



# *First Interim Report*

---



December 14, 2010



# *Outline*

---

- Recap of Current Year's Financial Condition
  - Review cost cutting measures
  - Tier III flexibility transfers
  - Estimated Revenue & Expense
  - Review Cash Estimates
  - Other Funds
- Outlook for 2011-12
- Review Budget Solutions
- Recommendations

# ***Recap of Cuts Implemented***

## ***2010-11 Budget Reductions***

---

<b>Reduced support personnel through layoff or attrition</b>	<b>\$642,000</b>
<b>Flex transferred SLIB (Tier III) Allocation</b>	<b>\$350,000</b>
<b>Increased K-3 CSR to 24:1</b>	<b>\$753,000</b>
<b>Eliminated Regular Ed Transportation</b>	<b>\$250,000</b>
<b><i>Furloughs</i></b>	<b>\$1,040,000</b>
<b>Teacher Overstaffing</b>	<b>\$616,000</b>
<b>Reduced Management through layoff or attrition</b>	<b>\$535,000</b>
<b>Consolidated HS</b>	<b>\$745,000</b>
<b><i>Stimulus Money (ARRA –SF5F)</i></b>	<b>\$1,300,000</b>
<b>Total:</b>	<b>\$6,231,000</b>

# Tier III Programs

## AB 3x 4 Flexibilities

	<u>Estimated Award</u>	<u>Flexed to UnRest</u>	<u>%</u>
Supplemental Hourly Programs	\$425,000	\$325,000	76%
Deferred Maintenance	\$370,000	\$370,000	100%
CBET	\$24,000	\$4,000	83%
ROC/P (pass through)	\$1,225,000		0
Adult Education	\$560,000	\$459,781	82%
School Safety & Violence	\$130,000	\$33,400	26%
Arts & Music Block Grant	\$135,000	\$135,000	100%
CAHSEE	\$75,000	\$75,000	100%
Supplemental Counseling	\$270,000	\$270,000	100%
GATE	\$53,000	\$53,000	100%
IMFRP	\$530,000	\$530,000	100%
PAR	\$32,000	\$32,000	100%
Staff Dev: Math & Reading	\$40,000	0	0
Pupil Retention BlockGrant	\$22,500	\$22,500	100%
Professional Development Block Grant	\$195,000	\$76,000	39%
Targeted Instructional Improvement Grant	\$340,000	\$340,000	100%
School & Library Improvement Block Grant	\$640,000	\$485,000	76%
<b>Total:</b>	<b>\$5,066,500</b>	<b>\$3,226,789</b>	<b>64%</b>

Exclude  
ROC/P--  
84% Flexed

# Revenue & Expense Summary

## End of Year Projections

	<u>Rest</u>	<u>%</u>	<u>UnRest</u>	<u>%</u>	<u>Total</u>	<u>%</u>
<b><u>Revenue</u></b>						
Rev Limit	\$2,591,601	14.3%	\$44,442,710	87.4%	\$47,034,311	68.2%
Federal	\$6,619,225	36.5%	\$4,114	0.0%	\$6,623,339	9.6%
State	\$1,308,967	7.2%	\$8,340,079	16.4%	\$9,649,046	14.0%
Local	\$5,215,960	28.8%	\$636,090	1.3%	\$5,852,050	8.5%
Contr to Rest	\$2,402,000	13.2%	-\$2,557,469	-5.0%	-\$155,469	-0.002
<b>Total</b>	<b>\$18,137,753</b>		<b>\$50,865,524</b>		<b>\$69,003,277</b>	
<b><u>Expense</u></b>						
Certificated	\$7,614,170	34.8%	\$24,675,610	49.2%	\$32,289,780	44.8%
Classified	\$2,870,665	13.1%	\$5,758,667	11.5%	\$8,629,332	12.0%
Administration	\$697,456	3.2%	\$3,500,601	7.0%	\$4,198,057	5.8%
Benefits	\$3,309,798	15.1%	\$10,444,849	20.8%	\$13,754,647	19.1%
Books & Supplies	\$2,513,885	11.5%	\$1,150,091	2.3%	\$3,663,976	5.1%
Services	\$3,785,925	17.3%	\$4,273,642	8.5%	\$8,059,567	11.2%
Capital Outlay	\$17,563	0.1%	\$40,669	0.1%	\$58,232	0.1%
Other Outgo	\$1,044,302	4.8%	\$313,441	0.6%	\$1,357,743	1.9%
<b>Total</b>	<b>\$21,853,764</b>		<b>\$50,157,570</b>		<b>\$72,011,334</b>	

- 98% of Unrestricted Revenue from State
- Includes \$ from October Budget
- 88.5% of Unrestricted expense is labor
- Restricted Local is transfers from SELPA (State)
- Other Outgo is transfer of pass-thru ROP funds & Adult Ed
- Contribution to Rest Programs
  - Comm Day School - \$260K
  - Special Ed - \$525K
  - Transp. – \$680K
  - Maint. – \$935K

\$3,000,000 deficit is acceptable--caused by ARRA-SFSF & carryovers.

