

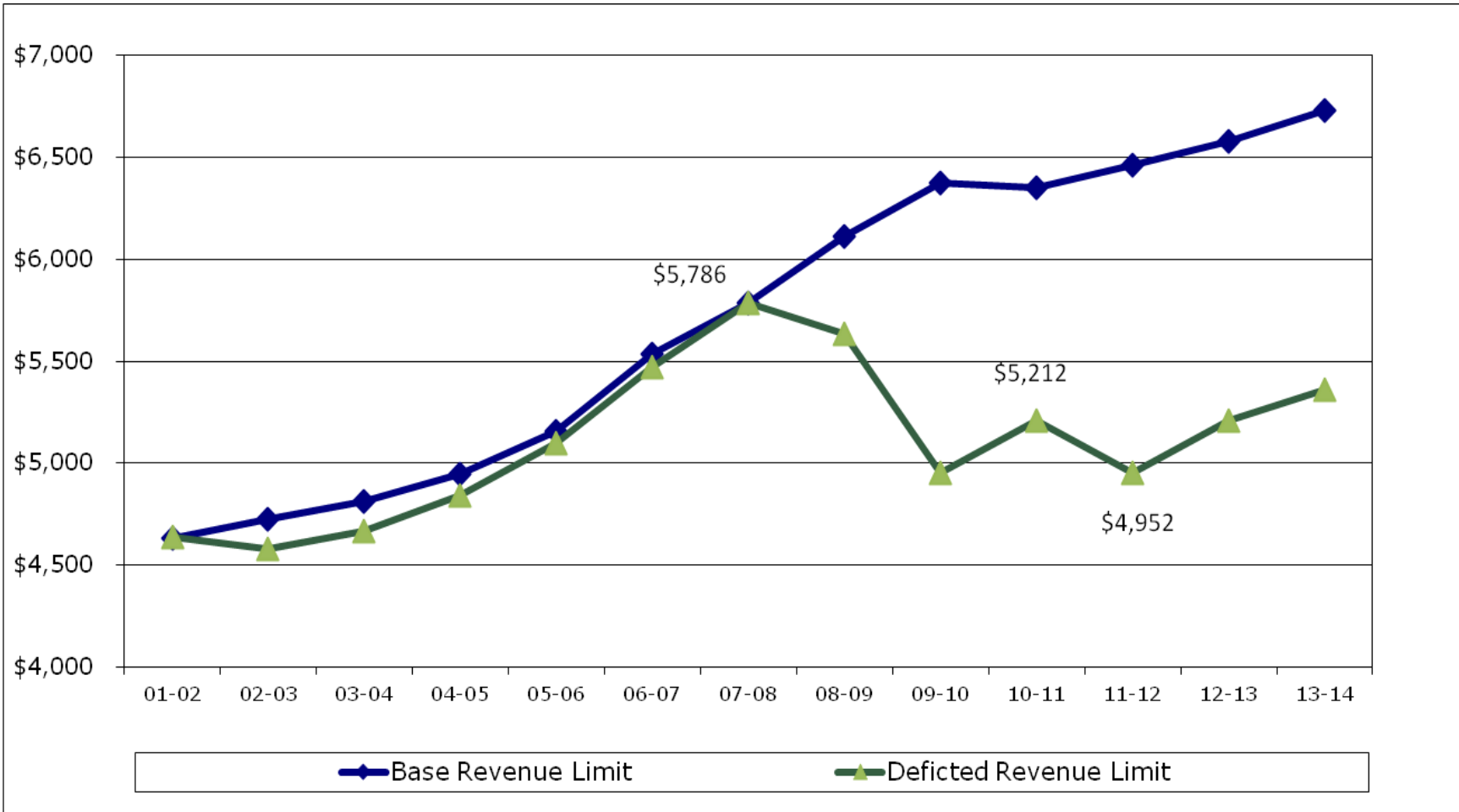
# 2011-2012 First Interim Report

Presented to the Board of Education  
December 8, 2011

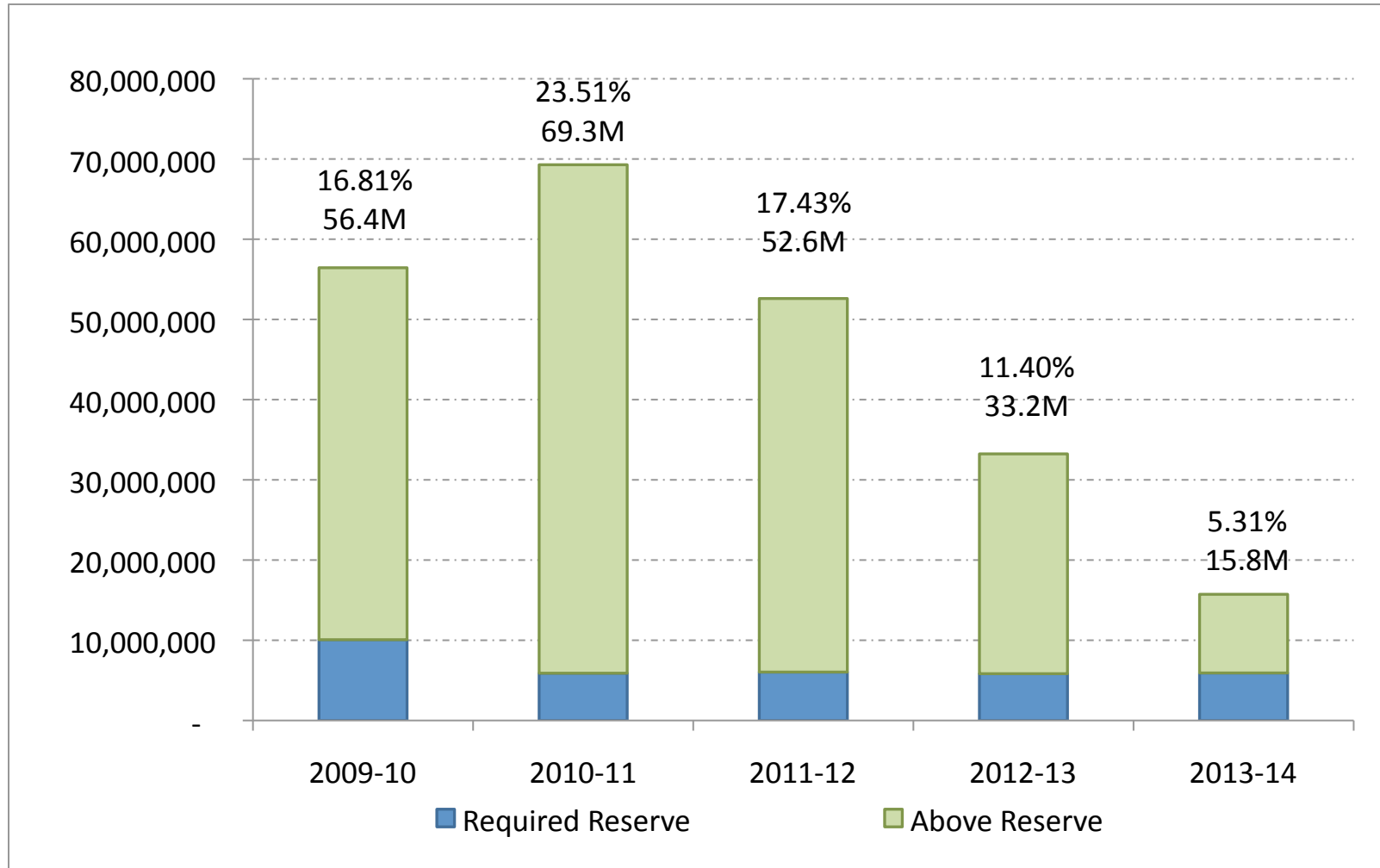
# Assumptions

- \$260 per student funding cut and 50% of transportation funding (about \$40 per student) in 2011-12 only
  - One time loss of \$9.3 Million
  - Per the Legislative Analyst's revised revenue forecast, the cut will now likely be \$189
  - This could improve revenue by of \$2.2 Million
- No ADA growth in 2012-13 and 2013-14
- No COLA in 2012-13; 2.8% COLA in 2013-14

# Revenue Limit per Student



# Fund 171 Reserves



# Deficit Spending

YEAR	FUND 031	FUND 032	TOTAL
10-11	3.7	8.8	12.5
11-12	(22.9)	5.9	(17.0)
12-13	(19.0)	(0.6)	(19.6)
13-14	(17.7)	(0.1)	(17.8)
4 YEAR TOTAL	(55.9)	14.0	(41.9)
LAO Adjustment			2.2
NEW TOTAL			(39.7)

# School Services Editorial on Reserve Levels

Reserves are a safety net that allow a district to meet its obligations... A district typically has some control over costs, but very little control over revenues, especially as the state tightens its belt and reduces the resources going to local districts. Reserves allow a district to have cash on hand to meet its obligations even when hit with unexpected financial turbulence.

In setting a reserve level, the goal is to have the resources necessary to meet both planned and unplanned financial challenges, while spending as much of the current year's resources as possible on the current year's programs and students. This is a balancing act that will be unique to each district as it examines the risk factors that apply in order to determine how much is needed in reserves.

