

# 2011-12 Adopted Budget

Irvine Unified School District

June 21, 2011



# Budget News

- Budget Bills passed by legislature – June 15th
- Budget Vetoed by Governor – June 16<sup>th</sup>
- State Controller John Chiang blocks pay and enforces Proposition 25 and 58
- Temporary Taxes deadline looming
- Pension plans still a hot topic

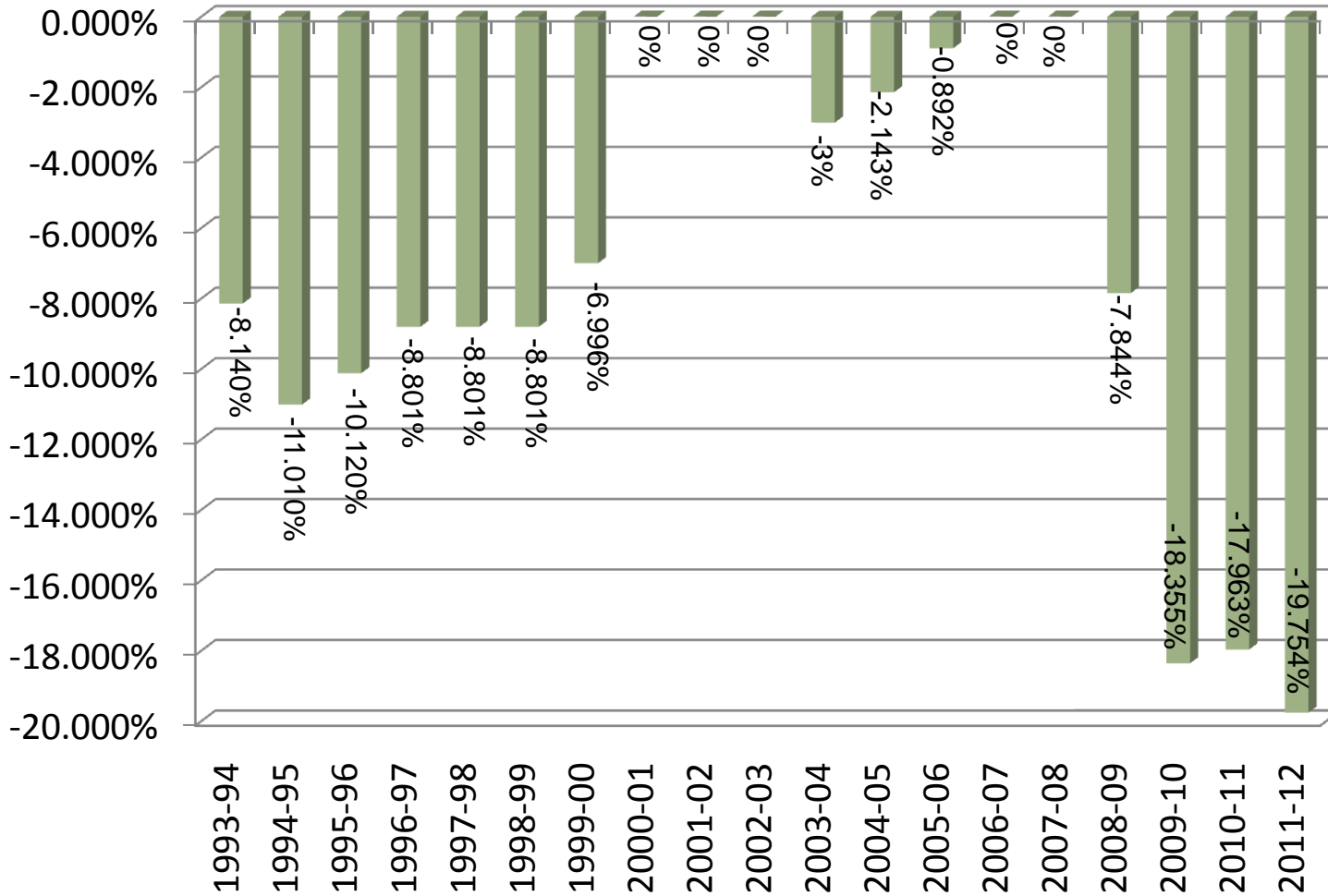
# 2011-12 Budget Assumptions

Description	2011-12	2012-13	2013-14
ADA Growth	400	500	700
Revenue Limit COLA	2.24%	3.20%	2.70%
Special Ed / Categorical COLA	0.00%	3.20%	2.70%
Rev Limit Deficit	19.754%	19.754%	19.754%
Basic Aid Fair Share - computed	(\$5,696,489)	(\$3,288,221)	(\$1,016,257)
\$349 per ADA Reduction	(\$9,448,477)		
Property Tax Growth	1%	2%	5.5%
Bren Donation	\$2,150,000	\$2,150,000	\$2,150,000
IRWD Easement	\$1,000,000	\$1,000,000	\$1,000,000
RIMD Revenues	\$4,137,743	\$4,220,498	\$4,304,908
<i>Redevelopment Revenues</i>	<i>\$601,065</i>	<i>\$601,065</i>	<i>\$601,065</i>
K-3 CSR Revenues	\$4,238,778	\$4,238,778	\$4,238,778

