

Metropolitan Education District

Highlights of the
2004-05 Adopted Budget

Including fund balance adjustments
and 9/30/04 budget revisions

The Nature of California Education Budgeting is Uncertainty

- We must adopt budgets before the state adopts its budget
- Many federal grants are not fully authorized until the year is 1/2 over
- Current, and long term, funding is subject to state economics and political whims
- Watch out for mid-year, retroactive funding cuts
- Hence, budgeting is a process, not an event.



General Fund

Fund 01

CCOC/P

ROC/P Fund 01

Goals for 2004-05

- Maximize utilization of CCOC Facilities
- Increase Academics in course curriculum
- Community College articulation agreements
- Strengthen Central Office support for the delivery of education

ROC/P Fund 01

Revenues – What's New

- Revenue Limit COLA = 2.41%
- ADA Cap Growth % = 3.67%
- ADA Cap Growth = 142 ADA (113)
 - But, after 29 ADA Cap reduction in 2004-05, the net increase is only 113

ROC/P Fund 01

Revenues

What's NOT Funded

- Mandated Cost Reimbursements
- CalWorks Cap ADA
 - \$1.2 million each year to \$0
- Excess Calworks ADA

ROC/P Fund 01

Continuing Expenditures

- Continued support for major programs:
(staffing, supplies, contracts, etc.)
- Step, column and longevity wage increases for employees (+\$40,472)
- 5% increase in employer contribution to employee health & welfare benefits (+\$43,401)
- Debt service on existing loan (+\$171,000)
- District match for def maintenance (+\$164,203)
- Reallocation of Central Office wages/benefits to Adult Education (-\$ 227,898)

ROC/P Fund 01

Expenditures – What's New

- One long-term substitute for teacher on special assignment (+\$56,242)
- 2 new CCOC classes, 2 new teachers (+\$130,215)
- Two new program representatives (+\$123,072)
- One computer technician (+\$40,142)
- Student intern program expanded (+\$14,242)
- Security/safety upgrades (+\$100,000)
- Facility Landscaping/Irrigation Repair (+\$50,000)

ROC/P Fund 01

Expenditures – What's New

- 4 custodians from contract positions (minimal cost)
- Reduce one classified position—Food Svcs (- \$37,286)
- Storage area network backup system (+ \$48,750)
- Financial system support to SCCOE (- \$22,000/yr)
- Reduce Accounting Manager position (- \$63,405/yr)
- Other budget refinements/cuts (- \$234,562)
- COLA for applicable expense accounts (+ \$50,000)
(utilities, supplies, insurance, repairs, etc.)

ROC/P Fund 01

Budget Summary

	<u>ACTUALS</u>	<u>REV BUD</u>
	<u>FY 2003-04</u>	<u>FY 2004-05</u>
Revenues	\$14,066,837	\$14,417,554
Expenditures	<u>(12,935,625)</u>	<u>(13,804,404)</u>
Net Change	1,131,212	613,150
Transfers (net)	<u>(1,066,871)</u>	<u>(504,345)</u>
Change to Fund Bal	\$ 64,341	\$ 108,805

ROC/P Fund 01

Fund Balance

	ACTUALS	REV BUD
	<u>FY 2003-04</u>	<u>FY 2004-05</u>
Required Reserves	\$ 62,140	\$ 62,140
General Reserve	\$ 82,000	\$ 82,000
E/Uncertainty (6%)	\$ 844,216	\$ 860,376
State Def Contingency	\$ 575,200	\$ 575,200
Other Designations	\$ 380,000	\$ 230,000
Undesignated F/Bal	<u>\$ 16,982</u>	<u>\$ 259,628</u>
Total Fund Balance	\$ 1,960,538	\$ 2,069,344

ROC/P Fund 01

Other Designations -Detail

	<u>Year End</u>	<u>Budget</u>
Safety/Security	\$200,000	\$100,000
Landscape	\$ 50,000	\$ 0
Equipment	\$ 60,000	\$ 60,000
* PERS Reduction	<u>\$ 70,000</u>	<u>\$ 70,000</u>
Total Other	\$380,000	\$230,000

* If retroactive, 5-Year liability is approx. \$725,000

Adult Education

Fund 11

Adult Ed Fund 11

Goals for 2004-05

- Implement a successful bridge program
- Increase Adult Ed vocational training
- Consolidation of San Jose programs at the new Erikson Adult Center
- Strengthen Central Office support for the delivery of education

Adult Ed Fund 11

Revenues – What's New

- Revenue Limit COLA = 2.41%
- ADA Cap Growth % = 2.50%
- ADA Cap Growth = 18 ADA
 - Growth = 78 ADA,
Less a 60 ADA Cap reduction in
2004-05
- Bridge Grant = \$314,588

Adult Ed Fund 11

Revenues – What's NOT

- Mandated cost reimbursement
- Calworks ADA
 - \$150,000 annually (approx) to \$0
- Federal grant revenue loss
 - \$792,417 (restoration of \$510,000 expected in January)

