

Governor's May Revise 2005-06 Budget

Presented to:
The Board of Education
May 24, 2005

Revenue provided by the State is a small part of the District's income.

➤ 10%

➤ Includes:

	Amount	Percent
Categorical	\$6,195,000	6.0%
Lottery	1,352,000	1.0%
Special Education	2,713,000	3.0%
Total State	\$10,260,000	10.0%

Source: PAUSD 2004-05 Adopted Budget

How Does the May Revise impact PAUSD budget planning for 2005-06?

- It provides data to be used in developing budget assumptions.
- These assumptions will change by September after the State budget is adopted.

Sources of General Fund income:

	Amount	Percent
Federal	\$3,813,000	3.0%
State	10,260,000	10.0%
Local	93,038,000	87.0%
Total	\$107,111,000	100.0%

This includes property taxes, lease income, interest income, donations, reimbursement for services, and civic center fees.

Source: PAUSD 2004-05 Adopted Budget

State Budget Factors

- Favorable
- Unfavorable

State Budget Factors

- Favorable
 - **Categorical COLA** of 4.23%

State Budget Factors

➤ Favorable

- **Cost of Living Adjustment (COLA)** of 4.23% for categorical programs.

Impact: \$377,000 additional revenue to meet inflationary costs; not for new programs.

State Budget Factors

➤ Unfavorable

- State Teachers Retirement System (STRS) Shift
- Mental Health Cost Shift
- Routine Maintenance and Repair
- Mandated Cost Reimbursements
- Uncertainly Regarding Mid-Year Budget Actions

State Budget Factors

➤ Unfavorable

- Certain **State Teachers Retirement System (STRS)** costs will shift to the PAUSD budget.

Impact: \$1 million + additional expense

State Budget Factors

➤ Unfavorable

- **Mental health** costs for certain students will shift from the County budget to the PAUSD budget.

Impact: Additional costs are estimated to exceed \$200,000.

State Budget Factors

➤ Unfavorable

- The **routine repair and maintenance** reserve requirement will increase from 2.0% to 3.0% of General Fund expenditures.

Impact: This will require an additional \$900,000 transfer.

State Budget Factors

➤ Unfavorable

- PAUSD will continue to incur in excess of \$350,000 in **state mandated costs** without the constitutionally required reimbursements from the State.

Impact: There is no additional impact, since reimbursements are not currently forthcoming from the State.

State Budget Factors

➤ Unfavorable

- Uncertainty regarding the State's mid-year Budget Actions

How does this compare with the 2004-05 budget?

➤	Additional State Income	\$377,000
➤	Additional State-Imposed Expenditures	
	STRS Shift	\$1,000,000+
	Mental Health Cost Shift	200,000+
	<u>Routine Repair and Maintenance</u>	<u>900,000</u>
	Total	\$2,100,000
	Net Estimate Unfavorable Impact on General Fund	\$1,723,000+

Basic Aid District Considerations

- The cost of living adjustment of 4.23% for revenue limit districts does not apply to basic aid districts.
- The additional revenue for enrollment growth does not apply to basic aid districts.
- PAUSD anticipates 2.0% enrollment growth in 2005-06.

Basic Aid District Considerations

- Property Tax revenue, the largest share of General Fund Revenue, will not be known for 2004-05 until July 2005.
- Initial projections for 2005-06 will be presented with the District's 2005-06 budget at the first reading.

For Further Information:

www.pausd.org

Breakdown of Local Revenue

Property Tax	\$70,667,699
Other Revenue Limit Sources	3,302,357
Parcel Tax	5,500,000
Lease Income	7,007,404
Interest Income	530,250
Donations	3,388,372
Transportation Fees	80,000
Summer School Contributions	385,000
User Fees/Reimbursement for Services	981,448
Transfer in from Basic Aid Reserve Fund	482,962
Transfer in from Planned Maintenance	712,287
Total	\$93,037,779

State Sources

Special Education	\$2,712,946
Gifted and Talented (GATE)	50,000
Transportation (Student Busing)	491,822
School Improvement (SIP)	707,710
Mentor Teacher/Peer Review	25,699
Beginning Teacher Support & Assessment	193,107
Economic Impact Aid	100,000
State Instructional Materials	145,346
Education Technology	--
Lottery	1,351,894
Class Size Reduction K-3	2,888,867
Class Size Reduction 9-12	315,008
Targeted Instr. Improvement	521,129
Other State Sources	137,356
Staff Development Days (3 Days)	618,893
Total	\$10,259,774

Source: PAUSD 2004-05 Adopted Budget

District Claim Estimates 2005-06

Mandate	Amount
Standardized Testing and Reporting	\$75,000
Intradistrict Attendance	30,000
Collective Bargaining	75,000
Mandate Reimbursement Process	47,000
Emergency Procedures, Earthquake Procedures, and Disasters and CSSP	25,000
Habitual Truant	40,000
Notification of Truancy	20,000
School District Fiscal Accountability Reporting	10,000
Immunization Records: Hepatitis B	8,000
Open Meetings Act/Brown Act Reform (School Districts)	10,000
Physical Performance Tests	3,000
School Accountability Report Cards	5,000
Pupil Health Screenings	
Financial and Compliance Audits	2,000
Total	\$350,000

Breakdowns of Routine Repair & Maintenance Revenues & Expenditures

	2004-05 Adopted Budget
<u>Revenue</u>	
Unrestricted General Fund	\$2.5M
Planned Maintenance	<u>0.7M</u>
TOTAL	\$3.2M
<u>Expenditures</u>	
Labor	\$1.9M
Materials/Contracts	0.3M
Capital Projects	0.7M
Transfer to Deferred Maintenance	<u>0.3M</u>
TOTAL	\$3.2M