

Mt. Diablo Unified School District

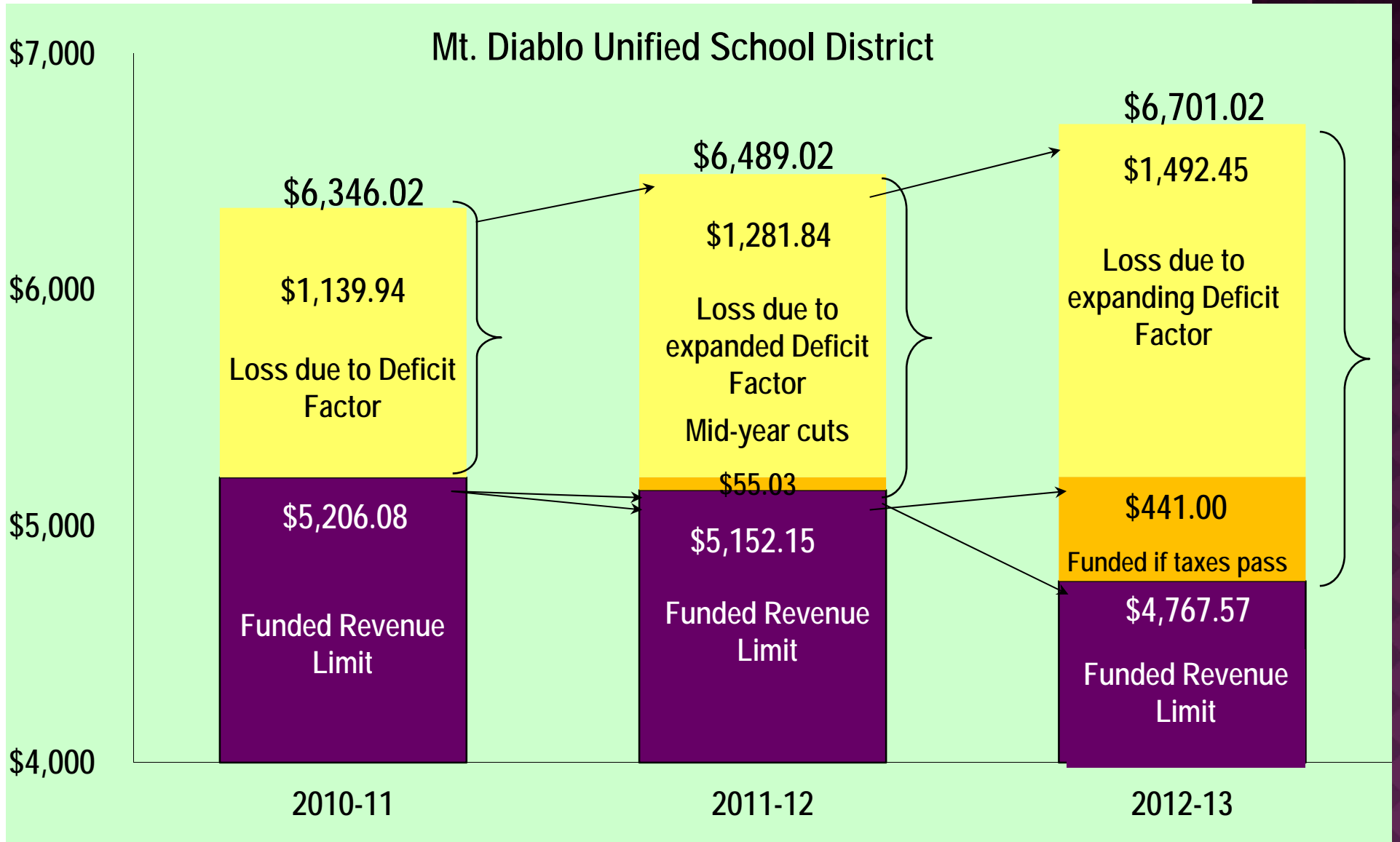
District's Proposed 2012-13 Budget
June 25, 2012

Steven Lawrence, Ph.D., Superintendent
Bryan Richards, Chief Financial Officer

COLA, DEFICITS AND TRIGGERS

- A 3.243% COLA; \$212 per ADA
 - COLA 100% deficated bringing deficit to 22.272%
- Prior year mid-year cut is reversed putting funded revenue limit at \$5,208.57 out of \$6,701.02 that it should be per ADA
- A mid-year trigger cut of \$441/ADA to the revenue limit (raising deficit factor to approximately 28.853%) happens if Governor Brown's tax measure fails

FUNDED REVENUE LIMIT



Graph courtesy of School Services of California, Inc.

