



Budget Update & Preliminary Forecast

January 27, 2011

Budget Forecast for 2011-2012

Agenda

- Context for budget forecast
- Budget update for current school year (2010-2011)
- Budget forecast for next school year (2011-2012)
- Budget development issues
- Budget development schedule and next steps



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Budget Forecast for 2011-2012

Context for Budget Update & Forecast

- Difficult economy
- Unprecedented state budget deficit
- Legislature reducing current-year funding for schools (2010-11)
- Legislature developing Biennial budget (2011-13)
- Enrollment decline slows



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Budget Forecast for 2011-2012

Types of District Funds

- **General Fund** – to operate schools each year
- **Capital Projects Fund** – to improve facilities and technology (restricted to projects in the 2003 and 2009 bond issues)
- **Associated Student Body Fund** – for student government activities



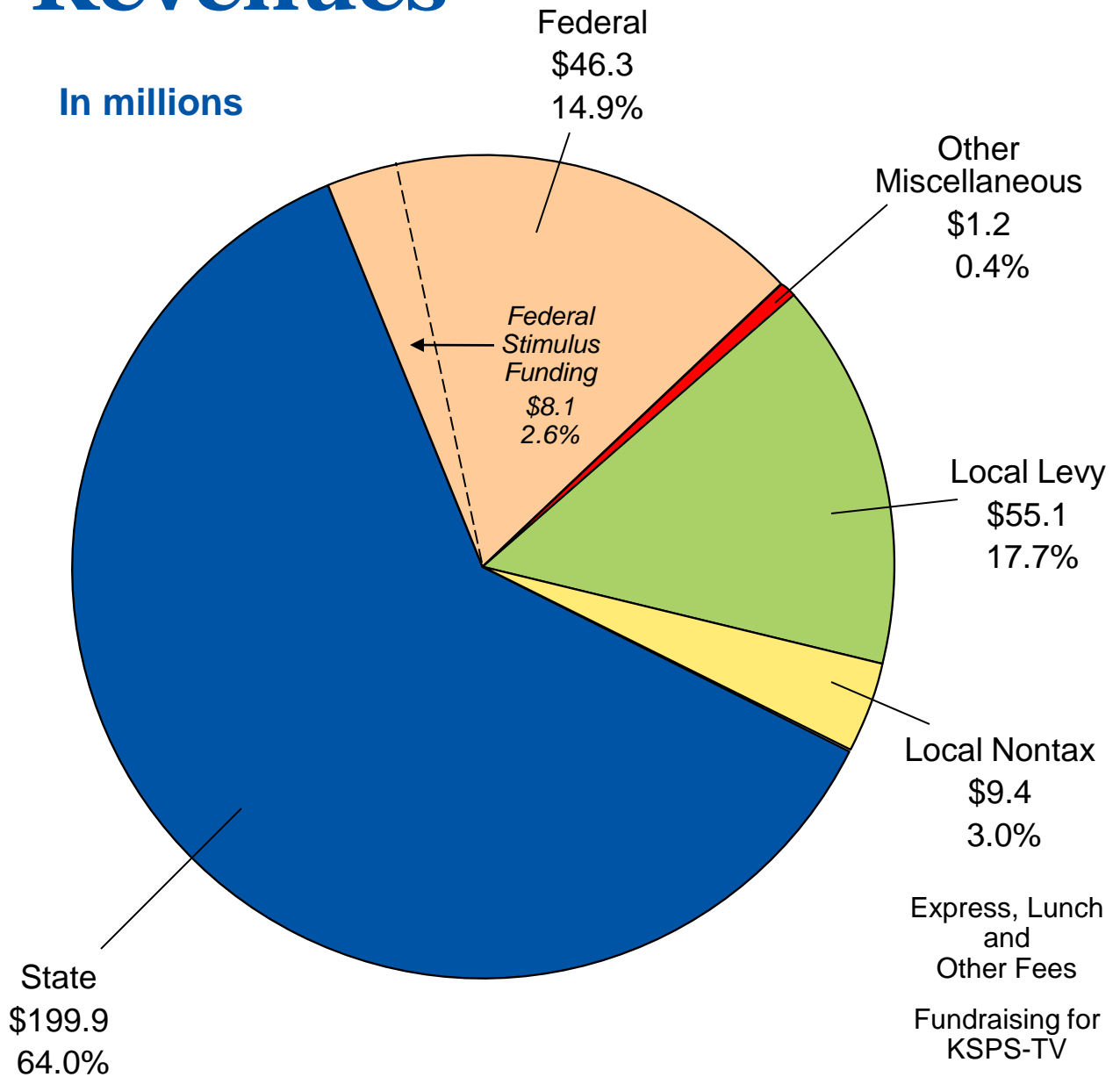
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Budget Forecast for 2011-2012

