

Meeting Date: March 8, 2011

Item Title: Resolution No. 11-0024 Public Hearing on Presentation of Second Interim Financial Report

Item Type: Action

BACKGROUND: Twice during the fiscal year, a school district is required to submit a financial report certifying the district's ability to meet its financial obligations for the current year and two subsequent years. The reports examine the district's attendance, spending patterns, fund balance, reserve for economic uncertainties, and multiyear projections.

Staff will present the 2010-2011 Second Interim which reports the district's financial position as of January 31, 2011.

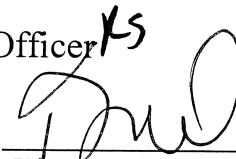
FISCAL IMPLICATIONS: The submitted report will become the district's revised spending plan for 2010-11.

RECOMMENDATION: Receive the Second Interim Budget as submitted.

AUSD Guiding Principle: #6-Allocation of funds must support our vision, mission, and guiding principles.

Submitted by: Robert Shemwell, Chief Business Officer *RS*

Approved for Submission to Board of Education



Kirsten Vital, Superintendent

ALAMEDA UNIFIED SCHOOL DISTRICT
Alameda, California

March 8, 2011

Resolution No. 11-0024

RESOLUTION REGARDING THE
2010-11 SECOND INTERIM FINANCIAL REPORT

WHEREAS, the State of California on October 8, 2010 has adopted a balanced budget, which provided a restoration of approximately 5.17% in revenue limit increase to the Alameda Unified School District for the 2010-11 budget year; and

WHEREAS, the Governor in December has declared a state of fiscal emergency to deal with a state budget shortfall that could reach \$25 billion over the next two years; and

WHEREAS, in planning current state guidelines suggest that districts exercise caution in allocating any of the funds the October budget restored; and

WHEREAS, the Governor has "suspended" a state mandate on county mental health funding, which provides services to students with disabilities (commonly called AB 3632 services), which could have significant financial impact on district finances; and

WHEREAS, the District will be forced to eliminate and curtail essential educational services as a result of the changes in state education funding; and

WHEREAS, although the District may seek additional sources of local revenue in order to continue meeting the District's basic needs, the Board recognizes that it must submit a plan for a balanced budget using currently available resources; and

WHEREAS, funding from the State has been inadequate to meet the needs of the District's educational programs, and the District has no assurance that State or local funding will increase in the future to permit the District to fully fund its programs; and

WHEREAS, the District recognizes that current parcel tax Measures A and H are set to expire in 2012-2013.

THEREFORE, the Board of Education of the Alameda Unified School District does hereby resolve, determine, and order as follows:

The Chief Business Officer shall submit the Second Interim Financial Report to the Alameda County Office of Education as required for annual fiscal compliance.

PASSED AND ADOPTED by the Board of Education of the Alameda Unified School District this 8th day of March 2011, by the following vote:

AYES: Members:

NOES: Members:

ABSENT: Members:

By: _____
Ron Mooney, President
Board of Education
Alameda Unified School District
Alameda County, State of California

ATTEST:

By: _____
Clerk of the Board of Education of the
Alameda Unified School District

Alameda Unified School District

2nd Interim 2010-2011

March 8, 2011

AUSD – Second Interim 2010-11 Multi-Year Projections and Assumptions

<u>Categories</u>	<u>08/09</u>	<u>09/10</u>	<u>10/11</u>	<u>11/12</u>	<u>12/13</u>
<u>Enrollment and ADA</u>					
District Enrollment (CBEDS)	9892	9,770	9,182	9,201	9,165
District ADA-Actual/Projected	9550	9,368	8,838	8,847	8,800
District ADA-Funded	9591	9,396	8,838	8,847	8,847
Charter School ADA	307	612	1,138	1,138	1,138
<u>Revenues</u>					
Revenue Limit COLA Statutory	5.66%	4.25%	-0.39%	1.67%	2.30%
Revenue Limit Deficit	7.844%	18.355%	17.9630	19.608%	19.608%
State Categorical Tiers II and III	-15.38%	-4.46%	0%	0%	1.80%
Other Revenue Limit Adjustments	-	252/ADA	0%	\$330/ADA	\$330/ADA
Base Revenue Limit w/Statutory COLA	\$6,106	\$6,368	\$6,343	\$6,450	\$6,566
Base Revenue Limit w/Deficit COLA	\$5,627	\$5,199	\$5,203	\$ 5,185	\$5,279
Additional RL reduction 252 ADA 09/10	-	\$4,947		\$4,855	\$4,948
Adopted Base Revenue Limit w/Deficit COLA			\$4,934	\$5,039	\$5,160
Revenue Limit Adjustments			\$269	\$184	\$212

