



Plumas Lake Elementary School District

2011-12 Budget Adoption
June 16, 2011

Presented by Ajit Kang

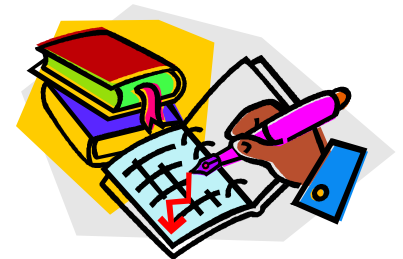
Each student will reach their fullest potential as we strive for District excellence through sound leadership, effective communication, accountability, and investment in our staff.

Budget Adoption

- The Governing Board must adopt the budget *on or before July 1* of each year and:
 - The District must certify one of the following:
 - Positive: District *can* meet its current year and subsequent two year obligations;
 - Qualified: District *may not* be able to meet its current year and subsequent two year obligations; or
 - Negative: District *cannot* meet its current year and subsequent two year obligations.

 - File the budget with the county superintendent within five days of adoption or by July 1, whichever occurs first.

- Budget development is a continuous process
 - Based on current known assumptions;
 - Assumptions will change;
 - Annual financial reporting:
 - Budget Adoption – Due July 1
 - First Interim – Due December 15
 - Second Interim – Due March 15
 - Unaudited Actuals – Due September 15





Budget Assumptions

	2010-11 Estimated Actuals	2011-12	2012-13	2013-14
Statutory COLA	-0.39%	2.24%	3.20%	2.70%
Deficit Factor	17.963% \$0.82037 per \$1.00	19.754% \$0.80246 per \$1.00	19.754% \$0.80246 per \$1.00	19.754% \$0.80246 per \$1.00
Revenue Limit (RL) w/ COLA	\$6,573.35	\$6,710.35	\$6,910.00	\$7,084.01
RL w/ deficit	\$5,392.58	\$5,384.79	\$5,545.00	\$5,684.63
Loss per ADA	\$1,180.77	\$1,325.56	\$1,365.00	\$1,399.38
State Categorical Programs COLA	0.0%	-0.38%	0%	0%
ARRA – State Fiscal Stabilization Funds	\$76,572	0	0	0
Ed Jobs Funds (\$221,067 – to be adjusted to 10-11 P2 data)	\$77,112	\$135,140	\$8,815?	
Federal Funds COLA	0%	0%	0%	0%
Average Daily Attendance (ADA)	1022.13	994.54	994.54	994.54
Lottery Base	\$112.50	\$111.00	\$110.00	\$108.75
Lottery Prop 20	\$17.50	\$17.50	\$17.20	\$17.20

Budget Assumptions (continued)

- Tier III flexibility allowed through 2012-13:
 - May Revise proposes to extend flexibility for two years;
 - No Deferred Maintenance match required;
- Routine Restricted Maintenance – Contribution *can be* decreased to one percent;
 - Current contribution is approximately 2.5%
- Step increases included for 2011-12 and subsequent years in multi-year projections for all employees that can move a step within their range/column on the salary schedule;
 - Master’s Stipends included for eligible certificated staff;
- Health, Dental & Vision Benefits cap - \$10,000;
- Additional 2 FTE (certificated) for projected growth;
- Medi-Cal LEA Option Billing – Grant from YCOE for health clerk and nurse - \$30K;
- Medi-Cal Administrative Activities (MAA) funding – varies depending on participation: \$35K;
- Transportation fees - \$14K;
- COP payment – Fund 25 will collect sufficient mitigation fees to cover a portion of the debt service payment; balance will be transferred from Fund 52;
- Current enrollment projections – potential increase of 39.11 in ADA and \$262,442 in revenue. (Note: Used 10-11 P2 data (994.54 for Budget year and subsequent years)

CB	Rio	RM	Total	ADA (96.5%)	Sp Ed ADA	Total ADA
272	470	322	1064	1026.76	6.89	1033.65

