

Metropolitan Education District 2011-2012 Proposed Budget

Governing Board Presentation
June 15, 2011



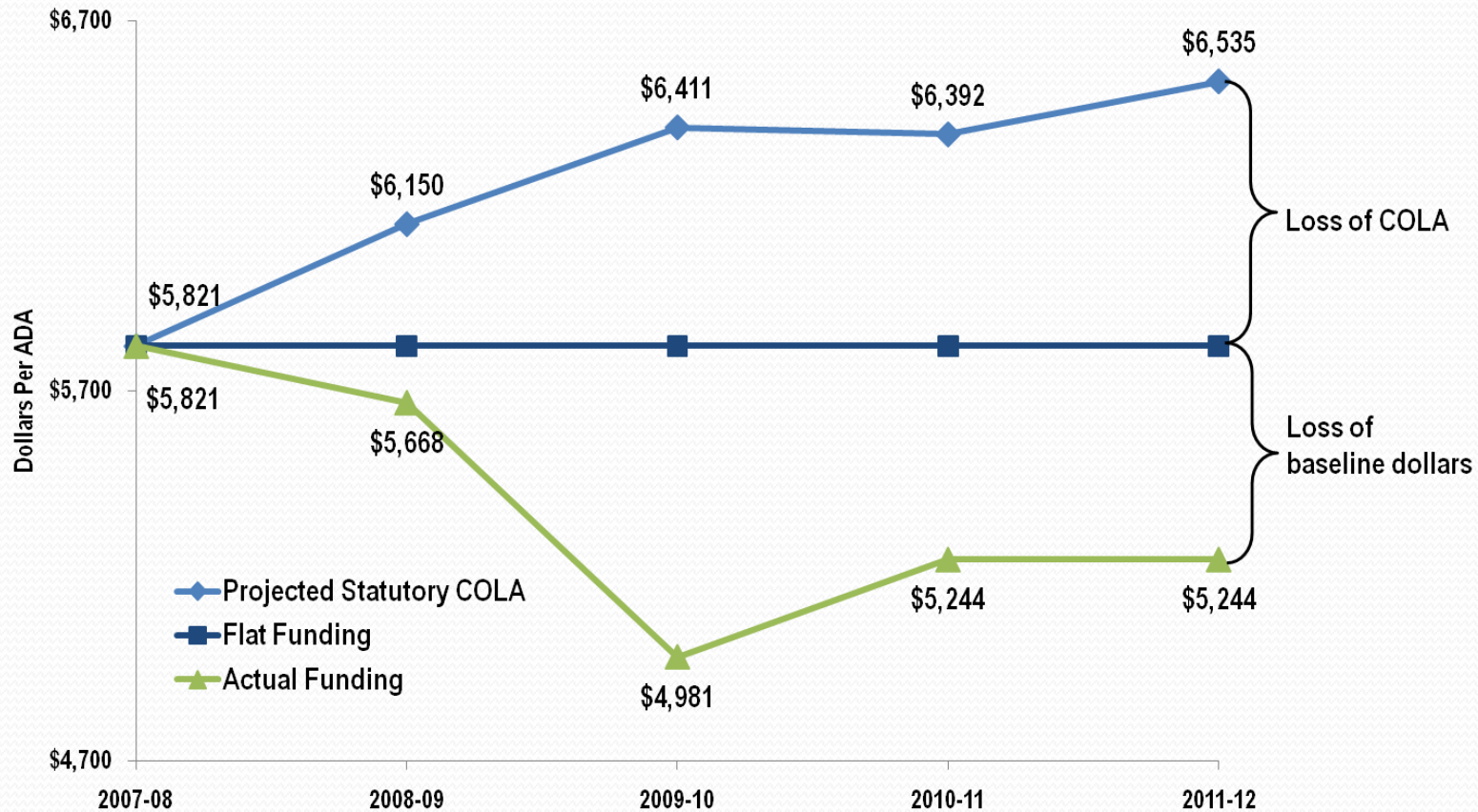
D. Gilbertson, CBO

The May Revision

- **Some things have changed since January**
 - **Tax revenues have increased, independent of tax extensions**
 - **The Governor has had no success getting Republican support for taxes**
 - **Pressures have increased for pension, business, and other reforms**
- **The May Revision projected “flat funding” for K-12 Education—Which MetroED used for its budget development projections. There is little direct impact on the MetroED budget for 2011-12.**
- **The new state budget—which was in process this afternoon—is in line with the May Revision with possible additional apportionment deferrals.**

Projected vs. Actual Funding Per ADA

Average Unified District



Flexibility Options Continue

- SB 70 extends all existing flexibility options by two additional years
- The following options extend through 2014-15:
 - Tier III categorical flexibility—including Career Technical and Adult Education
 - Delaying compliance with most recent instructional material adoptions
 - Eliminating required routine restricted maintenance and deferred maintenance contributions
 - Allowing for shortening the instructional year by up to five days
 - Allowing the deposit of surplus property sale revenue into the General Fund

Budget Guideline Changes

- Overhead cost allocation process
- Statement on deficit spending
- Additional statement on program flexibility
 - Preparation for return of flexibility or continuation of block funding
 - Collection and monitoring of ADA information
 - Continuing monitoring of student attendance/class size
 - Separation of ROC/P and Adult Ed funding
 - Provision of adequate district support services

Major changes for 2011-12 ROCP Program

- Continuation of 1D facility projects for upgrading and consolidation of classrooms.
- Equipment upgrades to facilitate state-of-the-art career technical education.
- Several new programs in development.

