



Budget Overview

Board Item #8.3

Board of Education Meeting
April 19, 2012



Overview

- Factors That Impact Fiscal Solvency
 - External
 - Internal
- Serna Center Salary Data
- Serna Center Operating Costs Data
- School Site Carryover
- Standardized Account Code Structure (SACS) Reports
- Next Steps



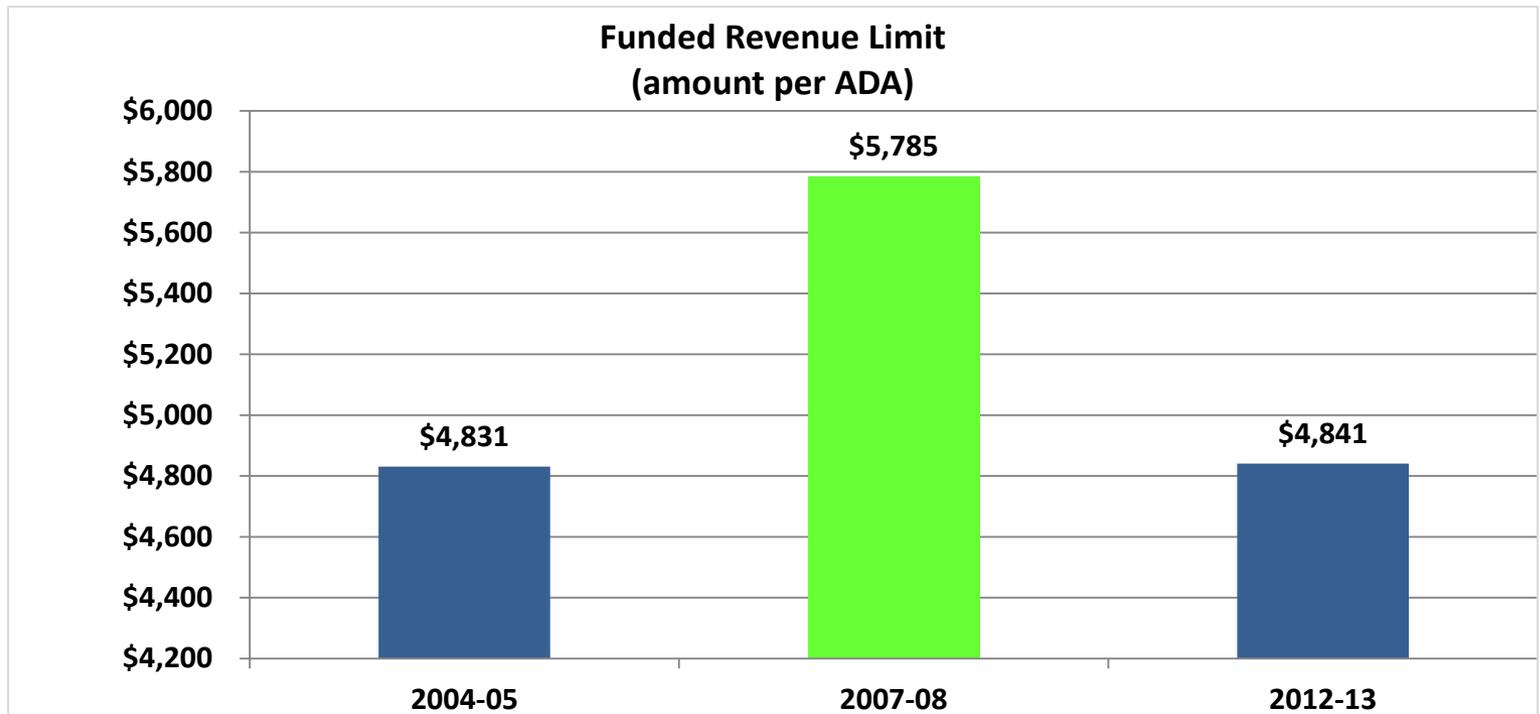
External Factors That Impact Fiscal Solvency

- Reduced Revenues
 - 2012-13 revenue limit funding at same level as 2004-05
 - Revenue limit funding accounts for 56% of general fund revenue
 - Operating costs have continued to rise



External Factors That Impact Fiscal Solvency (cont'd)

