Fremont Unified School District 2011-12 Adopted Budget Report

June 22, 2011

Board of Education

B&F 27

Presentation Items

- Budget Adoption
- Background
- District Specifics
- Estimated General Fund Revenues and Expenditures
- Estimated 2011-12 Ending Fund Balances
- Summary and next steps

2011–12 Budget Adoption
Fremont Unified School District Action

- FUSD must adopt and submit a Board Adopted Budget report to the Alameda County Office of Education by July 1, 2011

Background
2011–12 Adopted Budget

- School Districts are required to submit an Adopted Budget to their COE by July 1, 2011, which is either approved or not approved by COE
- Per the Board of Education's direction on May 25th, the District's Administration built the budget based on flat funding (2011-12 funding essentially similar to 2010-11)
- Governor's May Revise reflects a $0 per ADA reduction in District's revenue limit (flat funding)
- Categorical program flexibility continues thru 2014-15 except for K-3 Class Size Reduction, which ends in 2013-14
- Federal Stimulus Funds are one-time, ARRA Funds must be spent by September 2011 and Jobs Bill Funds must be spent by September 2012

Background
2011–12 Adopted Budget

District's 2011-12 Budget

- 2010-11 MOU's expire June 30, 2011 and expenditures are included in the multi-year budget
- Librarians, LMT's and Counselors funded with one-time ARRA Funds in 2010-11 are now funded with Unrestricted General Funds in 2011-12

Background
2011–12 Adopted Budget

- Statutory COLA is 2.24% (Not funded)
- Deficit of 19.754% nets a 0% reduction in State revenues compared to prior year
- District assumes that 2011-12 State funding is based on 2011-12 May Revise
- District budget reflects $0 per ADA reduction to its Base Revenue Limit for 2011-12 or “Flat Funding”
  - COLAs and Deficit Factors are projected for 2012-13 and 2013-14

District Specifics

2010-11 Negotiable Expenditure Reductions End June 30, 2011

The following current 2010-11 expenditure reductions are fully restored in the 2011-12 budget.

2010-11 Negotiable Expenditure Reductions	
FUDTA, SEIU, FSMA, CSEA 3.21% WYR	$6,015,919
Superintendent and Assistant Superintendents 5% WYR	$45,080
FUDTA Schedules B,C,D,E	$200,000
Elementary PREP reduced by 50%	$3,000,000
Total	**$9,260,999**

District Specifics

Librarians, LMT's & Counselors

The following positions were funded with one-time ARRA funds in 2010-11. The Administration has moved the expenditures associated with the following positions to the Unrestricted General Fund in 2011-12.

Position	**FTE**	**Salary/Benefits**
Librarians	2.50	$258,051
LMT's	15.03	$785,789
Counselors	6.00	$567,000
Indirect Support Costs		$78,932
Total	**23.53**	**$1,689,772**

District Specifics

2011-12 Adopted Budget

The Administration applied the following assumptions to the District's 2011-12 Budget

- Enrollment of 32,300
- ADA factor of 96.3%
- Lottery of $111.00 per ADA
- No mandated cost reimbursement anticipated
- Two percent designated reserve is maintained
- Salary and Benefits include step and column
- Transportation and Special Education Gap/Encroachment continues

District Specifics

Other 2011-12 Budget Assumptions

- Class Size
  - Grades K thru 3 28:1
  - Grades 4 thru 6 30:1
  - Grades 7 thru 12 28:1

- Workers Compensation increases by approximately $1 Million
- Unemployment Insurance Rate increases from 0.72% to 1.61%
- $1 million of IMFRP funds restored in IMFRP for English Language Arts Adoption

District Specifics

Other 2011-12 Budget Assumptions

- The following 2011-12 Tier III program amounts are redirected into the Unrestricted General Fund to help balance the budget

