

West Contra Costa Unified School District

March 21, 2012



2011-12 Second Interim Financial Report

Second Interim 2011-12

- Period Ending January 31, 2012
- Updated Information for all funds
- Latest Information from the State
- Utilizing the budget assumptions published by School Services of California as recommended by the County Office of Education

Multi Year Projection Second Interim Report Unrestricted General Fund

	2011-12	2012-13	2013-14
Revenues	\$168,112	\$167,374	\$170,251
Special Reserve Usage	872	2,879	6,661
Expenses	169,406	172,754	176,273
Deficit Spending	(422)	(2,501)	639
Beginning Fund Balance	18,439	18,017	15,516
Ending Fund Balance	18,017	15,516	16,155
Required Reserve	8,747	8,149	8,307
Stores & Revolving Cash	300	300	300
Remaining Balance	8,970	7,067	7,548

Chart in Thousands

Multi Year Projection

All years assume Governor's proposal is in place, along with the passage of tax in November.

- 2011-12
 - Will meet 3% reserve
 - Use of Special Reserve Fund \$872,000
 - Mid Year Trigger Reserve \$8 million
- 2012-13
 - Will meet 3% reserve
 - Use of Ending Fund Balance \$2.5 million
 - Use of Special Reserve fund \$2.8 million
- 2013-14
 - Will meet 3% reserve
 - Use of Special Reserve fund \$6.6 million

Multi-Year Projection

- Assumptions Based on Board Priorities are Used for Multi-Year Projections
 - Furloughs are restored
 - Does not include restoration of 3 Teacher Staff Development Days
 - Tier III Funding and Special Reserve are in use
 - Shannon and Lake Elementary Schools remain open
 - City of Richmond continues support for Kennedy, Grant and Olinda

Multi-Year Projection

- Assumptions Based on Board Priorities are Used for Multi-Year Projections
- Maintains.....
 - School Resource Officers at 2011-12 levels
 - 180 Day School Year
 - Adult Education
- Long Term Debt
 - State Loan Pay Off
 - IBM Pay Off
 - VIP Pay Off
- The Parcel Tax will pay to reduce grades K-3 to 28-1

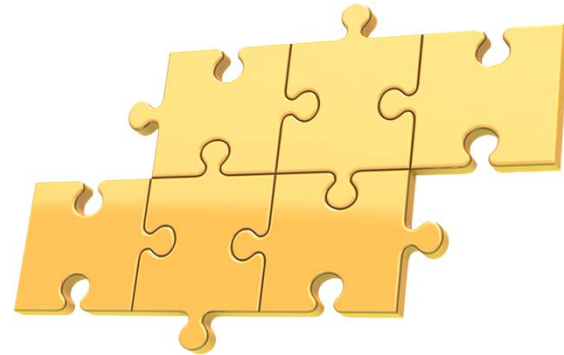
Structural Deficit

- Defined as having ongoing programs and financial commitments for a given year that exceed that particular year's revenue
- Ending Fund Balance or Special Reserve Funds can be used to address the deficit



Structural Deficit

- Use of these one-time funds does not address the program commitment or “structure” of the deficit
- The Board needs to be aware of the use of one-time funds and prepare plans for reducing commitments as one-time funds are depleted



Multi Year Projection

Second Interim Report – Structural Deficit

Unrestricted General Fund

	2011-12	2012-13	2013-14
Revenues	\$168,112	\$167,374	\$170,251
Special Reserve Usage	-	-	-
Expenses	169,406	172,754	176,273
Deficit Spending	(1,294)	(5,380)	(6,022)
Beginning Fund Balance	18,439	17,145	11,765
Ending Fund Balance	17,145	11,765	5,743
Required Reserve	8,747	8,149	8,307
Stores & Revolving Cash	300	300	300
Remaining Balance	8,098	3,316	(2,864)