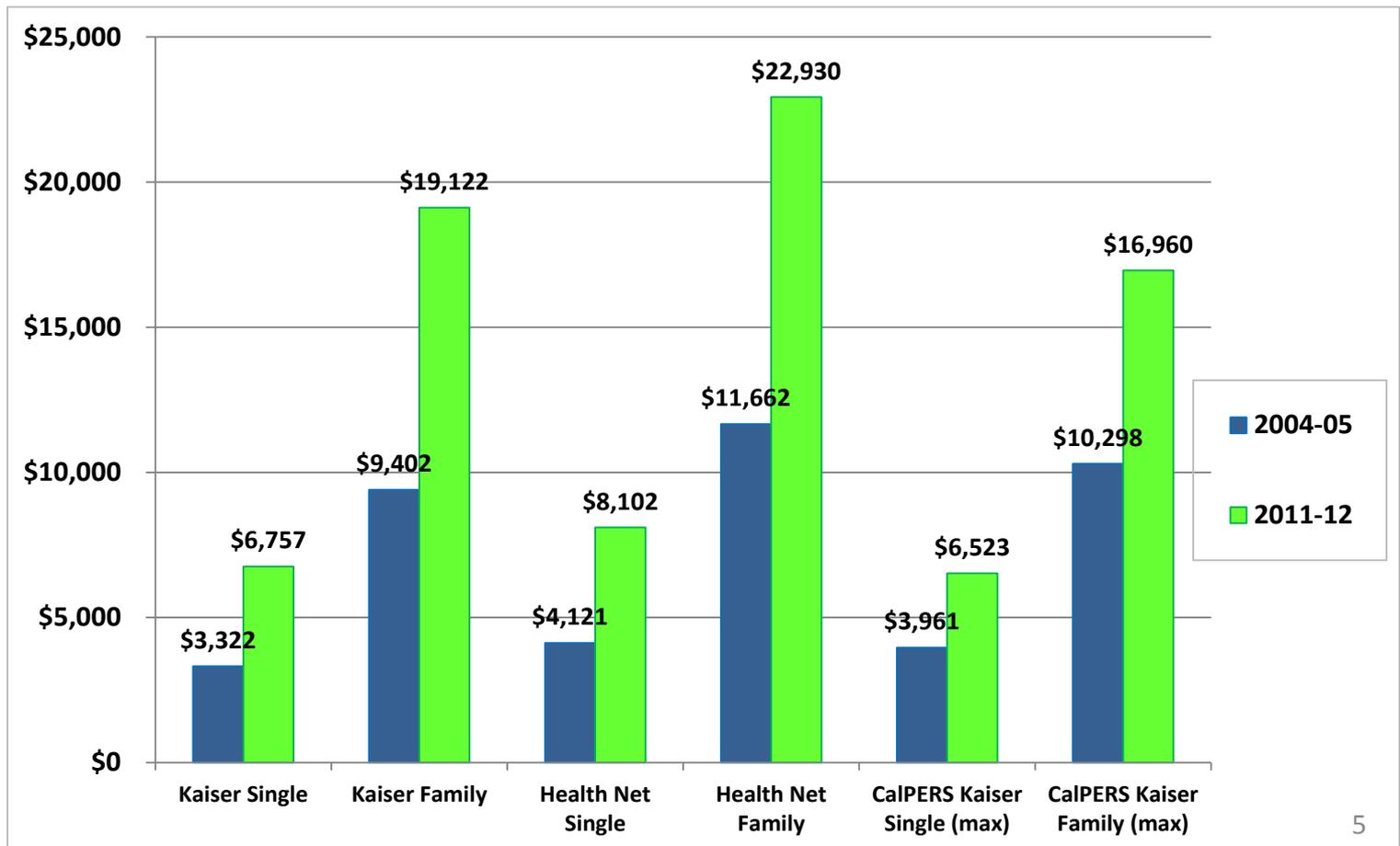
- Estimated 2012-13 revenue limit backslides to the level in 2004-05.
- However, operating expenses are still driven by salaries and benefits that reflect increases since 2004-05.





External Factors That Impact Fiscal Solvency (cont'd)

Annual District Health Cost per Employee





External Factors That Impact Fiscal Solvency (cont'd)

- Budget Uncertainty
 - State ballot initiatives
 - Projected state revenue
- Cash Flow
 - State deferrals
 - Borrowing (Tax Revenue Anticipation Note)
 - Additional deferrals on the horizon?



