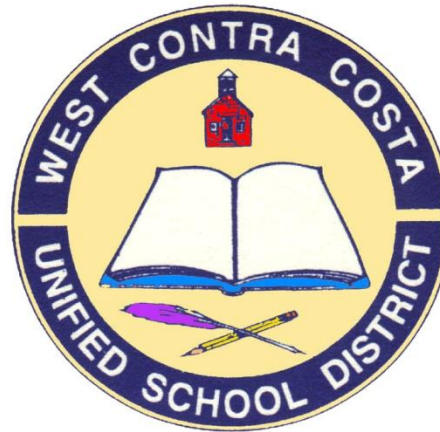


# West Contra Costa Unified School District June 22, 2010



2010-11  
Budget

# Governor's May Revision

- The revised Budget gap is projected to be \$19.1 billion, slightly smaller than the \$19.9 billion gap in the January Budget
- The Governor proposes to close this gap without raising taxes
  - \$12.4 billion in cuts
  - \$3.4 billion in additional federal funds
  - \$3.4 billion in borrowing fund shifts, asset sales, and surcharges
- We expect the Legislature to have great difficulty voting for the choices before them

# Budget 2010-11

- District Response = Fiscally Responsible
  - Difficult decisions
    - School Closure
    - K-3 CSR
    - Tier III
    - Furloughs
    - Benefit Caps



# Budget 2010-11

- Executive Summary
- State Forms
- Multi-Year Projection



# Budget 2010-11

- Closing out 2009-10
- Ending Fund Balance Estimates
  - Unrestricted \$12.2 million
  - Restricted \$7.5 million

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

# Budget Assumptions 2010-11

Statutory Cost of Living Adjustment (COLA)	-.39%
Revenue Limit Cut "Other"	-3.85%
Revenue Limit Deficit	-18.355%

Base Revenue Per Pupil Should be \$6,390  
State Cuts and Deficits Fund us at \$4,951  
We lose \$1,440 per pupil

**\$39.2 Million per year**

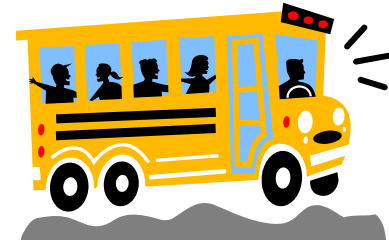
# 2010-11 Proposed Budget Summary (in thousands)

	Unrestricted	Restricted	Total
Revenues	\$159,900	\$85,387	\$245,287
Expenditures	163,109	85,841	248,950
Net Change	(3,209)	(453)	(3,663)
Beginning Fund			
Balance	12,297	7,489	19,786
Ending Fund			
Balance	\$9,088	\$7,036	\$16,124

# Budget 2010-11

## Contributions to Restricted Programs

- Special Education \$20.9 million
- Transportation 5.7 million
- Routine Restricted Maintenance 4.1 million





# Budget 2010-11

## Components of Unrestricted Ending Fund Balance

# Multi Year Projection

- 2010-11
  - \$3.2 million projected deficit - unrestricted
- 2011-12
  - \$2.6 million projected deficit – unrestricted
  - Will not meet the 3% reserve
- 2012-13
  - \$6.2 million projected deficit – unrestricted
  - No ending fund balance
  - Will not meet the 3% reserve

# Major Issues with Multi-Year

- 2010-11 Budget relies on one time funding
  - Federal Stimulus Funds (ARRA)
    - Title I ARRA – being used for K-3 CSR \$1.8 million
    - Special Ed ARRA – helping offset encroachment and staff funding \$1.4 million
    - SFSF – being used for K-3 CSR and staff funding \$1.2 million
- Federal Stimulus funding runs out at the end of 2010-11
- Title II Carry Over is also a one time source for K-3 CSR in 2010-11 \$1.3 million

# Major Issues with Multi-Year

- K-3 Class Size Reduction Penalty Flexibility
  - Expires June of 2012
  - We assume the legislature will adopt a “fixit” bill to extend through 2012-13
  - If not, we estimate an additional \$4 Million in lost funding
- Tier III Flexibility continues through 2012-13
  - We are using \$15.3 million in Tier III Flex
  - Paying for Instruction, School Safety, Busing and more..

# Multi Year Projection

## Unrestricted General Fund

(In thousands)

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Revenues	\$159,900	\$161,033	\$162,630
Expenses	163,109	163,700	168,876
Deficit Spending	(3,209)	(2,667)	(6,246)
Beginning Fund Balance	12,297	9,088	6,421
Ending Fund Balance	9,088	6,421	175
Required Reserve	7,631	7,496	7,579
Stores & Revolving Cash	300	300	300
Remaining Balance	\$1,157	(\$1,376)	(\$7,704)

# Structural Deficit

- District has a \$3.2 Million deficit
  - Includes using “one time” monies
- County Office Assurance Form
  - Due to Statewide Crisis
  - Maintenance of Fiscal Solvency
  - Recognize the need to make \$3 Million in ongoing cuts for 2011-12
  - Additional \$3 Million in ongoing cuts for 2012-13
  - Due to the County in December with First Interim

# Next Steps

- Carefully monitor any changes to the State budget legislation
- Any changes are likely to be negative for the District if the State is unable to make the cuts or raise taxes
- Major risk to State cuts as budget is delayed
- 45 day re-adoption once State takes action

# Information Available at...

West Contra Costa Unified School District  
Website

[www.wccusd.net](http://www.wccusd.net)