

# Millbrae School District

2011/12 Budget



# State of the State

- ▶ Legislature presented a budget on June 15
- ▶ Governor rejected the budget
  - Contained “gimmicks”
  - Suspended Prop 98 funding with required vote
- ▶ While tax revenues are up, they aren't up enough
- ▶ Tax extensions did not make it on the ballot
  - Current polls show lagging support for tax increases

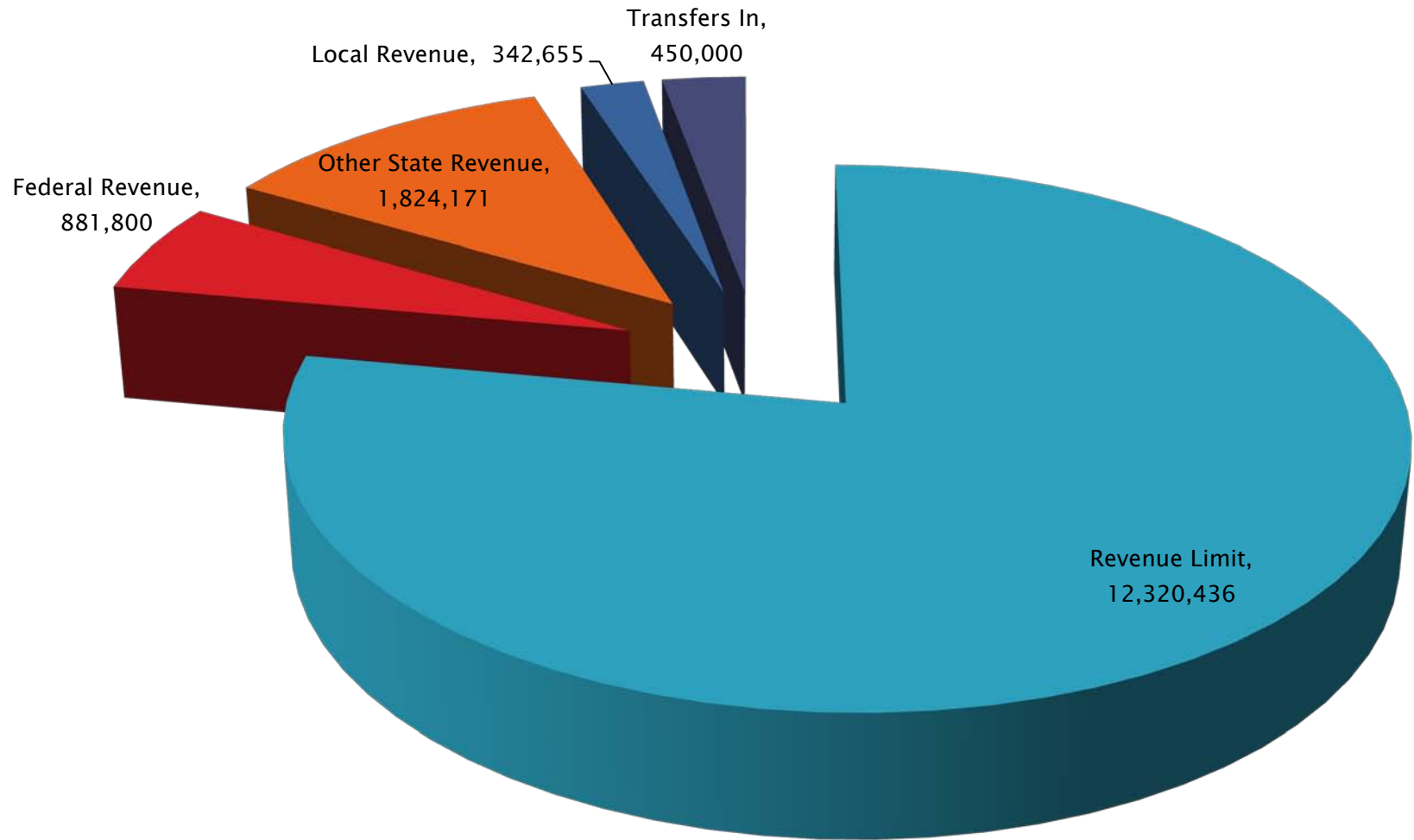
# What Does It Mean for Millbrae?

- ▶ Uncertainty
- ▶ California education funding levels are at an all time low
  - Volatility and uncertainty at an all time high
- ▶ Expect revisions to our budget once the State passes a budget
  - 45 days after State passes budget, Board must approve any material revisions to Millbrae budget

What's In The Budget?

What's Changed Since  
2<sup>nd</sup> Interim?