External Factors That Impact Fiscal Solvency (cont'd)

- Trigger or Automatic Mechanisms
 - Mid-year budget adjustments
 - Possible further reductions
- New Legislation
 - Subsequent law or regulation that complicates school district funding or budget preparation
- Wildcard
 - Any unexpected or unforeseen negative circumstance that changes the financial situation of the state which is then passed on to schools



Internal Factors That Impact Fiscal Solvency

- Declining Enrollment
 - Impacts funding
- Deficit Spending
 - Reliance on one-time “fixes” to balance budget to avoid further program reductions
- Low Reserves
 - Maintain minimum 2% required reserve
 - Inability to increase reserves due to significant budget reductions for prior 10 years



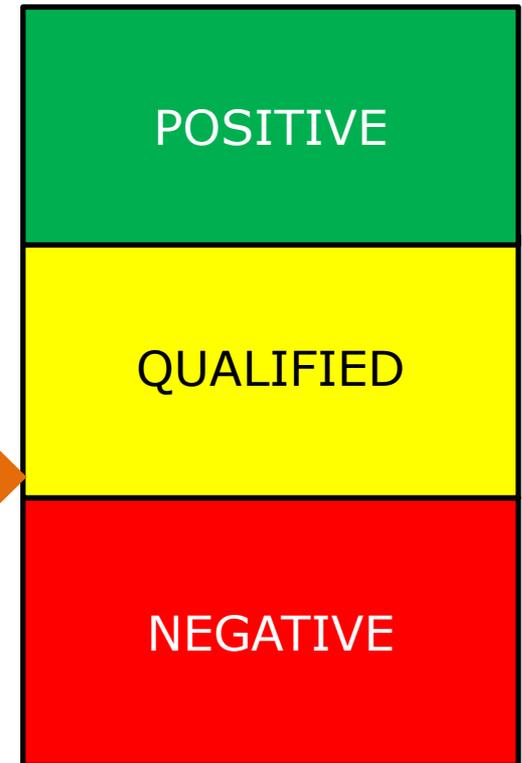
Internal Factors That Impact Fiscal Solvency (cont'd)

- Time
 - Statutory deadlines
 - Urgency to approve balanced budget
 - County Office oversight
 - Maintain “Qualified” certification



Qualified Could Downgrade to Negative

- Second Interim report was qualified with approved 2012-13 reductions of \$28.9 million.
- An additional \$15 million of reductions needed assuming Governor's tax initiative is not successful.
- SCOE can change the qualified status to negative if total budget reductions are not made for 2012-13.





Management Positions at Serna Center

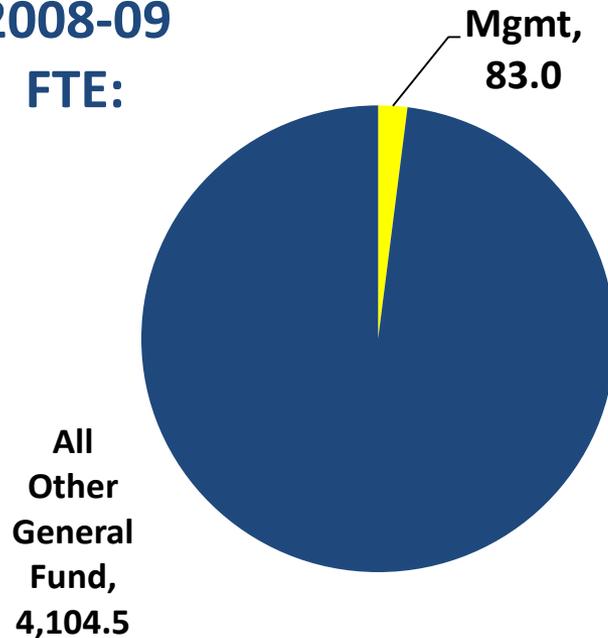
- Academic Office
 - Professional Development
 - State and Federal Programs
 - Multilingual Services
 - Special Education
- Accountability Office
 - Assessment, Research, and Evaluation
 - Enrollment Center
 - School Oversight
 - Technology
- Administrative Services
 - General Accounting
 - Budget Services
 - Compensation and Benefits
- Human Resources
 - Employment
 - HR Training
 - Legal Services
- Office of Family and Community Engagement
 - School, Family, and Community Partnerships
 - Youth Development Support Services
 - Integrated Support Services
- Superintendent
 - Board of Education
 - Communications



