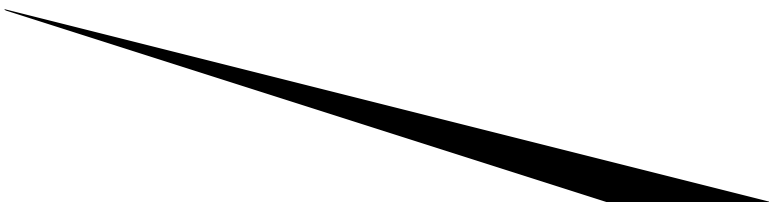


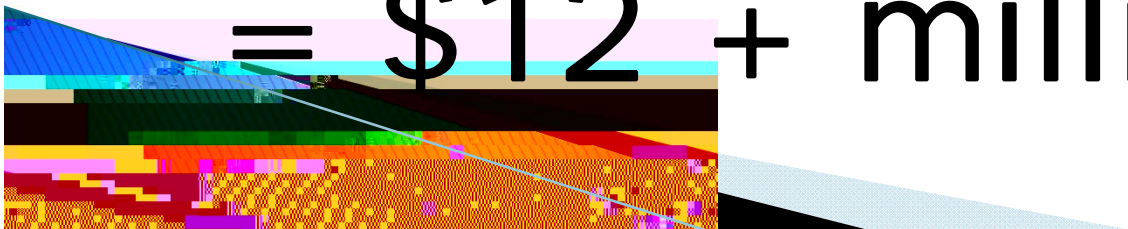
- The newly adopted State budget includes reliance on November taxes to keep school district funding “flat”
- K-12 school districts are identified for mid-year



- The State Budget is balanced only if revenues are increased by a future event
- Education funding is the “hot button” for voters to approve taxes
- Mid Year Triggers are once again threatened

\$441 - \$461 per pupil cut if taxes do not pass in November

= \$12 + million cut

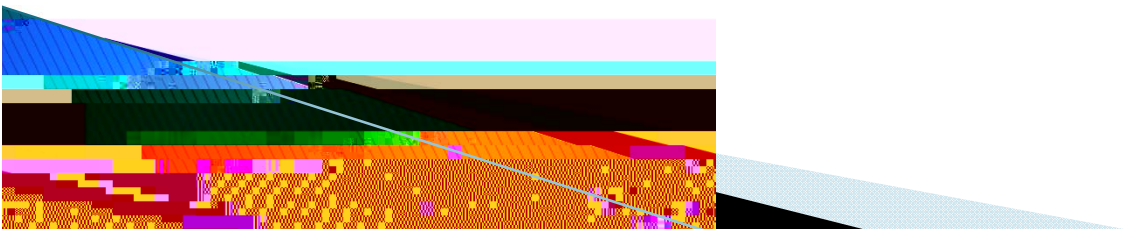


· If Mid Year Triggers are implemented the \$12 million cut to our district is equivalent to

