



MCSD Board Report

2012-2013 Budget Study Session #1

"The Continued Saga of Underfunding Education"

The Challenge Before Us

- ❑ To develop the District's 2012-2013 Budget given assumptions that may not be fact and with a dependence on a ballot measure with an unknown outcome
- ❑ We have a daunting task to accomplish in a short time
- ❑ The Budget Must:
 - Provide a safe place for students and staff
 - Maximize student achievement
 - Minimize negative impacts to students, their families and our employees
 - Be balanced, responsible and will be approved by the Merced County Office of Education
- ❑ The Budget must be developed given many of the option cards have already been played over the past several years

Guiding Principles

- Transparent Budget Process will need all stakeholders working together for the common good
- Conservative approach... we cannot gamble on hoping things will get better
- Meet District Priorities
- What's Best for Students ... with what we have to work with
- Work Professionally Together with Integrity ... not always agreeing, but always agreeable

Timeline ... very short for the task before us

- ❑ January 31: Board Budget Study Session #1 at 5:30
- ❑ February 7: Open Budget Forum at Rivera from 4:00-6:00
- ❑ Feb. 14: Board Budget Study Session #2 at Wright at 5:30
- ❑ February 21: Open Budget Forum at Tenaya from 4:00-6:00
- ❑ February 28: Regular Board Meeting at Fremont at 7:00
- ❑ March 6: Special Board Mtg re. Certif. Layoffs in Board Rm at 7:00
- ❑ March 13: Regular Board Meeting to present Second Interim Budget Report and Declaration to MCOE in Board Room at 7:00
- ❑ March 27: Reg. Board Mg re. Class. Layoffs at Chenoweth at 7:00
- ❑ May 8: Regular Board Meeting to determine final layoff notices at Cruickshank at 7:00
- ❑ June 26: Regular Board Meeting and formal adoption of the 2012-2013 Budget in Board Room at 7:00

Assumptions to Guide Budget Development

- ❑ We will use Governor Brown's budget proposal as factual for the sake of our starting Assumptions until we are officially notified differently re. the state's budget
- ❑ That the Ballot Initiative proposed by the governor does not pass
- ❑ That Cash Flow will remain a major obstacle ... requiring us to again borrow \$10,000,000 if not more
- ❑ That transportation funding will be eliminated resulting in an additional \$1,410,000 ongoing loss of revenue
- ❑ That the Federal Jobs Bill money of \$1,900,000 we had this year will not be renewed

Assumptions to Guide Budget Development

- ❑ That enrollment and respective ADA calculations will remain the same except for Kindergarten
- ❑ That Transitional Kindergarten will not be funded resulting in approximately 8.25% fewer kindergarten students
- ❑ That Federal entitlements will remain unchanged
- ❑ That should the state block grant proposal be implemented, the District's entitlement will remain about the same
- ❑ That the rates for operating the District will remain the same

District's Budget Process

- ❑ We will post budget forms, cost cutting strategy suggestions, and budget development information on the District's Web site to encourage staff, families and the community to participate and be informed of the budget developments
- ❑ We will use the simpler Budget Balance Worksheets we developed and used last year
- ❑ Stakeholders will be encouraged to participate but will require one spokesperson to represent their group
- ❑ Individuals are encouraged to voice their suggestions and concerns but need to identify they represent themselves
- ❑ Associations and the District will need to address areas that will require negotiated agreements

Budget Development Worksheets

- Will identify the shortfall based on District Assumptions
- Will have columns for identifying added costs and cost-saving strategies with estimated savings
- Suggestions that are not items for the Unrestricted General Fund will be placed either in Restricted Funds or as suggestions in general
- Cost-saving suggestions are for brainstorming purposes and should not be intended to devalue any positions or programs and should not be of a personal or demeaning nature
- Stakeholders may make recommendations based on their views of how best to balance the budget
- District Administration will make a recommendation to the Board
- Ultimately, the Board has the responsibility and will make the necessary decisions to balance the budget

Budget Solutions Worksheets

1. Budget Solutions Worksheet
 2. Transportation Solutions Worksheet
- * Questions regarding Restricted Programs and Budgets will be addressed at the Budget Development Forums or at school sites upon request