Revenues

In millions



Total Revenues of \$311.0

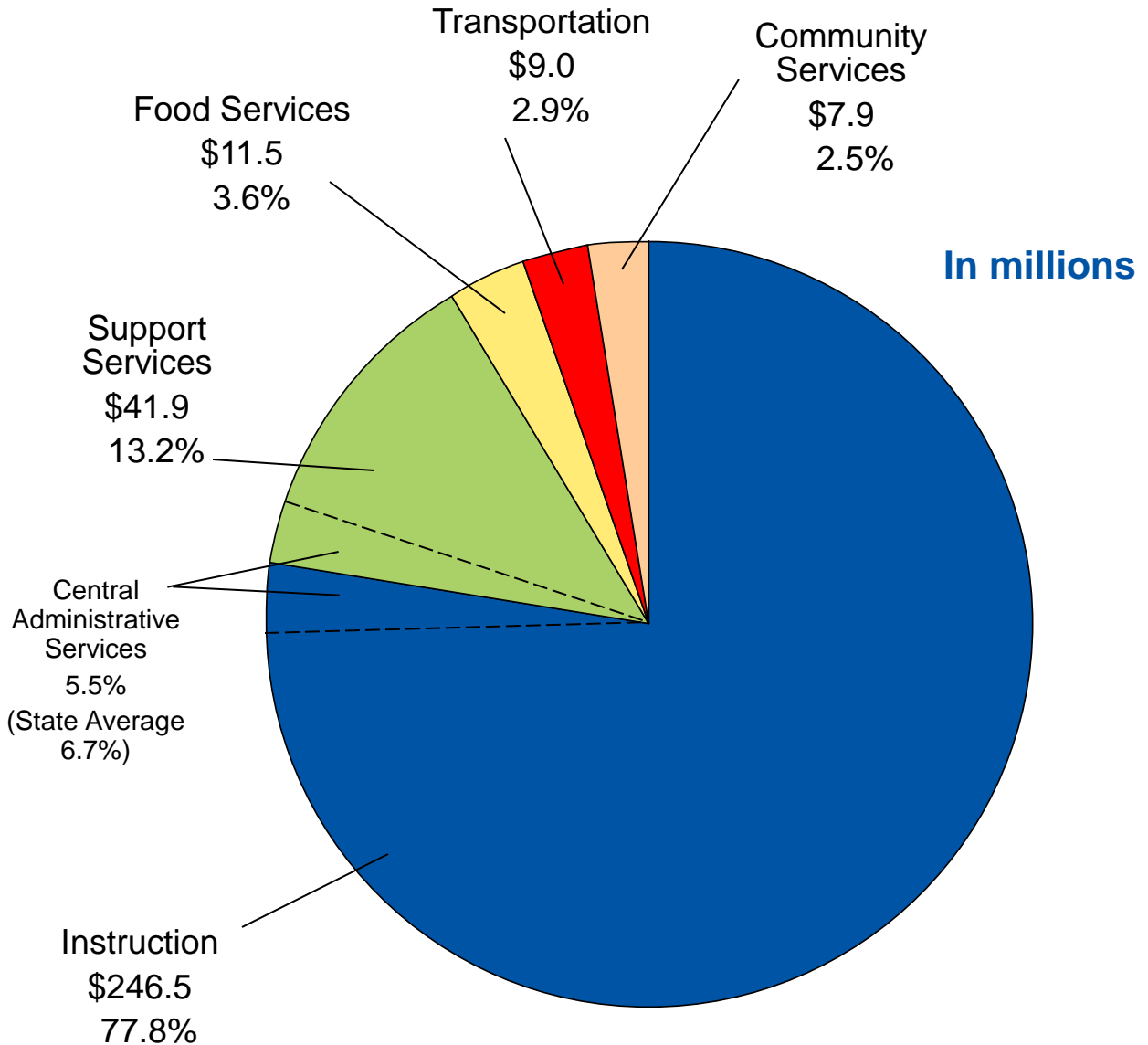


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Budget Forecast for 2011-2012

Expenditures by Program



Total Expenditures of \$316.8



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Budget Forecast for 2011-2012

Budget Update for 2010-2011 as of 12/1/10

Funding Sources	In Millions
Undesignated Fund Balance as of 9/1/2010	\$3.40
EduJobs Federal funding	5.83
Enrollment estimate	1.40
Funding Uses	
Enrollment staffing requirements	1.20
Credit retrieval programs	.27
Relocate ACE to Bancroft	.10
Levy Certification Adjustment	.21
State budget reduction (6.27%)	1.15
Undesignated Fund Balance as of 11/30/10	\$7.70