General Fund Revenues

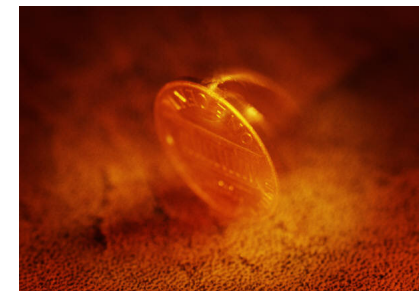
- Revenue Limit Sources – largest source of funding based on per ADA
- Federal Funding
 - No Child Left Behind: Title I, II, and III;
 - Medi-cal LEA Billing Option;
 - SELPA funding
- State revenue- Second biggest source of revenue
 - Restricted funding includes:
 - Economic Impact Aid
 - Lottery Prop 20
 - Transportation: Home-to-School
 - Transportation: Special Ed (SD/OI)
 - Unrestricted funding includes:
 - Lottery
 - Class-size reduction
 - Tier III categoricals
- Other Local Revenue
 - Interest
 - SELPA funding from county office of education
 - Facilities fees
 - Other local fees



Tier III Categorical Flexibility

Education Code Section 42605 allows complete flexibility in the use of funds appropriated in the State budget for fiscal years 2008-09 through 2012-13 for numerous programs and can be used for any educational purpose. Grants included in this flexibility are:

- Administrator Training - \$4,852
- Art and Music Block Grant - \$15,133
- California Peer Assistance & Review Program - \$5,150
- CAHSEE Intensive Instruction - \$800
- Community Based English Tutoring- \$4,479
- Deferred Maintenance - \$33,375
- Gifted and Talented Education – \$66,498
- Instructional Materials Funding Realignment Program - \$56,976
- Math and Reading Professional Development - \$9,028
- Professional Development Block Grant - \$11,601
- School Library Improvement Block Grant - \$10,440
- School Safety and Violence Prevention - \$7,992
- Supplemental Hourly Programs - \$24,126
- Targeted Instructional Improvement - \$3,915



General Fund Revenue and Expenditures

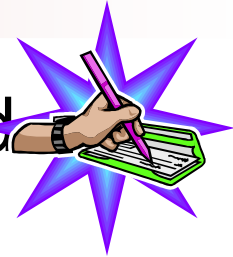
Beginning Fund balance	2010-11 Second Interim	2010-11 Estimated Actuals	2011-12 Budget
Beginning fund balance	\$2,599,040	\$2,599,040	\$2,756,586
Revenue	\$8,024,990	\$7,904,497	\$7,640,730
Expenditures	\$7,823,321	\$7,746,951	\$7,968,519
Excess (deficiency) of revenues over expenditures	\$201,669	\$ 157,546	(\$ 327,789)
Ending fund balance	\$2,717,915	\$2,756,586	\$2,428,797



General Fund Revenue: 2010-11 Second Interim and 2010-11 Estimated Actuals

	2010-11 Second Interim	2010-11 Estimated Actuals	Difference	
Revenue Limit Sources	\$6,038,470	\$6,025,098	(\$13,372) (0.22%)	Adjusted Revenue Limit (RL) – Beginning Teachers Salaries and Meals for Needy Pupils adjustments are based on current year ADA.
Federal Revenue	\$435,384	\$327,278	(\$108,106) (24.83%)	Reduced Ed Job funding (Deferred Revenue); Adjusted SELPA Federal Funding, rec'd Impact Aid and additional MAA funding;
Other State Revenue	\$975,717	\$941,385	(\$34,332) (3.52%)	Decreased Class-Size Reduction & moved Sp Ed Transportation to Local
Other Local Revenue	\$549,619	\$584,936	\$35,317 6.43%	Reduced SELPA \$ to P2 data; Adjusted for one-time funding – donations, YCOE grant; staledated warrants; Moved Sp Ed Transportation to this category
Interfund Transfers In	\$25,800	\$25,800	0	Transfer from Fund 52: CFD Administrative costs
Total Revenue	\$8,024,990	\$7,904,497	(\$120,493) (1.50%)	

