

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT  
BOARD OF EDUCATION

Agenda Item# 9.1

Meeting Date: June 23, 2011

Subject: Public Hearing and Adoption of Proposed Fiscal Year 2011-12 Budget for All  
Funds and use of Categorical Transfers and Uses in Accordance with SBX3 4

Information Item Only

# Board of Education Executive Summary

## Administrative Services

Public Hearing and Adoption of Proposed Fiscal Year  
2011-12 Budget for All Funds and Use of Categorical  
Transfers and Uses in Accordance with SBX3.4  
June 23, 2011

This document provides an overview of the budget process and time used in preparing the 2011-12 Adopted Budget. Despite the financial condition of the state, staff continues to work towards the long-term fiscal health of the district.

- December - Staff presented a budget timeline and process for preparing 2011-12 Adopted Budget. The process of developing a school district budget is an ongoing function that must be addressed by the Board and administration throughout the school year. In order to effectively develop a fiscal document that reflects the goals and objectives of the school district, the budget process must include a well-defined budget calendar outlining when specific activities will be completed.
- January/February - Budget was projected based on two scenarios. The first scenario (best case) included the assumption that tax extensions would be passed by the voters, providing additional funding for education. The first scenario led to an initial estimated budget deficit of \$6.64 million. This included a reduction of \$19 per Average Daily Attendance in our revenue limit funding in February as more information was known the projected deficit was increased to a projected deficit of \$9.2 million. The second scenario (worst case), which did not include the tax extensions brought the projected deficit to \$20.44 million. This scenario included a reduction of \$349 per Average Daily Attendance. This also was increased later in February to a projected deficit of \$22.35 million. In February, the district surveyed parents, students, and staff.

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# Board of Education Executive Summary

## Administrative Services

Public Hearing and Adoption of Proposed Fiscal Year 2011-12 Budget for All Funds and Use of Categorical Transfers and Uses in Accordance with SBX3.4  
June 23, 2011

- May 19: The Board received the May Revision of the 2011-12 Budget which was released on May 16. While the May Revision provided good news, revenue assumptions were still based on the passage of tax extensions by the voters. State revenues were higher than anticipated and cash deferrals were eliminated. However, there were still words of caution due to the uncertainty of the tax extensions. The May Revision included flat funding and reinstated the previous reduction of \$349 per Average Daily Attendance.
- June 2: As required by the Qualified status as of Second Interim, staff presented the Third Interim Financial Report for approval by the Board. The report included the reinstatement of home-to-school transportation and curricular support as the May Revision appeared to provide positive news.

The 2011-12 Adopted Budget includes flat revenue funding with budget saving recommendations totaling \$22.35 million. The revenue generated from flat funding gives a balance of \$13.95 million which is set aside in a reserve in the ending fund balance. Should the flat funding not materialize, this reserve of \$13.95 million will be used to offset the revenue reduction. Should the flat funding materialize, this reserve would be available to reinstate some salary savings and programs. The budget section of this report outlines the specific areas of budget savings.

## II. Driving Governance:

- Education Code section 42127 requires the governing board of each school district to adopt a budget on or before July 1. The budget to be adopted shall be prepared in accordance with Education Code section 42127. The adopted budget shall be submitted to the County Office of Education. The County Office of Education determines if the district will be able to meet its financial obligations during the fiscal year and prepares a financial plan that will enable the district to satisfy its multi-year financial commitments.

## III. Budget:

Board Approved on February 17 and March 3

Federal Education Jobs Funds	\$3,150,000
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The district received an allocation of \$8.4 million from the Federal Education Jobs and Medicaid Assistance Act of 2010. These funds were to be used for compensation and benefits and other expenses, such as support services, necessary to retain existing employees, to recall or rehire former employees and to hire new employees in order to provide early childhood, elementary or secondary education and related services. Staff projected the use of \$4.38 million to retain existing

# Board of Education Executive Summary



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## Administrative Services

Public Hearing and Adoption of Proposed Fiscal Year

2011-12 Budget for All Funds and Use of Categories

Transfers and Uses in Accordance with SBX3.4

June 23, 2011

### Detail of Tier III Transfers

Tier III Program	Original Funding	2010-11 Funding	2011-12 Funding	2011-12 Savings
Adult Education Program	\$12,452,096	\$8,093,862	\$5,093,862	\$3,000,000
Arts and Music Grant	\$620,318	\$565,000	\$565,000	
Cal Safe Academic Support	\$190,262	\$0	\$0	
California High School Exit Exam	\$439,001	\$0	\$0	
Certificated Staff Mentoring	\$86,771	\$0	\$0	
Child Oral Health Assessment	\$24,550	\$0	\$0	
Class Size Reduction 9 <sup>th</sup> Grade	\$442,363	\$0	\$0	
Community Based English Tutoring	\$365,620	\$0	\$0	
Community Day School	\$39,164	\$39,164	\$39,164	
Deferred Maintenance*	\$1,550,422	\$0	\$0	
Gifted and Talented Education	\$311,839	\$311,839	\$311,839	
Instructional Materials Block Grant	\$2,206,123	\$1,500,000	\$1,000,000	\$500,000
PE Teacher Incentive Grant	\$159,392	\$0	\$0	
Peer Assistance and Review	\$152,530	\$0	\$0	
Professional Development Block Grant	\$2,358,344	\$1,572,229	\$1,572,229	
Pupil Retention Block Grant	\$840,175	\$0	\$0	
Regional Occupational Program	\$1,885,702	\$1,618,226	\$1,618,226	
School Library/ Improvement Block Grant	\$3,361,349	\$953,663	\$723,663	\$230,000
School Safety Competitive Grant	\$531,667	\$531,667	\$531,667	
Staff Development Administrator Training	\$33,472	\$0	\$0	
Staff Development Math and Reading Professional Development	\$195,647	\$0	\$0	
Supplemental School Counseling	\$1,164,990	\$896,150	\$896,150	
Targeted Instructional Improvement Block Grant	\$2,419,063	\$1,406,000	\$1,406,000	
Teacher Credentialing Block Grant	\$756,940	\$100,000	\$0	\$100,000
<b>Total</b>	<b>\$32,587,800</b>	<b>\$17,587,800</b>	<b>\$13,757,800</b>	<b>\$3,830,000</b>

