

2012-13 Budget

Glendale Unified School District

Board of Education Meeting - June 12, 2012

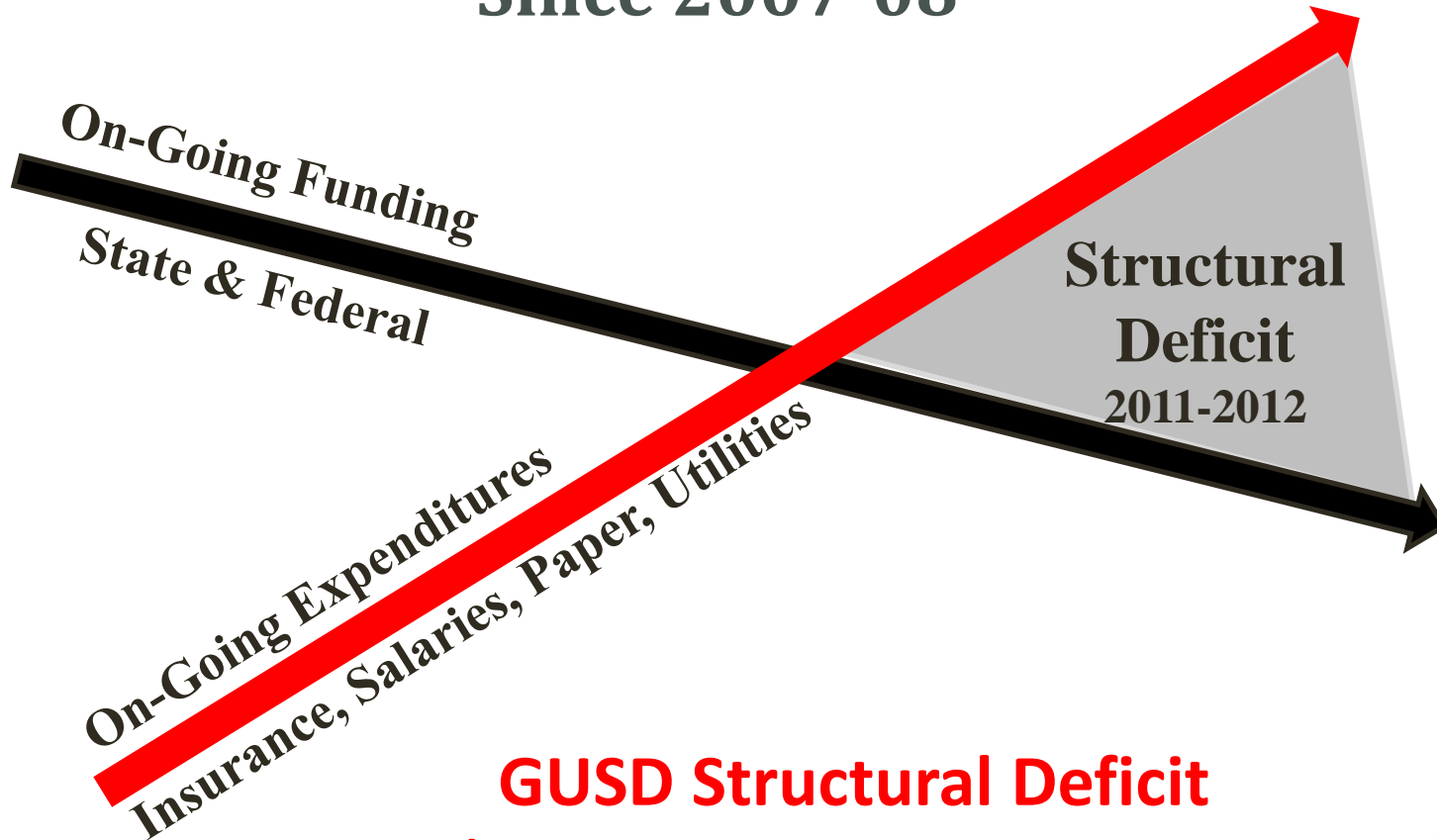
Discussion Report No. 3

Eva Rae Lueck
Chief Business and Financial Officer



GUSD Budget Challenges

Since 2007-08



**GUSD Structural Deficit
\$15 Million and Increasing
\$3M - \$4M Per Year**

2012-13 Budget

May Revise

- State Revenues Have Not Rebounded
from \$102 Billion → \$85 Billion

- November Tax Election

Best Case for 2012-13

\$14.2 Million less than 2007-08

Worst Case (Gov. Nov. Election Fails)

