

Pacific Grove USD - 2007/08

BUDGET ASSUMPTIONS

(LRP Indicates items implementing or related to District Long Range Plan Goals)

1. Educational Program

- 1.1 (LRP)The District shall continue to offer a full K-12 educational program, to the extent permitted by available financial resources, and subject to the reductions resulting from State budgetary impacts as yet unknown.
- 1.2 (LRP)The District shall attempt to enhance the educational program to the extent permitted by financial resources.
- 1.3 (LRP)The District shall continue to participate in the State Class Size Reduction Program for grades K, 1, 2, 3 and 9th grade English and 9th grade Social Studies. Both programs involve District subsidy to continue. The level of subsidy will depend on the number of teachers employed and the cost per teacher. The current estimate of subsidies of these programs in 2007/08 are approximately \$222,476 and \$103,178 respectively.
- 1.4 (LRP)The District will continue to fund 2 previously State funded High School AP sections.
- 1.5 (LRP)The District will continue to subsidize the ROP program for expenses beyond revenues for 24 sections at a cost estimated at up to approximately \$154,609.
- 1.6 (LRP) The District will continue to subsidize the Title I program at 2006/07 staffing levels at an estimated cost of \$124,335.
- 1.7 (LRP)Any future changes to ongoing individual programs or services, either increases or decreases, shall be brought to the Board for approval.
- 1.8 The District will attempt to offer but not subsidize the operation of a State funded preschool program.

2. Enrollment Projection

- 2.1 The budget will assume the number of students by grade level as identified in projections as follows: K-5 695 (an increase of 6); 6-8 400 (reduction of 14); 9-12 612-including 22 at Community High School (decline of 31).
- 2.2 The ADA used for projecting revenues is estimated at 1700 K-12 – (including ROP and Special Education) and 870 Adult.

3. Staffing Projection

3.1 (LRP)Certificated Staff - Staffing for 2007/08 is projected at the level indicated by the Board based on the staffing projection previously reviewed - ie. a maintenance of current staffing– except for:

- Deleting vacant 0.5FTE psychologist position and adding RSP position at Robert Down (0.2FTE) and Middle School (0.4FTE).
- A 0.5 FTE psychologist position is added to relieve the Special Ed Coordinator/Psychologist to focus more on coordination. (Position will be filled only if Property Tax projection in September is 7.5%+)

3.1.1 Certificated Administrative Personnel - maintained at 2006/07 levels.

Robert Down, Forest Grove	1 Principal per school
Middle School	1 Principal
	1 Assistant Principal
High School	1 Principal
	1 Assistant Principal
Community High School	Lead Teacher
District Office	1 Superintendent
	1 Curriculum Coordinator

3.2 (LRP)Classified Staff – maintained at 2006/07 levels with the exception of the following:

- Reduction of the Food Service Manager position, creation of a Food Service III position, addition of Food Service hours at Middle School(1.5 hours), High School(1.75 hours) (all reflected in Cafeteria Fund)
- Addition of 3 part-time High School campus supervisors. Also added (subject to September Property Tax at 7.5%+) is:
 - 2 hour HS Attendance Clerk
 - 1 hour HS Counselor Clerk
 - 4 hour Curriculum Coordinator Clerk
 - 2 hour Bus driver

3.2.1 Classified Administrative Personnel – maintained at 2006/07.

1 Assistant Superintendent
1 Human Resources Coordinator
1 School Nutrition Director

4. Revenues:

4.1 Property tax will be received as projected in the current budget and will increase by 7.5% over 2006/07 levels (and the district will be able to retain any amount in excess of the State established Revenue limit). The estimate is based on historic data (Note: Current tax receipts through April 2007 are consistent with current year projections but being monitored closely.)

4.2 State aid will no longer include “basic aid” at \$120 /ADA as a separate allocation.

State will again require a “negative allocation” to occur as a result of changes that require a transfer to the County (for Special Ed. students attending County classes) even though no State allocation, in excess of Summer School funding, is received.