Management Positions at Serna Center

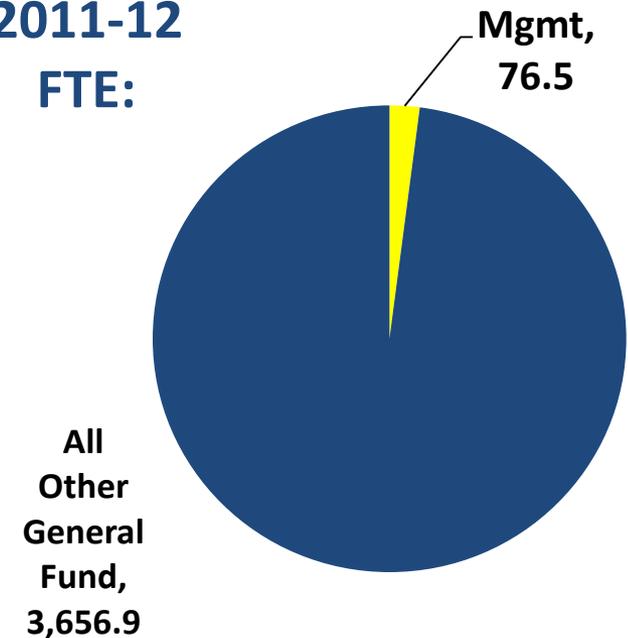
2008-09

FTE:



2011-12

FTE:

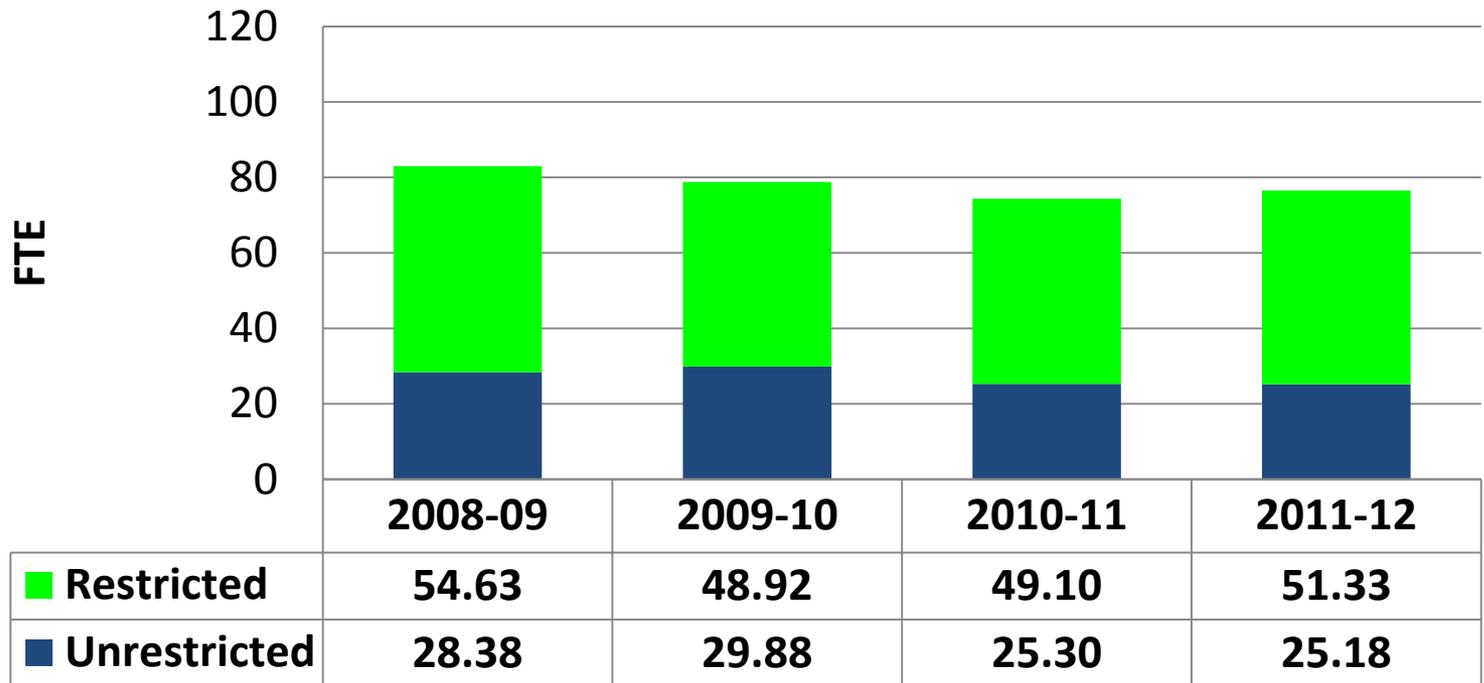


Management includes managers, coordinators, specialists, directors, assistant superintendents, cabinet members, superintendent. All other FTE's include school site staff, maintenance and facilities, transportation etc.