# 2011-12 Budget Assumptions

Description	2011-12	2012-13	2013-14
Step and Column Increases	2%	2%	2%
Additional Teacher FTE – Growth	12	16	21
Average New Teacher Cost	\$79,758	\$81,353	\$82,980
PERS Rate	10.923%	11.400%	11.600%
Health Insurance Contribution	\$9,622	\$9,622	\$9,622
Workers Compensation Rate	1.75%	2.00%	2.00%
Utility Increases	5%	5%	5%
Retiree Health Costs	\$2,247,845	\$2,026,539	\$1,882,209
Special Education Underfunding	\$24,789,520	\$25,246,343	\$25,677,799
Deferred Maintenance Transfer	\$750,000	\$750,000	\$750,000

# Revenue Limit Deficit History




■ Deficit Factor



# Basic Aid Status-

## How much does IUSD Benefit?

	2008-09	2009-10	2010-11	2011-12
Base Revenue Limit	159.0M	167.9M	167.2M	169.1M
Deficit/Other Adjustments	<u>&lt;13.0M&gt;</u>	<u>&lt;31.2M&gt;</u>	<u>&lt;30.6M&gt;</u>	<u>&lt;29.9M&gt;</u>
Total Revenue Limit	146.0M	136.7M	136.6M	139.2M
Property Taxes	<u>148.6M</u>	<u>148.4M</u>	<u>147.0M</u>	<u>144.9M</u>
Basic Aid Threshold	2.2M	11.7M	10.4M	5.7M
Fair Share Reduction	0.0M		<9.7M>	<5.7M>

# *Irvine Unified School District: 2011-12 Budget*

## **2011-12 General Fund Budget**

Revenue	\$199.7 million
Expense	(\$212.2 million)
<u>Total Sources/Contributions</u>	<u>(\$ 1.1 million)</u>
Change in Operations	( \$ 13.6 million)

## **Fund Balance**

Beginning Balance	\$ 45.7 million
<u>2011-12 Change in Operations</u>	<u>(\$ 13.6 million)</u>
Projected Ending Balance	\$ 32.1 million

# *Irvine Unified School District: 2011-12 Budget*

## **2011-12 Unrestricted Budget**

Revenue	\$168.4 million
Expense	(\$152.7 million)
<u>Total Sources/Contributions</u>	<u>(\$ 29.3 million)</u>
Change in Operations	( \$ 13.6 million)

## **Fund Balance**

Beginning Balance	\$ 40.5 million
<u>2011-12 Change in Operations</u>	<u>(\$ 13.6 million)</u>
Projected Ending Balance	\$ 26.9 million

# *Irvine Unified School District: 2011-12 Budget*

## **2011-2012 Restricted Budget**

Revenue	\$31.4 million
Expense	(\$59.5 million)
<u>Total Sources/Contributions</u>	<u>\$28.1 million</u>
Change in Operations	\$ 0.0 million

## **Fund Balance**

Beginning Balance	\$ 5.2 million
<u>2011-12 Change in Operations</u>	<u>\$ 0.0 million</u>
Projected Ending Balance	\$ 5.2 million

