Ms. Crawford confirmed the committee’s receipt of various documents sent via email since the last meeting including the Second Interim Financial Report Board presentation, various PowerPoint budget updates, School Services (SSC) of California Fiscal Reports, and California Association of School Business Officials (CASBO) NewsBreaks. All documents sent are also posted on the District’s Budget Central website.

Handouts provided to the committee were:

- 2011-12 Enrollment Comparisons, year to date through 3-16-12
- Bar graph of 2011-12 Deficited Base Revenue Limit for Sacramento County Districts

**2010-11/2011-12 Enrollment Comparisons**

Ms. Crawford recognized the ongoing curiosity regarding enrollment and the decline in 2010-11. The comparison included numbers from the first week of school as of 8-19-11, the week just before the holidays as of 12-16-11, and a third column as of 3-16-12. She reported that elementary enrollment is holding and secondary shows a big drop, which by year-to-year trend is fairly normal. We have until April 15th for P-2 reporting and that represents percentage of attendance, not a head count. The District’s of enrollment trends year-to-year tracking is fairly close to projections for ADA and may come in a bit higher, however, it won’t be known for a few more weeks. Flu season has been mild to date which is good!

**Base Revenue Limit**

Ms. Crawford shared the comparison of unified districts in the county and explained how we are funded per student. Folsom Cordova is the second lowest in the region and considered a low-wealth district and received the designation with the closing of Mather AFB and loss of federal dollars. The federal funding was never back-filled by the state, so the district receives less money than the average revenue limit. The committee questioned the Base Revenue Limit and the differences from district to district. Ms. Crawford explained it goes back to when the Base Revenue Limit calculations were established. Originally, schools were funded primarily through
local property taxes. When funding formulas changed, the base revenue limit was based on what schools were spending at the time. Districts that had a wealth advantage then still have the highest revenue limits now. The state tried “add-ons” in an attempt to make districts equal, thus the term, “equalization.” Because of unique circumstances for each district, and the revised calculation of ADA apportionment, it never has been truly equal. The Base Revenue Limit is state aid only and is deficited, which is currently 20%+ lower than what statutorily the District should receive. The District’s apportionment is a combination of state aid and property taxes.

Second Interim Report
Ms. Crawford asked if the committee had any questions regarding the report and if further explanation was needed. It is an abbreviated report, highlighted in the PowerPoint presentation to the Board. It summarizes the General Fund’s unrestricted and restricted combined revenues, expenditures, and changes in the fund balance as well as unrestricted and restricted separately. The reports show all of the items that must be reported to the state in their format. The full interim report is available online.

The committee questioned Ms. Crawford’s worst case scenario figures for 2013-14. The best case numbers for 2012-13 are based on the tax initiative passing in November 2012. Next year looks good if the governor’s plan passes because enough money has been set aside to cover the 2012-13 projected shortfall. The money that has been set aside consists of the remainder of previous years’ one-time solutions but those moneys will be exhausted by the end of 2012-13. The worst case for 2012-13 is based on the tax initiative failing. If tax initiatives fail, another mid-year trigger will hit in January 2013, same as this year. The current projection is a $370/student reduction equating to $6.6 million in 2012-13. Home-to-school transportation is not included in the state budget and is an additional $87/student reduction.

Looking to 2013-14, even if the tax initiative passes, the District will experience an approximate $12.8 million shortfall because existing state cuts will continue, one-time revenues and solutions will be exhausted, and the district’s structural deficit continues to grow. Essentially, a successful tax initiative in November will only buy the District one additional year and we face budget cuts again in 2013-14. The tax initiatives are being sold as new revenue for education when all it is doing is counting the deferrals. We’ll actually get funds owed in the year we earn it and not “deferred into the next year as in the past several years. There is no new money generated by the governor’s tax proposal. In the meantime, the District is budgeting for best and worst case scenarios for 2012-13 and 2013-14, depending on pending tax initiatives, as directed by the County Office of Education. We should know more in the next few months with the governor’s May revise, progress on the tax initiatives, current state revenue projections, and proposed weighted student funding.

Other Topics
- The latest on the tax initiatives is the governor is now teaming with the California Federation of Teachers (CFT). Rather than competing measures, they are combining into one and will have to start from scratch with language and signatures.
• Challenges with the continuing budget situation, how we are managing our resources, and the parent/community scrutiny compared to other districts.
• Looking again at timelines for a parcel tax in Folsom in possibly 2013 or 2014.
• Difficult to keep up with the constant changes in budget numbers. The daily and sometimes hourly changes at the Capital also change the District’s numbers.
• Furlough days are losing the mental impact of budget cuts. After three years, it’s becoming normal practice and the days are now perceived as vacation time rather than less instructional time and staff paying for it by giving up salary.

With no more tangible information expected until after the May revise, the committee does not have another meeting scheduled. Ms. Crawford will schedule if needed before the end of the school year. In the meantime, Ms. Crawford will continue to provide Fiscal Reports, NewsBreaks, and any other information to committee members to assist in keeping up to date with budget talks at the state level.