Management Positions at Serna Center

Positions by Funding Source

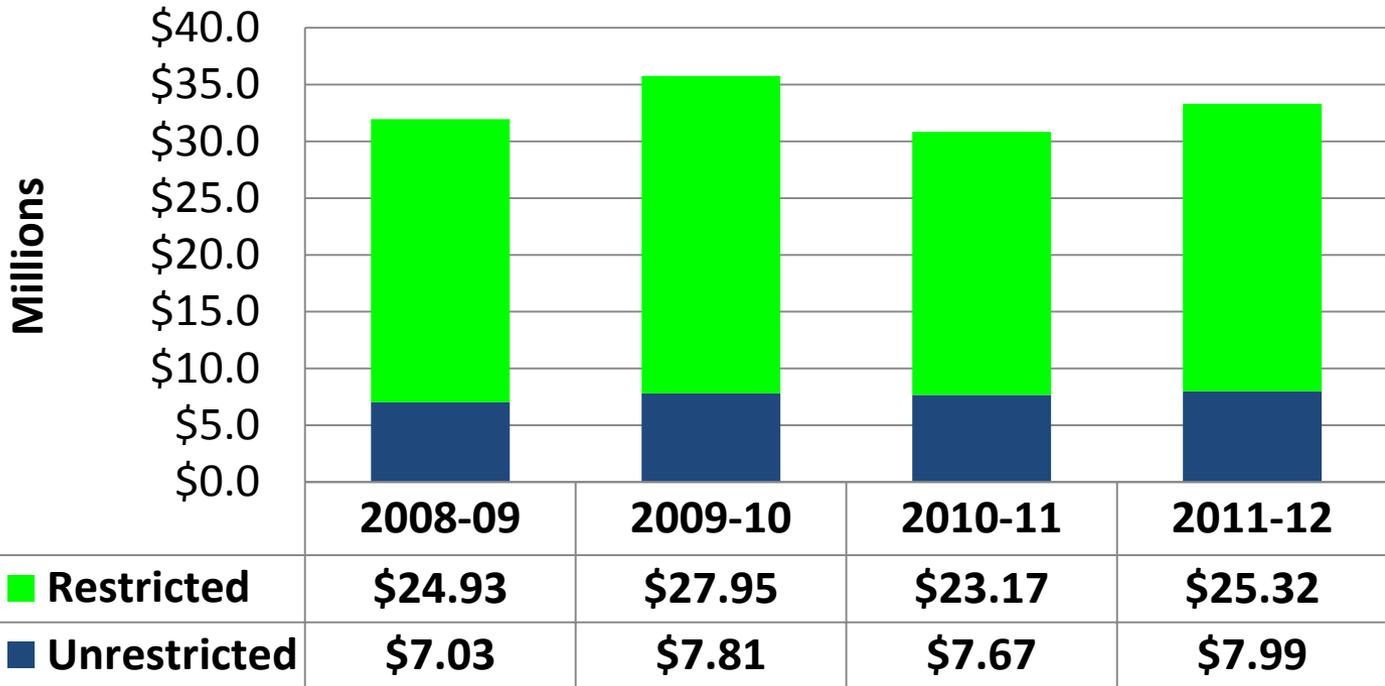


Reorganization in 2010-11. 2011-12 includes new enrollment center director and new .50 athletic director. Increase in Restricted due to SLC and Linked Learning funding.