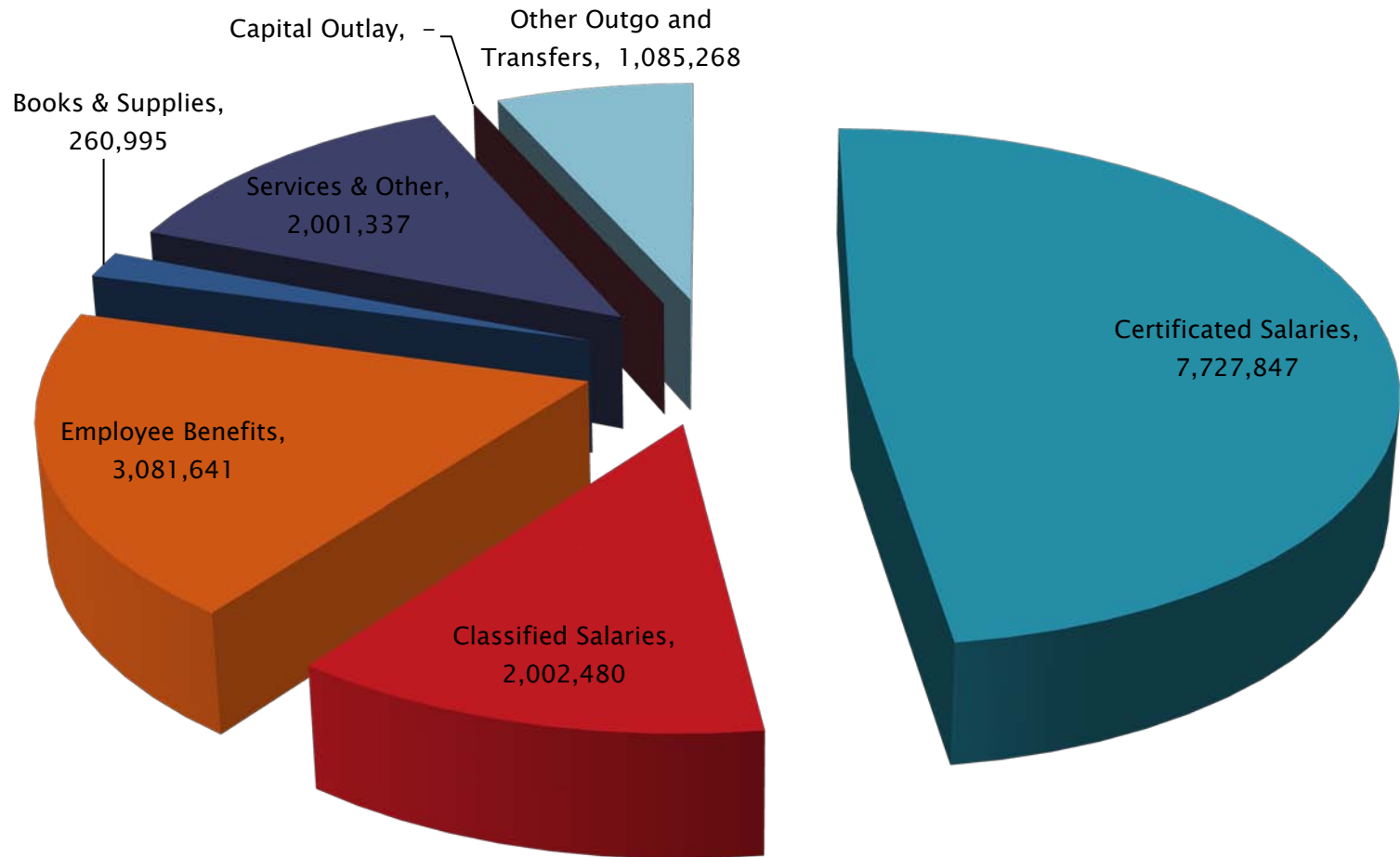
# Millbrae General Fund Revenue Budget



# General Fund Revenues

- ▶ Revenue Limit – \$12,320,436
  - Up \$216k, increase in ADA and UI Reimbursement
- ▶ Federal Revenue – \$881,800
  - Down \$450k due to loss of one-time Federal funds and Title III
- ▶ Other State Revenue – \$1,824,171
  - Down \$192k primarily due to mandated cost and Deferrred Maintenance \$
- ▶ Other Local Revenue – \$792,655
  - Includes transfers in
  - Up \$296k due to transfers in, partially offset by local donation revenue decrease

# Millbrae General Fund Expenditure Budget



# General Fund Expenses

- ▶ Certificated Salaries – \$7,727,847
  - Increase \$325k, step & column, new SDC teacher, prep teacher, full year of Director salary
- ▶ Classified Salaries – \$2,002,480
  - Decrease \$30k, staffing reductions partly offset by full year of CBO salary, restructure of Special Ed and Technology staffing
- ▶ Employee Benefits – \$3,081,641
  - Increase \$252k, vacancies filled, increased rates

