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# Town Hall Meeting on the District Budget



# 2012-13 BUDGET

- Our Purpose
- Budget History
- Funding for Dixon USD
- State Budget
- 2012-2013 BUDGET
- Fund Balance
- Moving Forward



# Our Purpose

- Provide parents and the community with information regarding the recent history related to our budget.
- Take a look forward using our budget projections and discuss the likelihood of substantial future budget reductions.
- Answer questions, address concerns, and take input from those in attendance.



# We Are Not Trying To . . .

- Promote any position with regard to Propositions 30 or 38 in the upcoming election.
- Influence negotiations with either of our bargaining groups or negotiate here tonight.
- Create unnecessary concern, fear, or distress over future budget cuts.



# Budget History

- The more than five-year period beginning with the 2007-08 school year has been the longest and most challenging period in the District's history with regard to fiscal issues.
- 2005-06 and 2006-07 were years in which the District deficit spent, initiating the need to make reductions in 2007-08 – a year prior to the budget crisis impacting other districts and the state overall.



# Major Reductions for 2008-09

- Closed Silveyville Elementary School
- *1 Principal, 1.2 Prep Teachers, 1.75 Secretary, 1.5 Custodian, .5 Health Tech*
- Reading Intervention Teachers – 6.3 FTE
- District Administration – 3 FTE
- CAJ Assistant Principal - .5 FTE
- Counselors – 2.0 FTE
- Library Techs – 2.875 (all positions)
- Other Classified Support Positions – 6.2 FTE



# Major Reductions for 2009-10

- Class Size Reduction in Grades K-3 and Grade 9 English and Math – about 10 FTE
- All Elementary Specialists/Prep Time Teachers – 6.5 FTE
- Librarian at Dixon High – 1 FTE
- Counselors – 1.33 FTE
- Certificated Extra Duty Stipends
- Superintendent's Secretary – 1 FTE
- All Health Techs, 4 Custodians, 1 Maint./Grounds, and a total of 4.25 other classified positions



# Major Reductions for 2010-11

- 2010 marked the re-opening of the DMCS, so there was a reduction in K-6 teachers as we lost about 200 students.
- CAJ and DHS were reduced by approximately 3 FTE total for declining enrollment.
- Another counseling reduction brought us to a total of 3 FTE – peak had been 7.
- Classified reductions were limited to SPED and categoricals.





# Major Reductions for 2011-12

- Reductions in teachers were limited to impact of declining enrollment.
- Classified reductions were limited again, primarily adjustments related to short Wednesday schedule at elementary schools.
- Reorganization in the District Office eliminated 2.8 FTE in administration—Assistant Superintendent, Special Projects Coordinator, and Director of Health Services.



# Major Reductions for 2012-13

- Small enrollment based reductions in the secondary level program.
- No other General fund reductions.
- Administrative and Confidential employees are taking a voluntary 3% reduction in salary.



# Summary Comments on Reductions

- Initial reductions hit the classified unit most severely. Over time, the reductions have balanced out among all three groups significantly.
- The elementary program has been impacted by reductions much more significantly than the secondary program.
- All reductions with the exception of reduced stipend amounts have been by Board action, not the result of negotiations with either unit.



# The Revenue Story

- State Funding has declined.
  - In 2007-08 we received \$5771.85 per student.
  - In 2011-12 we received \$5145.67 per student.
    - This is a decline of \$626.18 per student.
    - This is a percentage decrease of 10.8%.
  - In 2007-08 total state funding was \$15,943,968.
  - In 2011-12 total state funding was \$12,925,641.
    - This is a decline of \$3,018,327 or 18.9%
  - Total funding is down more than the 10.8% reduction per student because of declining enrollment.



# The Revenue Story

- How have we survived?
  - Flexibility: Tier III Categorical funds have been flexed into the General Fund at a rate of over \$1,000,000 per year since 2008-09.
  - ARRA Funds: The American Recovery and Reinvestment Act provided \$1,924,752 from 2008-09 through 2010-11. \$1,429,839 came in 2008-09 alone.
  - Ed Jobs: This federal stimulus revenue provided \$732,599, all of which was spent in 2011-12.
- In total, these sources have added \$8,087,073.



# The Revenue Story

- State revenue will remain flat, at best, and could decline by as much as \$455 per student.
- Flexibility is set to expire at the end of the 2014-15 school year. If it does, we will not lose those funds, but we will no longer be able to use them as General Fund dollars.
- Nobody expects another dollar of federal assistance to come to us regardless of the outcome of the presidential election.