Serna Center Operating Costs

General Fund Supplies, Services, Capital Outlay

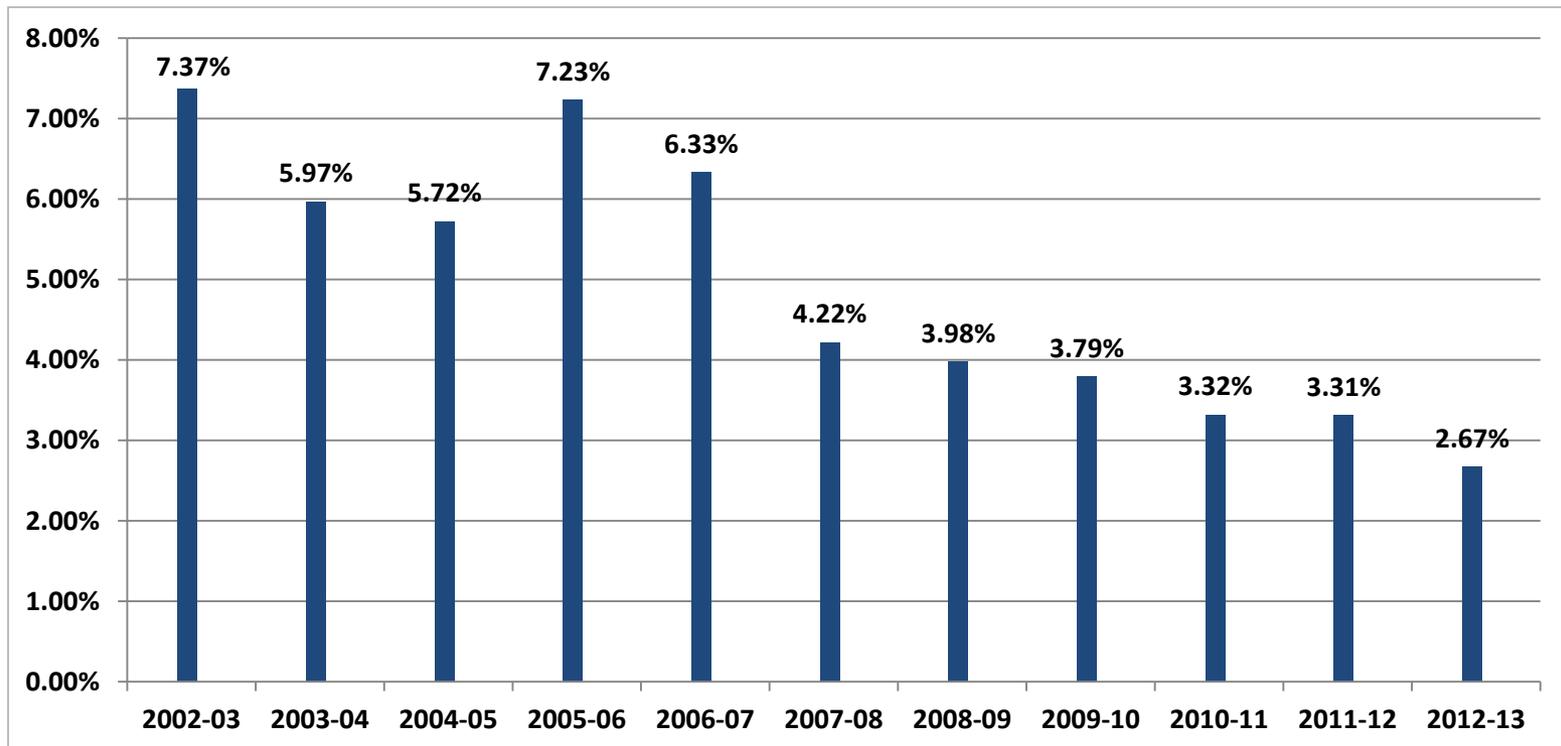


2011-12 Unrestricted includes \$6.8 million for PARS, Property and Liability Insurance and Legal Costs. Restricted includes new revenues such as SE Mental Health and School Improvement Grant.



Indirect Cost Rate Changes

- Calculated state formula for general management costs for administrative activities





School Site Information

- Schools with more than \$75,000 in Title I and Economic Impact Aid Carryover that did not meet Growth Targets both school-wide and subgroups for 2010-11.
- Elementary and K-8:
 - A.M. Winn
 - Clayton B. Wire
 - Collis P. Huntington
 - Ethel I. Baker
 - Ethel Phillips
 - Freeport
 - John Cabrillo
 - John Sloat
 - John Still
 - Mark Hopkins
 - Mark Twain
 - Martin Luther King
 - Nicholas
 - Pacific
 - Parkway
 - Peter Burnett
 - William Land
 - Woodbine



School Site Information (cont'd)

- Schools with more than \$100,000 in Title I and Economic Impact Aid Carryover that did not meet Growth Targets both school wide and subgroups for 2010-11.
- Middle and High School:
 - Rosa Parks
 - Luther Burbank
 - Rosemont



Standardized Account Code Structure Report

- See sample of SACS report
 - Detail and Summary
 - Review columns
 - Review line items



Next Steps

- May Revise
- Third Interim Financial Report
- 2012-13 Adopted Budget