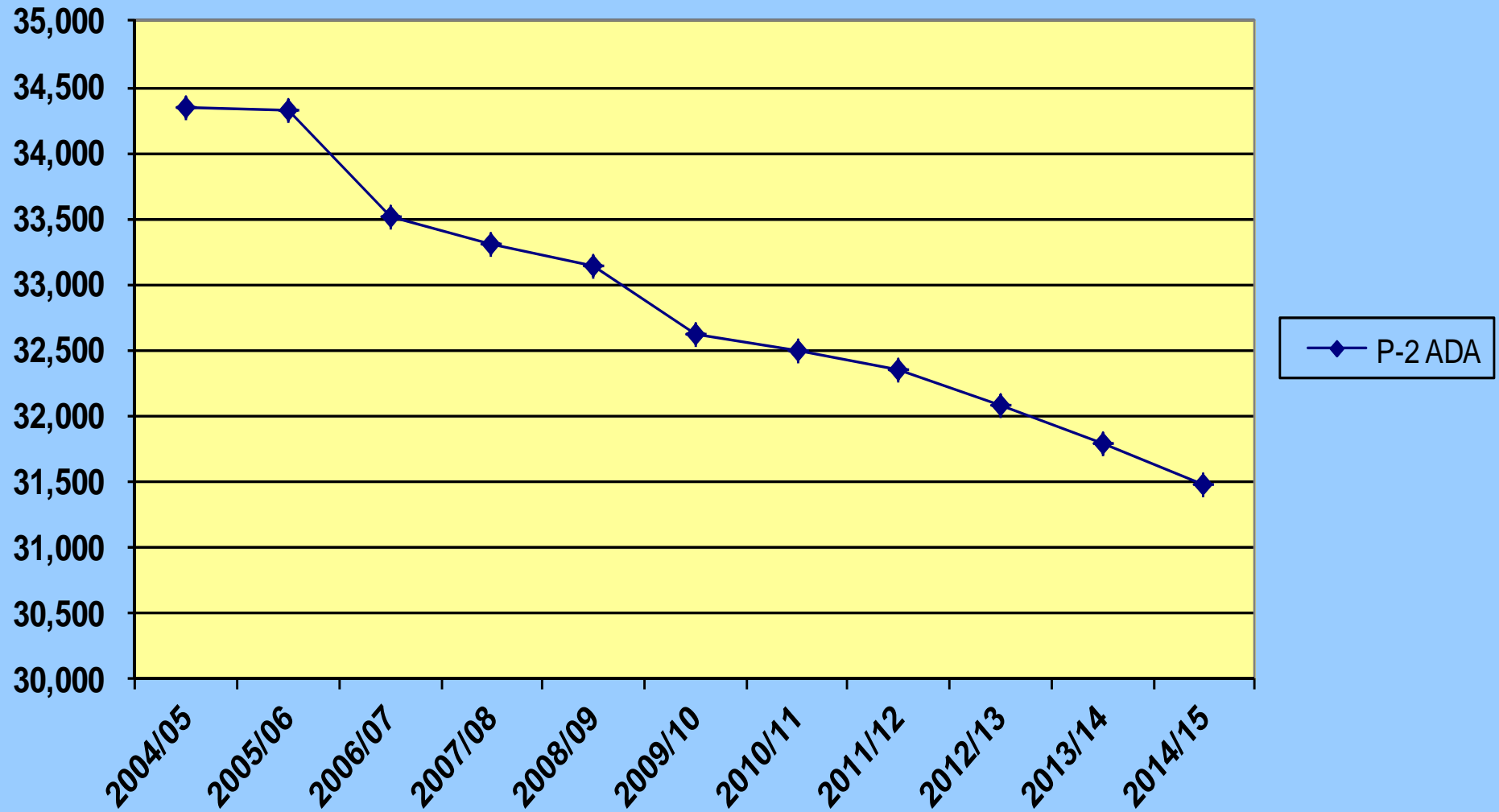


## Declining Enrollment is Slowing Down

- For P-2 we are down 126.38 ADA from 2009/10 to 2010/11
- We have one more year of slower decline as 2006 had higher birth rate than we have had recently
- Unfortunately, that trend reverses in 2007 so in 2012, we return to declines like we have seen