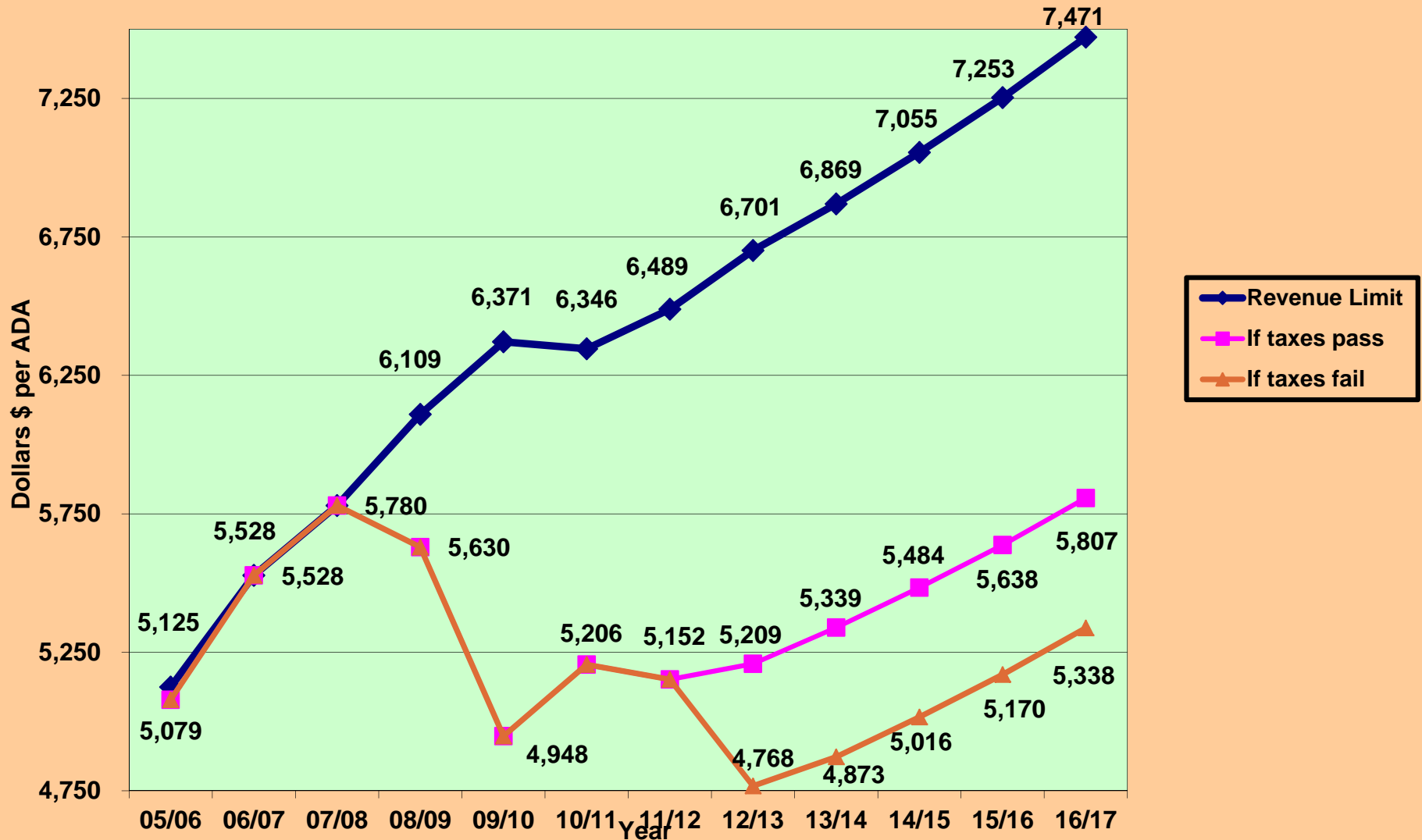
WHAT DOES A CUT OF THIS SIZE LOOK LIKE?

	100% funding	20.602% deficit (2011-12 funding)	22.272% deficit (2012-13 funding if taxes pass)	28.853% deficit (2012-13 funding if taxes fail)
School Days	180	143	140	128
Last funded day	June 13	April 22	April 17	March 25
RL \$ *	\$205,073,593	\$162,824,332	\$159,399,639	\$145,903,566
Shortfall *	\$0	(\$42,249,261)	(\$45,673,954)	(\$59,170,027)

*Note: Calculated based on 30,603.34 units of ADA (excludes charter schools and county office educated pupils)

