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# Review of the 2011-12 Budget by the County Office of Education

E.C. 42127, 33127

# Approval Options

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

# Framework

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- The 2011-12 State budget had a unique impact on the degree of County Office of Education oversight
- There exists a distinct possibility for mid-year reductions in 2011-12
- The outlook for significant increased funding in the future for education to restore cuts continues to be several years in the future

# Budget Review Standards

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- Under SB87, COE looks at adoption year only
- Focus is on ending fund balance/reserves
- Determines whether or not assumptions are reasonable and calculations are accurate
- Delineates a list of observations, recommendations or corrective actions required

# Observations

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- Acknowledged that the district budgeted for flat revenue limit funding
- Acknowledged one time Federal Jobs Bill revenues in the budget year with a corresponding reduction in funding for the following year
- Noted that the District returns to deficit spending
  - 2012-13      \$507,000
  - 2013-14      \$606,000

# Observations

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- Acknowledged that negotiations had been settled for the 2011-12 year
- Noted that salaries and benefits represent 91% of unrestricted expenditures
- MYP reflects compensation increases @ zero
  - Step and Column only
- Acknowledged adequate cash levels for the budget year inclusive of the additional deferral from the enacted budget

# Recommendations

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- Monitor enrollment and ADA levels
  - District had been experiencing declining enrollment since 2005-06
  - Enrollment projections are within historical 3 year pattern and within state standards
  - Projected ADA levels are lower (.5%) than the historical 3 year average but within state standards

# Recommendations

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- Monitor Cash Flow
  - Additional State Deferrals
  - Cash borrowing options limited later in year

# Next Steps:

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- Fiscal Milestones
  - Unaudited Actuals 2010-11
    - Incorporates 2011-12 budget revisions
  - CALPADS
    - First Wednesday in October
    - Enrollment comparison year over year
  - First Interim Report
    - Reflects transactions through 10/31
    - Presented in December
  - State Fiscal Trigger Points
    - Monitors General Fund Revenues (Nov & Dec)