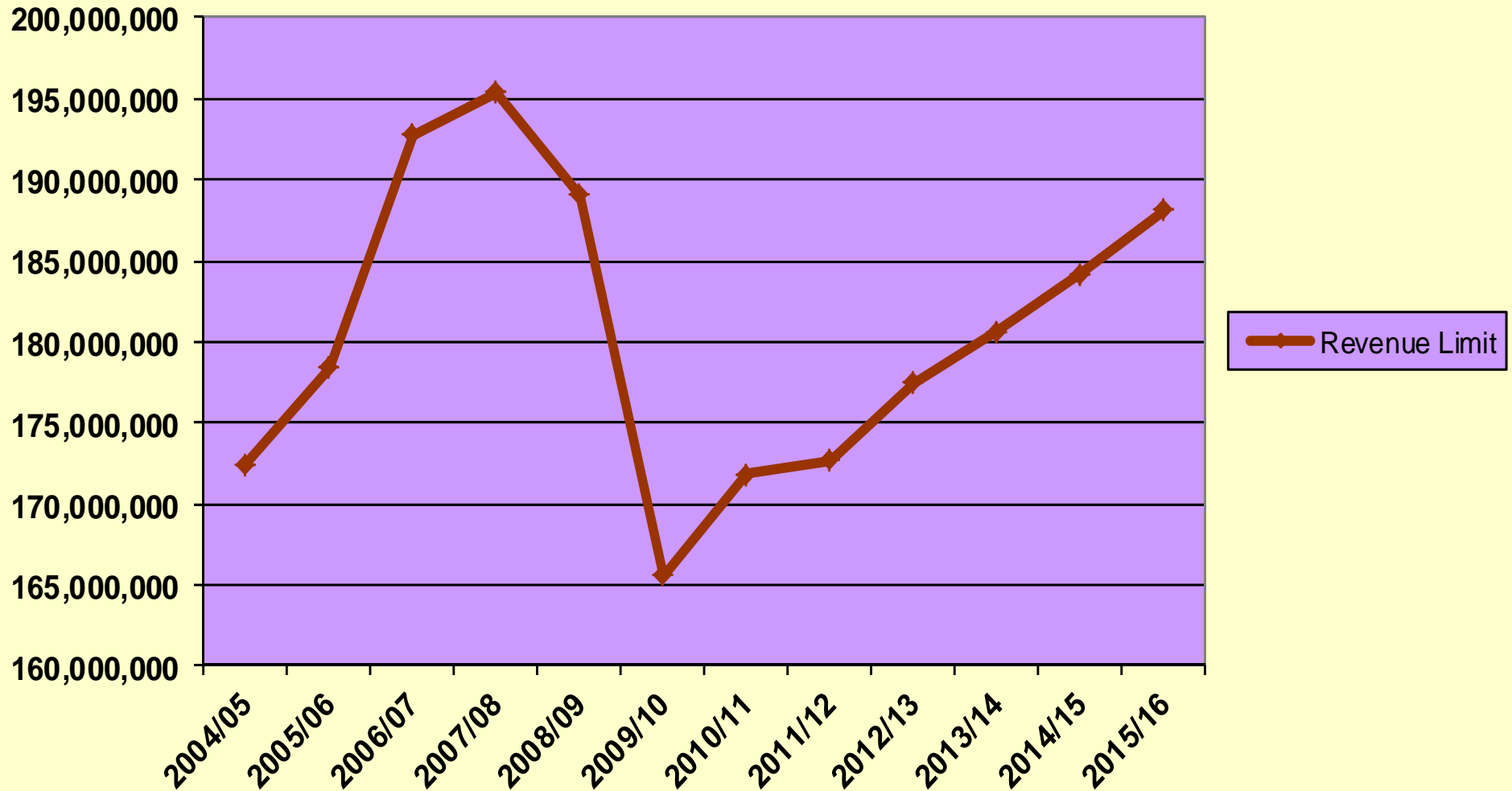
# MDUSD Enrollment Declining!

P-2 ADA



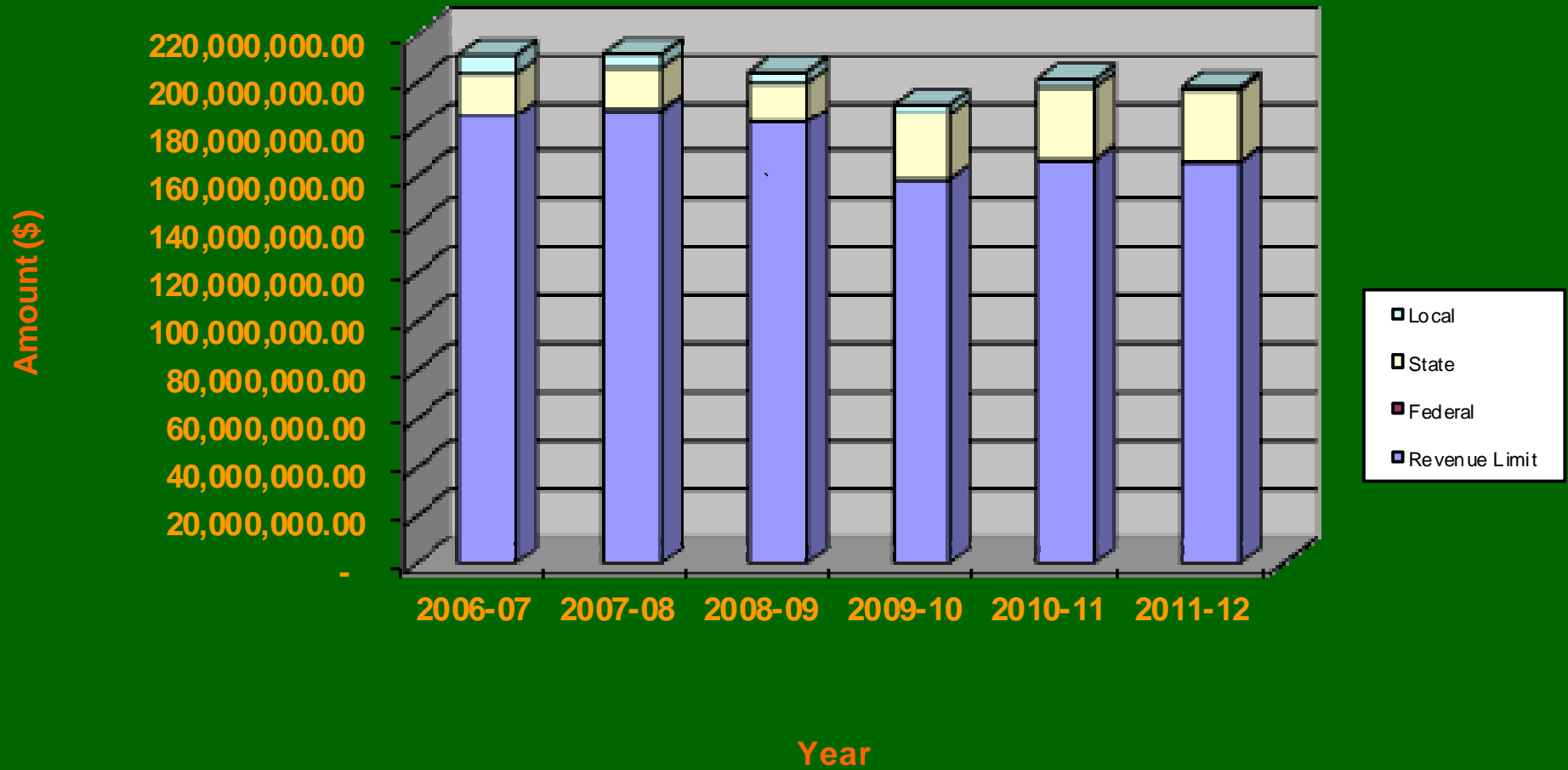
# How does general revenue limit look?