# ***Projected Ending Balance***

## ***Unrestricted***

---

<b>Beginning Balance</b>	<b>\$3,366,488</b>
<b>Revenue minus Expense</b>	<b>\$707,954</b>
<b>Projected Ending Balance</b>	<b>\$4,074,443</b>

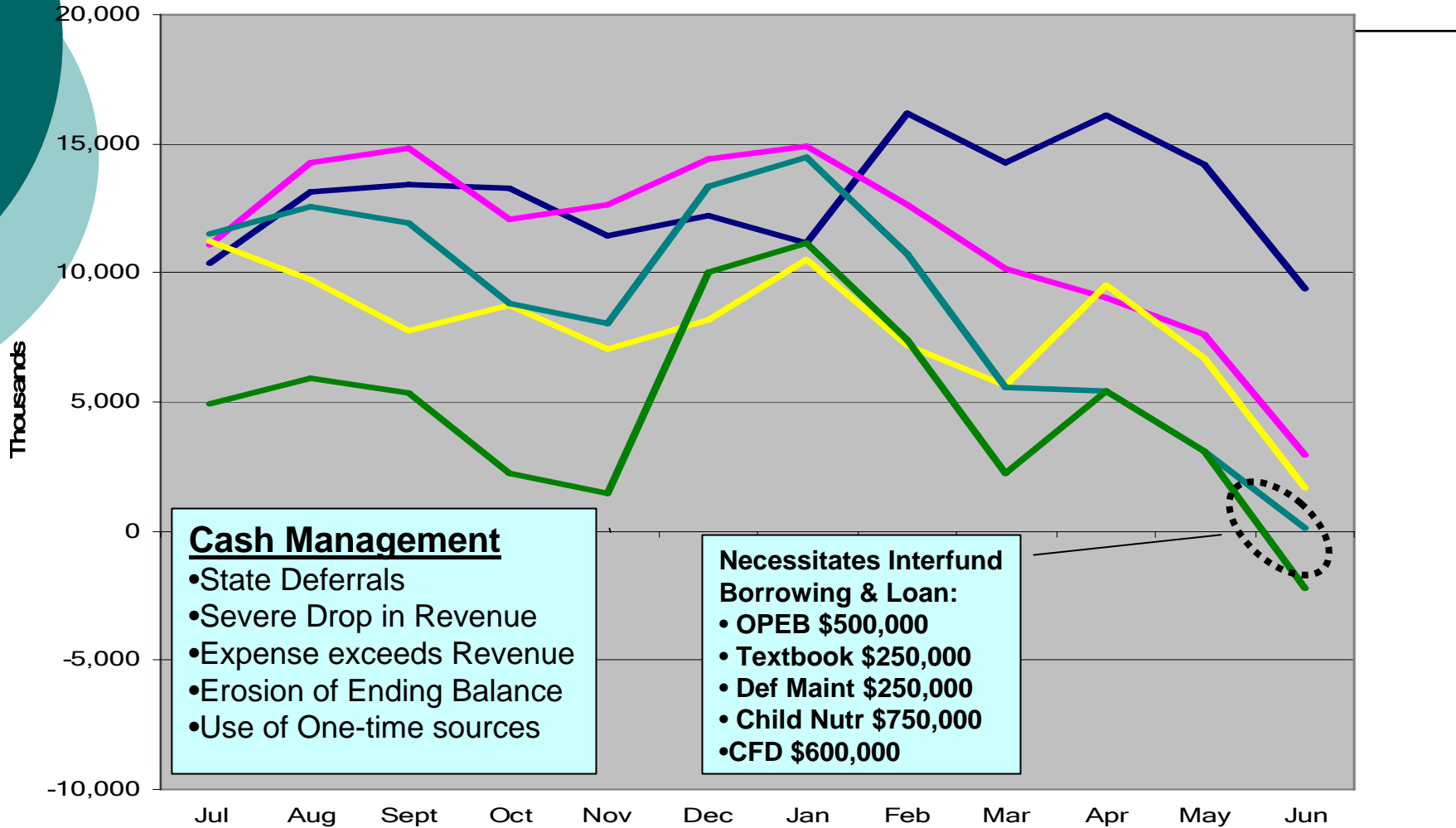
### **Components of Projected Ending Balance**