General Fund Expenditures: 2010-11 Second Interim and 2010-11 Estimated Actuals



	2010-11 Second Interim	2010-11 Estimated Actuals	Difference		
Certificated Salaries	\$3,222,552	\$3,217,857	(\$4,695)	(0.15%)	Adjusted for salary savings in ARRA SF SF
Classified Salaries	\$1,151,244	\$1,151,333	\$89	0.008%	
Employee Benefits	\$1,522,346	\$1,521,191	(\$1,155)	(0.08%)	
Books and Supplies	\$370,341	\$474,468	\$104,127	28.12%	Smartboards recoded to non-capitalized equipment
Services & Other Op	\$1,198,042	\$1,166,962	(\$31,080)	(2.59%)	Sp Ed Transportation costs lower then projected
Capital outlay	\$86,866	\$0	(\$86,866)	(100%)	Recoded Smartboards to non-capitalized equipment
Other Outgo	\$289,820	\$233,030	(\$56,790)	(20.88%)	Sp Ed Excess costs lower then projected
Transfer of Indirect	(\$17,890)	(\$17,890)	0	-	
Total Expenditures	\$7,823,321	\$7,746,951	(\$76,370)	(0.98%)	



General Fund Revenue: 2011-12 Budget and 2010-11 Estimated Actuals

	2010-11 Estimated Actuals	2011-12 Budget	Difference	
Revenue Limit Sources	\$6,025,098	\$5,888,372	(\$136,726) (2.27%)	Lower P2 data used to calculate RL. Rec'd one-time pr yr adjustment in 10-11;
Federal Revenue	\$327,278	\$287,523	(\$39,755) (12.15%)	No ARRA SFSF funds; No carryover in Titles I, III, & IV; Increase in grant from YCOE; Decrease in MAA funding;
Other State Revenue	\$941,385	\$923,102	(\$18,283) (1.94%)	No Mandated Cost Reimbursements; Decreased Lottery; No TUPE; Receiving Sp Ed Transportation from State
Other Local Revenue	\$584,936	\$508,633	(76,303) (3.44%)	Decrease in facilities fees; Rec'd one-time donations in 10-11; No Sp Ed transfer from YCOE-receiving directly from State (see other State Revenue);
Interfund Transfers In	\$25,800	\$33,100	\$7,300 28.3%	Transfer from Fund 52: CFD Admin-Increased due to CFD #1-2007 refinance
Total Revenue	\$7,904,497	\$7,640,730	(263,767) (3.34%)	