Revenue Limit

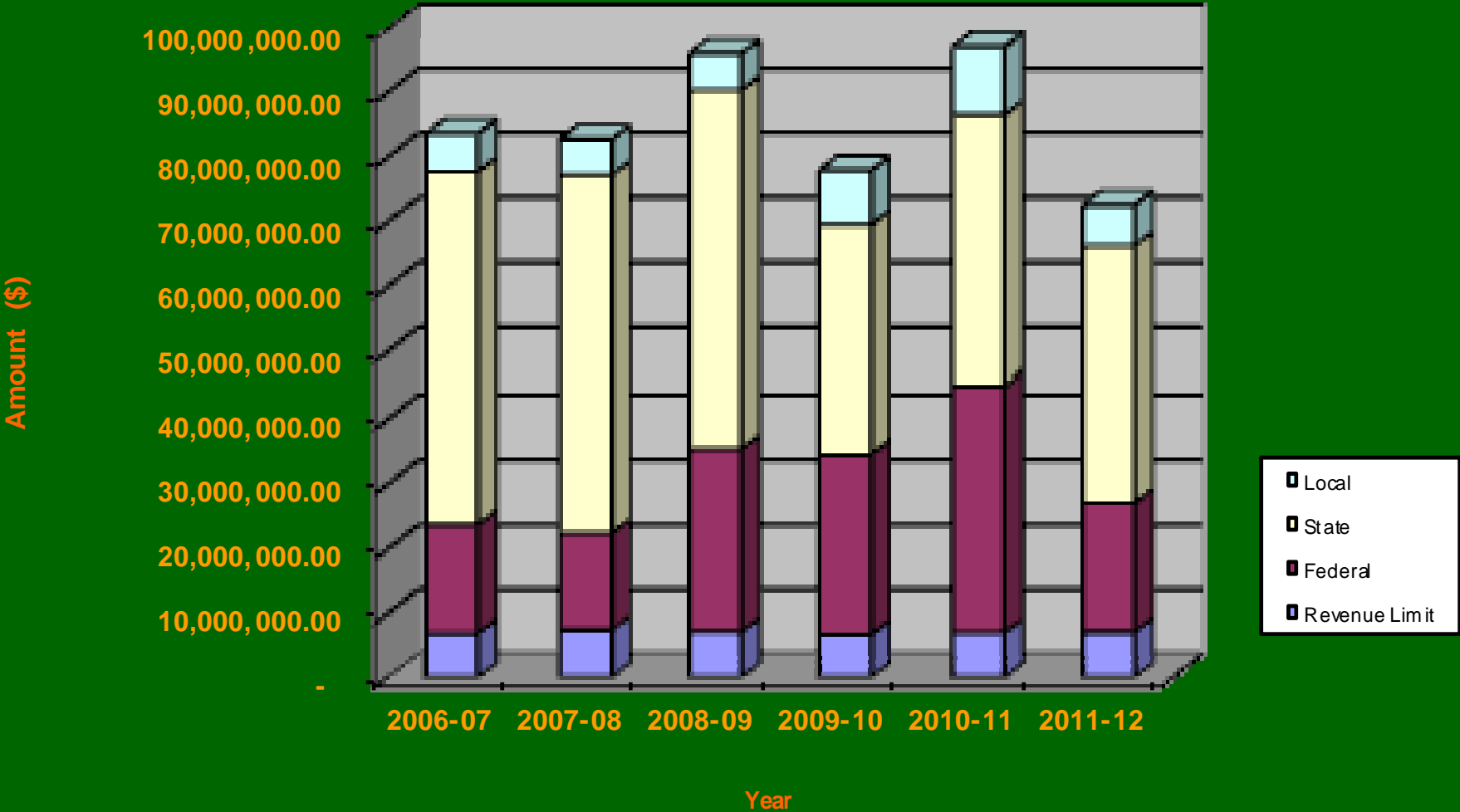


	Estimated Actuals					Proposed
<b>Unrestricted</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>
Revenue Limit	185,833,596	187,893,543	182,218,757	158,397,730	166,281,005	165,542,160
Federal	221,236	605,858	402,858	82,901	337,273	337,273
State	17,346,231	17,404,849	16,894,600	27,990,450	31,199,245	30,879,817
Local	<u>7,750,756</u>	<u>5,667,289</u>	<u>4,524,339</u>	<u>3,935,717</u>	<u>3,162,628</u>	<u>1,048,440</u>
<b>Total Unrestricti</b>	<b>211,151,819</b>	<b>211,571,539</b>	<b>204,040,555</b>	<b>190,406,798</b>	<b>200,980,150</b>	<b>197,807,690</b>
<b>Restricted</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>