\$25.4 Million less than 2007-08

which is

\$11.5 Million less than 2011-12

2012-13 Budget

Education Funding Initiatives

Governor's Proposal

- Quarter-cent sales tax increase for 4 years and income tax increase for high income earner (\$250,000 and above) – 7 years
- Monies directed to State Budget

Molly Munger's Proposal

- Income tax increase for all incomes – 12 years
- Monies directed to K-12 schools

Multi-Year Projection

2011-12 PROJECTED Ending Balance Adjustments

Major Changes	2011-12
Second Interim 2011-12 Ending Balance	\$ 42,949,694
<u>Special Education</u>	
2011-12 Projected Actual Expenditure Adjustment	\$ (4,230,929)
<u>Unrestricted General Fund</u>	
Revenue Limit Projected Increase	\$ 1,327,919
State K-3 CSR Increase	\$ 159,065
Unrestricted Lottery Increase	\$ 212,475
Interest Income Decrease	\$ (360,000)
Net ERRP Income	\$ 311,740
Salary and Benefit Savings	\$ 1,500,000
Supplies / Services / Other Savings	\$ 664,639
Current Year Impact	\$ (415,091)
Adjusted Ending Balance Projection	\$ 42,534,603
<u>Designated and Restricted Portion:</u>	
Revolving Cash	\$ 70,000
Stores	\$ 101,871
3% Mandated Reserve for Economic Uncertainties	\$ 7,065,922
Fund Balance Assignment	\$ 632,860
Adjusted Balance in Excess of Assignment And 3% Reserve	<u>\$ 34,663,950</u>

Scenario 1

■ November Election Passes – Flat Funding

2012-13

- Flat Funding → \$5,222 per ADA

2013-14 and 2014-15

- Flat Funding → \$5,222 per ADA

Scenario 1 – Flat Funding

Reserves from Other Funds Budgeted (in millions)

	2012-13	2013-14	2014-15	Balance
Special Education	\$ 1.1	\$ _	\$ _	\$ 0
Post Employment Benefits Fund #20.0	2.5	_	_	0
Restricted Maintenance Reserve	1.0	0.7	_	0
Early Retirement Benefit Fund #67.2	_	1.8	2.4	0
Deferred Maintenance Fund #14.0	_	_	4.9	0
Debt Service Fund #56.0	_	_	14.9	0
	\$ 4.6	\$ 2.5	\$ 22.2	\$ 0

These Balances will be adjusted at year-end.

	2012-13	2013-14	2014-15	2015-16
Projected Ending Balance	\$ 29.7	\$ 8.5	\$ 2.3 ↓	\$(28.6) ↓
NEED For 3% Reserve			\$ 5.28	\$36.25

Scenario 2

■ If Voters Reject Tax Measure

2012-13

\$441 Per ADA Cut – January 2013



**An Additional On-Going \$11.3 Million
Reduction for the District**

Scenario 2 – If Voters Reject Tax Measures

Reserves from Other Funds Budgeted (in millions)

	2012-13	2013-14	2014-15	Balance
Special Education	\$ 1.1	\$ _	\$ _	\$ 0
Post Employment Benefits Fund 20.0	2.5	_	_	0
Restricted Maintenance Reserve	1.0	0.7	_	0
Early Retirement Benefit Fund #67.2	_	4.2	_	0
Deferred Maintenance Fund #14.0	_	4.9	_	0
Debt Service Fund #56.0	_	14.9	_	0
	\$ 4.6	\$ 24.7	\$ 0	\$ 0

These Balances will be adjusted at year-end.

	2012-13	2013-14	2014-15	2015-16
Projected Ending Balance	\$ 18.4	\$ 8.4	\$ (31.0)	\$ (73.0)
			↓	↓
NEED For 3% Reserve			\$ 38.7	\$ 80.6

GUSD Budget Challenges

Next Steps

Develop Reduction Plan – 2 Scenarios

- Structural Deficit - \$15 Million +
- Additional 2012-13 State Reduction of \$11.3 million