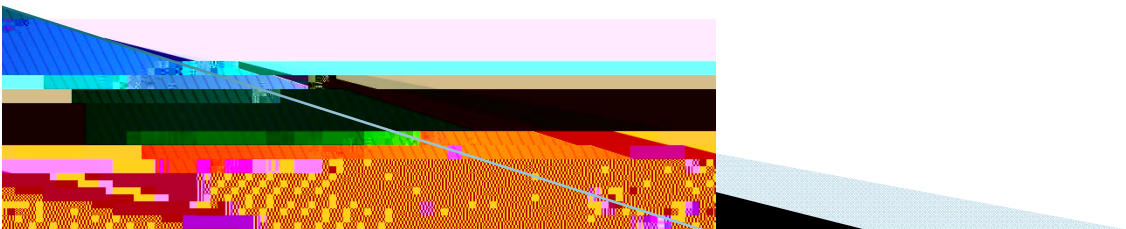
○ 16 days of school per year or

○ 150 fewer employees or

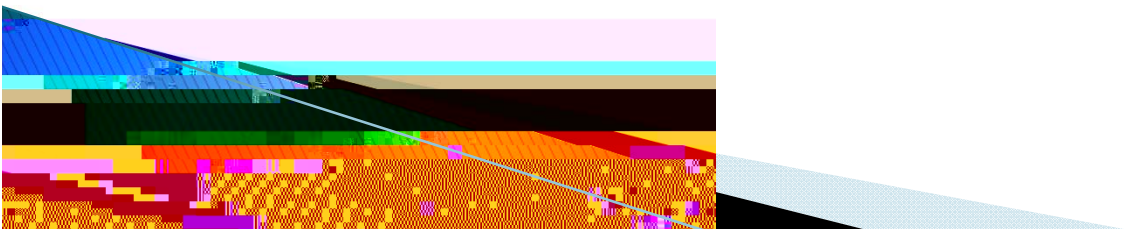
○ District wide salary cuts of an estimated 7.5%



- Executive Summary
- State Forms
 - Includes all funds of the district
 - Documentation of revenue calculations
 - Criteria and Standards
- Multi-Year Projection

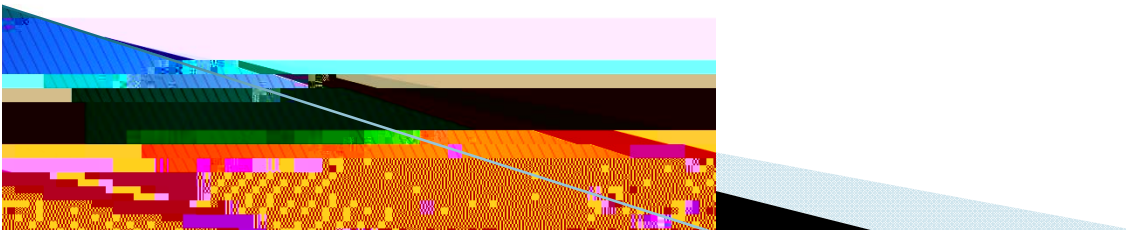


- The budget assumes we are in a “flat funding” model - as per State Adopted Budget
- Plans for Mid-Year Trigger are in place
 - \$13.5 million in Special Reserves – one time use
 - The Special Reserve is relied upon for funding in the Multi-Year projection and in the adopted budget



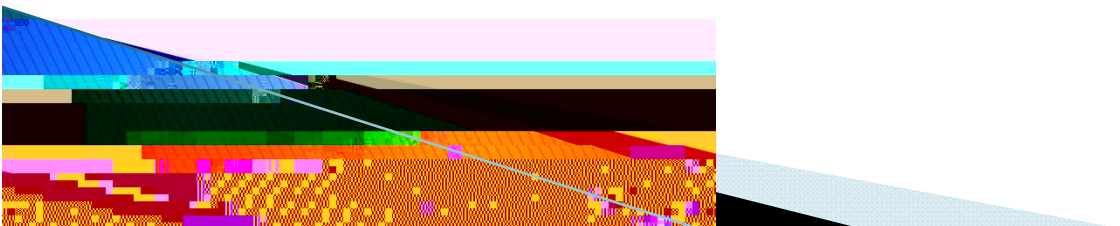
Special Reserve Fund r17

Adopted Budget &
Multi Year

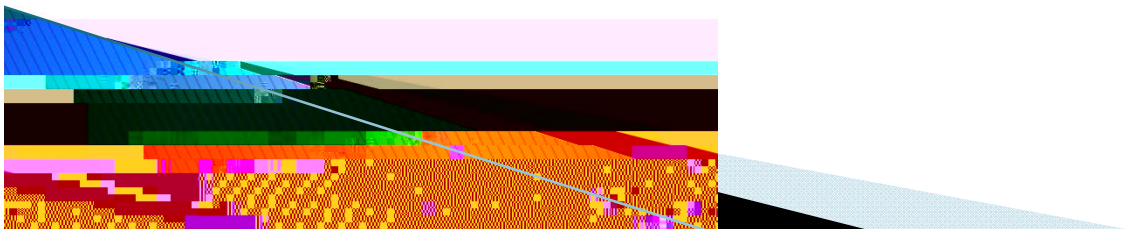


- Closing out 2011-12
- Ending Fund Balance Estimates
 - Unrestricted \$20.5 million
 - Restricted \$21.5 million