12/13 REVENUE LIMIT CUT DEEPENS TO \$1,492.45/ADA

MDUSD Revenue Limit Funding per ADA

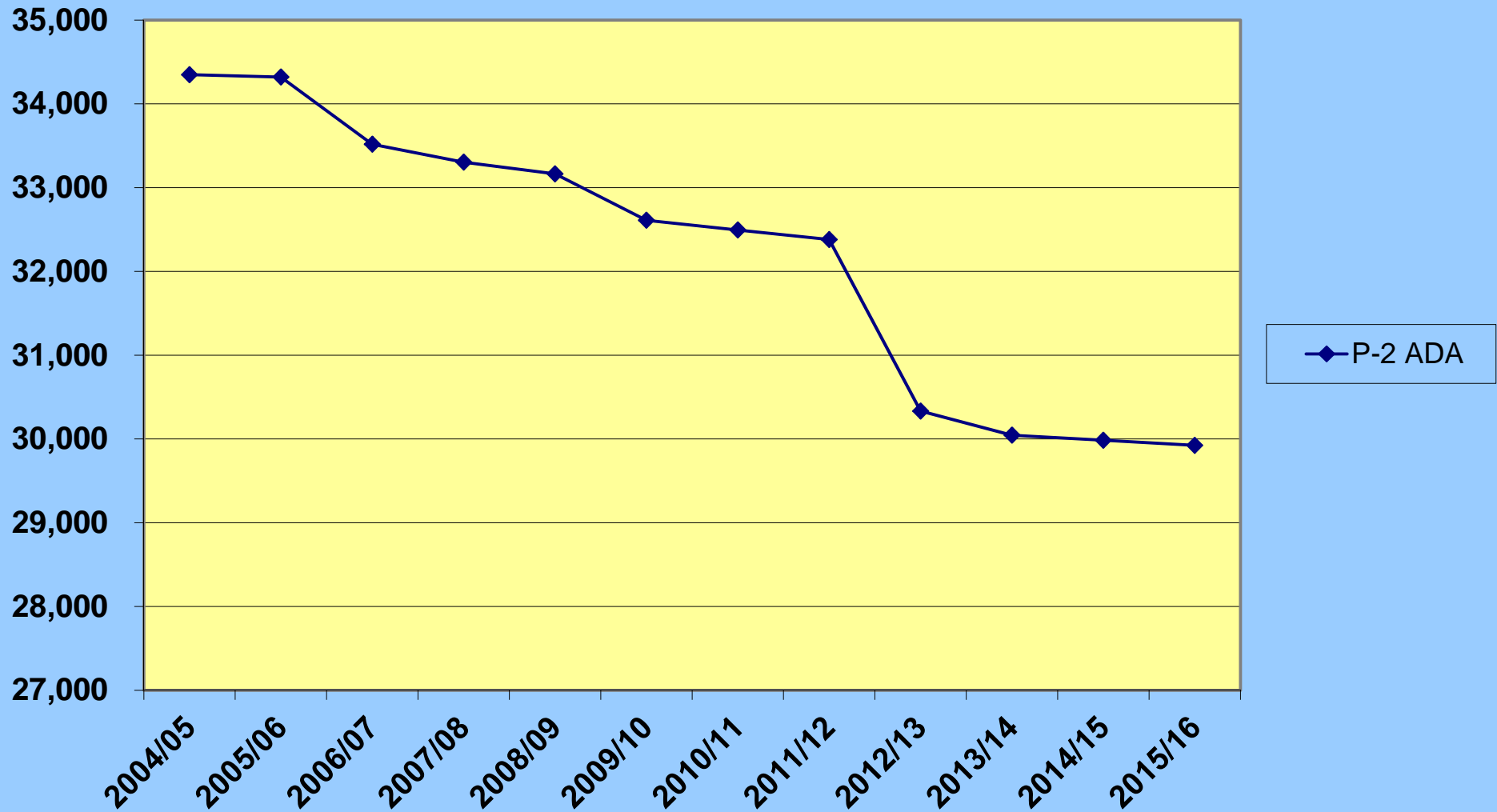


DECLINING ENROLLMENT

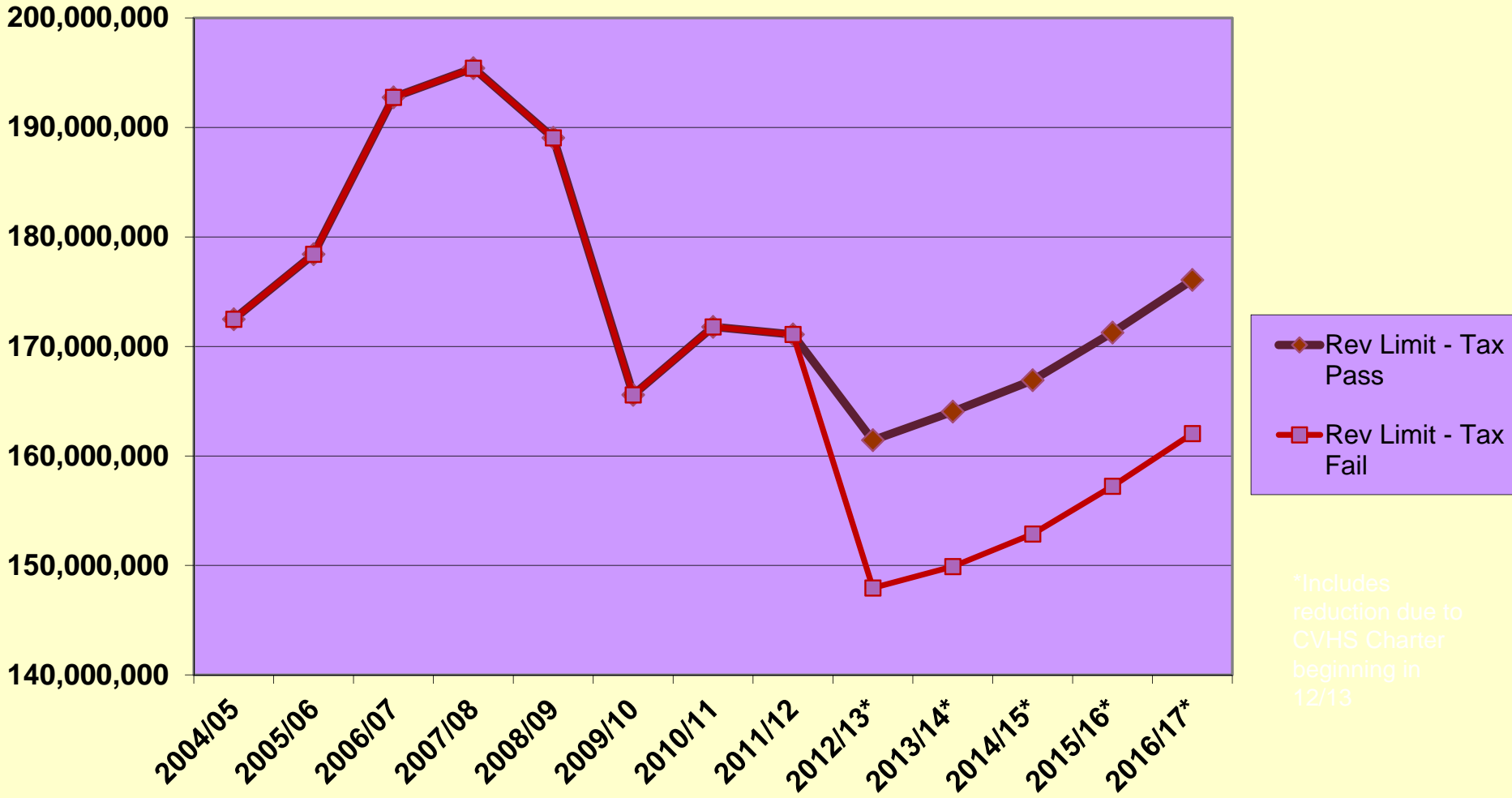
- We are still declining in enrollment
- We declined 113.92 ADA in 2011/12 from 2010/11
- We project we will decline 270.50 ADA in 2012/13
- This does not include effect of Clayton Valley charter school conversion
 - An additional decline of 1,777 ADA