# Summary Comments on Revenue

- Without the flexibility on the Tier III categorical funds and the \$2,657,351 in federal assistance, we would have reached a financial breaking point well before now.
- There is no light at the end of the revenue tunnel – nothing is coming our way. If we do see a light coming, it may be a train to run us over.



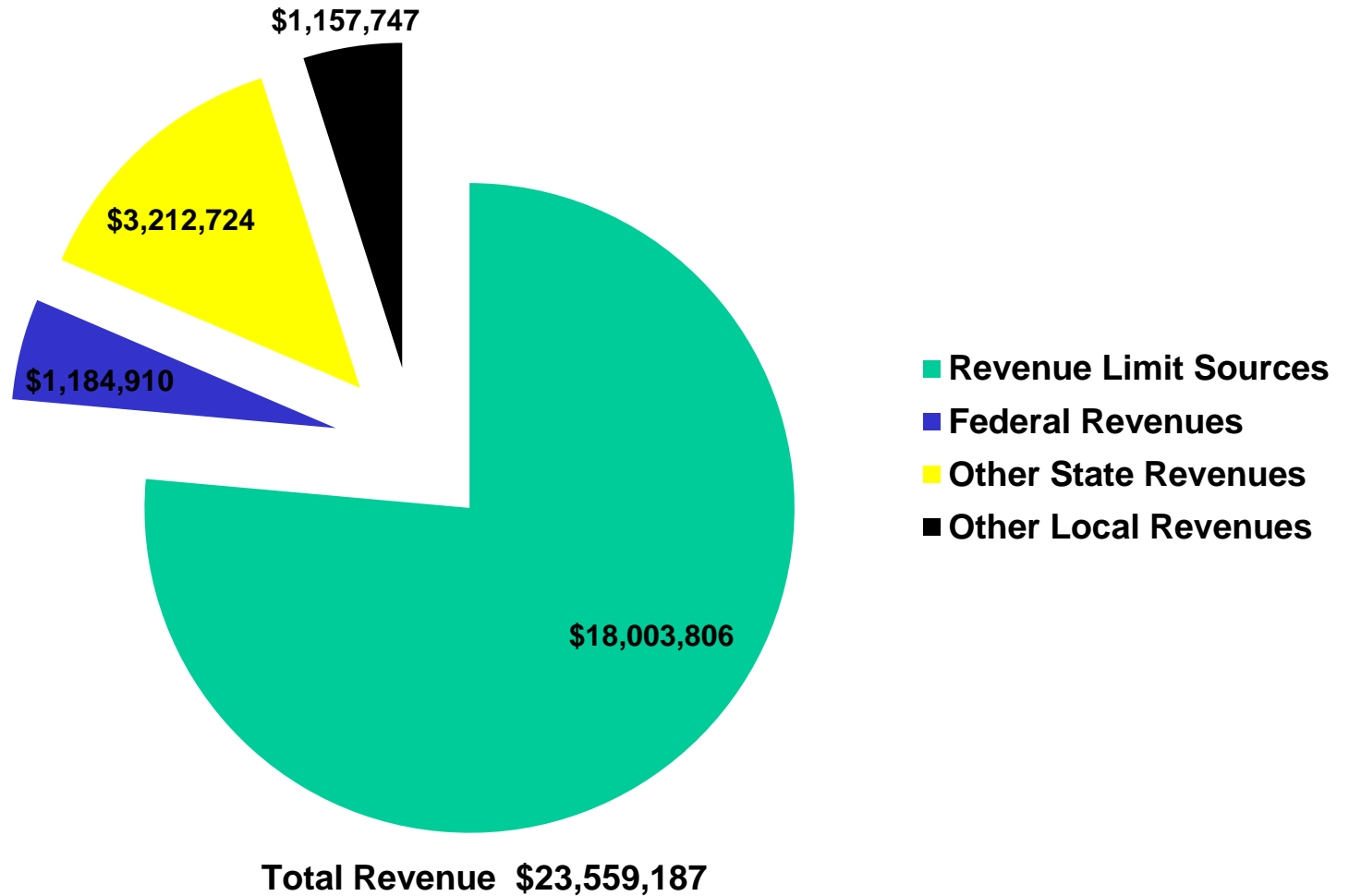
# FUNDING FOR SCHOOLS

- Funding Sources
  - Largest single funding source is the Revenue limit –(a combination of state funding and local property tax)
  - Federal Categoricals (Comes with restrictions)
  - Other State Categoricals (Comes with restrictions)
  - Local Funding





