

# Piedmont Unified School District



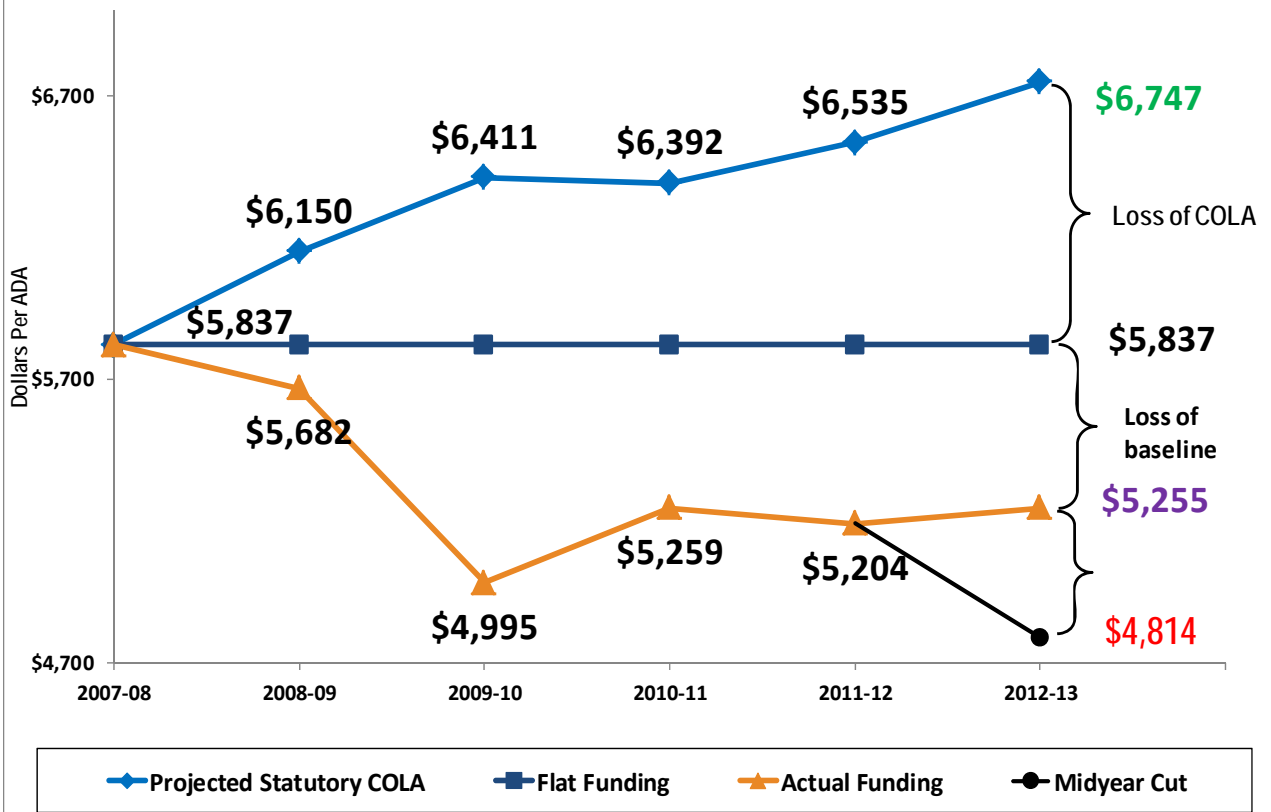
2012-13 General Fund  
Budget Review  
August 22, 2012

# Budget Recap

*The 2012/13 PUSD General Fund Budget was adopted by  
the Board of Education on June 27, 2012*

