



First Interim Report FY 2009-2010

Scotts Valley Unified School District



First Interim Format

- Original Budget (June Adoption)
- Board Approved Operating Budget (10/31)
- Actuals to Date (10/31)
- Projected Year Totals (Fiscal Year End)
- Difference
 - 📖 Budget transfers or revisions between 10/31 and report preparation



Original Budget vs. 1st Interim Revenue:

- Revenue Limit Sources

 - 📖 One-time reduction of \$252.83 per ADA

- Federal Revenue

 - 📖 ARRA SFSF Funding

 - Second round eliminated due to QEIA issue

 - 📖 ARRA IDEA

 - SELPA Distribution to COE and Districts

- Local Revenue

 - 📖 Restricted Local Donations



Original Budget vs. 1st Interim Expenditures:

- Prior year carryover budgeted
- Change in IMF requirements
 - ☞ Restricted to Unrestricted
 - ☞ Adoptions deferred through 2012-13
- Donation expenditures budgeted
- Staffing changes
 - ☞ Bumping impacts
 - ☞ Additional FTE due to SVHS enrollment
- Final Health Insurance rates (+8% vs. +15%)



Original Budget vs. 1st Interim Beginning Fund Balance:


- Actual vs. Estimated
- Change in IMF sweep restriction
 - ☞ Restricted to Unrestricted
 - ☞ One-Time
- Revenue Limit
 - ☞ Similar amount over two year period
 - ☞ Higher ending balance in 08-09
 - ☞ Lower revenue limit revenue in 09-10

Multi-Year Projection: General Fund Summary

Fiscal Year	09-10	10-11	11-12
Revenues	16,864,715	16,144,793	15,723,225
Expenditures	18,081,514	16,856,866	16,901,281
<i>Operating Surplus / (Deficit)</i>	(1,216,799)	(712,073)	(1,178,056)
Interfund Transfers In	0	0	0
Interfund Transfers Out	(117,627)	(117,627)	(117,627)
<i>Net change in Fund Balance</i>	(1,334,426)	(829,700)	(1,295,683)
Beginning Fund Balance	4,775,751	3,441,325	2,611,625
Ending Fund Balance	3,441,325	2,611,625	1,315,942

Components of Ending Balance

Fiscal Year	09-10	10-11	11-12
Ending Fund Balance	3,441,325	2,611,625	1,315,942
Revolving Cash	2,000	2,000	2,000
COP Repayment	267,589	267,589	267,589
Site Donations / Fundraising	62,522	62,522	62,522
<i>Categorical Programs</i>	822,188	319,029	281,585
Textbook Adoption	0	149,329	296,658
Unappropriated Amount	2,287,026	1,811,156	405,588



Multi-Year Projection: Primary Assumptions

- Revenue Limit Cost of Living Adjustment
 - ☞ 2010-11 & 2011-12 COLA unfunded
- Enrollment
 - ☞ Declining
- Attendance
 - ☞ Based upon prior year
- Staffing
 - ☞ Enrollment decline
 - ☞ Change in K-3 staffing ratio
- Employee Compensation



Primary Assumptions: Enrollment

Fiscal Year	06-07	07-08	08-09	09-10	10-11	11-12
Elementary	1,201	1,172	1,203	1,164	1,150	1,137
Middle	614	598	578	602	613	631
High	903	874	810	802	752	723
Non-Public	0	1	4	4	4	4
Total:	2,718	2,645	2,595	2,572	2,519	2,495
Change		-73	-50	-23	-53	-24



Staffing

- Staffing Ratio changes

- 📖 K-3 moves from 25:1 to 29:1

- 📖 Decrease of 6 FTE

- Declining enrollment:

- 📖 Decrease of 2.1 FTE in 10-11

- 📖 Decrease of 1.4 FTE in 11-12



Compensation:

- Step
- Column
 - 📖 Certificated only
 - 📖 Estimated to be same as prior year
- No COLA on salary schedules
- Health & Welfare (District Share)
 - 📖 Rolling CAP
 - Prior year HMO + 50% of premium increase
 - 📖 30% increase expected in 10-11



Reserve Levels

Fiscal Year	09-10	10-11	11-12
Reserve Fund Balance	719,297	726,297	733,297
GF Expenditures / Transfers Out	18,199,141	16,974,493	17,018,908
3% Reserve Requirement	545,974	509,235	510,567
<i>Undesignated</i>	173,323	217,062	222,730
Reserve Percentage	3.952%	4.279%	4.309%



Deficit Spending:

Fiscal Year	09-10	10-11	11-12
Deficit Spending	1,334,426	829,701	1,295,683
Unrestricted	538,745	326,542	1,258,239
Restricted	795,681	503,159	37,444
Unappropriated Fund Balance	2,287,026	1,811,156	405,588



Outlook: State Budget Deficits

- Current estimate = \$20 Billion
 - ☞ \$6.3 Billion deficit for 2009-10
 - ☞ \$14.4 Billion deficit for 2010-11
- Major Factors
 - ☞ Unrealized cost reductions prisons & MediCal
 - ☞ No sale- State Compensation Insurance fund
 - ☞ Legal challenges to budget act
 - Redevelopment agencies
 - Transportation funds
 - ☞ Increase in Prop 98 Minimum Guarantee
 - Based on year to year changes in state revenues
 - Original calculation overestimated 08-09 revenues



State Budget Deficit: Other factors

- Property taxes expected to decrease in 2010-11 due to CPI less than 2% (-.5 Oct 08 to Aug 09)
- Increasing state debt service costs (6.7%-10.6%)
- Actual Revenues lower than budgeted
- Budget Act tax provisions expire in 2011-12



The Budget Outlook: Summary

- State budget deficits will require reductions to education
 - 📖 \$253 per ADA one-time revenue limit reduction could become ongoing (\$625,000)
 - 📖 Suspension of Proposition 98
- Expect January budget to span two fiscal years
- Positive certification given current information