

A 3D maze rendered in shades of blue. A person in a dark suit, seen from behind, is walking along a central path that leads from the bottom of the frame towards the center of the maze. The maze is composed of many interconnected rectangular paths and dead ends, creating a complex, labyrinthine structure. The lighting is dramatic, with the path the person is on being brightly lit, while the surrounding maze walls are in shadow.

MDUSD 2011-12
Where We Are &
Where the Governor's Budget Takes Us

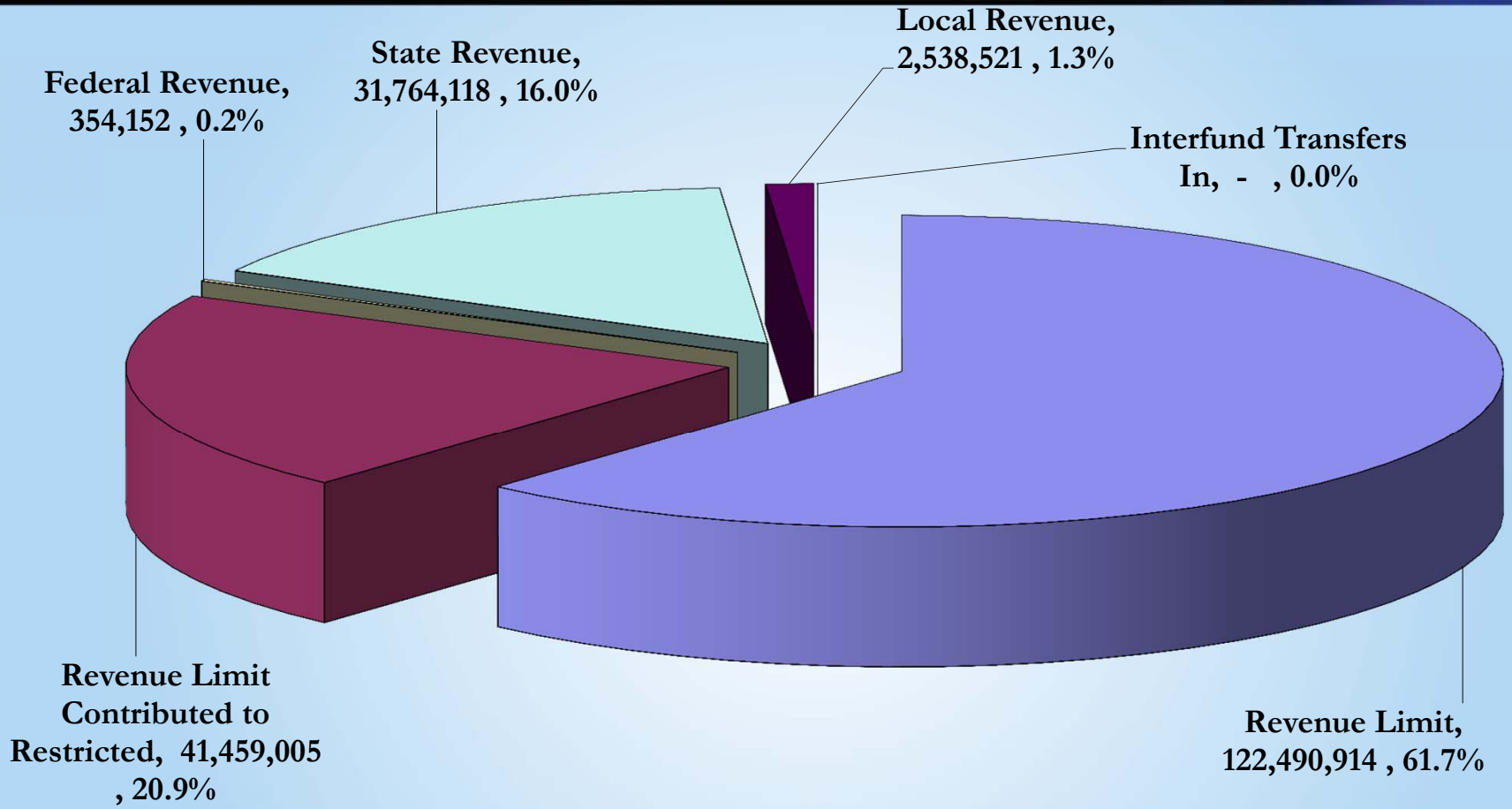
Steven Lawrence, Ph.D., Superintendent
Bryan Richards, Chief Financial Officer
February 27, 2012

Where do this year's funds come from?