Revenue Limit	6,927,065	7,450,041	7,189,798	6,720,651	7,071,893	7,134,045
Federal	16,888,400	15,055,764	28,266,945	27,849,149	37,973,656	20,000,744
State	53,977,961	54,769,197	54,986,527	34,999,484	41,600,442	39,194,440
Local	<u>5,863,773</u>	<u>5,495,204</u>	<u>5,602,383</u>	<u>8,344,178</u>	<u>10,449,308</u>	<u>6,258,513</u>
<b>Total Restrict</b>	<b>83,657,199</b>	<b>82,770,206</b>	<b>96,045,653</b>	<b>77,913,463</b>	<b>97,095,298</b>	<b>72,587,742</b>
<b>Combined</b>	<b>294,809,018</b>	<b>294,341,745</b>	<b>300,086,208</b>	<b>268,320,261</b>	<b>298,075,448</b>	<b>270,395,432</b>

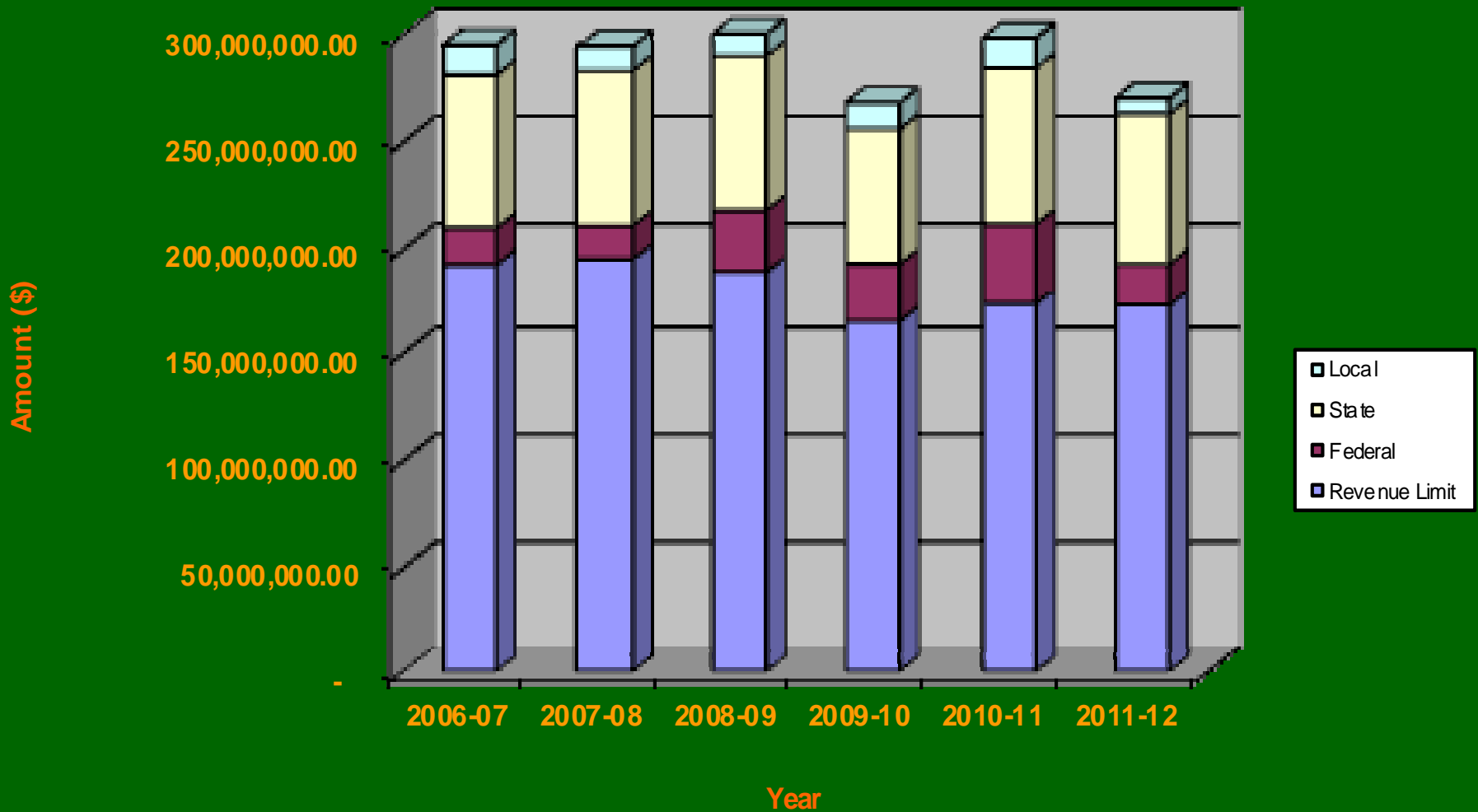
# MDUSD Unrestricted Revenue 2006/07 - 2011/12