MDUSD ENROLLMENT DECLINING!

P-2 ADA



HOW DOES REVENUE LIMIT FUNDING LOOK?

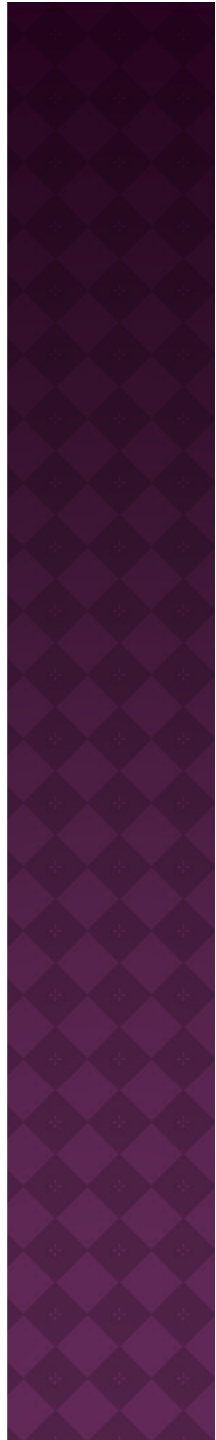
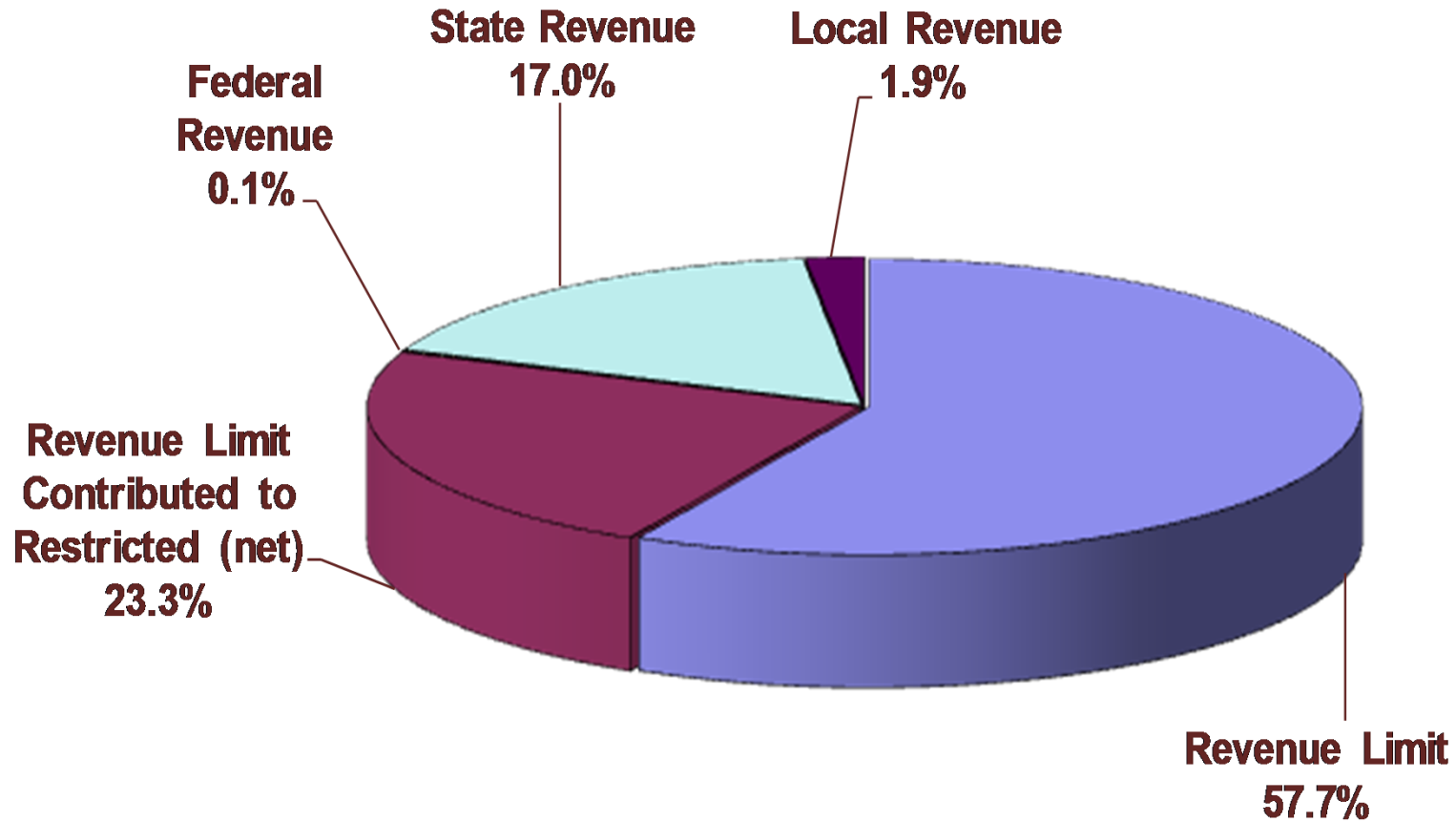


