



# Scotts Valley Unified School District

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2006-2007 Preliminary Budget

June 6, 2006

Presented by:

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# Budget History: From Negative to Positive Certifications

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- # 2003-04 was a bleak year; the District has to file a negative certification at 2<sup>nd</sup> Interim
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# Budget History: From Negative to Positive Certifications

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## # Corrective Actions Taken by the District:

- Spending freeze implemented
  - Utilized county budget system to capture district's budget in 2004-05
  - Negative budget balances not allowed; zero tolerance
  - Implemented Financial 2000 purchase order system to control expenses
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# Budget History: From Negative to Positive Certifications

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## # Corrective Actions Taken by the District:

- New donation accounting system implemented
  - Monthly in-service meetings and trainings for all site secretaries on budget management and financial controls
  - Re-aligned business office to ensure best business practices
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# Budget History: From Negative to Positive Certifications

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- # The 2004-05 Budget and Interim Reports were positive certifications
    - Dollar A Day program raised over \$500,000 and saved FTE positions
    - Increased donations of approximately \$500,000 to principals and teachers offset the 50% cut in school supplies and other expenses, e.g. coaching stipends, music and art programs
    - Spending freeze from 2003-04 is lifted; however, trend toward prudent spending continued
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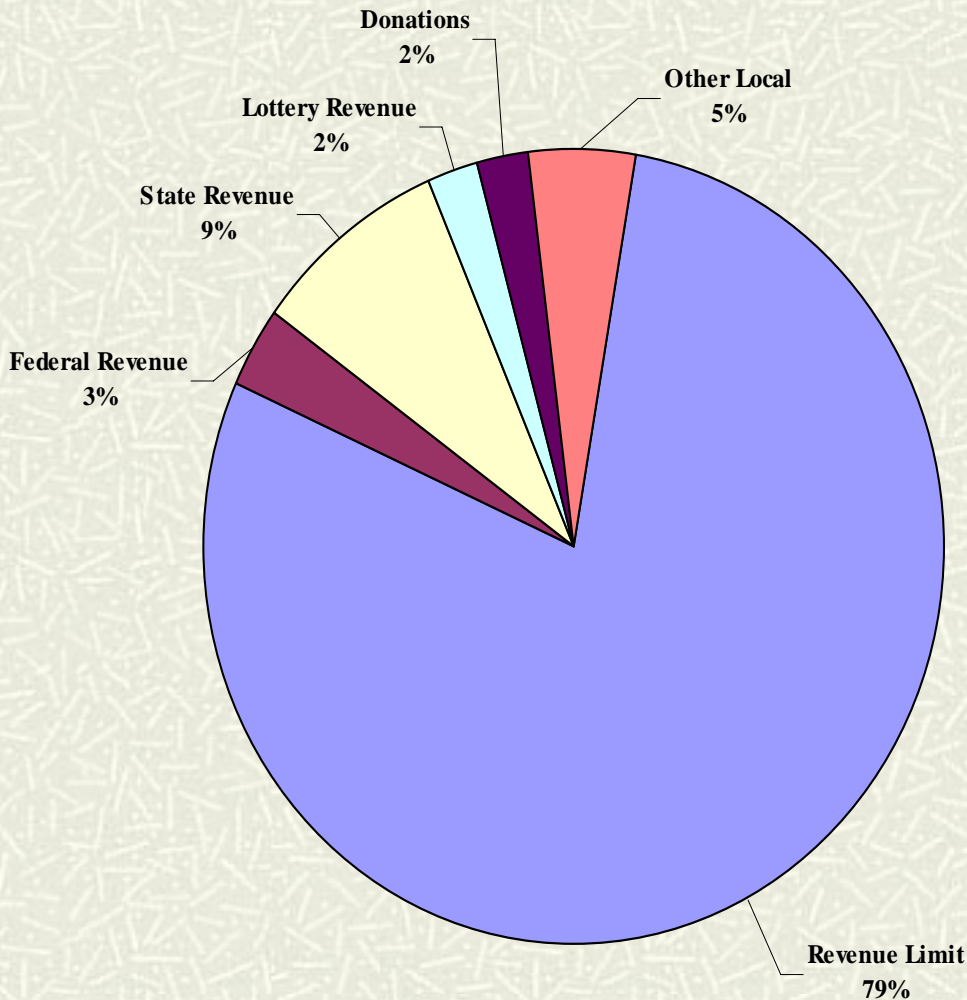
# Budget History: From Negative to Positive Certifications

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## # The 2005-06 Budget and Interim Reports were also positive certifications

- Dollar A Day and donations continued to offset general fund expenses
  - Negotiations resulted in a positive impact by setting a new health base equal to HealthNet's HMO plan
  - Fund 17 was adopted to move the 3% designated for economic uncertainties reserve as required by AB1200
  - Prudent spending trend continued from 2004-05
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# 2006-2007 General Fund Revenues



## Definitions:

Revenue Limit is money received from local taxes and state aid.