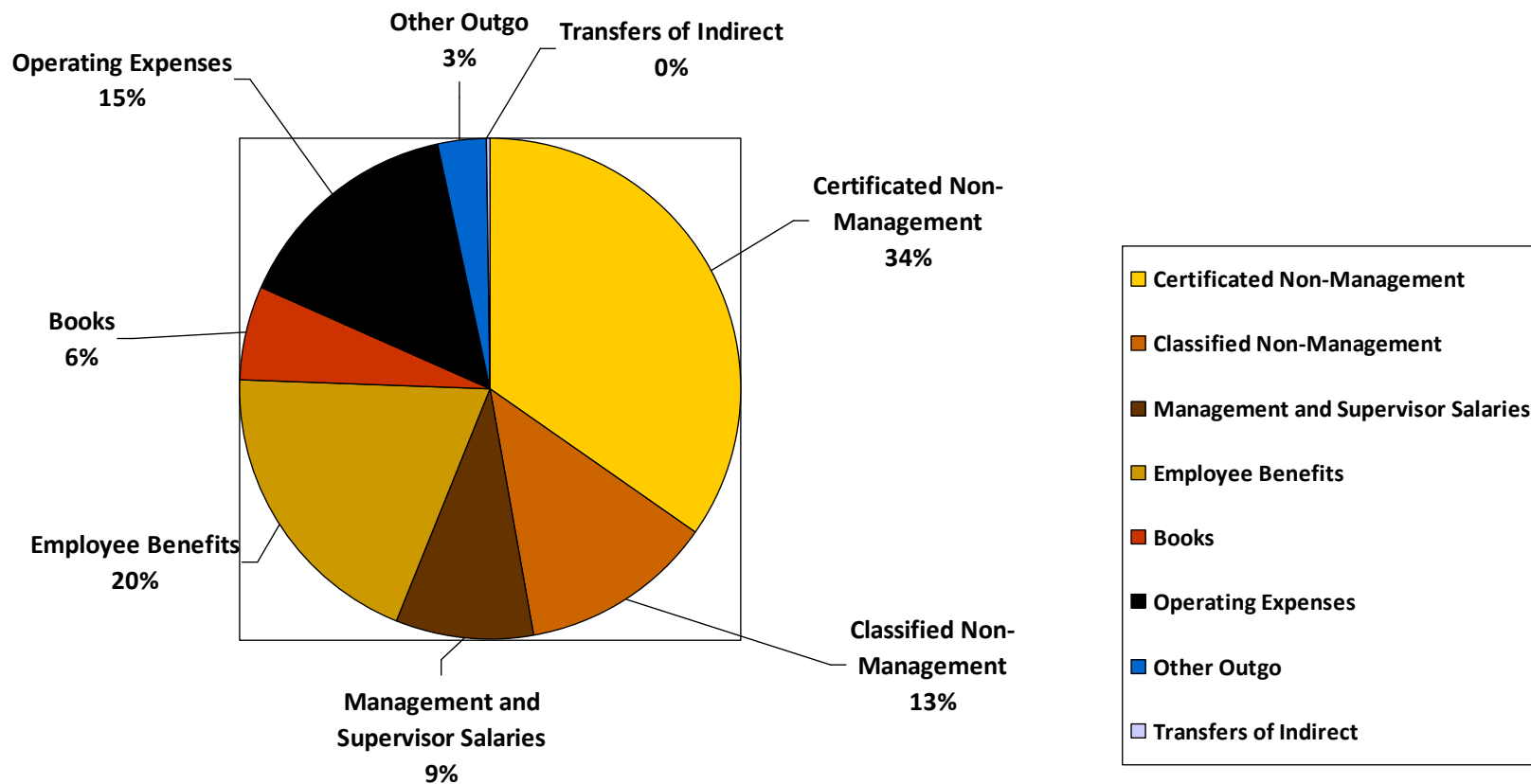


General Fund Expenditures: 2010 Estimated Actuals and 2011-12 Budget

	2010-11 Estimated Actuals	2011-12 Budget	Difference		
Certificated Salaries	\$3,217,857	\$3,453,566	\$235,709	7.25%	Step increases plus two additional teachers for growth; Masters Stipends for eligible staff;
Classified Salaries	\$1,151,333	\$1,194,894	\$43,561	3.78%	Step increases for all staff able to move within their range on salary schedule
Employee Benefits	\$1,521,191	\$1,586,335	\$65,144	4.28%	Increased unemployment costs, plus benefits for step increases & two additional teachers
Books and Supplies	\$474,468	\$325,339	(149,129)	(31.43%)	Reduced ELA Adoption expenditures plus savings from sites.
Services & Other Op	\$1,166,962	\$1,171,595	\$4,633	0.40%	
Capital outlay	\$0	\$0			
Other Outgo	\$233,030	\$256,600	\$23,570	10.11%	YCOE Sp Ed Excess program costs – county adding classes;
Transfer of Indirect	(\$17,890)	(\$19,810)	(1,920)	10.732%	Indirect – 4.8%: Based on Fund 13 expenses
Total Expenditures	\$7,746,951	\$7,968,519	\$221,568	2.86%	

