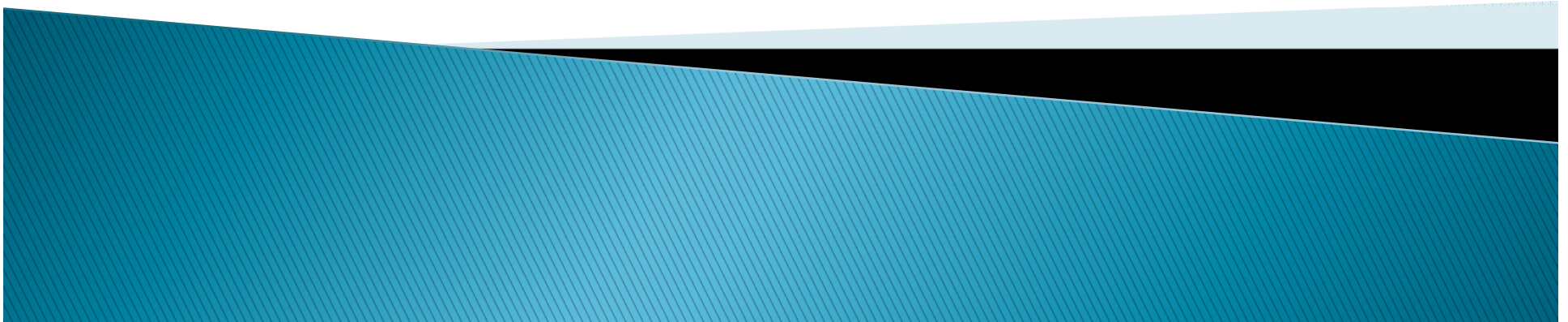




West Contra Costa Unified School District  
Preliminary Budget  
Board Meeting  
June 1, 2011



# Preliminary Budget May Revision

- ▶ We still have three major problems in education finance:
  1. Low levels of funding –last in the nation
  2. Volatility of funding – year-to-year funding levels are totally unpredictable
  3. Uncertainty of funding – estimates of funding are wildly uncertain from January to May to Budget enactment and beyond



# Preliminary Budget May Revision

- ▶ We will have all three of these problems until:
  - The economic condition of the state improves and expansion begins
  - State revenues and spending reach an equilibrium
  - Education spending rises in priority at the state level
  - There is a stable, predictable source of ongoing funding for education
- ▶ Proposition 98 has not been successful in protecting education
  - We have done worse than the rest of the State Budget in both good times and bad



# Preliminary Budget May Revision

- ▶ Some things have changed
  - Tax revenues have increased, independent of tax extensions
  - The Governor has had no success getting Republican support for taxes
  - Increased pressure for pension, business, and other reforms



# Risks to the Revised Budget Proposal

- ▶ Some things remain the same
  - The State Budget is still dependent upon future events – extension of taxes
    - The State Budget is balanced only if revenues are increased by a future event
  - Education funding is the “hot button” for voters to approve taxes



# The West Contra Costa Unified Impact

- ▶ The Preliminary budget assumes we are in a “flat funding” model
- ▶ No reductions to revenues
- ▶ Budget is balanced
- ▶ Plans for “rainy day set aside” are in place
  - In case Governor’s budget proposals are not successful
  - Or for use for bridge in 2011–12 when furloughs are restored and one-time funding is depleted



# The West Contra Costa Unified Impact

- ▶ K–3 Class Size Reduction is a priority
- ▶ Adult Education funded the same as 2010–11
- ▶ School Resource Officers are funded at same level as 2010–11
- ▶ Tier III funding is assumed at \$13.5 million
  - Deferred Maintenance not yet included – seeking clarification from the State



# K-3 Class Size Reduction

- ▶ Funded through three sources
- ▶ Title I Carry Over funding
  - 3.6 million
- ▶ Ed Jobs funding
  - \$2.5 million
- ▶ Parcel Tax funding
  - \$1.9 million
- ▶ Ed Jobs and Title I are not ongoing





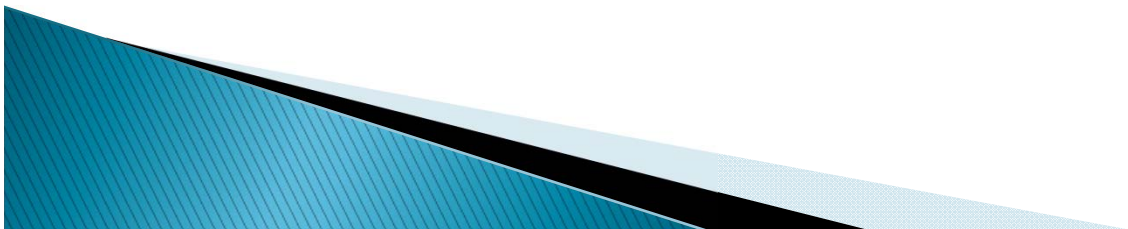
# District Unrestricted Preliminary Budget Based on Governor's 2011-12 May Budget Proposals

<b>Preliminary Unrestricted</b>	<b><u>2010-11</u></b>	<b><u>2011-12</u></b>
<b>Revenues and Transfers In</b>	<b>169,068,345</b>	<b>170,940,931</b>
<b>Expenses and Transfers Out</b>	<b>168,928,154</b>	<b>170,684,083</b>
	<b>140,191</b>	<b>256,848</b>
<b>Beginning Fund Balance</b>	<b>15,439,421</b>	<b>15,579,612</b>
<b>Ending Fund Balance</b>	<b>15,579,612</b>	<b>15,836,460</b>
<b>Required Reserve</b>	<b>8,600,000</b>	<b>8,600,000</b>
<b>Stores and Revolving Cash</b>	<b>300,000</b>	<b>300,000</b>
<b>Remaining Balance</b>	<b>6,679,612</b>	<b>6,936,460</b>



# Multi-Year Projection

- ▶ Multi Year required through 2013–14
  - Assumptions for revenues are improving if Governor's Budget stays intact
- ▶ 2011–12 Budget relies on one time funding
  - Ed Jobs Funding
  - In addition to CSR Ed Jobs pays for \$2.0 million in jobs that will be added back to the general fund in 2012–13
- ▶ Furloughs are restored in 2012–13
- ▶ Tier III Flexibility continues through 2013–14
  - We are using \$13.5 million to fund regular programs using Tier III Flex



## Next Steps

- ▶ The State cash deferral system will likely require inter-fund borrowing
  - A resolution will be included at the June 28 meeting
- ▶ A public hearing and resolution will be required for the Tier III programs
  - A resolution will be included at the June 28 meeting
- ▶ Once the State Budget is adopted, the district makes adjustments to its budget within 45 days