AUSD – Second Interim 2010-11

	Unrestricted	Tier 3	Restricted	Total
REVENUES				
Revenue Limit	\$ 45,173,334		\$ 1,857,884	\$ 47,031,218
Federal	\$ 54,385		\$ 6,929,965	\$ 6,984,350
Other State	\$ 3,875,376	\$ 6,268,179	\$ 2,804,377	\$ 12,947,932
Other Local	\$ 1,752,157	\$ 826,316	\$ 5,431,012	\$ 8,009,485
Parcel Tax	\$ 7,300,000			\$ 7,300,000
Revenues	\$ 58,155,252	\$ 7,094,495	\$ 17,023,237	\$ 82,272,984
EXPENDITURES				
Salaries & Benefits	\$ 44,419,807	\$ 2,186,864	\$ 16,246,985	\$ 62,853,656
Books/Supplies & Outlay	\$ 1,596,898	\$ 2,208,546	\$ 4,965,957	\$ 8,771,401
Services & Op. Expenses	\$ 6,315,228	\$ 503,349	\$ 7,201,253	\$ 14,019,830
Other Outgo & Transfers	\$ 2,669,724	\$ 2,600,230	\$ 767,064	\$ 6,037,018
Expenditures	\$ 55,001,657	\$ 7,498,989	\$ 29,181,259	\$ 91,681,905
Other Sources (Uses)	\$ (6,034,380)	\$ (3,526,412)	\$ 9,760,196	\$ 199,404
Net Inc/Dec in Fund Bal.	\$ (2,880,785)	\$ (3,930,906)	\$ (2,397,826)	\$ (9,209,517)
Beginning Balance	\$ 7,558,809	\$ 4,082,617	\$ 2,597,798	\$ 14,239,224
Adjustments	\$ 151,712	\$ (151,712)	\$ (199,972)	\$ (199,972)
Ending Balance	\$ 4,829,736	\$ -	\$ (0)	\$ 4,829,735

AUSD – Multi-Year Projections 2010-11 through 2012-2013

Unrestricted General Fund, including Tier III, Second Interim

	10/11	11/12	12/13
<u>REVENUES</u>			
Revenue Limit	\$ 45,173,334	\$ 42,245,033	\$ 42,902,196
Federal	\$ 54,385	\$ 46,620	\$ 46,620
Other State	\$ 10,143,555	\$ 9,248,892	\$ 9,248,892
Other Local	\$ 2,578,473	\$ 2,073,957	\$ 2,073,957
Parcel Tax	\$ 7,300,000	\$ 7,300,000	\$ -
Revenues	\$ 65,249,747	\$ 60,914,502	\$ 54,271,665
<u>EXPENDITURES</u>			
Salaries & Benefits	\$ 46,606,671	\$ 42,211,790	\$ 38,215,524
Books/Supplies & Outlay	\$ 3,805,444	\$ 1,869,794	\$ 2,134,537
Services & Operating Expenses	\$ 6,818,577	\$ 5,661,285	\$ 5,679,140
Other Outgo & Transfers	\$ 5,269,953	\$ 1,750,171	\$ 1,786,523
PROPOSED CUTS		\$ -	\$ (1,000,000)
Expenditures	\$ 62,500,645	\$ 51,493,040	\$ 46,815,724
Other Sources (Uses)	\$ (9,560,792)	\$ (10,221,852)	\$ (10,745,210)
Net Inc/Dec in Fund Balance	\$ (6,811,690)	\$ (800,390)	\$ (3,289,269)
Beginning Balance	\$ 11,641,426	\$ 4,829,736	\$ 4,029,347
Adjustments	\$ -		\$ -
SACS Ending Balance	\$ 4,829,736	\$ 4,029,346	\$ 740,078
<u>CONTINGENCIES / STIMULUS</u>			
Revolving Cash	\$ 50,000	\$ 50,000	\$ 50,000
Federal Job Savings	\$ -	\$ 1,529,908	\$ -
Maintenance of Tier 3 allocation	\$ 862,190	\$ 237,314	\$ -
Mental Health Contingency	\$ -	\$ 500,000	\$ 500,000
NET ENDING FUND BAL	\$ 3,917,546	\$ 1,712,124	\$ 190,078