<b>Revolving Checking Account</b>	<b>\$50,000</b>
<b>Stores Inventory</b>	<b>\$60,000</b>
<b>Economic Uncertainty (1.9%)</b>	<b>\$1,390,325</b>
<b>YHS Turf</b>	<b>\$100,000</b>
<b>Compensated Absences</b>	<b>\$216,000</b>
<b>October Budget</b>	<b>\$2,258,000</b>

**Reserve for  
Economic  
Uncertainty to  
be restored to  
3% by 2011-12**

# Cash Flow Profile

## General Fund



07/08

08/09

09/10

10/11

10/12

# Other Funds

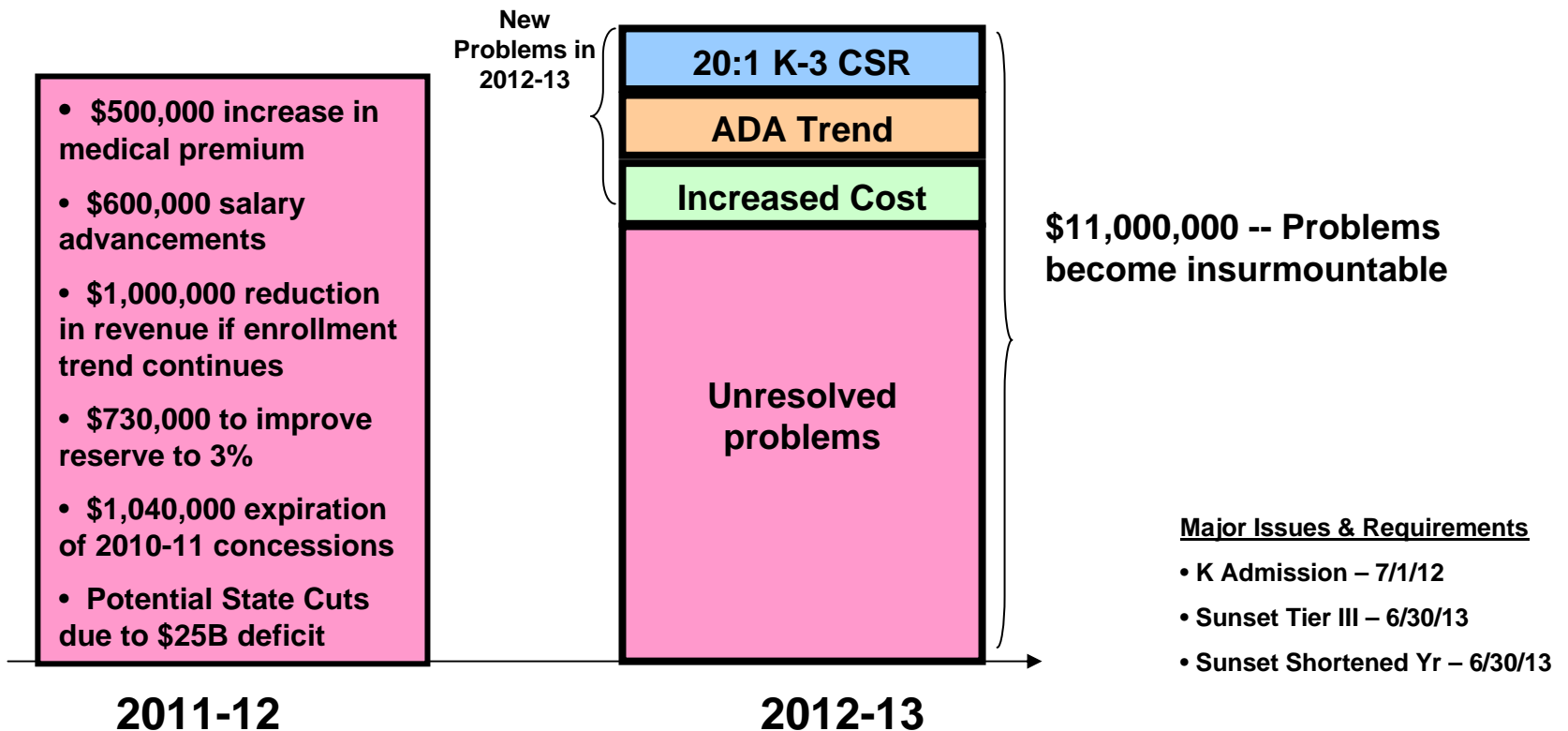
---

Fund Description	Adult Education	Cafeteria	Deferred Maintenance	Special Reserve	Special Reserve	Capital Facilities	State School Building	Special Reserve Capital Outlay	Community Facilities	Debt Service	Self Insurance
	Fund 11	Fund 13	Fund 14	Fund 17	Fund 20	Fund 25	Fund 35	Fund 40	Fund 49	Fund 52	Fund 67
Beginning Balance	58,832	1,827,923	682,820	476,893	577,824	43,702	24,055	454,240	2,646,070	1,265,287	119,102
Revenue	178,219	3,156,700	2,000	1,000	5,000	102,500	603	1,000	1,803,400	1,515,554	2,000
Expense	237,051	3,789,145	394,615	750	-	92,000	-	394,500	2,374,538	1,463,291	22,771
Excess/Deficit	(58,832)	(632,445)	(392,615)	250	5,000	10,500	603	(393,500)	(571,138)	52,263	(20,771)
Ending Balance	-	1,195,478	290,205	477,143	582,824	54,202	24,658	60,740	2,074,932	1,317,550	98,331