District Budget Overview—Fund 010 ROCP

General Fund - Operations	2010-11 Estimated	2011-12 Projected	2012-13 Projected	2013-14 Projected
Total Revenues	15,300,492	13,804,735	14,204,865	14,583,806
Total Expenditures	14,982,072	14,270,153	14,374,910	14,581,414
Net Revenues/Expenses	318,420	(465,418)	(170,045)	2,392
Other Sources (Uses)	(337,884)	(374,772)	(385,525)	(394,888)
<i>Change to Fund Balance</i>	(19,464)	(840,190)	(555,570)	(392,496)
<i>Reserved & Designated:</i>				
Revolving Fund, Prepaid	31,988	31,988	31,988	52,821
General Reserve (5%)	780,905	732,606	738,382	749,175
Legally Restricted	186,044	186,044	186,044	186,044
Economic Uncertainty (10%)	1,561,809	1,465,213	1,476,764	1,498,350
Contingency for State Deficits	1,745,396	1,052,183	479,286	54,411
<i>Total Reserves</i>	4,388,224	3,548,034	2,992,464	2,599,968
Undesignated Fund Balance	0	0	0	0
<i>Total Fund Balance</i>	4,388,224	3,548,034	2,992,464	2,599,968

Adult Ed Fund: Major Changes for 2011-12

- Closing of the MAEP Erikson and San Jose Center sites/programs—with reduced revenue of \$3.5 million.
- Closing of 50+, Community Interest and other programs
- Consolidation of remaining programs at MC Center Site on Hillsdale campus.
- Planned addition of Health/medical and Vocational ESL classes
- Major layoffs of teaching, administrative and support positions

MAEP Staff Reductions for 2011-2012

Employee Unit	March 15 Notices	Rescinding Letters	Final Layoffs
Administration	6.90 FTE (8)	0.0 FTE	6.90 FTE (8)
Contract Teachers (CCOC) (CTA)	4.60 (5)	3.00 FTE (3) 1.60 FTE Retire (2)	0.00 FTE
Curriculum Specialists	3.17 FTE (6)	1.88 FTE (4)	1.29 FTE (2)
CalWORKS Site Representatives	7.88 FTE (8)	0.00 FTE	7.88 FTE (8)
Permanent/Probationary Teachers (AFT) Hourly	15.34 FTE (20)	14.20 FTE (18)	1.14 FTE(2)
Capitol High School	1.00 FTE (2)	1.00 FTE (2)	0.00 FTE
Classified Employees	13.50 FTE (18)	0.00 FTE	13.50 FTE (18)
Temporary Teachers	21.83 FTE (69)	0.00 FTE	21.83 FTE (69)
Totals	74.22 FTE (136 EE's)	21.68 FTE (29 EE's)	52.54 FTE (107 EE's)

District Budget Overview—Fund 110 Adult Education

Adult Education -Operations	2010-11 Estimated	2011-12 Projected	2012-13 Projected	2013-14 Projected
Total Revenues	7,944,351	4,048,276	4,111,444	3,975,316
Total Expenditures	8,146,909	5,285,481	4,563,143	4,065,113
Net Revenues/Expenses	(202,558)	(1,237,205)	(451,698)	(89,796)
Other Sources (Uses)	(169,859)	45,952	345,952	45,952
<i>Change to Fund Balance</i>	(372,417)	(1,191,253)	(105,746)	(43,844)
<i>Reserved & Designated:</i>				
General Reserve (5%)	418,595	264,274	228,157	203,256
Economic Uncertainty (10%)	837,191	528,548	456,314	406,511
Contingency for State Deficits	732,548	4,259	6,864	37,724
Total Reserves	1,988,334	797,081	691,335	647,491
Undesignated Fund Balance	0	0	0	0
<i>Total Fund Balance</i>	1,988,334	797,081	691,335	647,491

Multi-Year Projection overview

- Deficit spending anticipated for both funds.
- Contingency for State Deficit reserves being utilized to maintain educational program continuity
- Positive fund balances are maintained for both funds for all projected years

Recommendation

- That the Governing Board review the 2010-11 Estimated Actuals and the 2011-2012 Proposed Budget Report. The Final Budget will be brought to the Board on June 29 for public hearing and final adoption.