AUSD – Multi-Year Projections 2010-11 through 2012-2013 Restricted General Fund

	10/11	11/12	12/13
<u>REVENUES</u>			
Revenue Limit	\$ 1,858,180	\$ 1,858,180	\$ 1,893,485
Federal	\$ 7,504,049	\$ 4,758,497	\$ 4,848,908
Other State	\$ 3,040,533	\$ 3,040,533	\$ 3,098,303
Other Local	\$ 5,910,629	\$ 5,629,940	\$ 5,736,909
Revenues	\$ 18,313,391	\$ 15,287,150	\$ 15,577,605
<u>EXPENDITURES</u>			
Salaries & Benefits	\$ 18,444,602	\$ 17,746,610	\$ 18,053,630
Books/Supplies & Outlay	\$ 3,499,710	\$ 1,017,264	\$ 1,157,787
Services & Operating Expenses	\$ 7,840,627	\$ 6,063,602	\$ 6,429,873
Other Outgo & Transfers	\$ 1,027,070	\$ 681,525	\$ 681,525
<u>PROPOSED CUTS</u>			
Expenditures	\$ 30,812,009	\$ 25,509,001	\$ 26,322,815
Other Sources (Uses)	\$ 10,100,792	\$ 10,221,851	\$ 10,745,210
Net Inc/Dec in Fund Balance	\$ (2,397,826)	\$ -	\$ -
Beginning Balance	\$ 2,597,798		
Adjustments	\$ (199,972)		
SACS Ending Balance	\$ -	\$ -	\$ -

AUSD – 2011/12 CUTS

		Implementation on July 1, 2011
AUSD Reduction	Savings	Description
Adult Education Elimination	\$750,000	Total Elimination of the Adult Education Program (Soft)
2 Additional Furlough Days for AEA Teachers	\$442,681	Negotiated in 2010 MOU with AEA will be a total of 10 days
Equivalent 10 Days Lay-Off (CSEA 860-27 and Admin)	\$892,241	*Effects must be negotiated but can be imposed. 10 days to equal AEA agreement
Secondary School Closure	\$574,065	Close 1 Middle School
Running Total	\$2,658,987	

AUSD – 2011/12 CUTS (Continued)

Total from Previous Page	\$2,658,987	Implementation on July 1, 2011
AUSD Reduction	Savings	Description
32:1 Elementary Class Size Increase Elementary	\$1,108,062	Increase all K-3 Classrooms in the District to 32:1
Athletics- coaching, transportation, operations (-25%)	\$106,889	Eliminates all Freshman and JV Athletics. One coach per sport.
Grand Total	\$3,873,938	

AUSD – 2012/13 CUTS

		Implementation on July 1, 2012
AUSD Reduction	Savings	Description
8% to 9.25% Salary Reduction All Employees	\$4,876,306 -To- \$5,698,141	**Must be Negotiated **Note: using higher number in total
32:1 Elementary Class Size Increase Elementary	\$1,108,062	Increase all K-3 Classrooms in the District to 32:1
Eliminate all of Elementary (Music, PE & Media)	\$795,735	Eliminates all electives at the elementary school sites **Must be Negotiated
3 Elementary School Closures	\$913,146	Three sites to be identified
Eliminate ROTC	\$81,294	Eliminates the ROTC Program
Running Total	\$8,596,378	

AUSD – 2012/13 CUTS

Total from Previous Page	\$8,596,378	Implementation on July 1, 2012
AUSD Reduction	Savings	Description
Reduction High School Graduation Requirements	\$1,299,990	Would lower the graduation requirements eliminating 15 FTE
Eliminate Athletics/Pool, Coaching, Transportation, Operations	\$443,111	Complete elimination of all athletics, pool maintenance, operations
Staffing reduction 11 FTE maintaining 35 to 1 at high schools	\$770,000	Will staff as a true base of 35:1 in all high school classes (50:1 PE)
Reduce 3.5 Technology classified Staff	\$254,561	Eliminates Tech support to school sites
Reduce an additional 5 FTE counseling staff	\$455,960	Reduces counseling to 2.5 FTE
Grand Total	\$11,820,000	