*Includes reduction due to CVHS Charter beginning in 12/13

UNRESTRICTED GENERAL FUND REVENUES

	<u>2012-13 Budget</u>
⦿ Revenue Limit Sources	\$ 153,365,985
⦿ Federal Revenue	238,982
⦿ Other State Revenue	32,118,499
⦿ Other Local Revenue	<u>3,612,850</u>
⦿ Total Revenue	189,336,316
⦿ Less: Contribution to RGF	<u>(45,685,369)</u>
⦿ Net Available Revenue	\$ 143,650,947

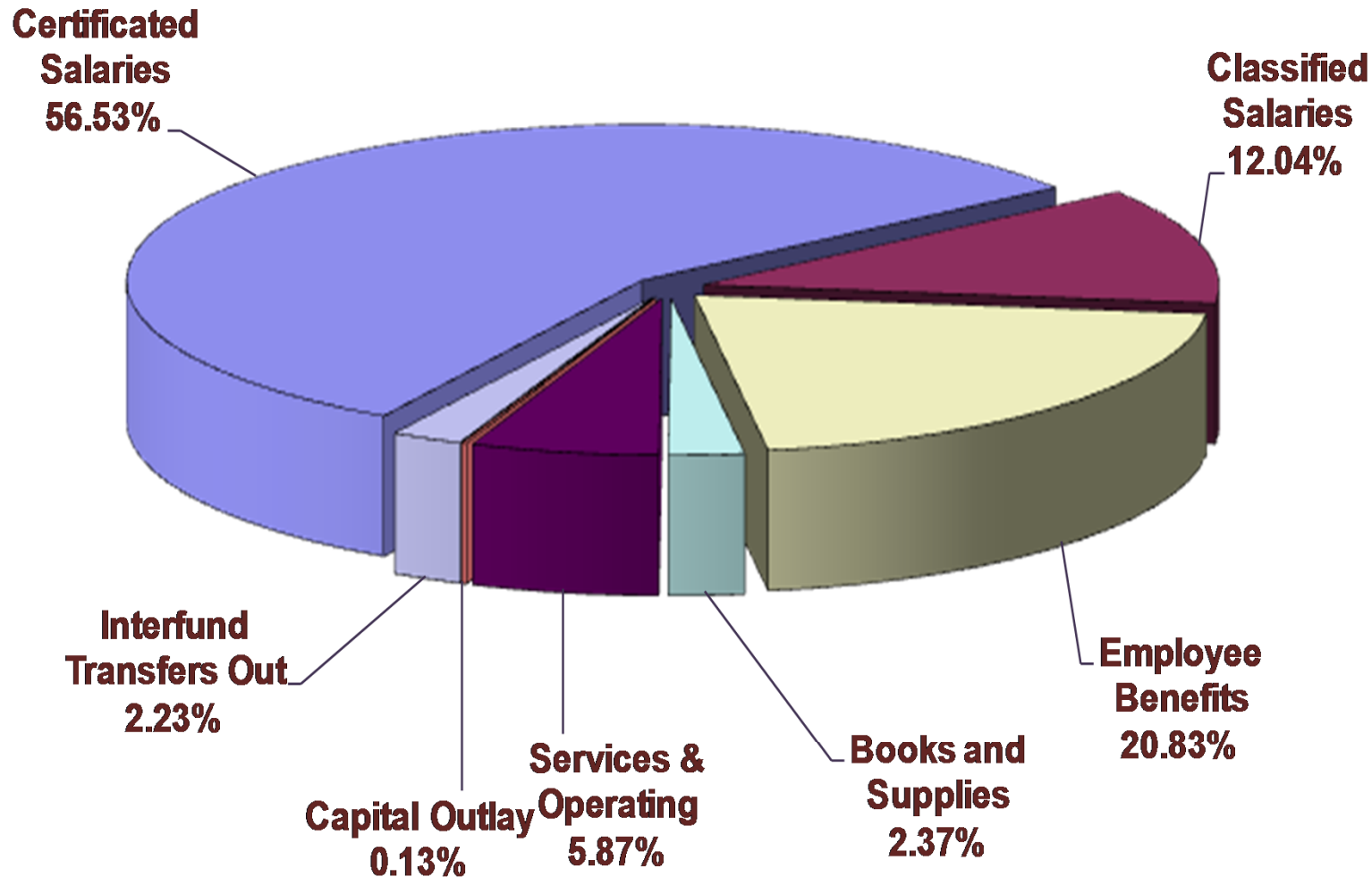
**Mt. Diablo Unified School District
Unrestricted General Fund Revenues Before Contributions
2012-13 Total= \$189,336,316**