Unrestricted General Fund Revenues Before Contributions

2011-12 Total = \$198,606,710

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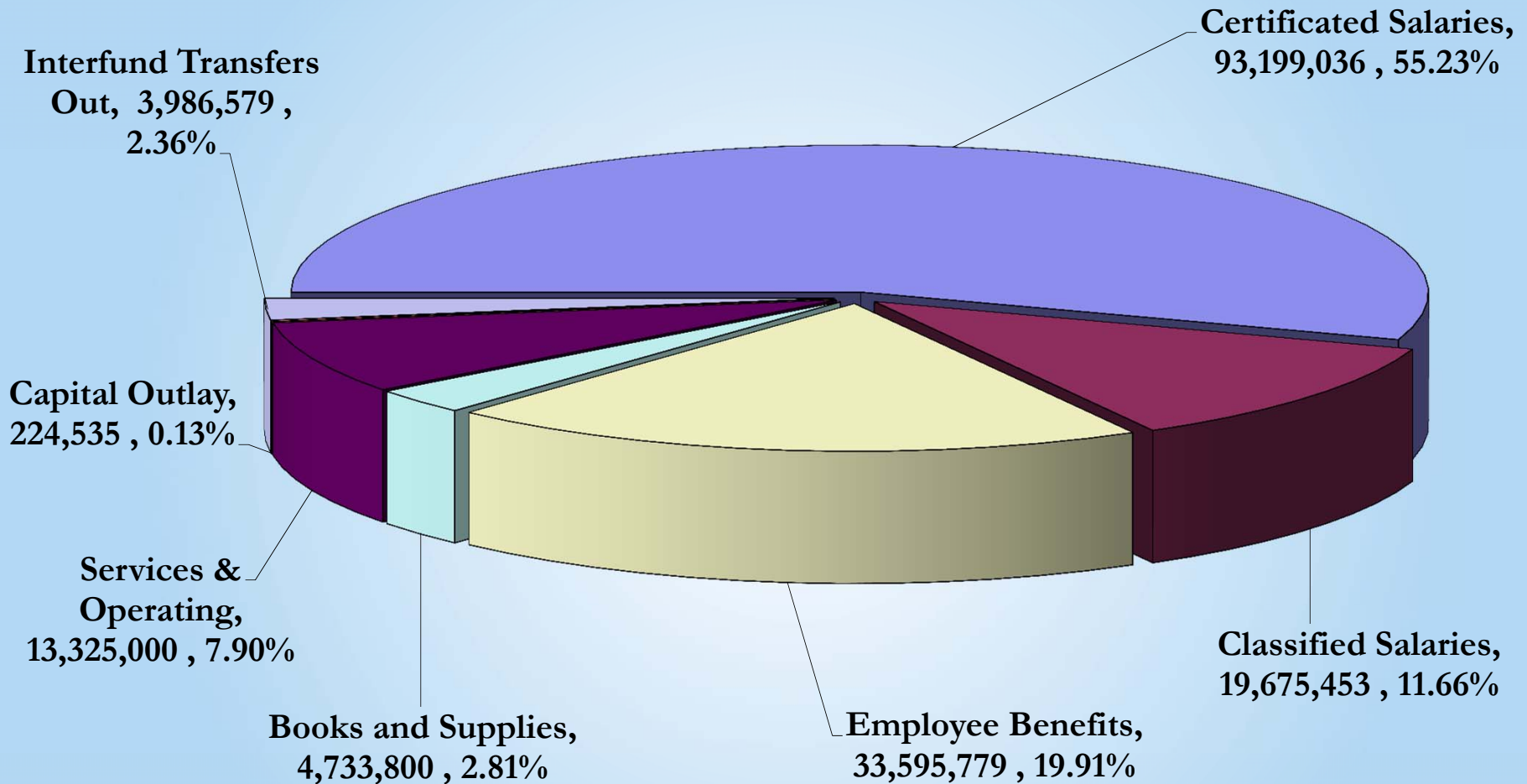
Revenue Limit is 82.6% of unrestricted general fund revenue.

How do we spend it?

Unrestricted General Fund Expenditures and Transfers Out

2011-12 Total = \$168,740,182

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Salaries and Benefits make up 86.8% of expenditures & transfers out

Operating deficit uses up ending balance

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● Revenues	\$198,606,710
● Less: Contribution to restricted	<u>(41,459,005)</u>
● Net revenues	157,147,705
● Less: Expenditures	<u>(168,740,182)</u>
● Operating Deficit	\$(11,592,477)

- Where does funding come from to cover the deficit?
 - The undesignated prior year ending balance of \$30,832,654
- If \$330/ADA loss (\$10,724,165) had come through, how long could we maintain program until we ran out of cash?
 - 20 months (this year and 8 months into next year)
- At \$370/ADA projected cut for 2012-13 reduction is \$12,025,000 plus 100% transportation cut of \$2,259,413 or a total of \$14,284,413 if taxes fail