# Dixon Unified School District





# State Budget

Still a Gap of \$9.2 Billion

- November Tax Initiative will fill gap with  
“Temporary Taxes to Fund Education”
  - Automatic cuts to schools if tax initiative fails
    - Reduction of school year from 180 days to 165 days is authorized
  - Other Cuts

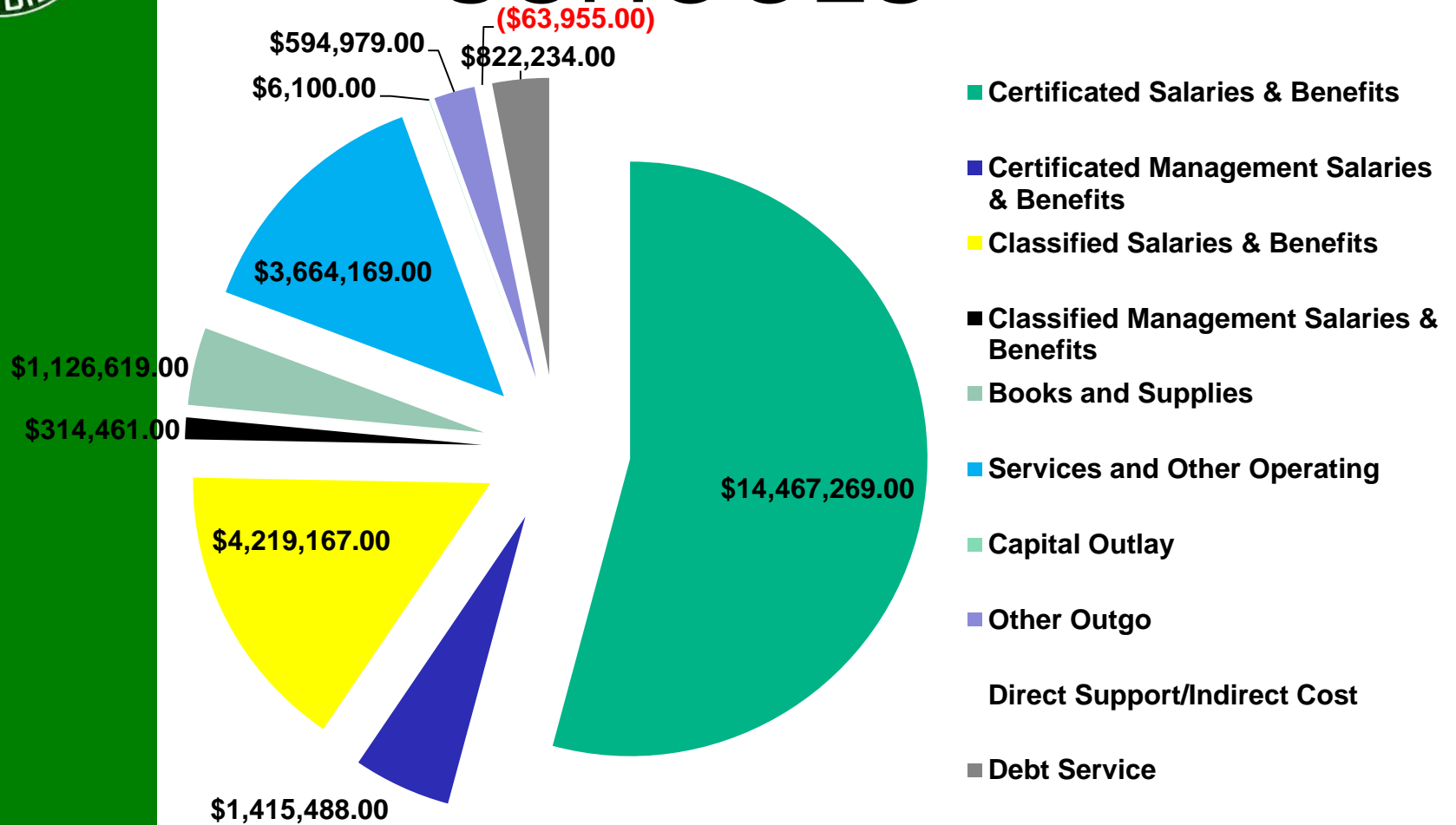


# EXPENDITURES FOR SCHOOLS

- Certificated Salaries
- Classified Salaries
- Statutory and Health & Welfare Benefits
- Supplies
- Other Services
- Capital Equipment
- Debt Service