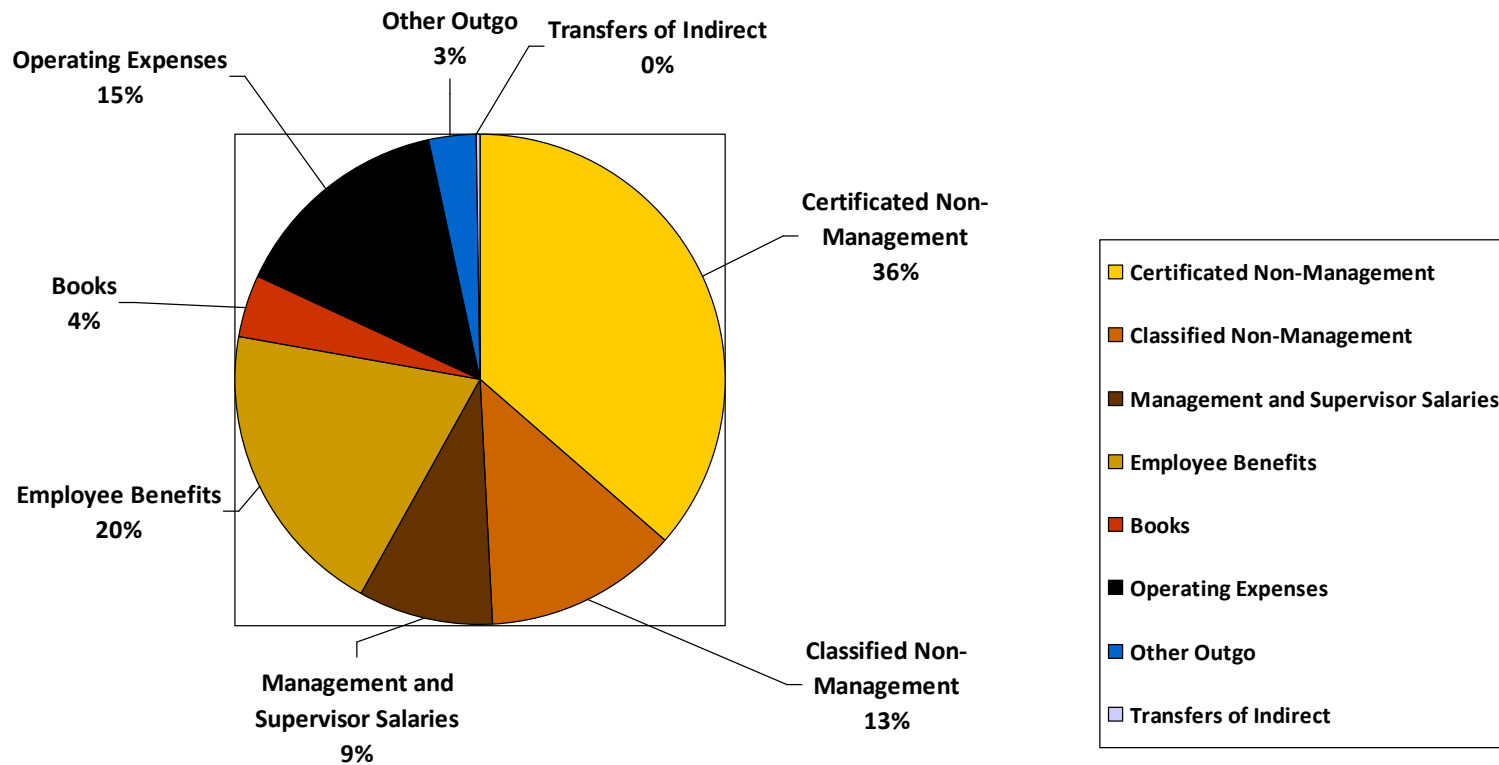


2010-11 General Fund Expenditures – Estimated Actuals





2011-12 General Fund Expenditures



Multi-Year Projections - Assumptions



- Statutory COLA and Deficit Factors:

- 2012-13 – 3.20% and 19.754%
- 2013-14 – 2.70% and 19.754%

Note: See Slide #3 for other assumptions

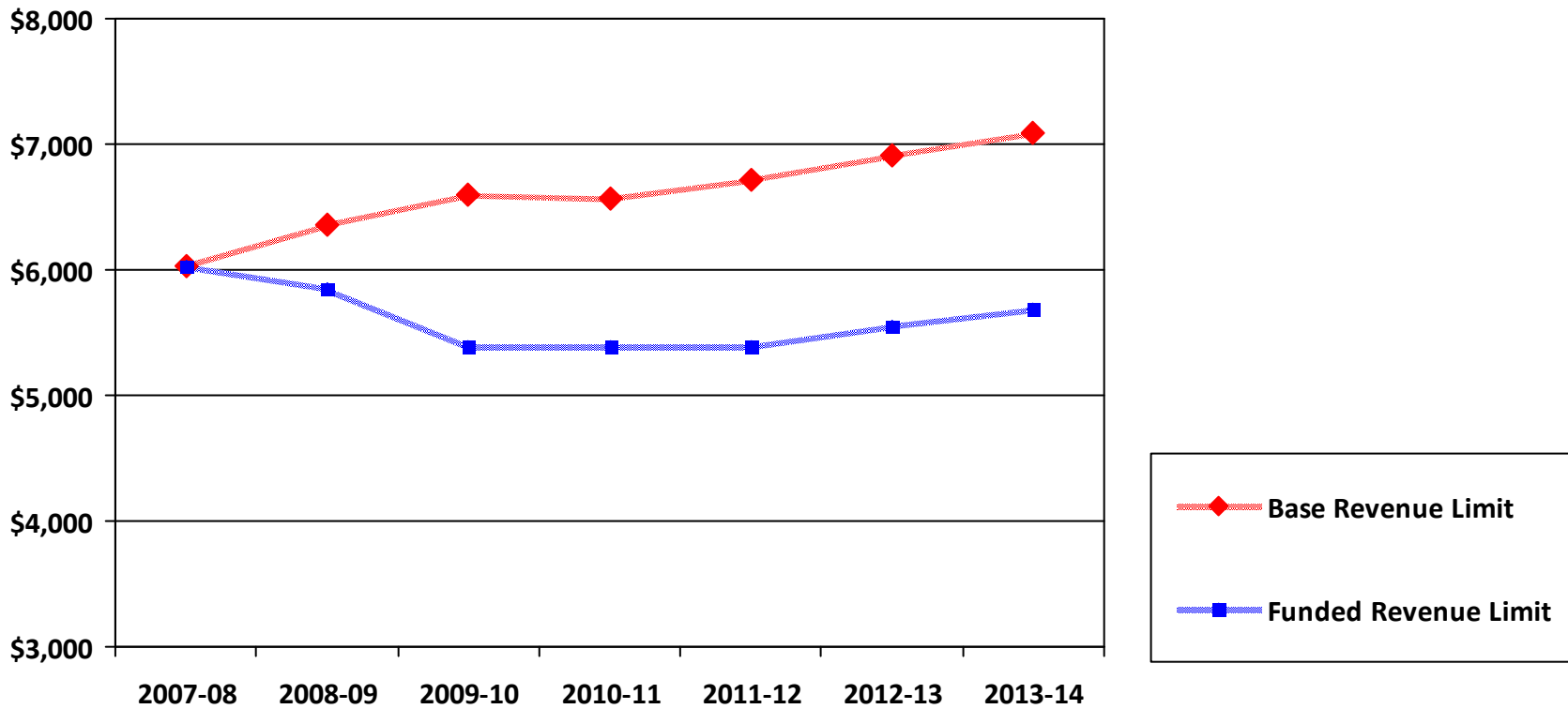
- Used 2010-11 P2 ADA for 2011-12 and subsequent years— if enrollment for the budget year comes in at current projections the ADA will be adjusted for subsequent years at First Interim otherwise, staffing (2 FTE certificated staff) will be adjusted accordingly;
- Step increases for all employees that are able to move on the salary schedule;
- No increase to health, dental & vision/statutory benefits;
- No Education Jobs funding in 2012-13 and 2013-14
 - Jobs currently funded thru this program are not in the multi-year projections: Literacy Coach, Elementary PE, Library Clerk and Office Clerk;
 - Will need to layoff next year or find other source of funding;



Multi-Year Projections

	2011-12	2012-13	2013-14
Beginning Fund Balance	\$2,756,586	\$2,428,797	\$2,102,643
Revenue	\$7,640,731	\$7,674,010	\$7,824,697
Expenditures	\$7,968,519	\$8,000,165	\$8,164,745
Net increase (decrease) in fund balance	(\$327,789)	(\$326,155)	(\$340,048)
Ending Fund Balance	\$2,428,797	\$2,102,643	\$1,762,595

