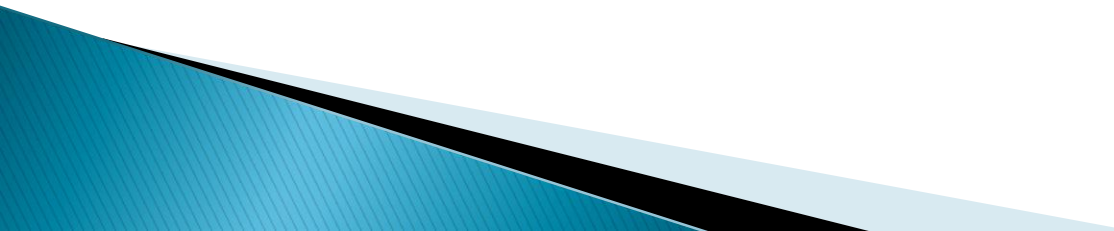


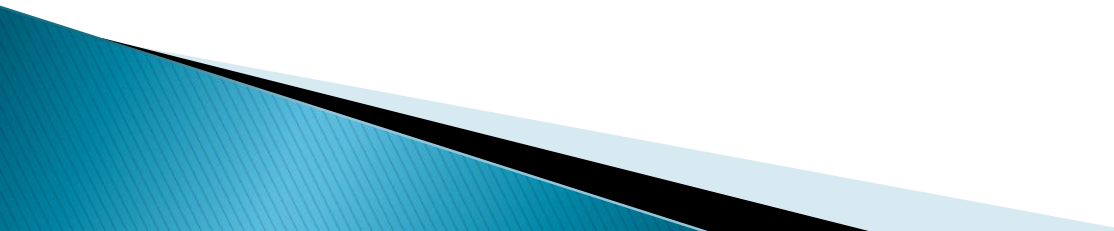


**West Contra Costa Unified School District
Board Meeting
September 7, 2011**

State Loan Pay Off

- ▶ State Loan was last restructured in 2004/2005
 - ▶ Debt Service Schedule adopted by the School Board on June 1, 2005 – shows final payoff in 2018
 - ▶ The payments are made to the Infrastructure Bank (IBank) by the State of California
- 

State Loan Pay Off

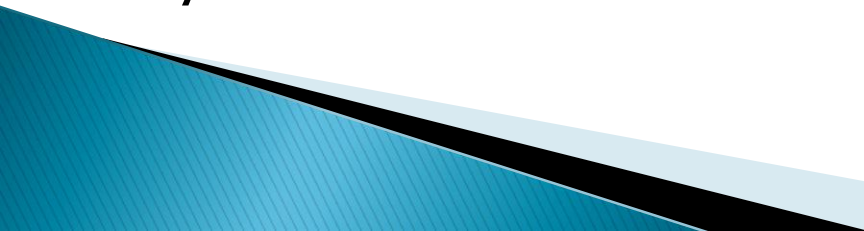
- ▶ The State of California supplements the payments to the IBank so that the cost of interest for our District is at a reduced rate
 - The State deducts the payment from the district's revenue each month July–January
 - ▶ The amount the District pays each year is \$1.4 million including principal and interest
- 

State Loan Pay Off

- ▶ Long Term Debt Fund
 - Established in 1993, by resolution of the Board specifically to pay off the State Loan
 - Site sale funds have been placed in the Long Term Debt Fund
- ▶ Estimated Fund Balance as of 2011–12 Budget Adoption \$9 million
- ▶ Estimated outstanding principal on loan \$8.1 million
 - Subject to final pay off statement from IBank

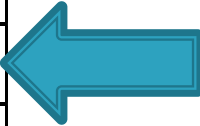
State Loan Pay Off

Steps to pay off State Loan

- ▶ Adopt resolution directing staff to retain an auditor for fiscal systems audit
 - Provide results of audit to School Board
 - Submit audit to State Superintendent of Schools
 - ▶ Request final pay off information from IBank
 - ▶ Pay off the loan
- 

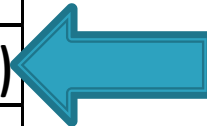
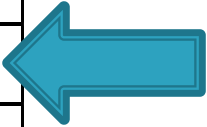
Multi Year Projection (Adopted Budget) Unrestricted General Fund

Unrestricted Summary	2011-12	2012-13	2013-14
Revenues	170,108,721	169,341,679	172,979,801
Transfer from Special Reserve	872,000	3,026,246	2,516,657
Expenses and Transfers	171,031,333	172,367,925	175,495,410
Deficit Spending	(50,612)	-	1,048
Beginning Fund Balance	15,782,936	15,732,324	15,732,324
Ending Fund Balance	15,732,324	15,732,324	15,733,372
Required Reserve	7,821,134	7,671,873	7,818,249
Stores and Revolving Cash	300,000	300,000	300,000
Remaining Balance	7,611,190	7,760,451	7,615,123




Multi Year Projection – State Loan Paid off Unrestricted General Fund

Unrestricted Summary	2011-12	2012-13	2013-14
Revenues	170,108,721	169,341,679	172,979,801
Transfer from Special Reserve	872,000	1,626,246	1,116,657
(Reduce Amount Needed from Special Reserve)			
Expenses and Transfers	171,031,333	172,367,925	175,495,410
Reduce Expense by Loan Amt		(1,400,000)	(1,400,000)
Deficit Spending	(50,612)	-	1,048
Beginning Fund Balance	15,782,936	15,732,324	15,732,324
Ending Fund Balance	15,732,324	15,732,324	15,733,372
Required Reserve	7,821,134	7,671,873	7,818,249
Stores and Revolving Cash	300,000	300,000	300,000
Remaining Balance	7,611,190	7,760,451	7,615,123