Fund balances are subject to change based upon the closing of the books

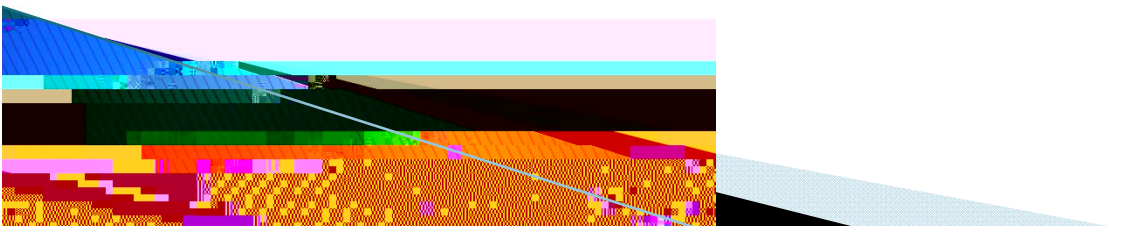


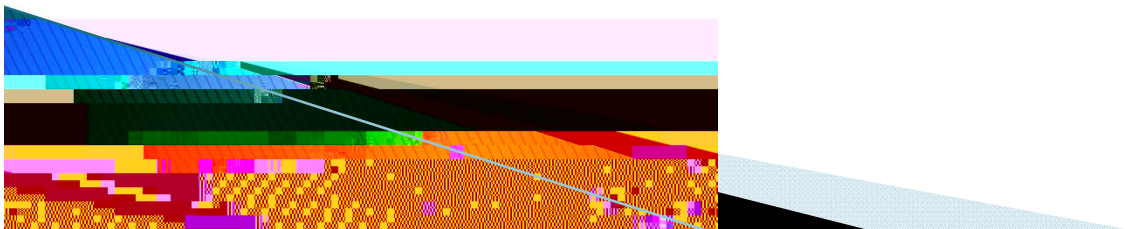
- K-3 Class Size Reduction is funded through the existing parcel tax at 28:1
- Adult Education funded the same as 2011-12
- School Resource Officers are funded at same level as 2011-12
- Tier III funding at \$14.5 million

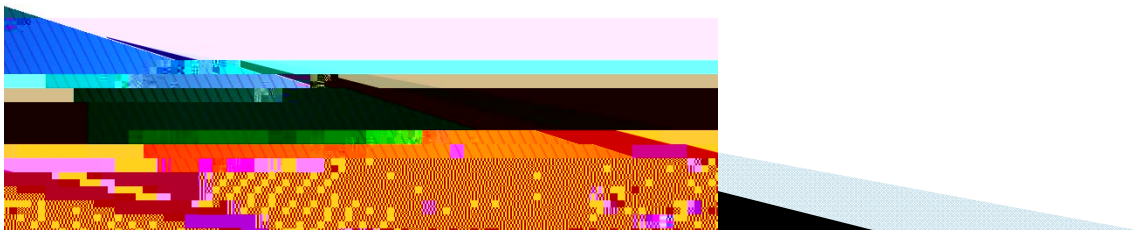


- Statutory COLA 3.24%
- Deficit Factor 22.272%
- Base Revenue per pupil \$5,222

- Staffing
 - Transitional K – 28:1
 - Grades K-3 – 28:1
 - Grades 4-6 – 33:1
 - Grades 7-12 – 32:1 (average class size of 38)

