

PORTOLA VALLEY SCHOOL DISTRICT

AMENDMENT TO ADOPTED BUDGET
GENERAL FUND 2012-13

Presented for Approval
October 3, 2012

Carol Piraino, Ed.D.
Superintendent

Sandra Lee Lepley
Interim Chief Business Official

WHY AN AMENDMENT?

- District Received Letter from SMCOE August 17, 2012 Indicating District Budget for 12-13 is not Approved.
 - General Fund 11-12 Ending Balance Projected to be Negative \$1.1M
 - Concern About District's Ability to Implement \$2.0M in Spending Cuts Incorporated into Adopted Budget
 - Multi-Year Projection Indicates an Increasing Negative Ending Balance in 13-14 and 14-15

WHAT HAS DISTRICT DONE TO ADDRESS THESE CONCERNS?

- ◉ Due to PVSF Authority to Use \$975,000 12-13 Advance Payment as 11-12 Revenue, Combined with Other Budget and Revenue Changes at Unaudited Actual, Combined Actual Ending Balance is \$197,759
 - Unrestricted: (\$31,885)
 - Restricted: \$229,644

WHAT ELSE?

- ◉ District has Implemented All Reductions According to Board Adopted Plan of \$1,138,389
- ◉ Other Reductions in Adopted Budget Expenditures Due to 11-12 One-Time Costs Eliminated in 12-13
 - Primarily Associated with Capital Projects and Lease Proceeds Adjustments: \$935K
 - Lane Housing: Establishing Restricted Program Requiring Transfer of Unrestricted Funds to Set Aside Reserves in 11-12: \$134K

ANYTHING ELSE?

● MULTI-YEAR PROJECTION HAS BEEN REVISED TO REFLECT THE FOLLOWING CHANGES:

- Increase in Ending Balance for 11-12 has Improved 12-13 Unrestricted Ending Balance from Adopted Budget of \$(31,885) to \$480,664 (4.66% Reserve)
- 13-14 and 14-15 Unrestricted Ending Balances have Improved over Adopted Budget from (\$702,011) and (\$278,952) to \$600,103 and \$752,633 Respectively

WHAT AMENDMENTS ARE BEING PROPOSED?

● REVENUE

- | | |
|--|--------------|
| • Augmented PVSF Contribution to Assist in Reserve Recovery | \$ 325,000 |
| • Portion of Restitution Associated with Legal Settlement | \$ 20,000 |
| • Reduction of Other Local Income to Reflect Accounting Change for IRS Interest Subsidy to Show True Interest Cost for Capital Lease | \$ (144,054) |

| | |
|-------------------------------|-------------------|
| TOTAL REVENUE INCREASE | \$ 200,946 |
|-------------------------------|-------------------|

PROPOSED AMENDMENTS?

● EXPENDITURES

- | | |
|---|-------------|
| • Decision Not to Fill 0.6 FTE Special Projects Position (Use Consultant at Reduced Budget Level) | \$ 97,294 |
| • Adjustment of Classified Salary Costs to Reflect Additional Duties and Responsibilities of Staff to Ensure Improved Internal Controls in Business Practices | \$ (19,270) |
| • Contract for Instructional Support in lieu of Special Projects Position | \$ (40,000) |

PROPOSED AMENDMENTS?

● EXPENDITURES

- | | |
|--|-------------|
| • PVTA Contract Savings for Summer Tech Institute, BTSN Stipend and One Furlough Day | \$ 77,386 |
| • Addition of 2.07 FTE General Ed. Paraeducators | \$ (78,817) |
| • Reduction in Debt Service Interest to Reflect IRS Subsidy to Show True Interest Cost | \$ 144,054 |
| • Reduce Transportation Cost to Reflect Actual Billing (Paid in Arrears) | \$ 20,000 |

PROPOSED AMENDMENTS?

EXPENDITURES

- | | |
|---|-------------|
| • Transfer Budget from 3900 to 1100 to Reflect Correct Object for Early Retirement Incentive Payment: no Net Effect on Budget Total | \$ -0- |
| • Reduce Unrestricted Fund Contribution to Special Ed: Federal Funds Pay for Portion of Paraeducators not Reflected in Adopted Budget | \$ 114,797 |
| • Carry-Over of Individual Classroom Supply Budgets and Distribution of eScript for 12-13 | \$ (49,500) |

NET DECREASE IN EXPENDITURES **\$ 265,944**

NET ADJUSTMENT TO 2012-13 ADOPTED GENERAL FUND BUDGET

- | | |
|--|-------------------|
| • Ending Balance, General Fund (Combined) Adopted Budget | \$(727,385) |
| • Increase in 11-12 Ending Balance at Unaudited Actuals | \$ 995,648 |
| • Revenue Budget Amendments | \$ 200,946 |
| • Expenditure Budget Amendments | <u>\$ 265,944</u> |
| • TOTAL COMBINED ENDING BALANCE PER AMENDED BUDGET PROPOSAL FOR 12-13 | \$ 735,153 |
| • Unrestricted | \$ 480,664 |
| • Restricted | \$ 254,489 |

SUMMARY: AMENDED MYP for 2012-13 – 2014-15

● ASSUMPTIONS

- Flat Enrollment: 690
- Tax Increases: 2% 13-14, 2.5% 14-15
- Continuation of Parcel Tax: Assumes Election in 2014 Passes at Current Level
- Assumes On-Going Contribution of \$1M from PVSF
- Assumes CPI Increases for Books/Supplies/Services of 2.2% and 2.4%
- Assumes No Staffing Changes: No Salary Adjustments (Cost of 1% - Approx. \$73,260)

MYP ASSUMPTIONS

- Special Ed Services at 12-13 Levels
- 5% Reserve Level 13-14 and 14-15:
Funds in Excess of 5% are Undesignated
 - 13-14: \$74,965
 - 14-15: \$220,008

**All Budget Reductions Included in
2012-13 Budget are On-going**

SUMMARY: ENDING BALANCES 2012-13 – 2014-15 PER MYP

| | Unrestricted | Restricted | Combined | Reserve % |
|-------|--------------|------------|--------------|-----------|
| 11-12 | (31,885) | \$ 229,644 | \$ 197,759 | None |
| 12-13 | \$ 480,664 | \$ 254,489 | \$ 735,153 | 4.66% |
| 13-14 | \$ 600,103 | \$ 272,379 | \$ 872,482 | 5.00% |
| 14-15 | \$ 752,633 | \$ 284,817 | \$ 1,037,450 | 5.00% |

BIG UNKNOWN

○ IF PROP. 30 **DOES NOT** PASS IN NOVEMBER:

- IMPACT: Potential Loss of \$457/ADA
\$457/ADA x 672 = \$307,104 in 12-13
- Either Ending Balance of Projected \$480,664 (4.66%)
Reduces to \$173,560 (1.68%) – OR – District Finds
Expenditure Reductions to Offset Part or All of the
Impact.
 - Likely that Lay-Offs Would have to be Negotiated
for Certificated Positions
 - Hourly and Extra Duty Costs Could be Reduced
 - Remaining Budget is Primarily Uncontrollable: Repair
Contracts, Utilities, Insurance, Transportation, Capital
Lease Payments
 - Could Reduce Books and Supplies, Remaining Consultant
Contracts