# General Fund Expenses

- ▶ Books & Supplies – \$260,995
  - Decrease \$216k, reduced donations & grants budgets
- ▶ Services & Other Operating – \$2,001,337
  - Decrease \$764k, interim staff, Special Ed savings, reduction in categorical estimates
- ▶ Capital Outlay – \$-0-
  - Decrease \$10k
- ▶ Other Outgo – \$1,085,268
  - Decrease \$2k

# Budget Assumptions

- ▶ stable funding
- ▶ class-size for K-3, staffed at 28:1,
- ▶ instructional days at 175 days
- ▶ Ongoing 5 day furloughs
- ▶ no Staff Development Days
- ▶ continued full use of Categorical Flexibility
- ▶ increase of 39 ADA based on cohorts and current growth trends
- ▶ reduction in classified staff
- ▶ update staffing for current restructure including addition of SDC class

# COE Requires Addt'l Reserves

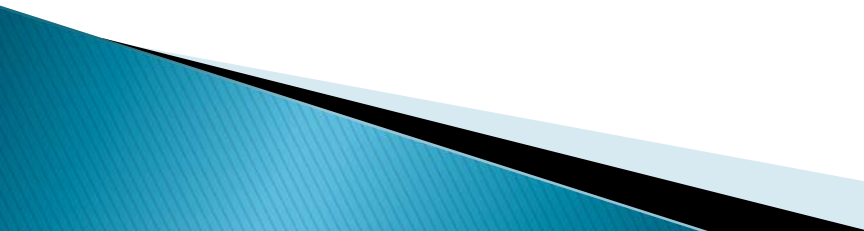
- ▶ \$330/ADA still possible
  - \$726k total
- ▶ This would clear out our reserves
  - Greater future cuts

# Fiscal Solvency

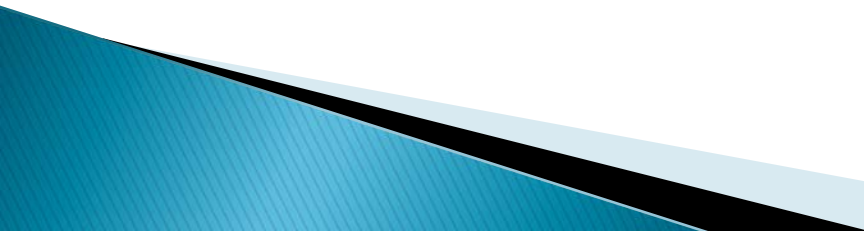
- ▶ MYP must present positive ending balance with **required levels of reserves**
  - Current year plus two years
- ▶ Funding levels uncertain

	<u>FY 2011/12</u>	<u>FY 2012/13</u>	<u>FY 2013/14</u>
Total Revenues & Sources	15,819,062	15,749,658	15,854,240
Total Expenditures & Uses	16,159,568	15,528,323	14,888,880
Necessary Reductions	-	<u>(532,617)</u>	<u>(965,361)</u>
Increase/Decrease	(340,506)	(311,282)	(1)
Beginning Fund Balance	<u>1,158,288</u>	<u>817,782</u>	<u>506,500</u>
Proj'd Ending Fund Balance	<u>817,782</u>	<u>506,500</u>	<u>506,499</u>
Required 3% Reserve	<b>504,000</b>	<b>504,000</b>	<b>504,000</b>
Other Required Reserves	2,500	2,500	2,500

# Assumptions in MYP

- ▶ COLA offset by deficit (no net COLA)
  - ▶ class-size for K-3 at 28:1
  - ▶ potential additional reductions
  - ▶ instructional days at 175 days
  - ▶ continued elimination of Staff Development Days
  - ▶ increase of 20 ADA each year
  - ▶ no new one-time Federal funds
  - ▶ ongoing full use of state Categorical Flexibility
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# Factors Affecting Potential Reductions

- ▶ Class size limitations
    - Contractual Agreement
    - Education Code 41376(b), (e)
  - ▶ 5 day furloughs for 2011–2012 school year yet to be negotiated for classified staff
  - ▶ Portions of Special Ed Reorg to be negotiated
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# Other Funds

- ▶ Cafeteria
- ▶ Deferred Maintenance
- ▶ Special Reserve For Other Than Capital Projects
- ▶ Foundation Special Revenue
- ▶ Building
- ▶ Capital Facilities
- ▶ Special Reserve For Capital Outlay
- ▶ Bond Interest & Redemption
- ▶ No projected deficits in other funds