# EXPENDITURES FOR SCHOOLS



Total Expenditures \$26,566,531

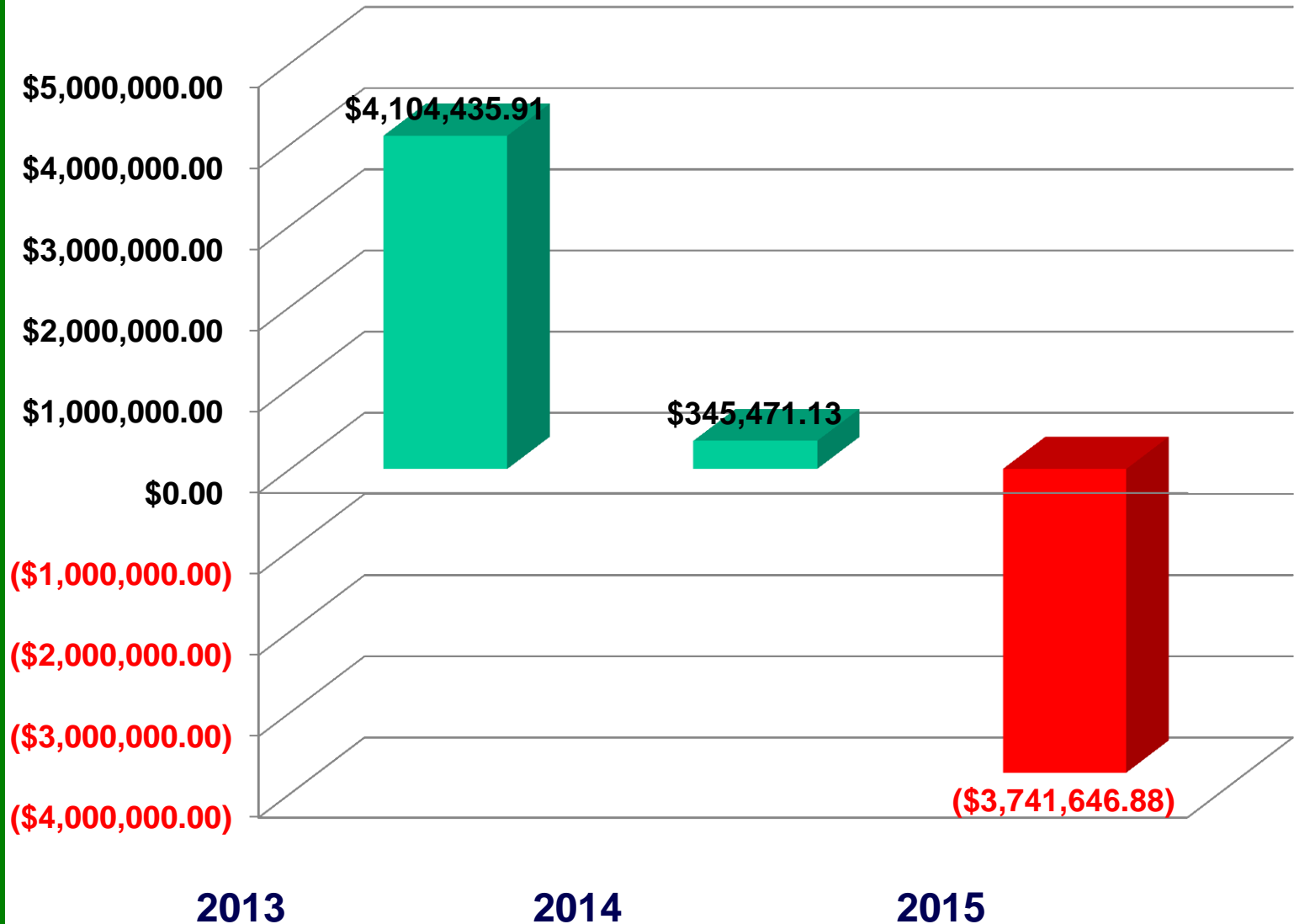


# Fund Balance

PROPOSITION 30 PASSES IN NOVEMBER	FY 2012-13	FY 2013-14	FY 2014-15
REVENUES	23,559,187	23,097,611	23,093,976
EXPENDITURES	26,566,531	26,856,576	27,181,094
Revenue less Expense	(3,007,344)	(3,758,965)	(4,087,118)
PROPOSED BUDGET ADJUSTMENTS			
Beginning Balance	7,111,780	4,104,436	345,471
Ending Balance	4,104,436	345,471	(3,741,647)
Economic Uncertainty (3%)	(796,996)	(805,697)	(815,433)
Restricted Balance	(563,114)	(473,545)	(394,049)
REMAINING UNDESIGNATED BALANCE	2,744,326	(933,771)	(4,951,129)