Budget Contingency Plan

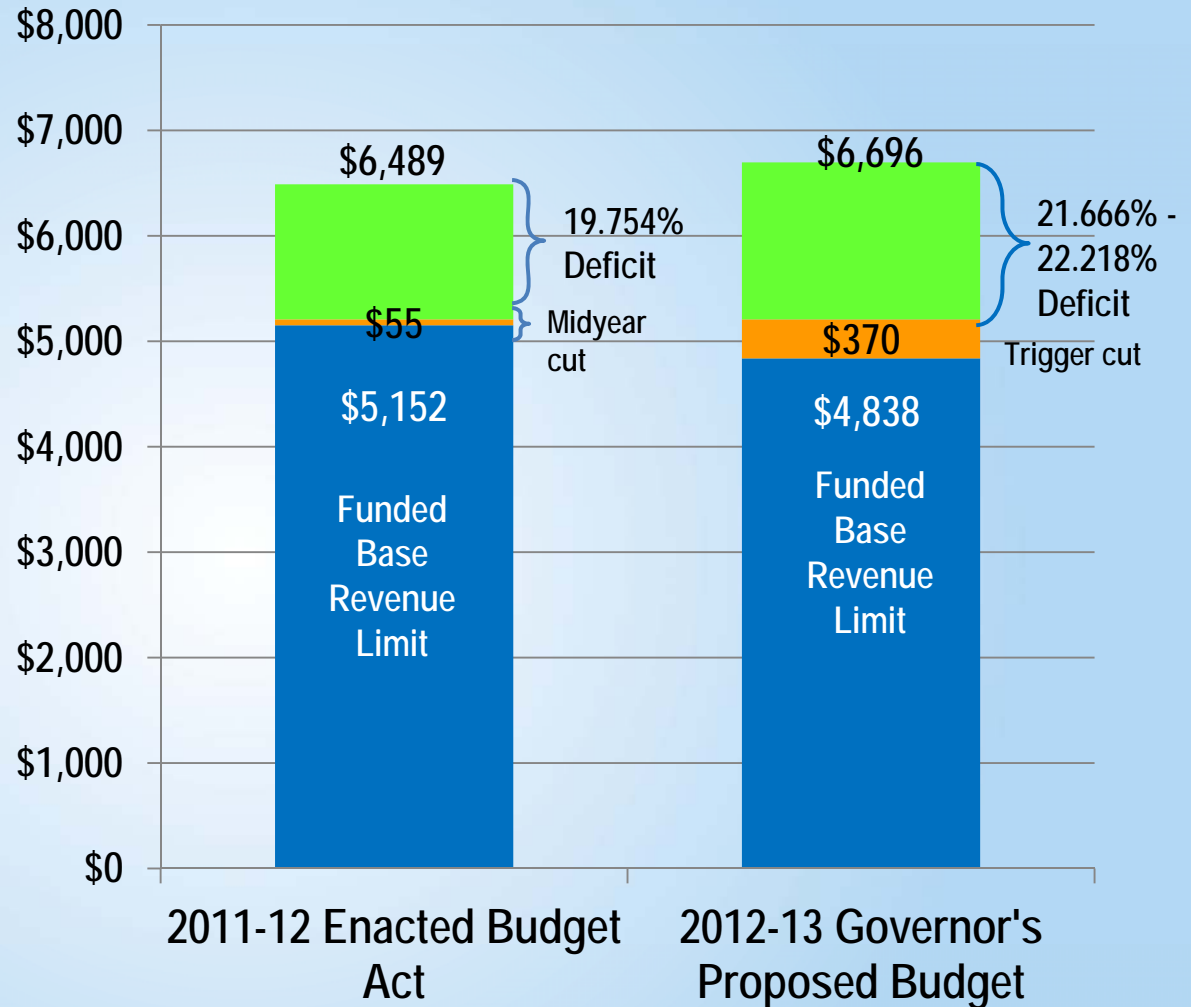
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- This leaves schools in a position of needing at least two plans
 - Governor Brown's Proposal: Flat funding – continues the funding level contained in the enacted Budget for 2011-12, except for transportation (now potentially a \$85 per ADA cut instead)
 - Alternative: A \$2.4 billion reduction in K-14 funding – results in a loss of about \$370 per ADA for the average district in addition to the above
- District will need to plan for both eventualities until the fate of the tax initiative is determined
- Additionally, economic changes between now and enactment of the 2012-13 Budget could cause a revision, up or down

2012-13 Governor's Budget vs. 2011-12 Budget Act for Mt. Diablo Unified School District