Comparison of Base Revenue Limit and Funded Revenue Limit





Multi-Year Projections – Ending Fund Balance

	2011-12	2012-13	2013-14
Ending Fund Balance	\$2,428,797	\$2,102,643	\$1,762,595
Designated for Economic Uncertainty	\$396,771	\$398,353	\$406,582
Committed-COP payment	\$475,475	\$474,603	\$473,443
Assigned-Charter ADA Issue	\$186,511	\$186,511	\$186,511
Assigned-Per ADA Reduction	\$328,198		
Available for budget shortfalls	\$1,008,382	\$1,024,717	\$677,600



Fund 13 – Cafeteria Fund

	2010-11 Second Interim	2010-11 Estimated Actuals	2011-12 Budget
Beginning Fund Balance	\$25,926	\$25,926	\$29,625
Revenue	\$424,000	\$424,500	\$430,300
Expenditures			
Classified Salaries	\$142,549	\$142,549	\$145,727
Employee Benefits	\$52,087	\$52,087	\$55,277
Food and Supplies	\$201,800	\$201,562	\$205,000
Services/Op Expenses	\$6,475	\$6,713	\$6,700
Transfer of Indirect	\$17,890	\$17,890	\$19,810
Total Expenditures	\$420,801	\$420,801	\$432,514
Excess (deficiency) of Revenues over expenditures	\$3,199	\$3,699	(\$2,214)
Ending Fund Balance	\$29,125	\$29,625	\$27,411



Fund 14 – Deferred Maintenance

	2010-11 Second Interim	2010-11 Estimated Actuals	2011-12 Budget
Beginning Fund Balance	\$112,374	\$112,374	\$84,404
Revenue	\$2,000	\$2,030	\$1,500
Expenditures			
Materials and Supplies	\$15,376	\$15,376	
Services/Other Op Exp	\$14,624	\$14,624	
Total Expenditures	\$30,000	\$30,000	\$0
Excess (deficiency) of Revenues over expenditures	(\$28,000)	(\$27,970)	\$1,500
Ending Fund Balance	\$84,374	\$84,404	\$85,904
Committed-Deferred Maintenance projects		\$84,404	\$85,904



Fund 25 – Capital Facilities Fund

	2010-11 Second Interim	2010-11 Estimated Actuals	2011-12 Budget
Beginning Fund Balance	\$759,224	\$759,224	\$557,494
Revenue	\$75,560	\$227,370	\$225,450
Transfers In	\$274,675	\$121,865	\$335,025
Expenditures			
Services/Other Op Exp	\$61,400	\$61,400	\$85,000
Capital Outlay	\$13,500	\$13,500	
Other Outgo – debt service payment	\$476,065	\$476,065	\$475,475
Total Expenditures	\$550,965	\$550,965	\$560,475
Excess (deficiency) of Revenues over expenditures	(\$200,730)	(\$201,730)	0
Ending Fund Balance	\$558,494	\$557,494	\$557,494
Est. Cash with fiscal agent	\$477,204	\$476,205	\$476,205



Areas of concern

- State Budget
 - When will the State Budget be passed?
 - Will tax extensions pass?
 - Possible per ADA reduction?
 - Assumptions continuously changing;
 - School Services of California dashboard – COLA for 2012-13 and 2013-14 planned, however may not happen;
 - Cash deferrals;
- Projections indicate deficit spending in 2011-12, 2012-13, 2013-14:
 - District has sufficient reserves to meet its current year and subsequent two year obligations;
- Overpayment of Charter – repayment to CDE;
- Lack of mitigation fees
 - COP debt service payment is an obligation of the General fund;
 - Can we continue to use Fund 52 to fund a portion of the COP debt service payment?

Cash

- Deferrals continue to be a concern – we monitor cash closely every month and will continue to do so throughout the year;
- Current cash balance in county treasurer for the General Fund - \$2,507,336.78 (as of May 31, 2011).



Recommendation

Based on multi-year projections and current budget assumptions staff recommend the Board:

- Adopt the Budget with a positive certification and the budget adjustments within;
- Approve the acceptance of and use of funds subject to flexibility as authorized by *Education Code Section 42605*;
- Commit reserves in the fund balance of the General fund for the payment of the annual COP debt service payment of principal and interest;
- Commit reserves in Fund 14 for deferred maintenance projects.





Any questions?