# MDUSD Restricted Revenue 2006/07 - 2011/12



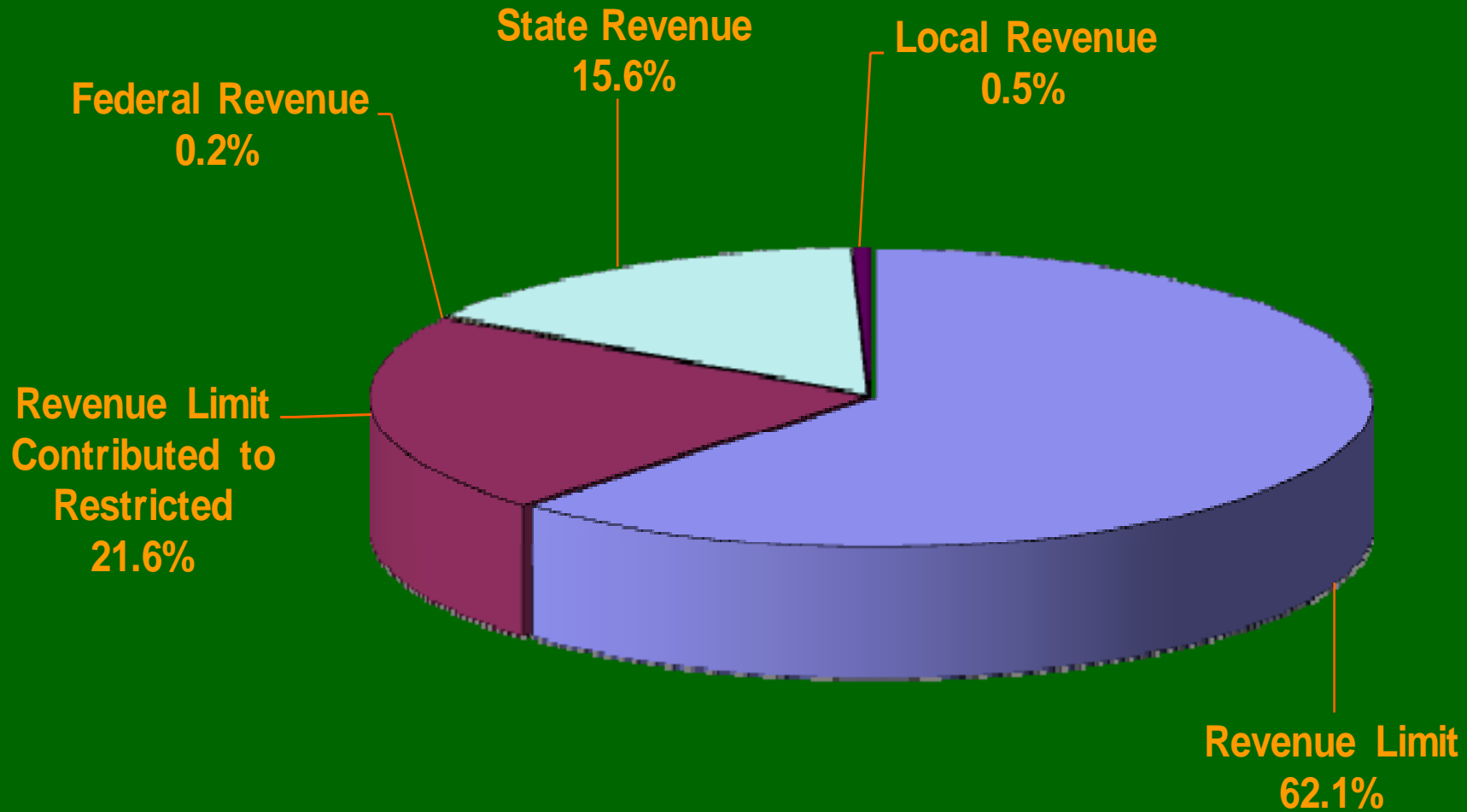
# MDUSD General Fund Revenue 2006/07 - 2011/12



## Unrestricted General Fund Revenues

	<u>2012 Budget</u>
■ Revenue Limit Sources	\$ 165,542,160
■ Federal Revenue	337,273
■ Other State Revenue	30,879,817
■ Other Local Revenue	<u>1,048,440</u>
■ Total Revenue	197,807,690
■ Less: Contribution to RGF	<u>(42,676,272)</u>
■ Net Available Revenue	\$ 155,131,418

**Mt. Diablo Unified School District  
Unrestricted General Fund Revenues Before Contributions  
2011-12 Total = \$197,807,690**