UNRESTRICTED EXPENDITURES

	<u>2012/13 Budget</u>
○ Certificated Salaries	\$ 88,798,613
○ Classified Salaries	18,906,945
○ Employee Benefits	32,720,003
○ Books & Supplies	3,728,806
○ Services & Operating	9,227,291
○ Capital Outlay	205,820
○ Other Outgo	0
○ Interfund Transfers Out	<u>3,505,746</u>
○ Total Expenditures	157,093,224
○ Less: Indirect Cost Xfrs In	<u>(1,604,467)</u>
○ Net Expenditures	\$ 155,488,757

**Mt. Diablo Unified School District
Unrestricted General Fund Expenditures and Transfers Out
2012-13 Total = \$157,093,224**



Note: Salaries & Benefits = 89.4% of the Unrestricted General Fund Budget

UNRESTRICTED BOTTOM LINE

2012/13 Budget

⦿ Net Available Revenue	\$ 143,650,947
⦿ Net Expenditures	<u>155,488,757</u>
⦿ Net (decrease) fund bal.	(11,837,810)
⦿ Beginning Balance, July 1	<u>36,327,292</u>
⦿ Projected Ending Balance	\$ 24,489,482

COMPONENTS OF ENDING BALANCE

	<u>2012/13 Budget</u>
⦿ Revolving Cash	\$ 300,000
⦿ Stores Inventory	419,478
⦿ Economic Uncertainties (2%)	5,486,928
⦿ Tier 3 & Site Carryovers	2,992,294
⦿ State Fiscal Issues (\$441/ADA)*	2,985,938
⦿ Undesignated Balance	<u>12,304,844</u>
⦿ Ending Balance	\$ 24,489,482

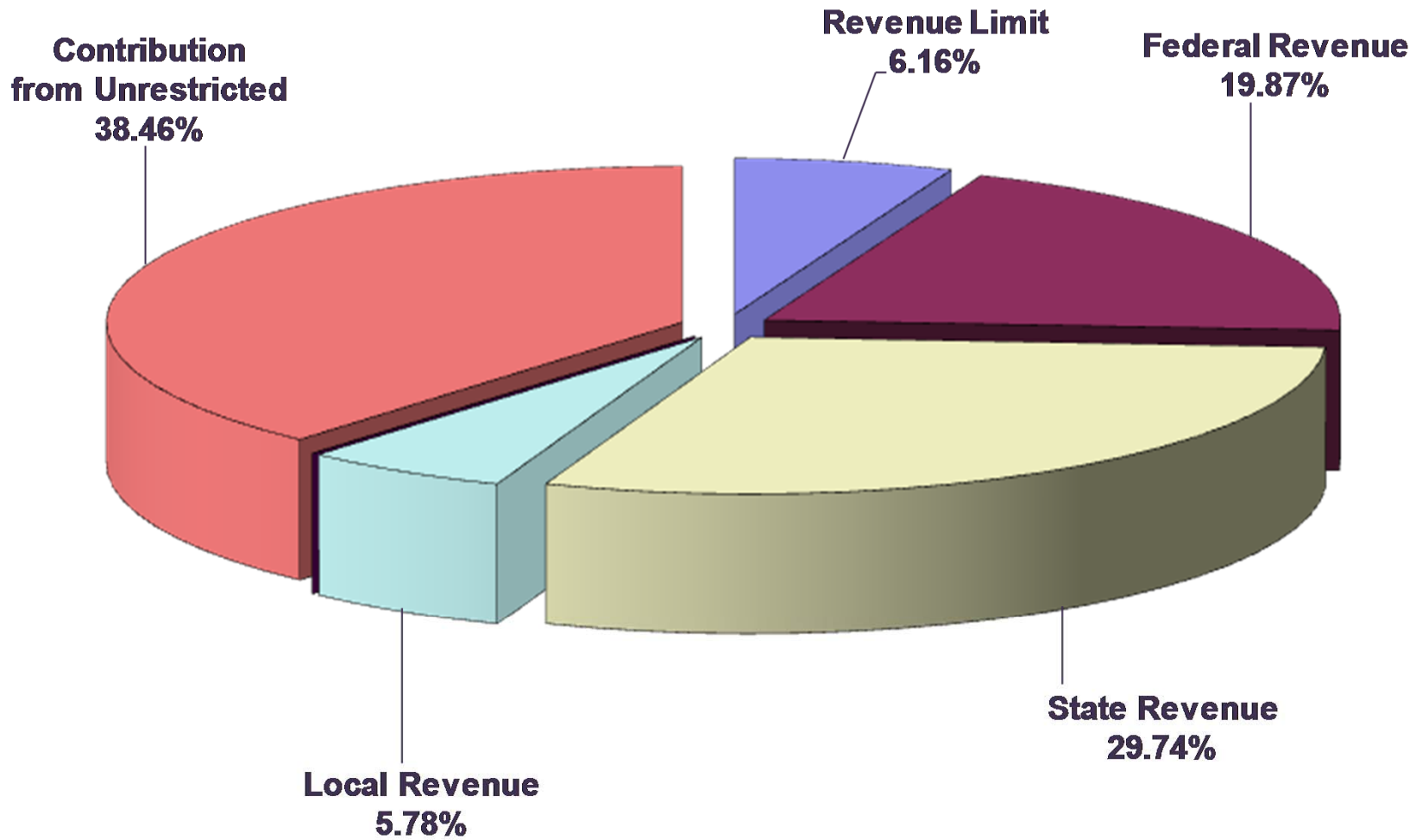
*Amount shown is net of effect of furlough days that would be taken.