# Fund Balance



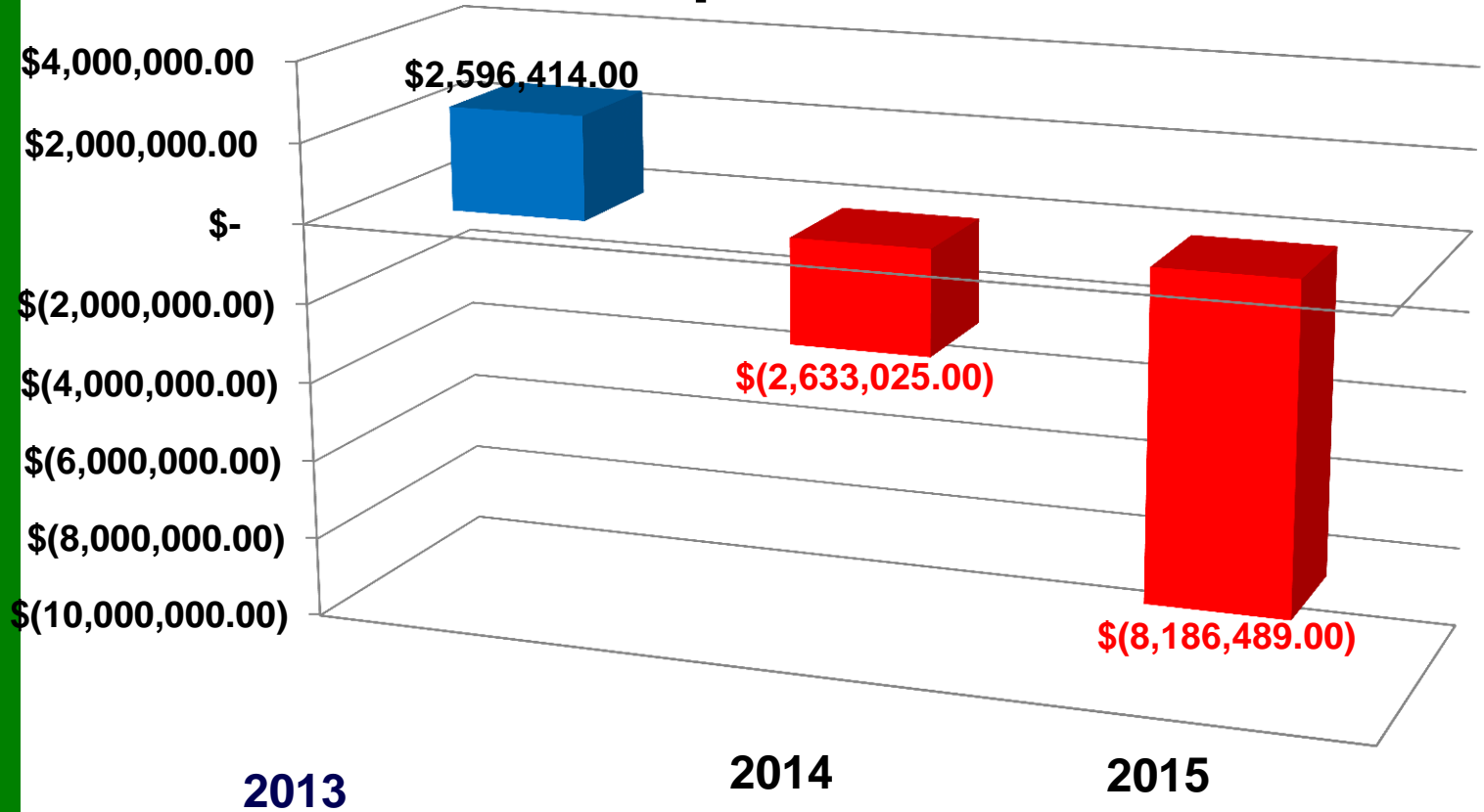


# Fund Balance

<b>PROPOSITION 30 DOES NOT PASS IN NOVEMBER</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
<b>REVENUES</b>	<b>23,559,187</b>	<b>23,097,611</b>	<b>23,093,976</b>
<b>Less Trigger Cuts (Tax Election Loses)</b>	<b>(1,508,022)</b>	<b>(1,470,474)</b>	<b>(1,466,346)</b>
<b>Revised Revenue</b>	<b>22,051,165</b>	<b>21,627,137</b>	<b>21,627,630</b>
<b>EXPENDITURES</b>	<b>26,566,531</b>	<b>26,856,576</b>	<b>27,181,094</b>
<b>PROPOSED BUDGET ADJUSTMENTS</b>			
<b>Revenue less Expenses</b>	<b>(4,515,366)</b>	<b>(5,229,439)</b>	<b>(5,553,464)</b>
<b>Beginning Balance</b>	<b>7,111,780</b>	<b>2,596,414</b>	<b>(2,633,025)</b>
<b>Ending Balance</b>	<b>2,596,414</b>	<b>(2,633,025)</b>	<b>(8,186,489)</b>
<b>Economic Uncertainty (3%)</b>	<b>(796,996)</b>	<b>(805,697)</b>	<b>(815,433)</b>
<b>Restricted Balance</b>	<b>(563,114)</b>	<b>(473,545)</b>	<b>(394,049)</b>
<b>REMAINING UNDESIGNATED BALANCE</b>	<b>1,236,304</b>	<b>(3,912,267)</b>	<b>(9,395,971)</b>



# Fund Balance Components







# BOARD RESOLUTION

- Commitment for Reductions
  - Proposition 30 Passes
    - \$950,000 in 2014
    - \$4,000,000 in 2015
  - Proposition 30 Does not Pass
    - \$3,900,000 in 2014
    - \$5,500,000 in 2015



# NEXT STEPS

<b>Date</b>	<b>Description</b>	<b>Responsibility</b>
October 25, 2012	Board Meeting/ Budget Advisory Committee Reports	Budget Advisory
October 31, 2012	<b>STATE CUT OFF FOR 1ST INTERIM REPORTS</b>	<b>California</b>