Assumes passage of taxes in November

Chart in Thousands

2012-13 Budget

- Governors Budget is estimated to be “revenue neutral” for schools however...
 - It is dependent upon a November tax initiative
 - Mid year triggers for 2011-12 become reductions for 2012-13 AND
 - MORE Mid year triggers are enacted if taxes are not successful
 - \$370 per student is the current estimate
 - PLUS a cut for transportation or equivalent
 - Causing an estimated \$15.3 million deficit

Multi Year Projection

Mid-Year Trigger 2012-13

(November Tax Estimate fails)

Unrestricted General Fund

	2011-12	2012-13	2013-14
Revenues	\$168,112	\$167,374	\$170,251
Special Reserve Usage	872	-	-
Estimated Per Pupil Revenue Cut		(10,000)	(10,000)
Expenses	169,406	172,754	176,273
Deficit Spending	(422)	(15,380)	(16,022)
Beginning Fund Balance	18,439	18,017	2,637
Ending Fund Balance	18,017	2,637	(13,385)
Required Reserve	8,747	8,149	8,307
Stores & Revolving Cash	300	300	300
Remaining Balance	8,970	(5,812)	(21,992)

Chart in Thousands

Board Priorities

- Board Priorities updated as of February 2012
 - Lake and Shannon Schools remain open
 - School Resource Officers at 2011-12 levels
 - Adult Education
 - K-3 Class Sizes using Parcel Tax funds = 28 to 1
 - 180 Day School Year
 - Furlough Days are restored per contracts
 - K-3 CSR – additional staffing as funding available
 - Transitional Kindergarten – 4-8 classes to start in 12-13

K-3 Class Sizes

- 2012-13 Budget projection class sizes = 28-1
 - Funded by current parcel tax
- 2011-12 Class Size Reduction targets are:
 - Kindergarten 24-1
 - Grades one and two 20-1
 - Grade three 28-1
- Decreasing class sizes is a Board priority

Class Size Reduction

- The funding needed to move class sizes lower

K-2 Class Sizes	Estimated Cost
26	Additional \$1.8 million
24	Additional \$1.8 million, total of \$3.7 million
22	Additional \$2.2 million total of \$5.9 million
20	Additional \$2.2 million total of \$8.1 million

Principals have requested that class sizes be staffed “evenly” from grade to grade

Multi Year Planning Concerns

- Structural deficit becomes a problem unless the economy improves
- Retiree Benefits continue to take a large portion of the budget, and the District is absorbing the increased cost of health plans for the majority of retirees
 - The District is operating on a “Pay as you go” basis
 - The District has a retiree benefit fund, but is not currently adding to it
- General Fund cash flow for our District becomes a problem when reserves are depleted

Multi Year Planning Concerns

- Summer School
 - Staff is working on how grants can provide funding – how do we sustain this long-term
- Class Sizes at Secondary Levels
- Support and Staffing
 - Sophisticated and improved buildings, technology and security systems are provided
 - Support staff remains at low levels, making it difficult to maintain these assets

Parcel Tax

- We can help improve and preserve programs by working to raise local funding for our schools
- Election on June 5th
 - Raises \$4 million that the State cannot take away
 - Extends the existing parcel tax so that we can keep Athletics, Counselors, Libraries and more

Next Steps

May Revision of Governors Budget

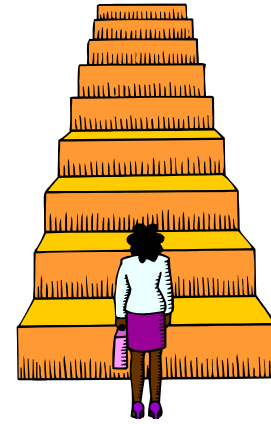
May 23, 2012 Board Meeting

Preliminary Budget

June 13, 2012 Board Meeting

Budget Adoption

June 27, 2012 Board Meeting



Financial reports available on the web

<http://www.wccusd.net/>