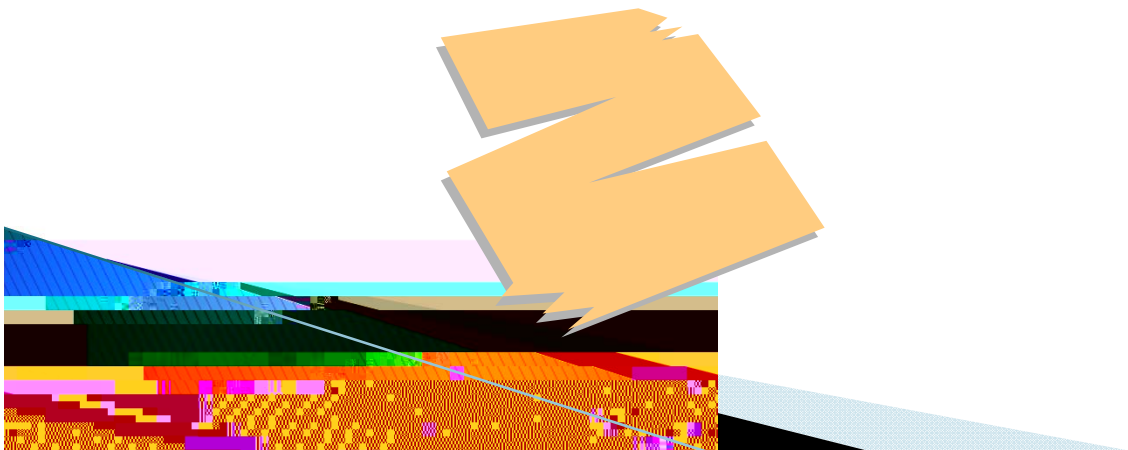




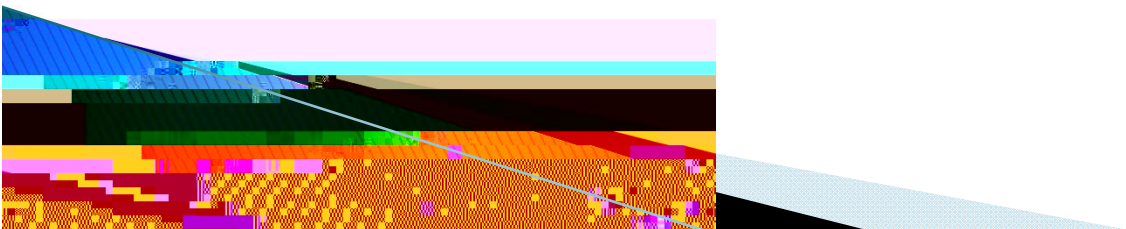


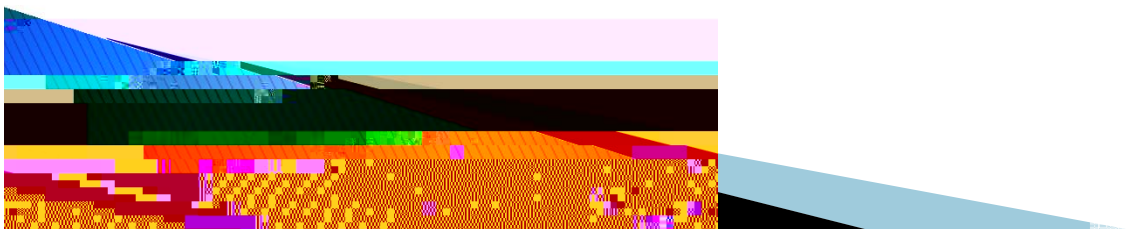
Contributions to Restricted Programs

· Special Education	\$19.7 million
· Sp. Ed. Transportation	5.4 million
· Routine Restricted Maintenance	4.5 million

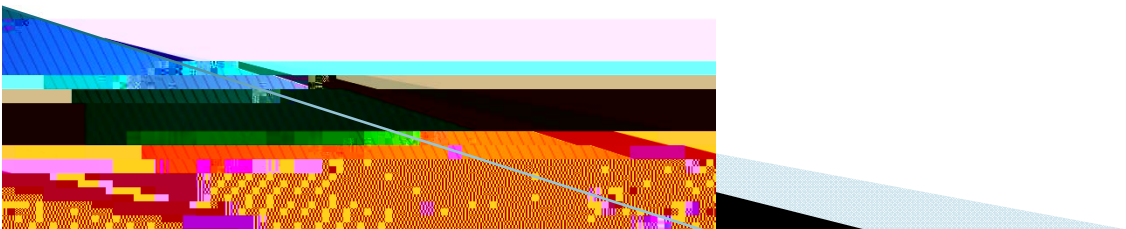


- State Cash deferrals have caused negative unrestricted cash during the past two years
 - Restricted cash was positive to cover the fund so inter-fund borrowing was not needed
 - The restricted cash included one time sources such as ARRA and Ed Jobs
- General Fund cash flow for our District becomes a problem when reserves are depleted because the State owes us cash at year end, so reserves do not equal cash in the bank