November 6, 2012	<b>Tax Election</b>	<b>Voters</b>
November 8, 2012	Board Meeting/ Action Budget Plan(Public Hearing) Anticipation of 1st Interim	Brian Dolan, Cecile L. Nunley
December 13, 2012	Board Meeting /1st Interim Approval (PLAN FOR REDUCTIONS MUST BE NOTED TO COUNTY)	Cecile L. Nunley
January 10, 2013	Board Meeting/ Budget Up-Date	Cecile L. Nunley
January 24, 2013	Board Meeting /Gov. Budget Up-Date (invitation to Bargaining Groups & Board members for workshop)	Cecile L. Nunley
January 31, 2013	<b>STATE CUT OFF FOR 2nd INTERIM REPORTS</b>	<b>California</b>



# NEXT STEPS

Date	Description	Responsibility
February 14, 2013	Board Meeting/ Enrollment estimate	Cecile L. Nunley
February 28, 2013	Board Meeting /Particular Kinds of Service - Certificate and Classified /Sunshine Contracts	Brian Dolan
March 14, 2013	Board Meeting/2nd Interim Approval	Cecile L. Nunley
March 28, 2013	Board Meeting/Budget Up-Date	Brian Dolan, Cecile L. Nunley
April 11, 2013	Board Budget Assumptions and Instructions to staff	Management
April 25, 2013	Board Meeting Study Session Approve Assumptions	Management
April 30, 2013	<b>STATE CUT OFF FOR 3RD INTERIM REPORTS</b>	<b>California</b>
May 9, 2013	Board Meeting/Budget Up-Date	Brian Dolan, Cecile L. Nunley
May 23, 2013	Board Meeting/ 3rd Interim/May Revision	Cecile L. Nunley
June 13, 2013	Board Meeting/Budget Up-Date	Brian Dolan, Cecile L. Nunley
June 27, 2013	Board Meeting/Budget Adotion	Cecile L. Nunley