RESTRICTED REVENUE

2012/13 Budget

⦿ Revenue Limit Sources	\$ 7,311,843
⦿ Federal Revenue	23,602,295
⦿ Other State Revenue	35,331,259
⦿ Other Local Revenue	6,864,216
⦿ Contribution from UGF	<u>45,685,369</u>
⦿ Total Revenue	\$ 118,794,982

**Mt. Diablo Unified School District
Restricted General Fund Revenue
2012/13 Total = \$118,794,982**

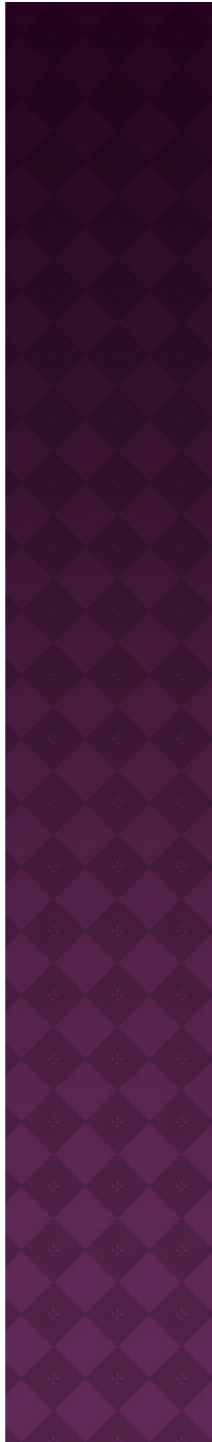
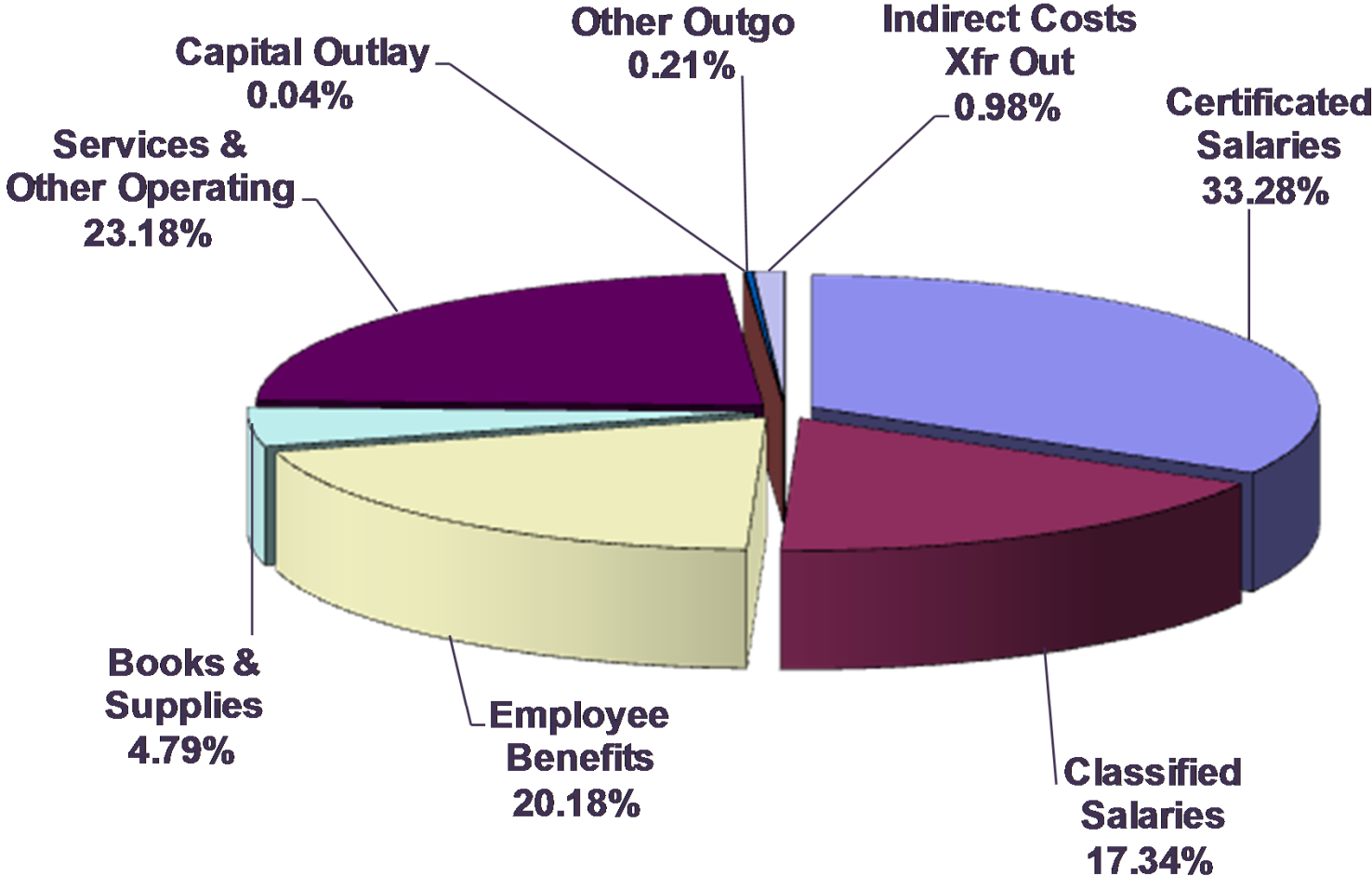