- 4.3 Federal revenues will not increase over 2006/07 levels.
- 4.4 Other State revenues will increase a net of 2% over 2006/07 levels. Lottery revenue will continue at \$110/ADA.
- 4.5 Interest income will continue at 2006/07 levels.
- 4.6 Other sources of local income including transportation and fees will continue at 2006/07 levels. ROP funding will increase by an estimated 4% (due to enrollment decline coupled with State funding increase.) over 2006/07 funding level.
- 4.7 The District will receive an estimated net \$270,551 from the local parcel tax in 2007/08(The Parcel Tax continues through fiscal year 2008/09).

5. Expenditures:

- 5.1 Certificated Salaries –will include increases to reflect contractual step and column costs only at this time and positions noted in 3.1 and 3.1.1 above. Negotiations will result in a further compensation adjustment. A reserve equivalent to 3.03% salary schedule adjustment is included for this purpose.
- 5.2 Classified Salaries – will include increases to reflect contractual step movement costs only and positions noted in 3.2 and 3.2.1 above. Negotiations will result in a further compensation adjustment. A reserve equivalent to 3.03% salary schedule adjustment is included for this purpose.
- 5.3 Employee Benefits - fixed benefits (STRS, PERS, OASDI, W/C, Unemployment) will be increased in proportion to salary increases. The District health benefit contribution amounts for certificated, classified, confidential and management will be maintained at 2006/07 levels in accordance with current contract provisions. The PERS contribution is budgeted at 16.124% pending further information. The Workers Compensation rate is maintained at 2006/07 levels pending updated information. The STRS employer contribution is budgeted at 8.25% pending further information.
- 5.4 (LRP)Books and Supplies
 - 5.4.1 Instructional allocations for school sites are to be funded at the 2006/07 levels with a 2.6% increase. The additional allocation of \$7,500 added to the secondary site budgets in 2005/06 is continued.
 - 5.4.2 Department and program allocations are funded at the 2006/07 levels with a 2.6% increase. One time 2006/07 allocations are removed.
 - \$21,500 is added to the Safety Program budget per Board direction of April 5, 2007.
 - \$91,500 is added to the Technology budget to purchase the Powerschool information system per Board direction of April 19, 2007.

- \$55,000 is added to the Instructional Materials budget per Board direction of April 27.

5.5 (LRP) Services and other operating expenses (including travel, conference, dues, membership, insurance, utilities, rentals, repairs, consultants, legal, etc.) funded at the 2005/06 levels with a 2.6% increase with the exception of insurance and utility costs which are budgeted at projected expense levels.

- The additional \$90,000 added to Superintendent’s budget in 2006/07 to cover the projected expenses, additional legal and Measure D consultants is deleted.
- The additional allocation of \$26,000 added in 2006/07 for “Interest Based” negotiations consultants is maintained.

- An addition of \$23,000 is added to the Board budget to cover the estimated cost of a November Board election.
- An amount of \$18,000 is shifted to this category within the Psychologist program budget from savings resulting from deleting the vacant 0.5FTE psychologist position.
- \$6,000 is added to fund coach certification requirements,
- \$18,000 is added to fund High School Athletic Transportation.

5.6.1 (LRP) Capital Outlay expenses – maintain 2006/07 budget – ie. no projected expenditures in excess of \$5,000

5.7 Other Outgo - includes the following:

- a) The County Special Education services cost are currently estimated at \$660,000 but will be revised based on information being developed.
- b) The Debt service payments for Robert Down/Forest Grove Reconfiguration Project Modular lease purchase \$109,354.68 are deleted as the purchase has been completed in 2006/07.
- c) Transfers to MCOE Charter School \$31,000 – based on current estimates.

6. **Indirect contributions** from other funded programs will be included to reflect projected levels for the following programs:

State Preschool	\$3,425
Child Development (BASRP)	\$19,824
Adult Education	\$305,202

7.(LRP)Transfers Out of the General Fund to other funds including the following items:

Deferred Maintenance Fund*	100,000
Transportation Equipment Reserve*	1,500
Building Improvement Fund	30,000
Cafeteria Fund**	223,630
Restricted Post Retirement Fund(cert. medigap)	18,498
Retiree Benefit Fund	448,969 Assuming continued “pay as you go” method (subject to review)

*These transfers are maintained at 2006/07 levels.