- Reflects the Board's priorities to maintain a breadth of student program opportunities and adequate compensation for employees
- Maintain 3% reserve
- Balance budget with sufficient reserves to meet obligations for 12-13
- 1.25M to potential 3.5 M shortfall in multi-year projections
- No increase in parcel tax assessments in multi-year projections
- Revenue limit includes a -22.272% deficit factor
- Parcel Tax B = 8.9M
- Parcel Tax E - Expired
- Parent Club Organizations contribute 1.55M - includes an increase of \$100 per pupil in ongoing contributions
- Education Foundation contributes \$200K from Endowment Fund
- One time "buy-back" of two furlough days (\$180K from Parent Clubs, Education Foundation, and Private donations)

**Piedmont Unified District Revenue Limit History**



# Moving Forward & Addressing the Gap

## Scenario #1 (Adopted Budget)

### Governor Brown Initiative passes ...

(State funding remains flat for the current and next 2 fiscal years)

~1.25M ongoing funding gap beginning in 13-14~ & ~1.25M ongoing funding gap beginning in 14-15~

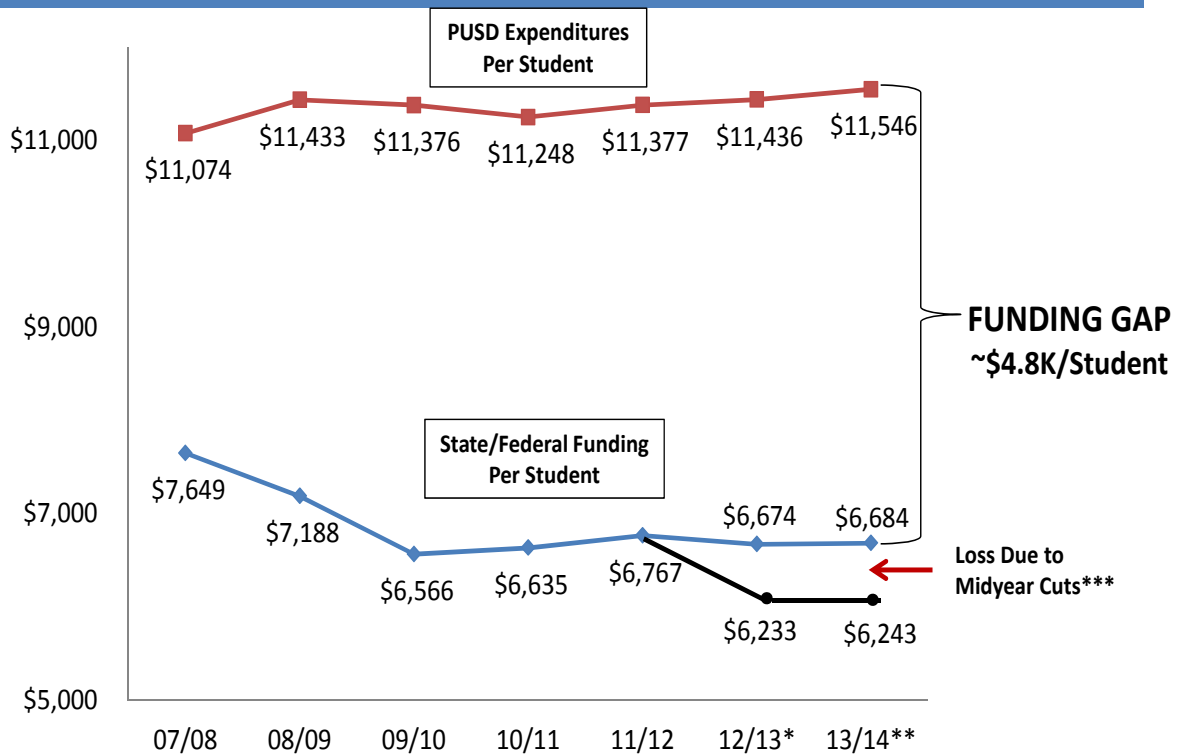
2012-13	
Beg. Fund Balance	\$3.6M
Revenue	\$28.8M
<b>Total Revenue</b>	<b>\$32.4M</b>
Expenditure	\$30.5M
End Balance	\$2M