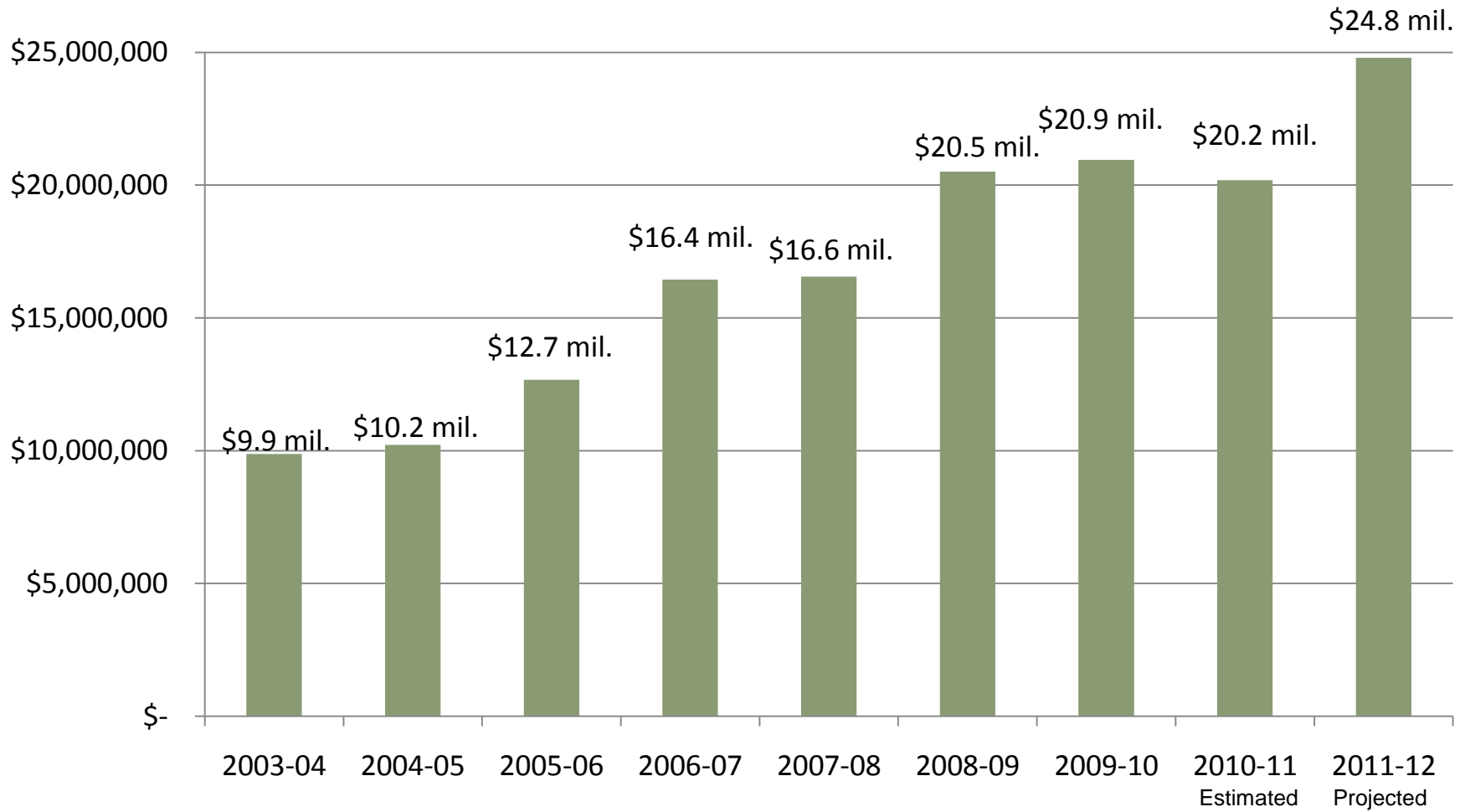
## Multiyear Projections - Unrestricted

Description	2011-12 Adopted	2012-13 Projected	2013-14 Projected
Total Revenues	\$140,788,737	\$146,139,637	\$153,591,606
Total Expenditures	(\$154,390,676)	(\$159,550,226)	(\$163,567,309)
NET INCREASE (DECREASE)	(\$ 13,601,939)	(\$ 13,410,589)	(\$ 9,975,703)
Beginning Balance, July 1	\$ 40,450,323	\$ 26,848,384	\$ 13,437,795
Ending Balance, June 30	\$ 26,848,384	\$ 13,437,795	\$ 3,462,092
Required Reserves	\$ 6,900,000	\$ 7,025,733	\$ 7,181,699
Designations	\$ 19,948,384	\$ 12,948,477	\$ 12,948,477
Excess / (Shortfall)	\$ 0	(\$ 6,536,415)	(\$ 16,668,084)

# Components of Ending Fund Balance

Description	2010-11 Estimated	2011-12 Adopted	2012-13 Projected	2013-14 Projected
Total Board Designated	<u>\$33,500,323</u>	<u>\$ 19,948,384</u>	<u>\$ 12,948,477</u>	<u>\$ 12,948,477</u>
\$349 per ADA Reduction		\$9,448,477	\$9,448,477	\$9,448,477
ACLU Lawsuit		\$3,500,000	\$3,500,000	\$3,500,000
Designated for future shortfall	<u>\$33,500,323</u>	<u>\$6,999,907</u>	<u>\$0</u>	<u>\$0</u>

# Special Education Underfunding



In 2009-10, Special Education revenue limit transfer has been eliminated; 2009-10 includes \$1.9 M ARRA Revenue; 2010-11 includes \$2.1 M in ARRA Revenue

## 2011-12 Adopted Budget Observations

- IUSD has reduced over **\$38 million** in programs and expenditures over the past 2 years
  - 2009-10 Budget Reductions - \$18,279,377
  - 2010-11 Budget Reductions - \$19,822,327
- The 2011-12 Adopted Budget contains a 3% reserve for economic uncertainties
- IUSD is projected to have a \$6.5M shortfall in 2012-13
- IUSD is projected to have a \$16.7M shortfall in 2013-14

## *Irvine Unified School District: 2011-12 Budget*

### **Recommendation:**

*Adopt the 2011-2012 Budget as presented and continue to explore additional expenditure reductions and revenue enhancements for fiscal years 2012-13 and 2013-14.*