Multi-Year Projection 2012-13

- ▶ Furloughs are restored
 - ▶ Use of one time funding or limited term funding for unrestricted programs
 - Tier III Funding and Special Reserve are in use
 - ▶ City of Richmond support necessary to maintain schools on closure list
 - ▶ K-3 Class Size Reduction - eliminated due to one time federal funding
- 

Budget Adoption – State Triggers

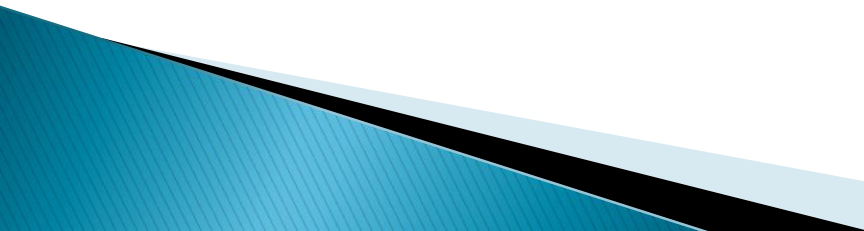
- If the State General Fund revenue falls \$2 billion or more short of the projection in the budget there will be reduction to K–12 Revenue Limit
 - The actual amount will be in proportion to the shortfall that exceeds \$2 billion
 - If the \$2 billion shortfall occurs the estimated cut to K–12 schools, statewide, could be as much as \$1.5 billion
 - West Contra Costa’s revenue cuts per ada are projected at \$7.2 million plus \$948,000 in transportation funding if the State is short the full \$1.5 billion (in excess of the \$2 billion)

State Mid Year “Triggers”

- ▶ As an example, for approximately every \$214 million of State shortfall, the District is cut \$1 million – plus a proportional transportation cut

State Revenue Projection is Short	Projected District Revenue Reduction	Projected Transportation Reduction	Projected District Reduction
2 Billion	0	0	0
2 Billion + \$214 million	\$1,040,000	\$ 135,500.00	\$1,175,500
2 Billion + \$856 million	\$4,160,000	\$ 542,000.00	\$4,702,000
2 Billion + \$1.5 billion	\$7,280,000	\$ 948,500.00	\$8,228,500

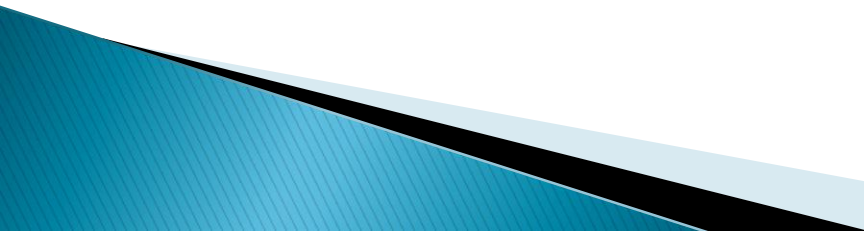
District Reserves – Best Case

- ▶ In “Best Case” the current special reserves remain intact for 2011–12
 - ▶ Special Reserve funds are used in 2012–13 \$1.6 million and 2013–14 \$1.1 million
 - ▶ General Fund Balances/Reserves are intact
 - ▶ Deficit spending is offset by use of Special Reserve
 - ▶ Balance of \$7.3 million in Special Reserve
- 

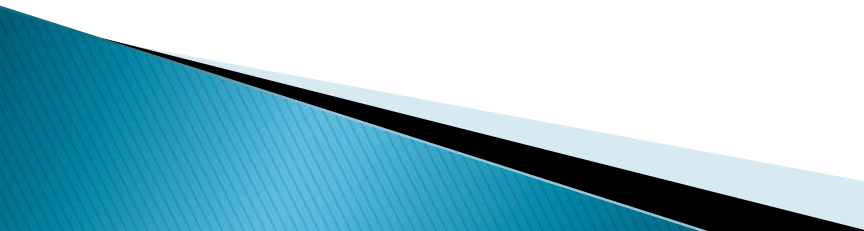
District Reserves – Worse Case

- ▶ In “Worse Case” the current special reserves remain intact for 2011–12
- ▶ District may use General Fund Balances to sustain programs in 2011–12
- ▶ General Fund Balances are depleted
 - Plan for budget reductions to avoid structural deficit
- ▶ District uses Special Reserve Fund Balance to sustain programs in 2012–13
- ▶ Enact budget reductions during 2012–13 and 2013–14
- ▶ Maintain the required reserves

Prioritization

- ▶ Board has previously prioritized
 - ▶ Maintaining 180 day school year
 - ▶ K-3 Class Size Reduction - using one-time Federal Funds in 2011-12
 - ▶ School Resource Officers - funded by general fund
 - ▶ Adult Education - avoiding a full Tier III sweep
 - ▶ Shannon Elementary remains open 2011-12
- 

Multi-Year Projection – years to come

- ▶ Parcel tax is a limited term funding source
 - Expires 2014–15
 - ▶ Health and Welfare Benefits
 - Rates for benefits continue to increase for those who retired prior to cap
 - ▶ State flexibility funding – Legislation needed for permanent fix
 - Tier III flexibility sunsets June 2015
 - K–3 CSR flexibility sunsets June 2014
- 

Information Available at...

West Contra Costa Unified School District
Website

www.wccusd.net