2013-14	
Beg. Fund Balance	\$2M
Revenue	\$28.5M
<b>Total Revenue</b>	<b>\$30.5M</b>
Expenditure	\$28.4M
Ongoing Reductions	(\$1.25M)
<b>Total Expenditures</b>	<b>\$29.6M</b>
End Balance (3% reserve)	\$900K

2014-15	
Beg. Fund Balance	\$900K
Revenue	\$28.7M
<b>Total Revenue</b>	<b>\$29.6M</b>
Expenditure	\$31.7M
Ongoing Reductions (carried from 13-14)	(\$1.25M)
Ongoing Reductions	(\$1.25M)
<b>Total Expenditures</b>	<b>\$29.2M</b>
End Balance	\$400K*

\* Does not meet 3% reserve

# This is a Revenue Problem!



\*2012/13 Adopted Budget  
 \*\*Multi-year budget projection  
 \*\*\*Projected cuts if both November tax initiatives fail

# Moving Forward & Addressing the Gap

## Scenario #2 (“November 2012?” Chart)

### Governor Brown Initiatives Fail...

(State funding decreases for the current (midyear cut) and next 2 fiscal years)

~3.5M ongoing funding gap beginning in 13-14~

2012-13	
Beg. Fund Balance	\$3.6M
Revenue	\$28.8M
<b>Total Revenue</b>	<b>\$32.4M</b>
Expenditure	\$30.5M
Mid-year cut	\$1.1M
End Balance	\$875K

2013-14	
Beg. Fund Balance	\$875K
Revenue	\$27.5M
<b>Total Revenue</b>	<b>\$28.4M</b>
Expenditure	\$30.8M
Ongoing Reductions	(\$3.5M)
<b>Total Expenditures</b>	<b>\$27.3M</b>
End Balance	\$966K*

2014-15	
Beg. Fund Balance	\$966K
Revenue	\$27.6M
<b>Total Revenue</b>	<b>\$28.6M</b>
Expenditure	\$31.7M
Ongoing Reductions	(\$3.5M)
<b>Total Expenditures</b>	<b>\$28.2M</b>
End Balance	\$400K*

\* Does not meet 3% reserve

## Previous Budget Tactics

- Alter Student Program Delivery (e.g. increase class size, reduce support personnel)
- Employee Compensation Reductions (collective bargaining: furlough days, benefit cap, reduce post employment benefits)
- Increase fundraising (parents, community, parcel taxes)
- Program Preservation (1x funding ... build reserves ... to support existing program)

# Moving Forward & Addressing the Gap

How does PUSD plan for and address this gap caused by a lack of revenue from the state?

**\*\*Conversations must begin now with staff and parents\*\***

The PUSD Board of Education to identify approach that addresses the structural budget gap.

Ways to Address the Gap:

- Increasing revenue (from the state and community)
- Decreasing expenditures
  - Reduce program/staff
    - Lay-offs
    - Loss of student programs
  - Reducing compensation
    - Negotiations
- Combination of Both Approaches

It's clear that a singular approach will not address the structural funding gap.



# 2012 – 2013 Timeline

**June 27<sup>th</sup>, 2012**

12/13 Budget Adopted by Board of Education

**December 2012**

PUSD 1<sup>st</sup> Interim Budget

**June 28<sup>th</sup>, 2012**

California adopts State Budget

**January – February 2013**

Decisions on how to address the funding gap

**August 22, 2012**

Review of 12/13 PUSD Budget

(no significant funding adjustments needed)

**March 2013**

Notification of possible layoffs for 2013-14

**August – November 2012**

Discussions to address funding gap

- Increase revenue/Decrease expenditures

- Combination of both

**March 2013**

PUSD 2<sup>nd</sup> Interim Budget

**November 2012**

State Election - Education Initiatives

**Spring 2013**

Parcel Tax Election

**May 2013**

State "May Revise" Budget