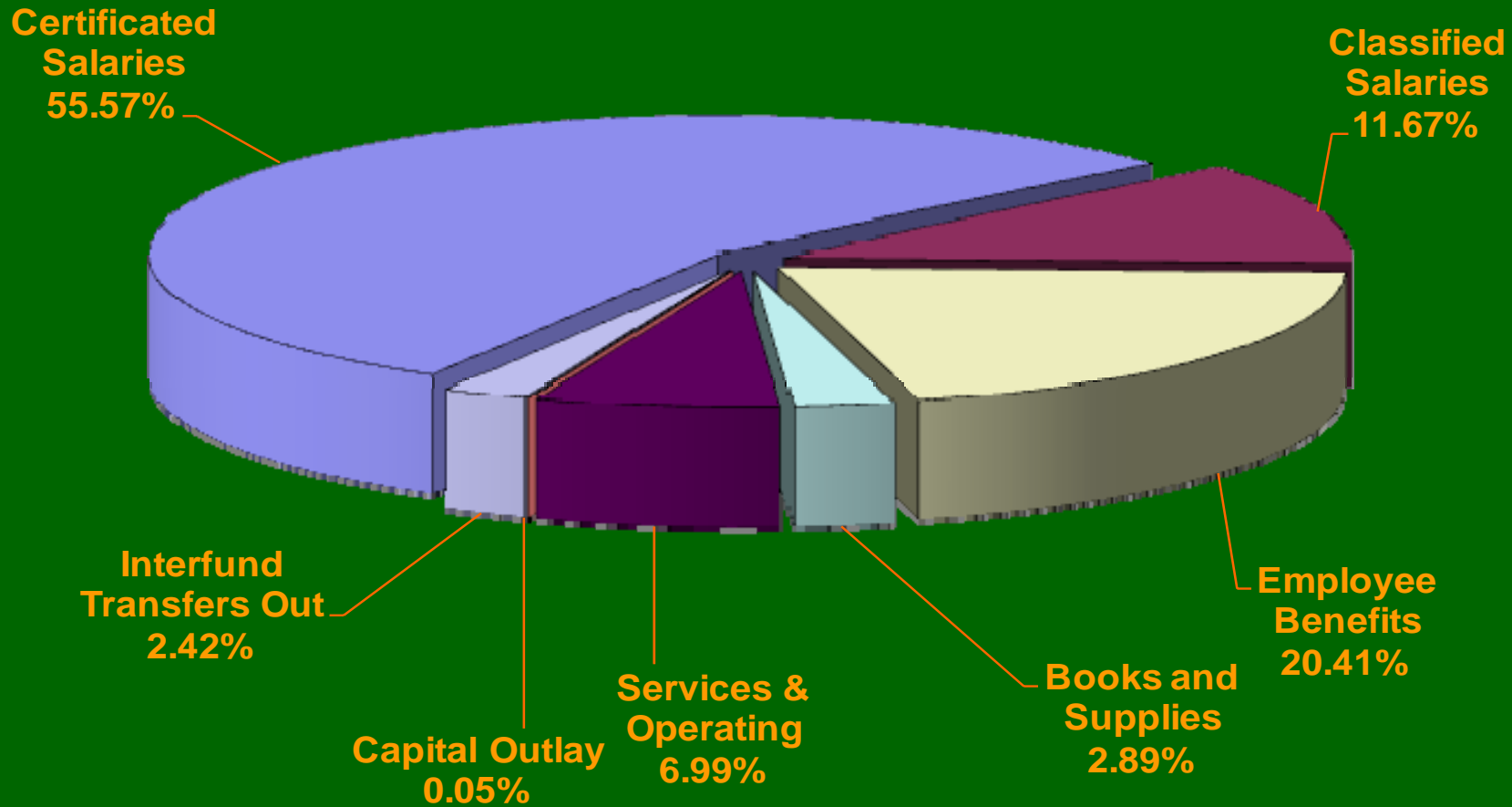


# Unrestricted Expenditures

## 2011/12 Budget

■ Certificated Salaries	\$ 89,675,761
■ Classified Salaries	18,830,727
■ Employee Benefits	32,938,663
■ Books & Supplies	4,658,400
■ Services & Operating	11,273,159
■ Capital Outlay	79,420
■ Other Outgo	0
■ Interfund Transfers Out	<u>3,904,687</u>
■ Total Expenditures	161,360,817
■ Less: Indirect Cost Xfrs In	<u>(3,997,668)</u>
■ Net Expenditures	<u>\$ 157,363,149</u>

**Mt. Diablo Unified School District  
Unrestricted General Fund Expenditures and Transfers Out  
2011-12 Total = \$161,360,817**



Note: Salaries & Benefits = 87.65% of the Unrestricted General Fund Budget

# Unrestricted Bottom Line

## 2011/12 Budget

■ Net Available Revenue	\$ 155,131,418
■ Net Expenditures	<u>157,363,149</u>
■ Net (decrease) fund bal.	(2,231,731)
■ Beginning Balance, July 1	<u>32,989,861</u>
■ Projected Ending Balance	\$ 30,758,130