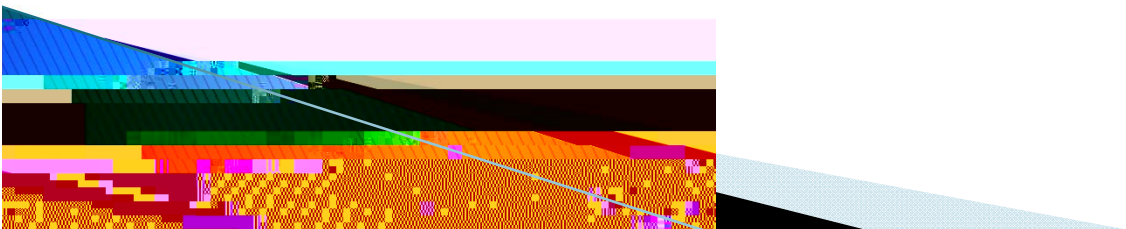




- The 2012-13 State cash deferrals will be improved if the November initiative passes
- We would still have an estimated \$17 million deferred
- Inter-fund cash borrowing will be required to cover the general fund expenses through June 2013 - estimated at
 - Special Reserve Cash \$ 10 million
 - State School Building Fund Cash \$7 million
- This temporary borrowing is paid back to funds in July of 2013



- Use of one time funding or limited term funding for unrestricted programs
 - \$14.5million in Tier III Funding
 - Special Reserve use over three years
- City of Richmond support for Grant, Olinda and Kennedy \$1.5 million



- Health and Welfare Benefits

- C Rates for benefits continue to increase for those who retired prior to cap

- Parcel tax is a limited term funding source

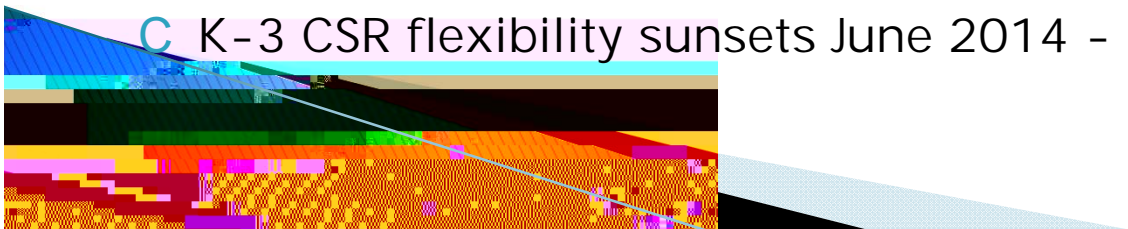
- C Final Collection occurs in 2013-14

- C 2014-15 has no parcel tax program in the Multi Year

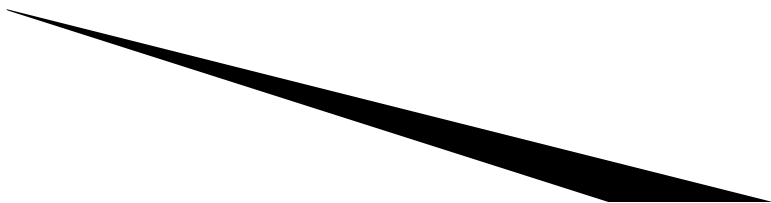
- State flexibility funding – Legislation needed for permanent fix