RESTRICTED EXPENDITURES

2012/13 Budget

○ Certificated Salaries	\$ 39,559,438
○ Classified Salaries	20,604,946
○ Employee Benefits	23,991,111
○ Books & Supplies	5,687,356
○ Services & Other Operating	27,550,015
○ Capital Outlay	50,297
○ Other Outgo	254,993
○ Indirect Costs Xfr Out	<u>1,159,454</u>
○ Total Expenditures	\$ 118,857,610

**Mt. Diablo Unified School District
Restricted General Fund Expenditures
2012-13 Total = \$118,857,610**



RESTRICTED BOTTOM LINE

2012/13 Budget

○ Total Revenue	\$	118,794,982
○ Total Expenditures		<u>118,857,610</u>
○ Net (decrease) in fund bal.		(62,628)
○ Beginning Balance, July 1		<u>7,591,536</u>
○ Projected Ending Balance	\$	7,528,908

MULTI YEAR PROJECTION - ALL RELIES ON HEALTH OF THE STATE

	<u>2012/13 Budget</u>
⦿ Undesignated @ 6/13	\$ 12,304,844
⦿ Operating Deficit 2013/14	(10,472,914)
⦿ Adjustment in 2% reserve	(40,229)
⦿ Adjustment in assignments	<u>(1,339,373)</u>
⦿ Unappropriated Balance 6/14	452,328
⦿ Operating Deficit 2014/15	(9,048,557)
⦿ Adjustment to 3% reserve	(2,834,646)
⦿ Adjustment in assignments	<u>959,070</u>
⦿ Unappropriated Balance 6/15	\$ (10,471,805)

If this were an interim report, we would be qualified. We must address at first interim. Also, we become a 3% reserve district in 2014-15 if enrollment decline continues.

WHERE ARE WE NOW?

- ◉ The Board will have to begin discussions to deal with the ongoing deficit issues for first interim this year.
- ◉ The State's failure to fund the COLA and increase the deficit for a fifth consecutive year makes it very difficult to keep up with cost pressures.
- ◉ The budget relies on getting the COLA starting in 2013/14 and that is an iffy proposition.
- ◉ The Solar program is helping to alleviate cost increases in the future years of the multi-year projection.

BUDGET REDUCTION DILEMMA

- ◉ Amount of budget reductions needed depends on the answers to the following questions:
 - Will the District's waiver request regarding the funding of Clayton Valley Charter be approved? (\$1.7M)
 - What portion of special education students served at Clayton Valley will come back to the District? (up to \$1M)
 - Will the taxes pass or fail? (\$3M net after furlough days for 2012-13)
 - What recommendations will come forth from the FCMAT studies?
 - Transportation
 - Special Education
 - Will Mental Health Funding stabilize? At what rate? (amount to be determined, but could be up to \$2M)



WHAT NEXT? MORE FROM SACRAMENTO



- ✓ Legislature passed a budget on June 15th.
- ✓ Governor Brown and leadership in legislature have agreed to a compromise budget.
- ✓ Budget again has a mid-year cuts contingency.



Initial analysis indicates risk of mid-year cuts of \$441/ADA. School Services update coming July 19th.



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 in 2013-14 and beyond (>\$5M additional ongoing cut based on May revise estimates).
- ◉ Will the taxes holding the State's new revenue projections together pass?
- ◉ Will we have mid-year cuts?
- ◉ Tune in next time and have a great summer!