School Services: 10/27/2011

# Statewide Reserve Levels

(latest year of data: 2009-2010)

	General Fund	General Fund and Fund 17
Statewide – Unified	10.40%	11.28%
Statewide – Elementary	16.83%	19.05%
Statewide – High School	15.22%	17.98%
San Jose Unified 09-10	0%	16.81%

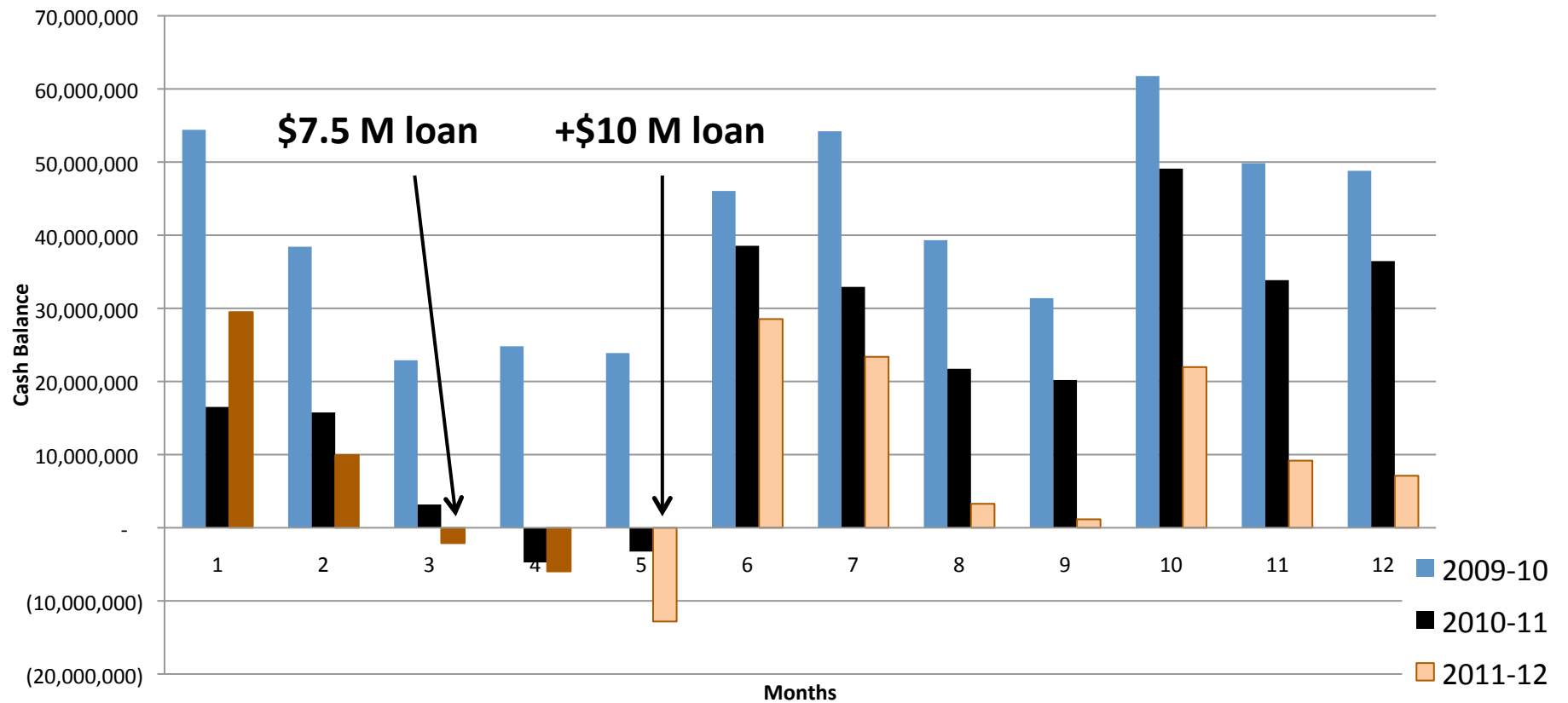
# State Cash Deferrals

Year	% of State Funding Deferred to the Following Year	Amount	Reserve Equivalent
2008-09	12.4%	\$10.9 M	3.6%
2009-10	19.6%	\$15.5 M	5.2%
2010-11	21.3%	\$20.8 M	6.9%
2011-12	24.0% (est.)	\$21.2 M	7.1%

A 1% reserve is approximately \$3 million

# Cash Borrowing

General Fund Cash - Actual Through October and Projected Before Borrowing



## 2011-12 Loans to Date

- The General Fund has borrowed \$17.5 million to date from the Fund 171 reserve.
- Cost to borrow \$17.5 million at approximately 0.5% interest rate for one year = \$87,500, plus issuance costs of about \$150,000