- C Tier III flexibility sunsets June 2015

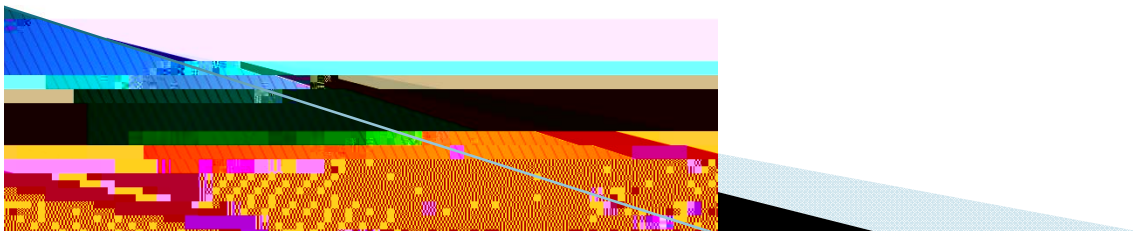
- C K-3 CSR flexibility sunsets June 2014 - Former funding model in place



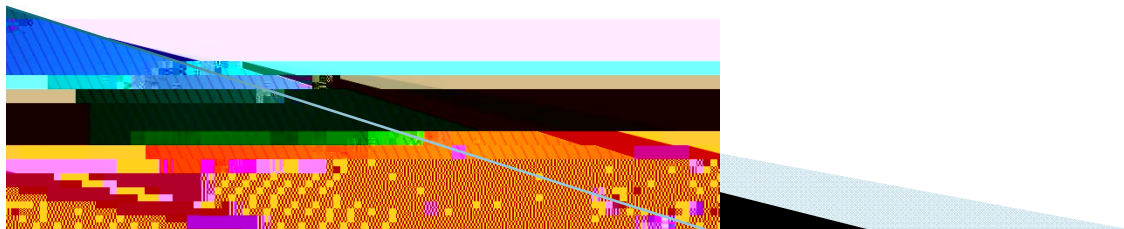
- When current year expenditures exceed current year revenues the Board should be concerned regarding a structural deficit
- Use of one time funding such as Special Reserves or Unrestricted Fund Balance helps relieve the pressure of the structural deficit while the Board plans to close the deficit



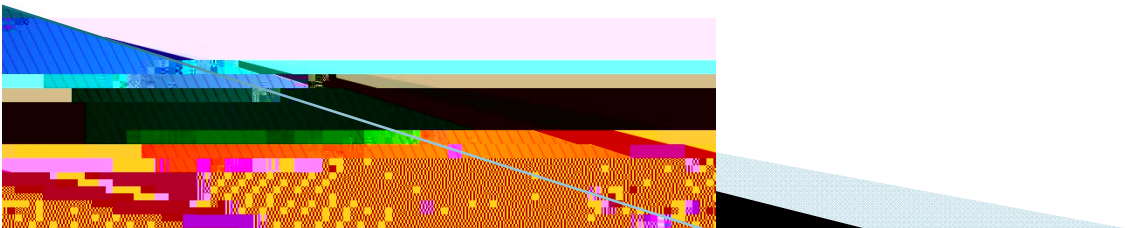
	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Revenues	\$166,638	\$169,817	\$166,852
Expenses	172,820	176,645	179,359
Deficit Spending	(\$6,182)	(\$6,828)	(\$12,507)
Special Reserve Transfer	2,800	3,800	6,800
Beginning Fund Balance	217,941	214,051	205,900



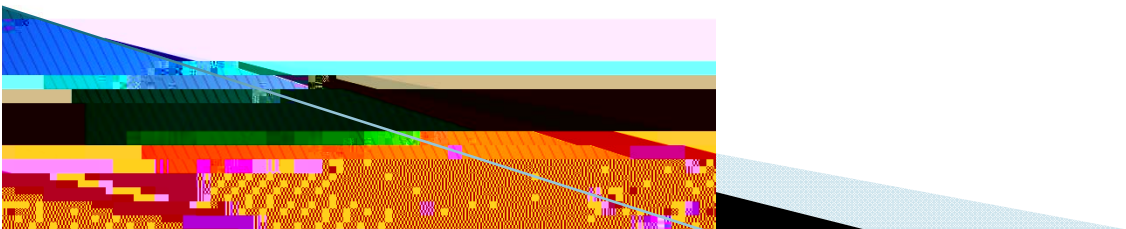
	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Revenues	\$166,638	\$169,817	\$166,852
Mid Year Trigger ongoing	(\$12,000)	(\$12,000)	(\$12,000)
Expenses	172,820	176,645	179,359
Deficit Spending	(\$18,182)	(\$18,828)	(\$24,507)
Special Reserve Transfer	13,500	-	-
Beginning Fund Balance	20,555	15,873	(2,955)
Use of Fund Balance	(4,682)	(18,828)	(24,507)
Ending Fund Balance	15,873	(2,955)	(27,462)
Required Reserve	8,002	not met	not met
Stores & Revolving Cash	300	300	300
Balance	\$7,571	(\$3,255)	(\$27,762)