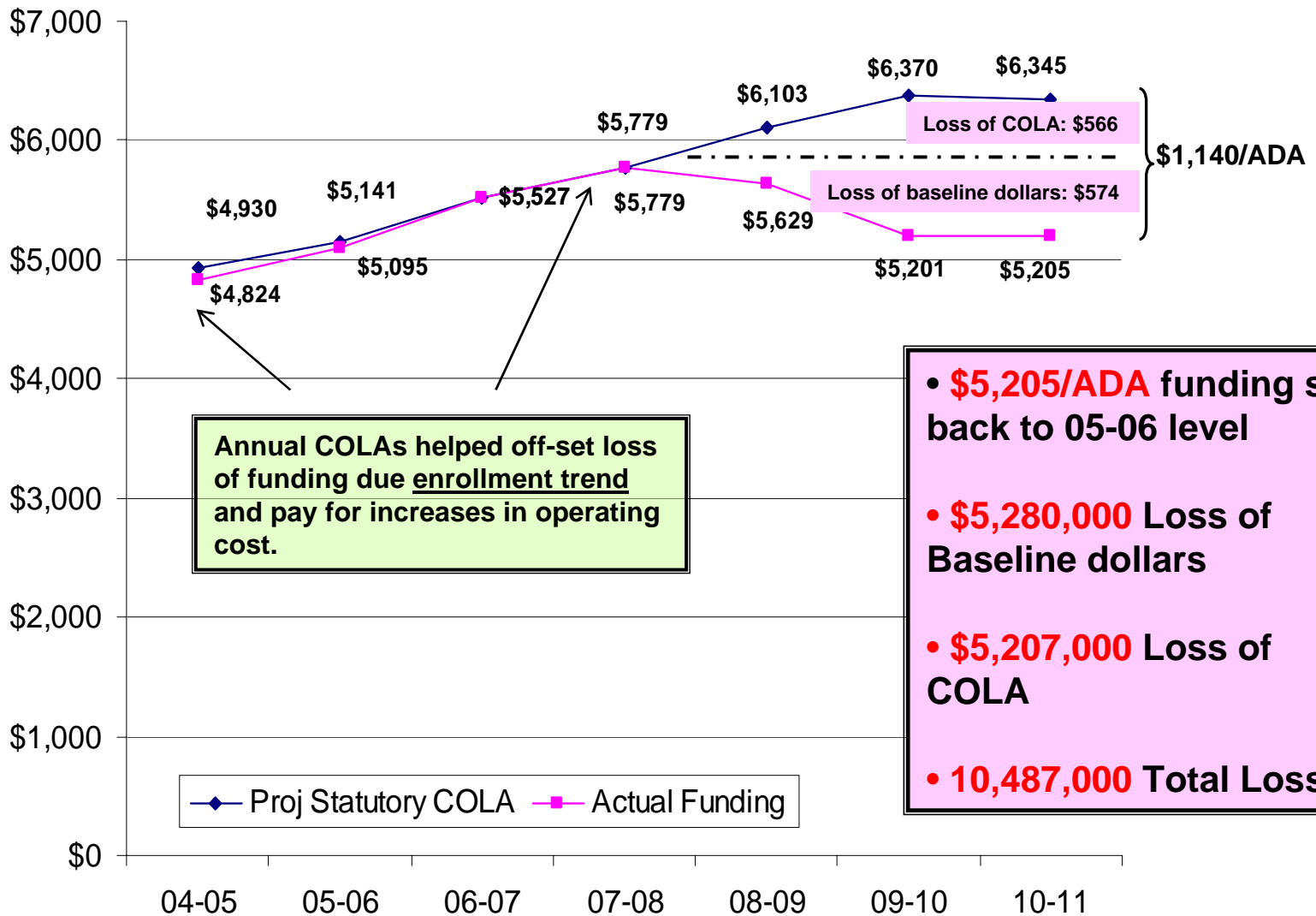
# Outlook for 2011-12

## Summarizing the Causes



# State Cuts – Financial Squeeze

## Dollar Reduced to 82¢ (per ADA)



# District's Financial Position

---

- **Qualified** First Interim Report
  - May not be able to meet next year's and/or subsequent year's financial obligations
- State applied deficit – 17.963%
  - 19.8% deficit to State Categorical programs
- **If there is no mid-yr cuts**, financial condition is stable in current year
  - Stimulus Money
  - Concession
  - Consolidation of YHS-9
  - Other cost reduction measures
- Reserve improved to 1.9%
  - Restoration to 3% required by 2011-12
- Cash supply remains critical due to various State deferrals
  - Necessitate loan from County and inter-fund borrowing
- **Budget Reductions for 2011-12 Necessary**
  - Advancements on salary schedules
  - Medical premium
  - Enrollment trend
  - Improvement of Reserve
  - Expiration of one-time concession
  - Potential State Cuts

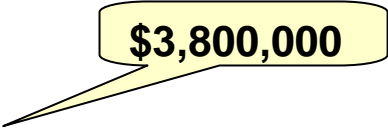
# Options

<u>Not Negotiable</u>			<u>Negotiable</u>		
a	Closure of YES	\$860,000	a	Full elimination of K-6 prep time	\$948,000
b	restricted -- \$ 370,000		b	Elimination of additional 50 min 4-6 prep time	\$133,000
c	Closure of MCES	\$515,000	c	Elimination of 1-3 prep time only	\$434,000
d	restricted -- \$178,000		d	Full elimination of 7-12 prep time	\$1,166,000