Federal Revenue is money received from the federal government, and is restricted to certain uses.

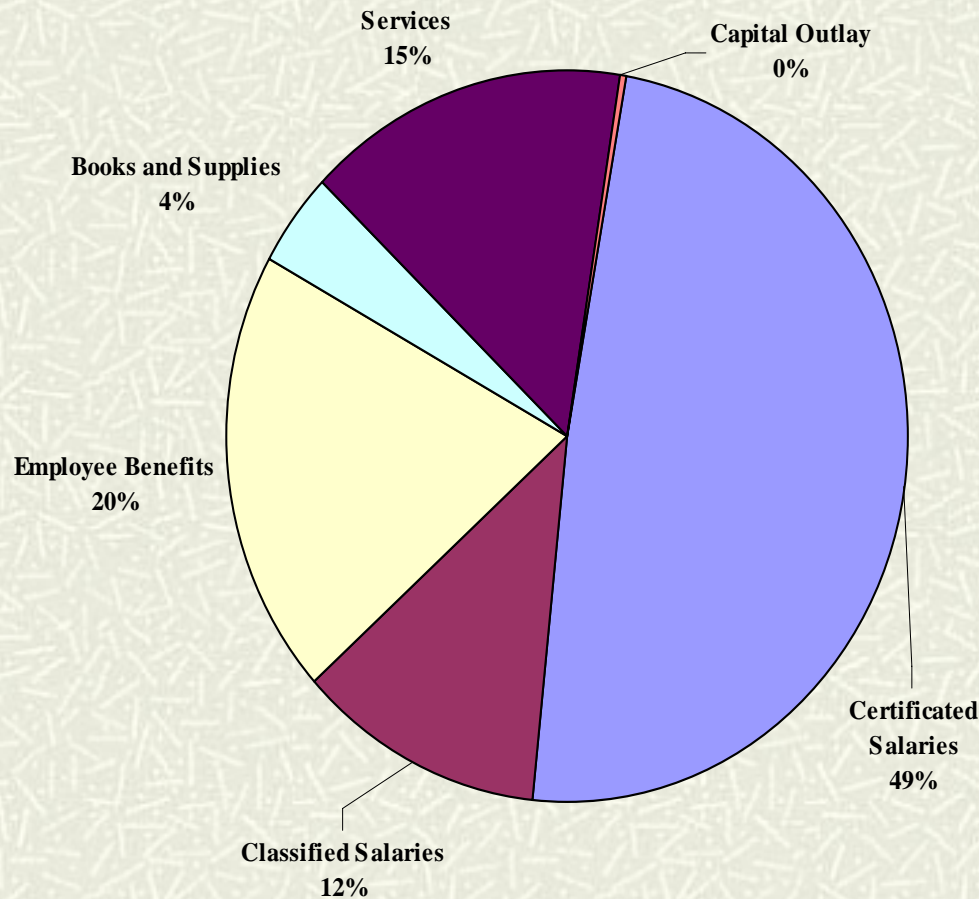
State Revenue is money received from the state government, and is restricted to certain uses.

Lottery Revenue is a portion of the proceeds from lottery games played, a portion of which is earmarked to supplement Instructional Supplies.

Donations are received from parents, local grants, or the education foundation.

Other Local is usually transfers for items like Routine Restricted Maintenance.

# 2006-2007 General Fund Expenditures



## Definitions:

Certificated Salaries are for teachers and credentialed administrators.

Classified Salaries are for classroom aides, custodians, food service, non teaching personnel.