# Components of Ending Balance

## 2011/12 Budget

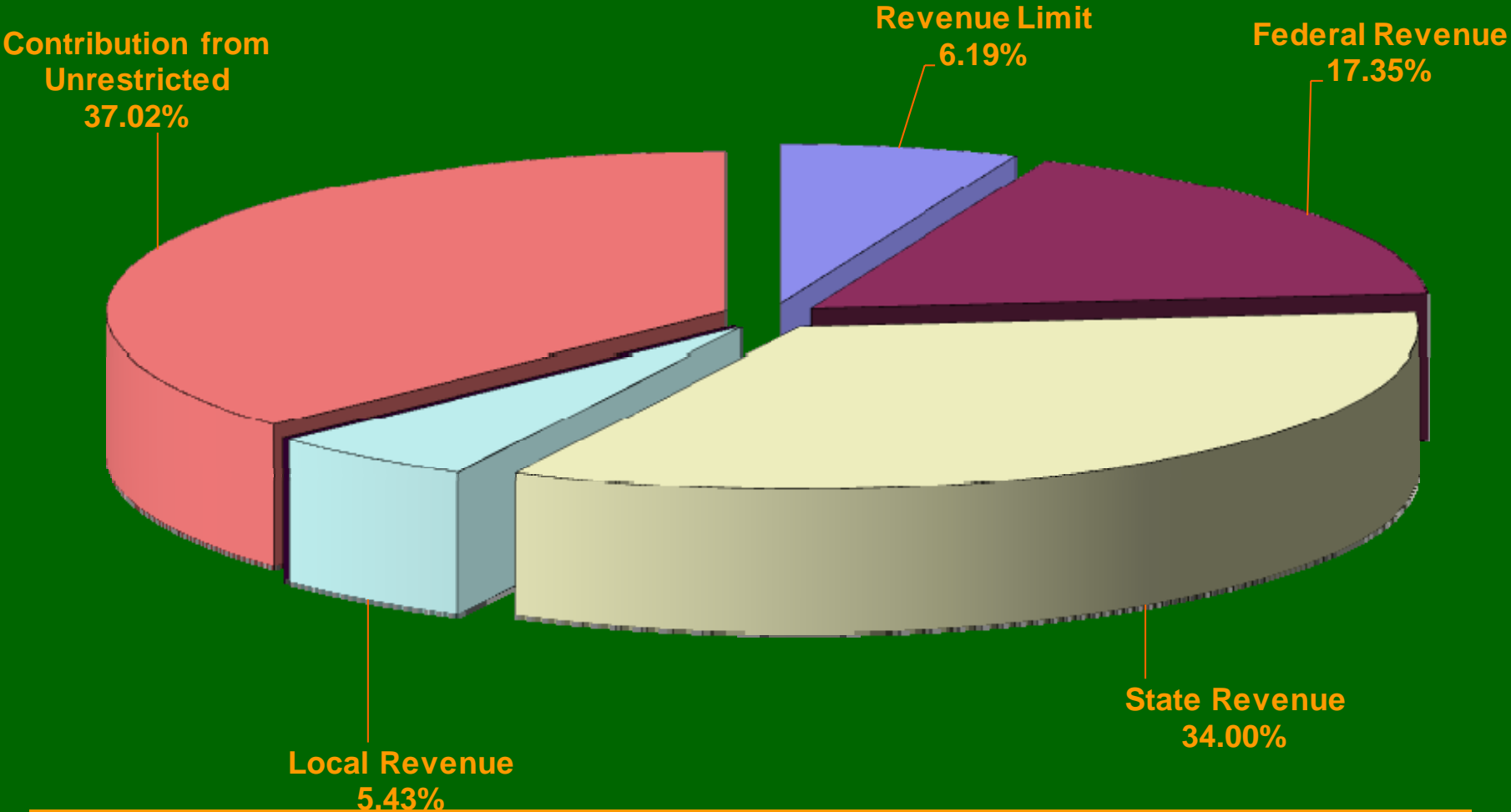
■ Revolving Cash	\$ 300,000
■ Stores Inventory	447,156
■ Economic Uncertainties (2%)	5,982,076
■ IRS Audit	533,500
■ Tier 3 & Site Carryovers	2,510,000
■ State Fiscal Issues (\$330/ADA)	10,720,888
■ Undesignated Balance	<u>10,264,510</u>
■ Ending Balance	<u>\$ 30,758,130</u>

# Restricted Revenue

## 2011/12 Budget

■ Revenue Limit Sources	\$ 7,134,045
■ Federal Revenue	20,000,744
■ Other State Revenue	39,194,440
■ Other Local Revenue	6,258,513
■ Contribution from UGF	<u>42,676,272</u>
■ Total Revenue	\$ 115,264,014