Tier III Resources	**2011-12 Swept Amount**
Cal-SAFE Academic and Supportive Services	$28,237
Arts and Music Block Grant	$439,208
CA High School Exit Exam (CAHSEE)	$8,298
CA Peer Assist. & Review Program for Teachers (PAR)	$6,071
Math & Reading SB 472 – EL (SB472)	$126,297
Teacher Credentialing Block Grant	$51,872
School & Library Improvement Block Grant (SLIBG)	$178,032
Supplemental Hourly Program Funding	$33,184
Adult Education	$1,500,000
Deferred Maintenance Apportionment	$200,000
Tier III Resources to be Swept for 2011-12	**$2,571,199**

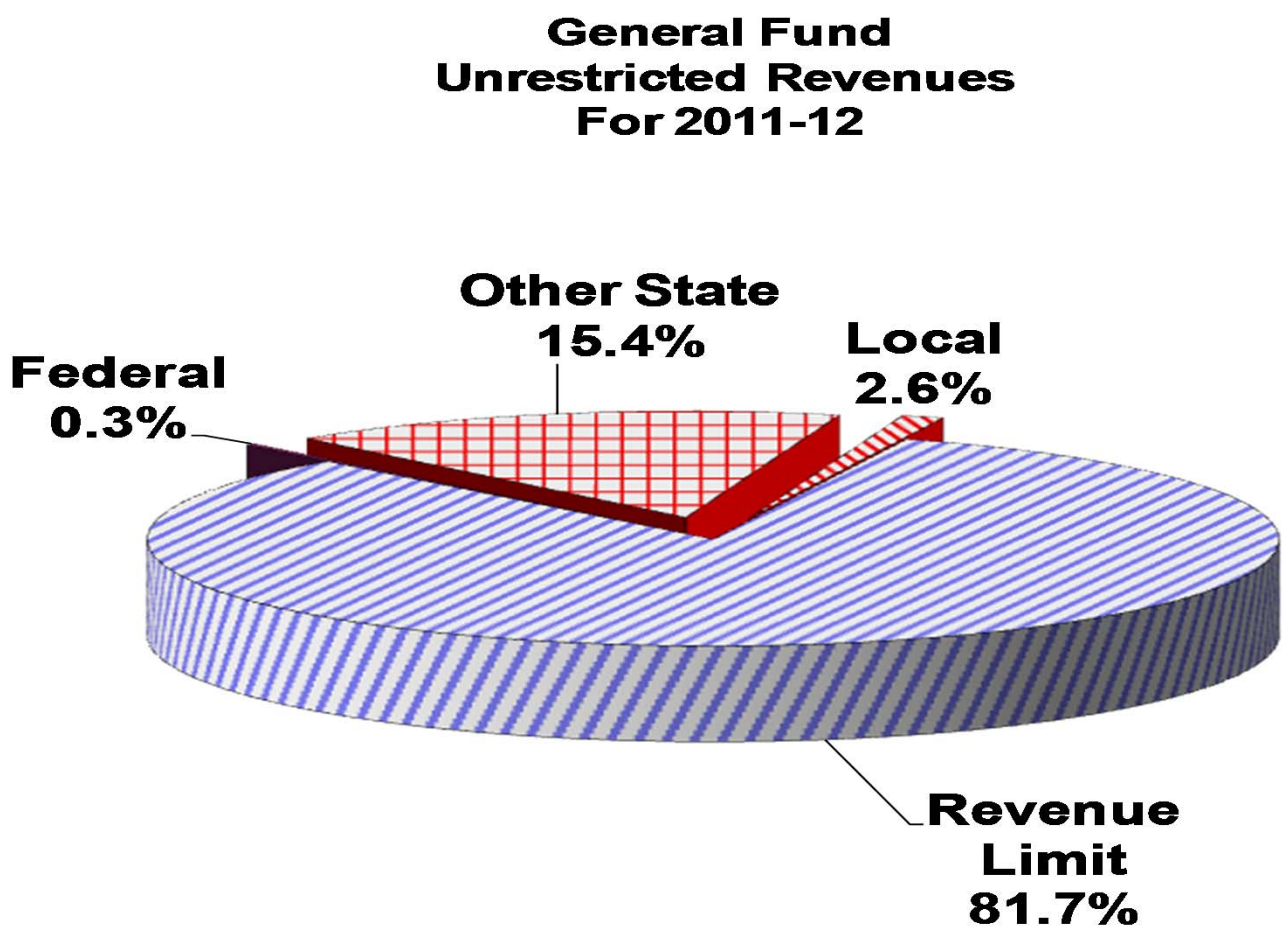
General Fund Estimated Unrestricted Revenues