Adult Ed Fund 11

Continuing Expenditures

- Continued support for major programs:
(staffing, supplies, contracts, etc)
- Step, column and longevity wage
increases for employees (+\$24,605)
- 5% increase in employer contribution to
employee health & welfare benefits (+\$39,627)
- Reallocation of Central Office wages/benefit
costs from CCOC (+\$227,898)

Adult Ed Fund 11

Expenditures – What's New

- One computer technician (39%) (+ \$23,695)
- 1.0 Fte custodian-San Jose & Erikson (+ \$27,720)
- Reduce Accounting Mgr position savings (- \$42,121)
- Storage area network backup system (+ \$26,250)
- Financial system migration to SCCOE (- \$8,800)
- COLA for applicable expense accounts
(utilities, supplies, insurance, repairs, etc.)
- Erikson reconfiguration * (+ \$100,000)
- Other budget refinements/cuts (- \$176,472)

* At 1st Interim, will ask board to transfer to Capital Outlay Fund

Adult Ed Fund 11

Expenditures – What's New

- **Bridge Program Grant (one-time)**
 - **One hourly program manager**
 - **One administrative assistant**
 - **Hourly teachers & instructional aides**

Adult Ed Fund 11 Budget Summary

	<u>ACTUALS</u> <u>FY 2003-04</u>	<u>REV BUD</u> <u>FY 2004-05</u>
Revenues	\$ 9,490,084	\$ 9,273,433
Expenditures	<u>(8,732,624)</u>	<u>(9,626,539)</u>
Net Change	757,460	159,750
Transfers (net)	<u>(754,820)</u>	<u>(0)</u>
Change to Fund Bal	\$ 2,640	(\$ 353,106)

Adult Ed Fund 11

Fund Balance

	ACTUALS	REV BUD
	<u>FY 2003-04</u>	<u>FY 2004-05</u>
Required Reserves	\$ 28,093	\$ 28,000
General Reserve	\$ 48,000	\$ 48,000
E/Uncertainty (6%)	\$ 571,957	\$ 577,592
State Def Contingency	\$ 535,000	\$ 535,000
Other Designations	\$ 350,000	\$ 0
Undesignated F/Bal.	<u>\$ 78,336</u>	<u>\$ 69,688</u>
Total End Fund Bal	\$ 1,611,386	\$ 1,258,280

Adult Ed Fund 11

Other Designations - Detail

	<u>Year End</u>	<u>Budget</u>
SJ Reconfiguration	\$200,000	\$ 0
Equipment	<u>\$150,000</u>	<u>\$ 0</u>
Total Other	\$350,000	\$ 0

Note: Only \$100,000 of the designations were added to the 04-05 budget, the balance have been released.

Deferred Maintenance Fund 14

■ Beginning Fund Balance	=	<u>\$273,619</u>
■ <u>Revenues:</u>		
➢ State match estimated at 70%	=	\$114,942 *
➢ District match contribution	=	\$164,203
➢ Hardship funding (transformers)	=	<u>\$274,797</u> **
➢ Total Revenues	=	\$553,942
■ <u>Expenditures:</u>		
➢ Transformer Replacement	=	<u>\$439,000</u>
■ Ending Fund Balance:	=	\$388,561

* 100% state funding approved, increase \$49,261 at 1st Interim.

** OPSC denied funding, re-application pending

Asset Management Fund 21

■ Beginning Fund Balance	<u>\$908,895</u>
■ New Revenues	\$277,672
■ Expenditures & Transfers *	<u>\$522,858</u>
■ Ending Fund Balance	\$663,709

* 5-year expenditure plan now in place

Capital Outlay Fund 40

Capital Funding Needs

- **CCOC Facilities - Nearly 40 years old, need modernization, \$10-\$12 million cost estimate**
 - Nakano modernization bill vetoed by Governor
- **Adult Ed - Del Mar Annex Site**
 - Must be replaced within next 2-3 years
- **Central Office portables need replacement**
 - Termite-ridden

Capital Outlay Fund 40

Budget Summary

	<u>CCOC/P</u>	<u>MAEP</u>
■ Beginning Fund Balance	<u>\$2,081,986</u>	<u>\$1,228,902</u>
■ <u>Revenues</u>		
➤ Interest Earnings	\$ 32,000	\$ 15,000
➤ Transfers In	<u>\$ 371,000</u>	<u>\$ 0</u>
Total Revenues	\$ 403,000	\$ 15,000
■ <u>Expenditures</u>		
➤ Debt Service	<u>\$ 171,000</u>	<u>\$ 0</u>
■ Ending Fund Balance	\$2,313,986	\$1,243,902

District Financial Health

“Treading Water”

(Some) Financial Challenges:

- * Employee wage increases
- * Looming 2005-06 state budget crisis
- * Prop 72 – mandatory health coverage
- * Facilities modernization/maintenance
- * Cash flow coverage for *late state budgets*
(Do we have enough cash to pay our vendors & employees?)
 - * CCOC – optional for our partners