



San Mateo-Foster City School District

Presentation to Board of Trustees
2012-13 First Interim Report
Item #13.16
Action
December 6, 2012



Overview

1. About Interim Reports
2. Revenues Update
3. Expenditures Update
4. Multi-Year Projections
5. MYP Budget Assumptions
6. Other Budget Concerns
7. Next Steps

1. About Interim Reports

Education Code requires districts to submit interim budget reports to the County Office of Education and State Department of Education:

- Budget Adoption – Board action by June 30th
- 1st Interim Report (actuals as of October 31st) – Board action by December 15th
- 2nd Interim Report (actuals as of January 31st) – Board action by March 15th
- 3rd Interim Report (actuals as of March 31st) – Required if 2nd Interim is Qualified

Certifications (EC 42131 (a)(1)):

- **Positive Certification: WILL MEET the financial obligations for the current and two subsequent fiscal years**
- Qualified Certification: MAY NOT MEET the financial obligations for the current and two subsequent fiscal years
- Negative Certification: WILL BE UNABLE TO MEET the financial obligations for the current and two subsequent fiscal years

2. Revenues Update - Unrestricted General Fund

- Revenue Limit Sources increase by \$1,445,035
 - per latest estimate property tax revenues from County Controller
 - Included estimated amount for Community Redevelopment Funds
- All Other State Revenues increase by \$4,388,354
(Proposition 30 passed, midyear trigger of \$455 per ADA is removed)
 - Fair Share Reduction adjustment \$3,568,162
(2012-13 Fair Share Reduction = -\$1,301,433)
 - Mandated Block Grant (new) 302,527
 - Prior years Teacher Credential (net) 291,041
 - Class Size Implementation 226,624
- Other Local Revenues increase by \$98,000
 - Lehman Brothers' Investment Recovery \$90,000
 - Facility Leases 8,000

2. Revenues Update - Unrestricted General Fund (cont.)

- Contributions to Restricted General Fund decrease by \$470,281
 - Contribution to Special Education decreases by \$565,000
 - Reduced County Program Excess fee
 - Reduced payroll/driven costs
 - Contribution to Transportation increases by \$94,719
 - Enrollment growth

3. Expenditures Update

- Increase in budget due to prior year carryover for site-based allocations \$831,357
 - General fund site based allocation
 - Tier III site-based allocation
- Miscellaneous budget adjustments <\$206,753>

4. Multi-Year Projections – Unrestricted General Fund

	2012-13 Adopted Budget	2012-13 First Interim	2013-14 Projection	2014-15 Projection
Beginning Fund Balance	\$ 42,707,199	\$ 42,707,199	\$ 42,033,428	\$ 40,327,084
Total Revenues	\$ 68,115,097	\$ 74,046,486	\$ 74,598,932	\$ 72,159,429
Total Expenditures	\$ (63,327,788)	\$ (63,970,392)	\$ (65,064,943)	\$ (67,141,949)
Total Other Financing sources/uses	\$ (11,220,146)	\$ (10,749,865)	\$ (11,240,333)	\$ (11,504,611)
Surplus/(Deficit) Spending	\$ (6,432,837)	\$ (673,771)	\$ (1,706,343)	\$ (6,487,130)
Ending Fund Balance	\$ 36,274,362	\$ 42,033,428	\$ 40,327,084	\$ 33,839,954
Reserve for Revolving Fund	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Designated for Tier III sites use	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Reserve for Economic Uncertainties (10%)	\$ 8,859,365	\$ 9,549,669	\$ 9,710,178	\$ 9,815,618
Unallocated Fund balance	\$ 24,379,997	\$ 29,448,759	\$ 27,581,906	\$ 20,989,336

5. Multi-Year Projections - Budget Assumptions

- Assumptions for 2012-13; 2013-14 and 2014-15
 - Eliminate \$455 per ADA cut (Midyear Trigger) for all 3 years
 - Maintain K-3 Class Size at 24:1 for 2013-14 and 2014-15
 - K-3 Class Size flexibility expires by 2014-15; penalty from State with class sizes over 20.44
 - Zero Salary adjustment for all groups (Step & Column included)
 - Revenue Limit Deficit 22.272%
- Federal Sequestration (Federal trigger cut) of 8.2% starts 2013-14
- Other budget assumptions are based on School Services of California Dart Board and San Mateo County Office of Education guidance

6. Other Budget Concerns

- Weighted Student Formula coming back
 - District could lose up to \$5.3 million based on May 2012 proposal
 - Actual impact to the District depends on the final implementation method
- \$2 billion one-time deferral buyback in 2012-13
 - Improves cashflow
 - Continue to buy back deferral in 2013-14?
- Unrestricted flexibility
 - Class Size Flexibility will expire in 2014-15
 - Tier III Flexibility will expire in 2015-16

7. Next Steps

- January 17, 2013
 - Present 2011-12 Audit Report to Board of Trustees
 - Present 2013-14 Governor's January Budget Proposal
- February 21, 2013
 - Present 2012-13 draft Second Interim Report to Board of Trustees
- March 7, 2013
 - Present 2012-13 final Second Interim Report to Board of Trustees