- The 2011-12 "trigger" cut of \$13 per ADA is restored in 2012-13
- This funding level is contingent upon the enactment of new taxes
- Otherwise trigger cut drops funding dramatically

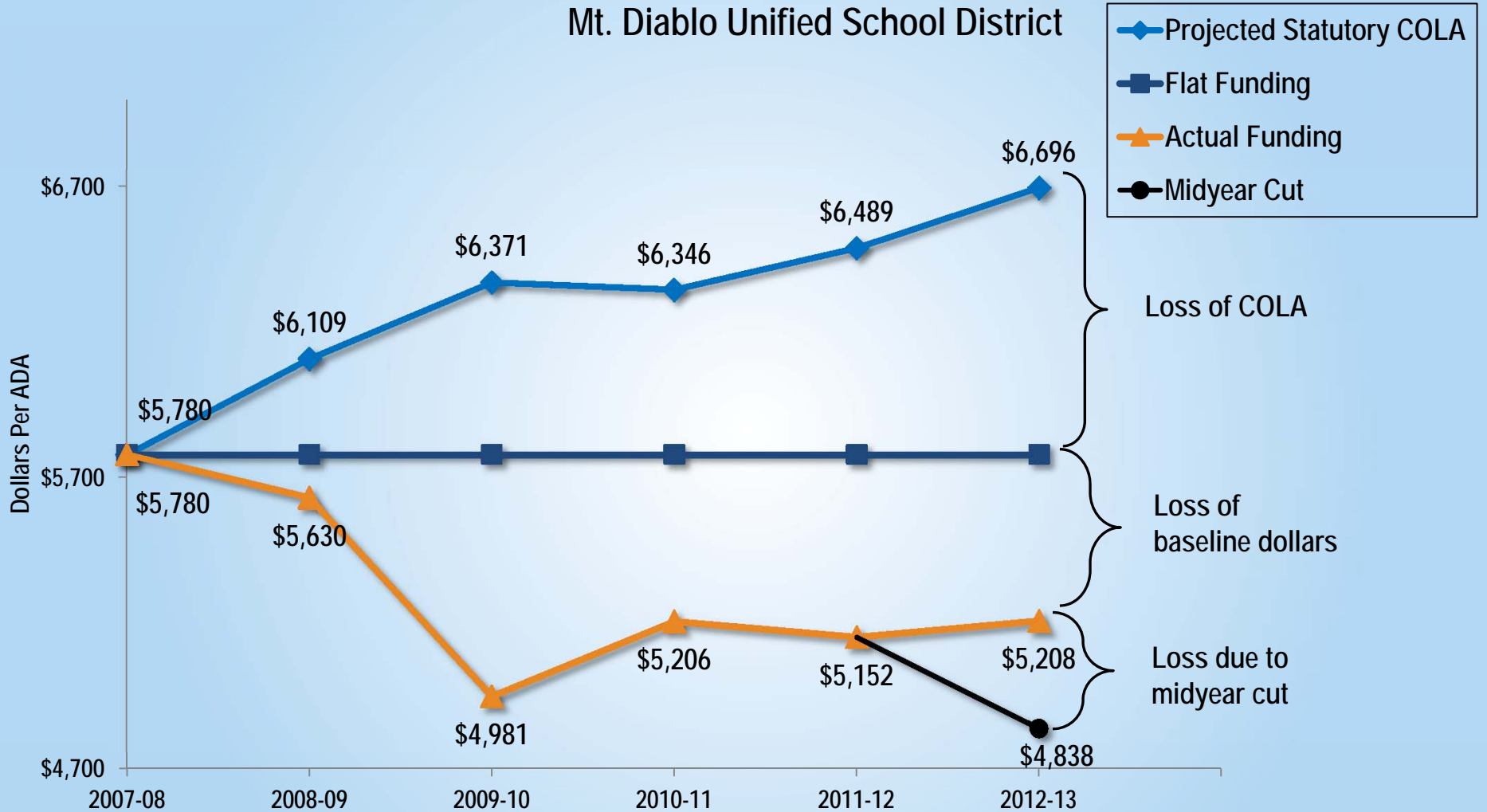


Funding Per ADA – Actual vs. Statutory Level

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Mt. Diablo Unified School District



Other items to consider



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Type	H-T-S	SH/OH	Total
Transportation revenue	\$1.26M	\$1.14M	\$2.40M
Transportation expense	<u>(\$3.16M)</u>	<u>(\$4.83M)</u>	<u>(\$7.99M)</u>
District contribution	(\$1.90M)	(\$3.69M)	(\$5.59M)

- District is looking at boundary and route adjustments to try to control transportation costs as funding declines and fuel costs are rising