
Review of the 2010-11
Budget by the County
Office of Education

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Approval Options

- √ Approved
- Conditionally approved
- Not approved
- Approval is withheld

Framework

- State Budget solutions for 2010-11 are highly controversial and still being debated
- The outlook for significant increased funding in the future for education to restore cuts is potentially a long way off
- Temporary tax increases expire end of 2010
- With the sunset of CSR flexibility and the exhaustion of 08-09 ARRA funds 2011-12 is a pivotal year for SVUSD

Budget Review Standards

- Looks at adoption year plus one year out
- Focus is on ending fund balance/reserves
- Determines whether or not calculations are accurate and narrative is reasonable
- Determines whether or not the district meets the Standards and Criteria for fiscal stability
- Delineates a list of observations, recommendations or corrective actions required

Observations/Recommendations

- Cautions district as to the uncertainty of the state budget and its impact on current as well as future years
- Acknowledges the projection that the district may not meet its financial obligations in 2012-13
 - Highlights the need to reconcile the 2012-13 budget
 - Categorical flexibility sunsets in 2013-14

Observations/Recommendations

- District experiencing declining enrollment since 2005-06
 - Decline is slowing
 - Monitor enrollment and ADA levels
- Compensation increases @ zero
 - Current and multi-year projections
 - Likely scenario for most districts
- Acknowledges the need for districts to closely monitor cash flow
 - Decreasing reserve levels
 - State deferrals

Observations/Recommendations

- Deficit Spending levels cannot be maintained beyond 2011-12
 - \$1,400,000 in 2010-11
 - \$1,400,000 in 2011-12
- Ending Fund Balance declines to critical level
 - \$521,000 in 2011-12
 - \$(1,668,000 in) 2012-13

Observations/Recommendations

- Contributions to restricted programs
 - \$2.4 million in 2010-11
 - \$2.5 million in 2011-12
 - \$2.6 million in 2012-13
 - Increase mostly due to costs of Special Education

Next Steps:

- Fiscal Milestones
 - Unaudited Financial Statements 2009-10
 - Impact on 2010-11 beginning fund balance
 - Adoption of State Budget
 - CALPADS
 - First Wednesday in October
 - Enrollment comparison year over year
 - First Interim Report
 - Reflects transactions through 10/31
 - Presented in December