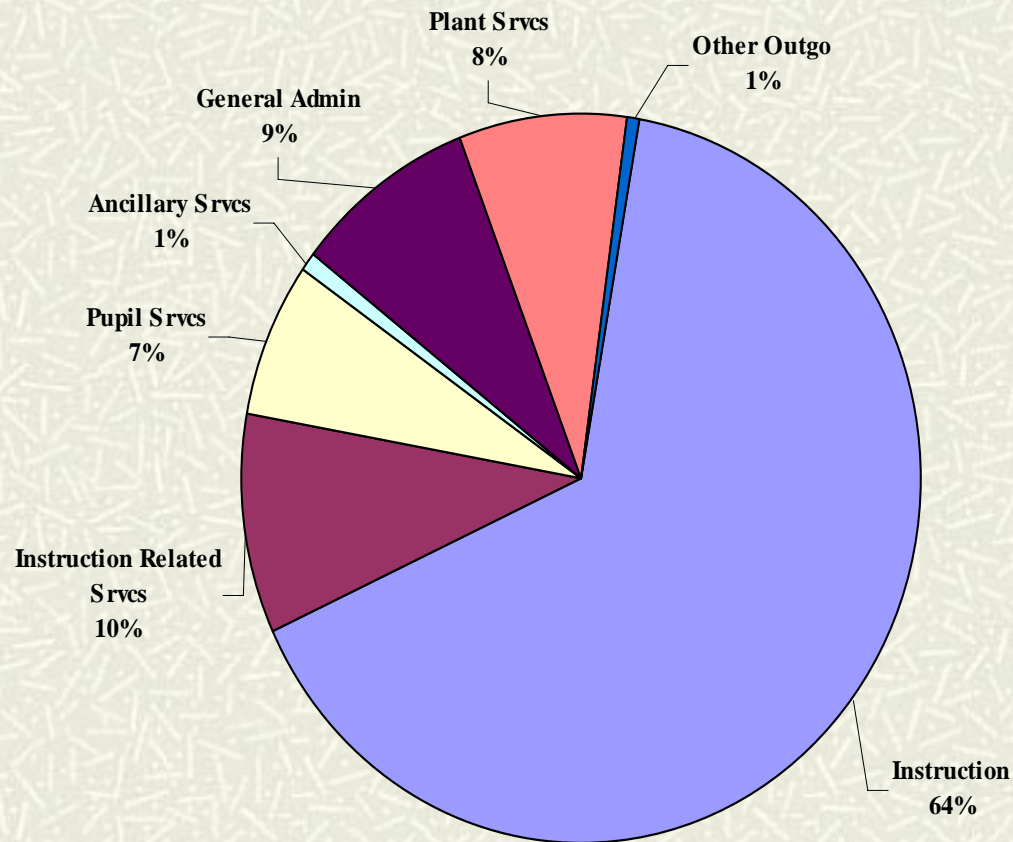
Employee Benefits are health, dental, vision and life insurance, retirement, FICA, MediCare, Workers Comp, and State Unemployment.

Books and Supplies are textbooks, classroom, administrative, and custodial supplies.

Services are utilities, insurance, building and equipment rentals, legal, travel and conferences.

Capital Outlay refers to equipment items with a value greater than \$5000.

# 2006-2007 Where Does the Money Go?



## Definitions:

Instruction relates to teacher and student interactions.

Instruction Related Services are technical, administrative and logistical support for enhancing education.

Pupil Services are guidance and counseling services.

Ancillary Services include co-curricular and athletic school sponsored activities.

General Administration are activities of the board, superintendent, fiscal and personnel services.

Plant Services relates to keeping the grounds, buildings and equipment in working order.

Other Outgo is used for debt service or transfers to other agencies.

# 2006-2007 Budget At A Glance

	UNRESTRICTED	RESTRICTED	TOTAL
<b>ESTIMATED BEGINNING BALANCE:</b>	\$713,362	\$350,006	\$1,063,368
Total Revenue	\$15,947,305	\$2,676,439	\$18,623,744
Total Transfers In	\$0	\$0	\$0
Total Contributions & Encroachments	(\$2,444,196)	\$2,444,196	\$0
<b>GRAND TOTAL REVENUE</b>	<b>\$13,503,109</b>	<b>\$5,120,635</b>	<b>\$18,623,744</b>
Total Expenditures	\$13,500,873	\$5,017,067	\$18,517,940
Total Transfers Out	\$50,000	\$103,568	\$153,568
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$13,550,873</b>	<b>\$5,120,635</b>	<b>\$18,671,508</b>
<b>Total Ending Balance:</b>	<b>\$665,598</b>	<b>\$350,006</b>	<b>\$1,015,604</b>