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Budget Forecast for 2011-2012

Budget Update for 2010-2011 State Budget Reduction as of 12/11/10

Funding Sources

In Millions

Undesignated Fund Balance as of 9/1/2010	\$3.40
EduJobs Federal funding	5.83
Enrollment estimate	1.40

Funding Uses

Enrollment staffing requirements	1.20
Credit retrieval programs	.27
Relocate ACE to Bancroft	.10
Levy Certification Adjustment	.21
K-4 enhanced funding - used by State (February - August 2011)	1.87
EduJobs Federal funding - used by State	5.83
Undesignated Fund Balance as of 12/11/10	\$1.15



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Budget Forecast for 2011-2012

Budget Update for 2010-2011 Governor's Supplemental Budget Reduction Proposal as of 12/17/10

Funding Sources

In Millions

Undesignated Fund Balance as of 12/11/10	\$1.15
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Funding Uses

K-4 enhanced funding - used by State (September 2010 - January 2011)	1.32
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LEA reduction	.90
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Summer Skills Center program	.20
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Gifted education	.26
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Undesignated Fund Balance

Based on Governor's proposal, 12/17/10	- \$1.53
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Budget Forecast for 2011-2012

Student Enrollment Assumption for 2011-2012 School Year

- 2010-11 budgeted enrollment: 27,330
 - Current forecast is 27,605 or 275 above budget
- 2011-12 preliminary enrollment forecast
 - Recognizes actual enrollment as of January 1, 2011 plus 3-year average trend for spring enrollment
 - Enrollment forecast: 27,400
- 2012-13 should begin to see upward trend in enrollment