Fiscal Year 2011-12

Revenue Limit Sources	$161.6 Million
Other State	$ 30.3 Million
Local	$ 5.0 Million
Federal	$ 0.5 Million
Total	**$197.4 Million**

General Fund Estimated Unrestricted Revenues

Fiscal Year 2011-12



General Fund Estimated Unrestricted Expenditures, Sources and Uses

Fiscal Year 2011-12

(In $ Millions)	Projected for 2011-12
Salaries	$ 135.5
Benefits	24.8
Books and Supplies	4.3
Services and Operations	10.3
Capital Outlay	0.1
Other Outgo	3.7
Indirect Costs	(2.7)
Transfers, Contributions, Encroachment /Funding Gap	28.8
Total	**$ 204.8**

2011-12 Estimated Ending Fund Balance Components of Ending Fund Balance

Projection June 30, 2012

Fund Balances	Amount
Unspendable Reserves:	
Reserve for Revolving Cash, Stores, etc.	600,000
Assigned Reserves:	
2% State Mandated Reserve	4,872,379
Potential Revenue Limit Loss ($495 per ADA)	15,527,423
Unassigned Reserves	2,299,682
Total Fund Balance	**23,299,484**

2011–12 Adopted Budget
Projected Budgets for Next 2 Years

The following budget assumptions are based on the May Revise

- 3.20% COLA and 19.754 Deficit Factor for 2012-13
- 2.70% COLA and 19.754 Deficit Factor for 2013-14
- Flexibility measures initiated in 2008-09 continue for an additional two years thru 2014-15, except for K-3 CSR (Class Size Reduction), which expires June 30, 2014

The following is based on the one-year MOU that expires on June 30, 2011

- 2010-11 negotiable expenditure reductions (slide 7) are restored and projected to continue through 2013-14

Multi-Year Projections - Adopted Budget

The projected deficit spending in 2011-12 will be offset by $5.8 million of Federal Jobs Bill Funding that will be used in 2011-12.

(In $ Millions)	Actual	Projected	Projected	Projected	Projected
Major Category	**2009/10**	**2010/11**	**^2011/12**	**2012/13**	**2013/14**
Revenues/Sources	$185.9	$196.3	$197.4	$201.6	$206.2
Expenditures / Uses	$191.9	$188.9	$204.8	$207.6	$210.8
Surplus (Deficit)	($6.0)	* $7.4	($7.4)	($6.0)	($4.6)
Beginning Balance	$29.3	$23.3	$30.7	$23.3	$17.3
Ending Balance	$23.3	* $30.7	$23.3	$17.3	$12.7
Components of Ending Balance					
Unspendable Balance	$0.5	$0.5	$0.6	$0.6	$0.6
Assigned Balance	$1.4	$15.6	$15.5	$15.4	$15.4
Reserve for Economic Uncertainty	$4.9	$5.1	$4.9	$4.9	$5.0
Unassigned Balance	$16.5	$9.5	$2.3	($3.6)	($8.3)

*Does not include $2.45 Million of SFSF expenditure transfers.

Next Steps

- Board receives 2011-12 Budget and adopts budget based on May Revise
  - June 22, 2011
- Administration attends 2011-12 State Budget Debrief (tentative)
  - July 14, 2011
- Administration presents Board with update on State budget and next steps
  - July 22, 2011
- Administration presents updated budget to the Board based on State Adopted Budget (45 days after Governor signs the budget)

Summary

- FUSD Adopted Budget is based on 2011-12 May Revise (as of May 23, 2011)
- FUSD will maintain its legally mandated reserve requirements for 2011-12 and the next 2 fiscal years (assumes flat funding). However, should there be additional reductions, this item will require reassessment.