e	Raise class size in K-3		e	Five Furlough days (unrestricted)	\$780,000
f	25:1	\$55,000	f	Elimination of 2 yard aides	\$157,000
g	26:1	\$265,000	g	Increase before/after school by 30 minutes	\$49,000
h	27:1	\$545,000	h	8 hours adjacent duty required by all teachers	\$45,000
i	28:1	\$755,000	i	Increase class size in grades 4-6:	
j	29:1	\$965,000	j	36 to 1	\$117,000
k	30:1	\$1,175,000	k	37 to 1	\$175,000
l	Additional Classified Lay-off	tbd	l	Increase class size in grades 7-12:	
m	Enrollment Trend	tbd	m	37 to 1	\$233,000
			n	38 to 1	\$466,000
			o	Elimination of PE Aides	\$86,000
			p	Freeze advancements on salary schedule	
			q	CSEA	\$105,000
			r	YMT	\$39,000
			s	YCEA	\$384,000
			t	Salary rollbacks for all employees	
			u	1%	\$430,000
			v	2%	\$860,000
			w	3%	\$1,290,000
			x	4%	\$1,720,000
			y	5%	\$2,150,000
			z	Rollback of all co-curricular & coaching	\$51,000
			aa	Reduce YCEA president release time to 20%	\$40,400

# Summary & Recommendation

---

- Financial condition is stable in current year --- if there is no mid-year cuts
- Cash supply will continue to be a challenge
- For 2011-12
  - Increasing costs
  - Improvement of reserve
  - Expiration of one-time concession
  - Enrollment trend
  - *Potential for additional State imposed cuts*
- Options to balance budget in 2011-12
  - Negotiable
  - Not negotiable -- reduction in services



**\$3,800,000**

**Recommendation -- Approve Qualified First Interim Report**