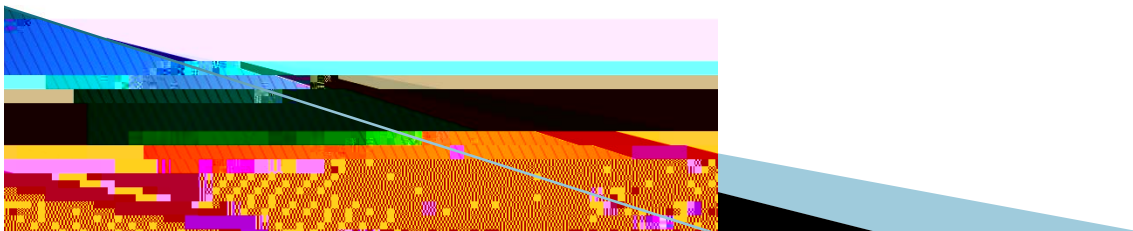


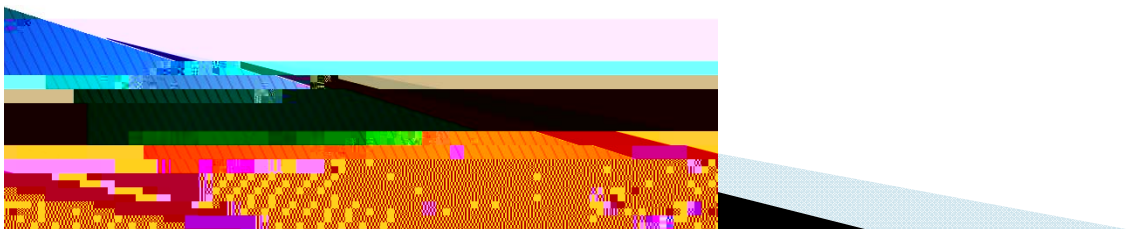
- If the November initiative does not pass the District will have to use Special Reserve funds for operations
- Improvement to the State deferral program would be off the table
- Special Reserve cash will not be available for temporary borrowing purposes
- External borrowing may be required



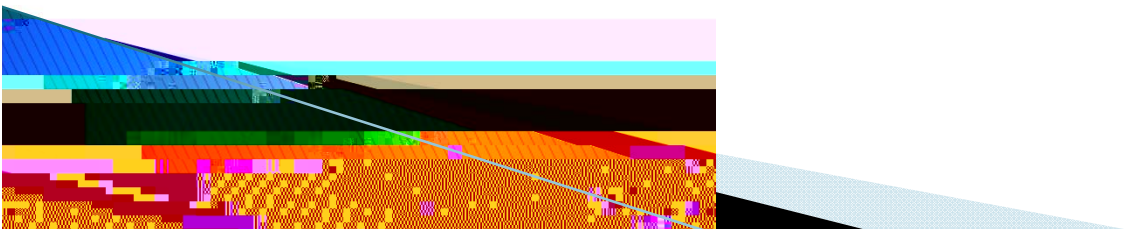
- If Mid Year Triggers are implemented the \$12







- Based upon current assumptions we have maintained a 3% reserve, but we have deficit spending that must be addressed
- Maintenance of Fiscal Solvency
 - The Board understands its responsibility to maintain a balanced budget
- When further details are available regarding the State budget – 45 day period to revise budget if necessary



West Contra Costa Unified School District Website

www.wccusd.net