**Mt. Diablo Unified School District  
Restricted General Fund Revenue  
2011/12 Total = \$115,264,014**

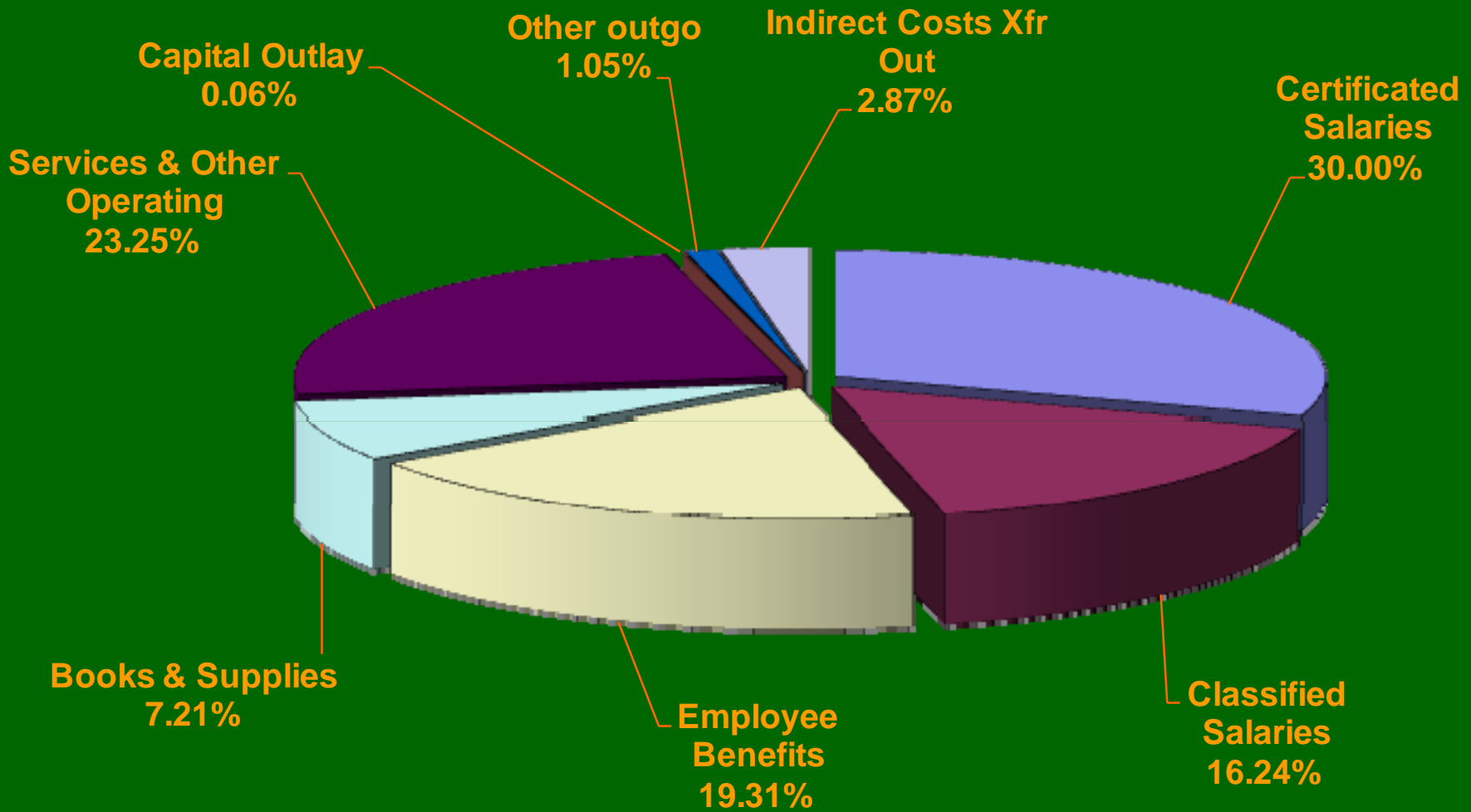


# Restricted Expenditures

## 2011/12 Budget

■ <b>Certificated Salaries</b>	<b>\$ 34,687,650</b>
■ <b>Classified Salaries</b>	<b>18,783,160</b>
■ <b>Employee Benefits</b>	<b>22,335,238</b>
■ <b>Books &amp; Supplies</b>	<b>8,337,875</b>
■ <b>Services &amp; Other Operating</b>	<b>26,886,624</b>
■ <b>Capital Outlay</b>	<b>73,397</b>
■ <b>Other Outgo</b>	<b>1,215,293</b>
■ <b>Indirect Costs Xfr Out</b>	<b><u>3,318,470</u></b>
■ <b>Total Expenditures</b>	<b>\$ 115,637,707</b>

**Mt. Diablo Unified School District  
Restricted General Fund Expenditures  
Without Negotiable Items 2011-12 Total = \$115,637,707**



# Restricted Bottom Line

## 2011/12 Budget

■ Total Revenue	\$	115,264,014
■ Total Expenditures		<u>115,637,707</u>
■ Net (decrease) in fund bal.		(373,693)
■ Beginning Balance, July 1		<u>1,831,356</u>
■ Projected Ending Balance	\$	1,457,663

# Multi Year Projection – all relies on health of the State

## 2011/12 Budget

■ Undesignated @ 6/11	\$ 10,264,510
■ Operating Income 2011/12	7,135,126
■ Adjustment in 2% reserve	464,430
■ Adjustment in State reserve	<u>(10,674,342)</u>
■ Unappropriated Balance 6/12	7,189,724
■ Operating Income 2012/13	8,738,374
■ Adjustment in 2% reserve	(74,204)
■ Adjustment in State reserve	<u>(10,585,337)</u>
■ Unappropriated Balance 6/13	\$ 5,268,557

The end of flexibility is a big problem the State will have to address

2011/12 Budget

■ Unappropriated Balance 6/13	\$ 5,268,557
■ Projected Surplus in 2013/14	10,925,668
■ Adjustment to State Reserve	<u>(11,315,669)</u>
■ Unappropriated Balance 6/14	4,878,556
■ Projected Deficit in 2014/15	7,205,693
■ Adjustment to State Reserve	<u>(11,540,567)</u>
■ Unappropriated Balance 6/15	543,682
■ Projected Deficit in 2015/16	716,793
■ Adjustment to State Reserve	<u>(11,782,980)</u>
■ Unappropriated Balance 6/16	<u>\$(10,522,505)</u>

## Where are we now?

- The Board has identified enough cuts for us to get through the near future if there are no more new surprises from Sacramento
- However, surprises seem to be Sacramento's specialty
- The budget does rely on getting the COLA starting in 2012/13 and that has been an iffy proposition
- The Solar program is helping to alleviate cost increases in the future years of the multi-year projection

## Other Funds

- Funds for special purposes excluded from the General Fund
- Special Revenue Funds
  - Charter School – Form 09
  - Adult Education – Form 11
  - Cafeteria – Form 13
  - Deferred Maintenance – Form 14
- Capital Projects Funds
  - Building (Measure C 2002 & 2010) – Form 21
  - Capital Facilities (Developer Fees) – Form 25

## Other Funds

- Capital Projects Funds (continued)
  - County School Facilities (State allocation of funds for construction) – Form 35
  - Capital Project for Blended Component Units (Mello-Roos Measure A) – Form 49
- Debt Service Funds
  - Bond Interest and Redemption (Msr C) – Form 51
  - Debt Service for Blended Component Units (Mello-Roos Msr A) – Form 52
- Foundation Private-Purpose Trust Fund (Scholarship Fund) – Form 73
- All “Other Funds” projecting positive fund balances



## What next? More from Sacramento



- ✓ Legislature passed a budget on June 15<sup>th</sup>.
- ✓ Governor Brown vetoed it a few days later.
- ✓ SCO Chiang found it out of balance and stopped pay.
- ✓ Last night, legislature announced a new “balanced” budget with a mid-year cuts contingency.



Initial analysis from Susan Stewart's office indicates risk of mid-year cuts of up to \$350/ADA. School Services update coming July 14<sup>th</sup>.



## Meanwhile back in Concord...

- We must adopt a budget tonight
- We must keep in mind a contingency if the State doesn't fund the COLA 2012-13 and beyond (>\$5M additional ongoing cut based on May revise estimates)

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## Season Finale – What's up next season...

- Will the State's new revenue projections hold when the taxes sunset?
  - Will we have mid-year cuts?
  - Will the reserves in the budget cover the cuts?
  - Tune in next time and have a great summer!
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# All My Children



*Starring:*