# 2006-2007 Budget At A Glance

COMPONENTS OF ENDING BALANCE:		UNRESTRICTED	RESTRICTED	TOTAL
Working Capital:				
-- Revolving Fund		\$2,200		\$2,200
-- Prepaid Expenses		\$0		\$0
<b>Total Working Capital</b>		<b>\$2,200</b>	<b>\$0</b>	<b>\$2,200</b>
Reserves:				
-- Carryovers				
- Restricted Resource Balances			\$350,006	\$350,006
- Categorical Programs, Restricted Ending Balance				\$0
<b>Total Specific Reserves</b>			<b>\$350,006</b>	<b>\$350,006</b>
Unappropriated Amount over Required 3% Reserve		\$663,398		
<b>Total Ending Balance:</b>		<b>\$665,598</b>	<b>\$350,006</b>	<b>\$1,015,604</b>

# 2006-2007 General Fund Assumptions

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## # Fund 01 General Fund Revenue

- CBEDS estimated to be 2,694 -- a decline of 77  
(Note: This will impact 2007-08 revenue)
  
- Used 2005-06 ADA at P2 of 2663.68; this represents 74.15 ADA reduction due to declining enrollment
  
- Revenue Limit is \$5,484.63 which includes:
  - 2005-06 Base Revenue Limit = \$5,096.49
  - COLA at 5.92% = \$ 308.00
  - Equalization = \$ 80.14
  - Total: = \$5,484.63

# 2006-2007 General Fund Assumptions

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## # Fund 01 General Fund Revenue

### ■ Lottery

■ Unrestricted = \$123.00

■ Total calculated to be \$342,461

■ Restricted = \$ 25.00

■ Total calculated to be \$69,602

### ■ Class Size Reduction (CSR)

■ COLA at 5.92%

■ Qualifying amount per student = \$1,024

■ Total calculated to be \$806,902

(Note: This amount does not cover 100% of CSR expenditures)

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# 2006-2007 General Fund Assumptions

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## # Fund 01 General Fund Revenue

### ■ Significant State Categorical Entitlements:

■ Economic Impact Aid	=	\$ 18,757
■ GATE	=	\$ 23,177
■ Instructional Materials	=	\$154,942
■ Targeted Instr. Imprvmnt	=	\$132,254
■ School & Library Imprvmnt	=	\$186,767
■ Buy Back Days	=	\$111,608
■ Special Education	=	\$629,280

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# 2006-2007 General Fund Assumptions

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## # Fund 01 General Fund Revenue

- Significant Federal Categorical Entitlements same as prior year:

- Title I = \$102,730

- No Child Left Behind

- Principal and Teacher Training = \$ 65,788

- Special Education = \$384,016

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# 2006-2007 General Fund Assumptions

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## # Fund 01 General Fund Expenses

### ■ Salaries and Benefits

- Negotiations for 2005-06 and 2006-07 not settled
  - However, 2006-07 reflects a 1% increase according to the 2004-05 approved contract
  - Step and Column (including statutories) calculated at 1.54% or \$176,659
  - Cost of an additional 1% increase in 2006-07 would be \$117,442
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# 2006-2007 General Fund Assumptions

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## # Fund 01 General Fund Expenses

- Statutory Benefits remain the same as 2005-06
    - STRS, PERS, Workers Comp, FICA, SUI
  
  - Health Benefits net increase equals 1.91%
    - Dental, vision, and life rates unchanged
  
  - Retiree Benefits “Pay As You Go” amount equals \$96,011
    - GASB 45 liability estimated to be \$2.2 M
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# 2006-2007 General Fund Assumptions

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## # Fund 01 General Fund Expenses

- Positions previously funded by Dollar A Day now funded by the unrestricted General Fund as follows:

	<u>FTE</u>
■ Counselors	1.18
■ Assistant Principals	1.60
■ Library Clerks	2.94
■ CSR Teachers	<u>1.95</u>
Total:	7.67

# 2006-2007 General Fund Assumptions

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## # Fund 01 General Fund Expenses

