

West Contra Costa Unified School District

March 6, 2013



Budget Update

Multi Year Projection Budget First Interim Unrestricted General Fund

(In thousands)

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Revenues	\$167,452	\$169,813	\$166,021
Expenses	174,371	176,359	177,243
Deficit Spending	(\$6,919)	(\$6,546)	(\$11,222)
Special Reserve Transfer	2,879	3,782	6,841
Beginning Fund Balance	23,376	19,336	16,572
Use of Fund Balance	(4,040)	(2,764)	(4,381)
Ending Fund Balance	19,336	16,572	12,191
Required Reserve	8,594	8,251	8,302
Stores & Revolving Cash	300	300	300
Balance	\$10,442	\$8,021	\$3,589

Fund Balance

- Because of the cuts and reductions the District has made we have maintained solvency and been able to plan for the ongoing economic crisis
- Board set aside \$13.5 million to help offset cuts and save jobs

Special Reserve Summary

Special Reserve Fund - 17	Adopted Budget & Multi Year Projection
Estimated Balance June 30, 2012	\$ 13,500,000
2012-13	\$ (2,800,000)
2012-13 Additional Transfer Due to "trigger"	
2013-14	\$ (3,800,000)
2014-15	\$ (6,800,000)
Special Reserve Fund Balance Projection June 2015:	\$ 100,000



Local Control Funding Formula

- LCFF This is our new acronym!
- State Categorical Programs are rolled in
 - EIA
 - All Tier III Programs (including Adult Ed.)
 - Class Size Reduction
- Some are not
 - Special Education
 - After School Programs

LCFF

- What could it mean for our District?
 - Estimates still vary widely
- Previously restricted dollars become unrestricted – expenses follow unless the District cuts the program
- Roll out over 5 years
- Still many unknowns

Political Climate

- Will regions of the State with Districts that will not see any increases during the roll out support this change?
- Will the State Legislature pass the bills necessary to fund the LCFF?
- Will Class Size Reduction in grades K-3 be a bargaining chip?

Risk Projections

- 2014-15
 - Class Size Reduction Flexibility expires
 - Loss of \$6.9 million in revenues
- 2015-16
 - Tier III Flexibility expires
 - \$13.5 million in categorical sweeps
 - Increased program contribution requirement for Maintenance and Deferred Maintenance
- Unknowns – Health Care increases and health care reform

Federal Sequestration

- Categorical Funding
- Free and Reduced Lunch
- Bond Subsidy
- Other non school local impact

Next Steps

- Second Interim Report
 - March 20, 2013 Board Meeting

- Financial Reports are on our website
www.wccusd.net