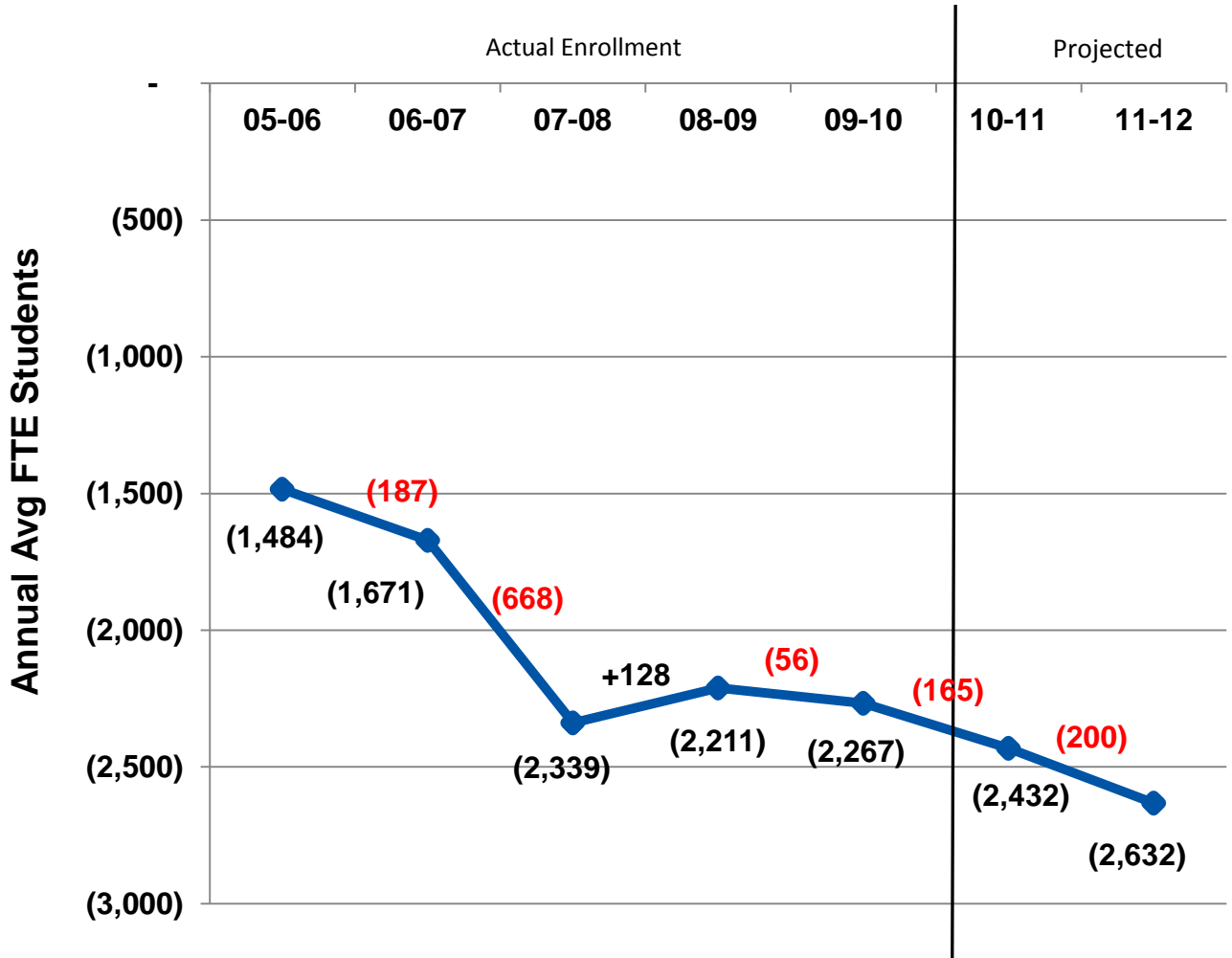


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Budget Forecast for 2011-2012

Student Enrollment Cumulative Decline 2000-2012



200 fewer students in 2011-2012
\$1 million less revenue



Budget Forecast for 2011-2012

Revenue Estimates for 2011-2012 Governor's Proposed Budget

Governor's Impact:

In millions

Salaries & New Staffing Formula	\$ - 1.70
Benefits	+ 1.01
Materials, Supplies, & Other (MSOC)	+ 1.12
Levy Equalization Assistance (LEA)	- 0.72
Gifted Education	- 0.26
Special Education	+ 0.26
Net Governor Reductions	- 0.29

Local Impact:

Levy/LEA Increase	+ 4.16
Enrollment Decline	- 1.00
Federal Stimulus Funding Expires	- 8.10
Prior Year Use of Fund Balance	- 5.80
Net Local Impact	-10.74
TOTAL REVENUES - NET	\$ -11.03

Note: Figures are preliminary estimates



Budget Forecast for 2011-2012

Expenditure Estimates for 2011-2012 Governor's Proposed Budget

Governor's Impact:

In millions

Benefit Increases \$ + 2.60

Local Impact:

Locally Funded Classified Step Increases + 0.30

Materials, Supplies, & Other (MSOC) + 0.50

Add Gifted Class + 0.10

Sp. Ed./Title I/ Stimulus Programs (AARA) - 6.00

Teacher Staffing Reduction (enrollment) - 0.50

TOTAL EXPENDITURES - NET \$ - 3.00

Note: Figures are preliminary estimates



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Budget Forecast for 2011-2012

Budget Challenge Preliminary Forecast

Revenues:

In millions

Governor's Budget	\$ - 0.29
Local Revenues	-10.74
Total Revenues Net	-11.03

Expenditures:

Governor's Budget	+ 2.60
Local Expenditures	- 5.60
Total Expenditures Net	- 3.00

TOTAL BUDGET CHALLENGE **\$ - 8.03**



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Budget Forecast for 2011-2012

Budget Development Issues

- Class size/workload provision
- State certificated salary schedule frozen
- Levy equalization and levy base
- State's additional supplemental budget reduction for 2010-11
- Contract reopener impact on 2010-11 fund balance
- Evaluation of fund balance to cover 2010-11 mid-year budget reductions



Budget Forecast for 2011-2012

Budget Preparation Schedule

January 26	Preliminary Budget Forecast Presented to School Board
January 27	Administrator Forecast Preview
February 7	Citizens Advisory Committee (CAC) Preview of Budget Forecast
March 23	Board Work Session on Budget Development
March 29-30	Elementary Staffing
April 12-14	Departmental Budget Review Hearings
April 13	Budget Development Update for School Board
April 21-22	Secondary Staffing
April 24	End of Regular Legislative Session – 105 th Day
May	School Board Work Session on Preliminary Budget Issues and Possible Solutions
May	Staff Budget Forum – 4 p.m. - Southside Community Budget Forum – 7 p.m. - Southside
May	Staff Budget Forum – 4 p.m. - Northside Community Budget Forum – 7 p.m. - Northside
June	Board Work Session on Preliminary Budget
June	Superintendent's Preliminary Recommended Budget Presented to the School Board
August	School Board Adoption of 2011-2012 Budget



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Budget Forecast for 2011-2012

Next Steps

- Budget development updates to reflect:
 - Additional supplemental budget reductions for 2010-11
 - Contract reopener for 2010-11
 - March 17 revenue forecast
 - Legislative changes
 - House budget
 - Senate budget
 - Conference budget
 - Departmental budget reviews
 - Enrollment projection changes
 - Current year fiscal status
- Seek staff and community input
- Finalize recommended budget



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