- Positions previously funded by middle school SIP now funded by the unrestricted General Fund as follows:
    - Library Clerks                      .98 FTE
  - The unrestricted general fund now supports 100% of all library clerks at all sites.
  - Targeted Instructional Improvement Block Grant continues to supplement counselors' salaries.
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# 2006-2007 General Fund Assumptions

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## # Fund 01 General Fund Expenses

■ Additional positions proposed	<u>FTE</u>
■ Special Education Program Specialist	1.00
■ Director of Technology	.80
■ High School Athletic Director	.50

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# 2006-2007 General Fund Assumptions

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## # Fund 01 General Fund Expenses

- Restored instructional supplies to 100%, valued at approximately \$65,000
  - Technology Infrastructure increased \$30,000 for Capital Outlay and supplies (servers, routers, site licensing, etc.)
  - Set aside \$10,000 for Strategic Plan implementation
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# Possible 2006-2007 Other Impacts Unrestricted General Fund

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- # 2006-07 Unappropriated Ending Balance of \$663,398 in addition to the 3% required reserve
  - # Fund 13 Cafeteria impacted by shorter instructional day once a week at all sites for curriculum development; an annual potential net loss of \$30,000
  - # Fund 21 COP repayment may be short approximately \$100,000 if district does not recover funding from the State
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# Possible 2006-2007 Other Impacts Unrestricted General Fund

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- # Governor's May Revise Budget has yet to be ratified!
    - Of all components mentioned in the May Revise, only COLA and equalization have been included in this preliminary 2006-07 budget.
    - Most likely additional monies will be one time dollars only.
    - Most likely these dollars will come with strings attached.
    - Most likely these dollars will be targeted toward low performing schools and poverty areas.
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# Funds Outside the General Fund 2006-2007 Budget Assumptions

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## # Fund 13 Cafeteria

- Beginning balance is projected to be \$38,000
- Total Revenue = \$476,800
- Total Expense = \$484,805
- Total FTEs = 5.72

(Note: The cafeteria program is heavily supported by volunteers.)

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# Funds Outside the General Fund 2006-2007 Budget Assumptions

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## # Fund 14 Deferred Maintenance

- Beginning balance is projected to be \$175,136
- Total Revenue = \$578,284
- Transfers In District Match = \$103,568
- Total Expense = \$758,560
  
- Scotts Valley Middle School re-roofing project to be completed over this summer (extreme hardship).

# Funds Outside the General Fund 2006-2007 Budget Assumptions

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## # Fund 17 Special Reserve Fund for Other than Capital Outlay

■ Beginning Balance is projected to be	\$583,524
■ Total Revenue	= \$15,000
■ Transfer In	= \$50,000
■ Total Expense	= \$ -0-

This fund is used to support the required 3% reserve for economic uncertainties for the general fund.

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# Funds Outside the General Fund 2006-2007 Budget Assumptions

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## # Fund 21 Building

- Beginning balance is projected to be \$388,056\*
- Total Revenue = \$320,500

Revenue includes \$130,000 anticipated from the State Allocation Board (recovery of high school litigation costs). If the State does not reimburse the District, this amount will need to be paid from the unrestricted general fund.

- Total Expense = \$319,641

\*This amount is reserved for the 2026 final COPS payment estimated to be \$300,000

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# Funds Outside the General Fund 2006-2007 Budget Assumptions

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## # Fund 25 Capital Facilities

- Beginning balance is projected to be \$388,194
- Total Revenue = \$350,000
- Total Expense = \$282,000
  - Revenue is generated from developer fees and is used to pay for 45 portable classrooms located at various sites.

# Funds Outside the General Fund 2006-2007 Budget Assumptions

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- # Fund 30 State School Bldg Lease Purchase  
and Fund 35 County School Facilities
  - No financial activity is expected

# Funds Outside the General Fund 2006-2007 Budget Assumptions

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## ■ Fund 40 Special Reserve for Capital Outlay

(Designated for High School renovations per litigation)

- Beginning Balance is projected to be \$5,574,745
- Total Revenue (interest) = \$ 50,000
- Total Expense = \$1,256,000

This summer's priority will be to repair the mold damaged classrooms. The remaining repairs will be prioritized and recommendations will be brought to the board for their approval.

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# 2006-2007 Budget In Conclusion

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- # We recommend the Board adopt this budget proposal on June 13, 2006.
  - # When the State Budget is ratified, we will incorporate all budget changes within 45 days.
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