NOTE: NO transfers are assumed to offset expenses in the State Preschool Program

**Increased by \$84,400 to allow purchase of “Point of Sale” program and equipment (\$40,000), servicing equipment (\$36,400) and increase serving time at High School and Middle School (\$8,000).

8. Contributions to restricted programs - the District will expend an estimated \$2.0 million from the general fund for offsetting the total cost of the Special Education program (\$3.0 mill.) in excess of State and Federal special education (\$0.9 mill.)

9. Revenues vs. Expenditures - The budget identifies that the projected difference between expenditures and revenues is \$23,475. The net result is reflected as an increase in the ending balance.

10. Ending fund balance - The projected June 30, 2008 ending balance is projected to be \$1.59 million based on the revenue and expenditure assumptions. A portion of the available balance is included in a “property tax reserve” equivalent to a 1.5% increase (\$253,000) in case a projection revision is needed when assessed value information is available in August. Beyond this amount is an estimated \$435,029 that is currently unallocated.

11. Carry-Overs

The District normally permits only school sites and categorically funded programs to carry over unexpended balances from the prior year. (Sites and programs are encouraged to expend funds within the year they are allocated, however, small balances often remain due to timing or planned expenditures.) Other District accounts do not retain unexpended balances unless authorized by Board action.

The budget is prepared prior to the close of the 2006/07 year therefore balances within accounts, available for carry-over, are not determined at this time. Subsequent budget revisions by the Board will identify and allocate carry-over amounts-usually in October.

The projection table does assume a \$100,000 increase in the projected balance as result of non-allowed carryovers per Board direction. The amount is shown as a portion of ending balance.

12. (LRP)Capital Improvements

An allocation of \$30,000 for capital (facility) improvements in Fund 40 is continued. The \$100,000 transfer for the deferred maintenance program is continued -subject to possible State matching funds. The allocation for the general maintenance program (approximately \$537,000) and the David Avenue lease revenue (approximately \$300,000) provide the other source of general funds for maintaining or improving existing facilities. The Measure D bond funds and expenditures are contained in Fund 22.

13. Lottery Funds

The District receives approximately \$374,000 from the State Lottery program. The funding is used to support the General Fund and is the equivalent of funding the District Library and Music programs. A portion of the allocation (approximately \$50,000) is specifically allocated for purchasing instructional materials within these and site programs. (An adjusting journal entry will be made at year end to implement this allocation.)

14. Budget Projection – A projection is attached based on current local and State budgetary information and assumptions including a 7.5% increase in property tax. The assumption includes Step and Column increases plus compensation reserve is created to address additional compensation adjustments. (The amount is equivalent to a 3.03% salary schedule adjustment - based on recent information indicating the State funded increase to the revenue limits of comparison districts will be at least 4.53%).

15. Routine Restricted Maintenance

The District is required to identify an amount equal to 3% of the General Fund's expenditures (approximately \$550,000) for "Routine Restricted Maintenance" to meet the requirements for receiving State School Facilities funding – (Forest Grove received \$1,007,413 and the High School received \$2,451,611 for modernization in 2002/03). The required maintenance expenditures are identified in Resource 8150 in the General Fund and Fund 40, Capital Reserve. These expenditures will exceed \$550,000.

16. Parcel Tax

The District will receive an estimated \$270,271 in fiscal year 2007/08 – The following table (A-25) identifies the actual use of funds in prior years and the proposed use in 2007/08 and remaining years.

It should be noted that increases in personnel costs required that several expenses be shifted to the General Fund – this pattern will likely need to continue in the remaining year 2008/09. In June 2008, the Board will need to make a decision on whether to set the continuance of the tax before the voters in November 2008. That decision (and the vote, if any) will be reflected in the building of the 2009/10 budget.