Cubberley Community Advisory Committee (CCAC)

Meeting #6

August 8, 2012
Cubberley Community Center
4000 Middlefield Road, Palo Alto, CA 94303
Room H-1
6:00 - 8:00 PM

1. Welcome and call to order

2. Oral communications

3. Approval of July 25 meeting action notes

4. High-level discussion of City and PAUSD finances

5. Subcommittee reports on milestones and deliverables

6. Discussion of the CCAC Final Report schedule and timeline

7. Future meetings

8. Adjournment

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Meeting materials will be provided at the meeting. Visit www.cityofpaloalto.org or call (650) 617-3174 for more information.
Cubberley Community Advisory Committee (CCAC)

Action Notes

Meeting # 5

July 25, 2012

Cubberley Community Center

4000 Middlefield Road, Palo Alto, CA 94303

Room H-1

6:00 - 8:00 PM

1. Welcome and call to order

2. Oral communications
   • None

3. Approval of July 11th meeting action notes
   • Approved

4. Discussion of 7/19/12 Policy Advisory Committee responses to questions from CCAC
   i. The CCAC should assume that the short-term of the scope is the renewal periods, the medium term will be when the need arises for a middle/high school, and the long-term will be the useful life of new structures.
   i. The CCAC should consider in the short-term some form of lease renewal but not be constrained by it, in the medium-term assume a need for at least one additional school on the site but in a manner that makes it so community needs can still be served there, and in the long-term understand that new buildings will be needed (if they are not constructed sooner). The CCAC should focus their efforts on the short, medium, and long term using a 50/40/10 ratio.
   • The CPAC advised the CCAC that they should take a 50/40/10 approach to their Cubberley recommendation meaning that the focus of the CCAC’s work should be 50% on the near-term needs, 40% on the middle-term needs, and 10% on the long-term needs.
   • Request: Confirm what the middle term of the 50/40/10 equation references. Is there an implication that a middle and/or high school will for sure be needed or is that conclusion still yet to be made?
   • Cobb said the timeline for the CCAC’s recommendations has changed. The due date is no longer July 2013, it is now February 2013.
   • Cobb and Beecham said the CCAC has responded to that due date by proposing that a “coarse grain” report be delivered in February 2013 and a “fine grain” (or final) report be delivered in the summer of 2013.
Cobb said driving the need to get the recommendations completed by February 2013 is both the upcoming lease expiration and the potential of a bond measure.

Question: What are the issues surrounding a joint City/PAUSD bond measure since they have different geographic boundaries? Can it be done as one ballot measure or does the City and PAUSD need separate, parallel measures? What would the passage requirement be?
  o The Finance Committee said they are looking into this issue

ii. The Greendell and 525 San Antonio sites should be considered as part of the CCAC scope, but will most likely be needed for an elementary school given their location.

ii. The Greendell and 525 San Antonio sites can be considered as part of the CCAC scope, but will most likely be needed for an elementary school given their location and remain unchanged.

iii. In Considering Relocation of Community/non-profit uses, the CCAC should not consider off-site locations

iii. In considering relocation of community/non-profit uses, the CCAC need not find off-site locations

Beecham clarified, and staff agreed, that there was no edict from the CPAC that everything that is at Cubberley must stay at Cubberley. Rather he understood the CPAC as saying that anything that the CCAC determined should no longer be at Cubberley was not the CCAC’s responsibility to relocate. Relocation would ultimately be the responsibility of the City (and possibly the PAUSD).

Cobb said the CCAC’s job is to figure out what services/needs should be at Cubberley noting that the CCAC represents so many different Cubberley stakeholders for just that reason.

Some thought providing no recommendations for potential relocation sites might unnecessarily raise fears among the Cubberley tenants
  o Staff suggested that if it is determined that a service should not be housed at Cubberley the CCAC suggest that it is relocated elsewhere in the City just not get into the details of where
  o Cobb believes there is a way to work around not raising those fears and encouraged creativity in the recommendations

Beecham said the CPAC charged the CCAC with prioritizing the existing uses as one of its tasks
iv. It should be assumed that there will always be a need for both school and community uses on the site. That said, the CPAC is comfortable with the exploration of joint use.

- Staff said the role of the CCAC is to find creative uses for the site that meet the needs of both the City and PAUSD.
- Beecham clarified that the CCAC should assume that there will always be a need for City and PAUSD use at the site but that doesn’t mean it has to reflect the arrangements currently at the Cubberley site.
- Skelly clarified that if joint use does occur those facilities will be driven in part by the architectural standards that the PAUSD has to adhere by.

v. The CCAC should assume that the City and PAUSD intend to renew the Cubberley lease, but that should not inhibit creativity.

- Beecham clarified saying that the Council would entertain a new lease arrangement and the PAUSD would entertain anything that maintains their revenue stream.

- Staff will notify the CCAC of when the next CPAC meeting is.
- Beecham recommended staff further clarify and revise the summary provided to the CCAC of the most recent CPAC meeting and staff agreed.
- Cobb also commented in response to a question that he believes the CCAC interim and final reports should be written by the CCAC members not staff, and others agreed.

5. Subcommittee reports (Formerly agenda item #6)

- Subcommittee Chairs were invited to attend the Co-Chair’s planning meetings held the Monday prior to CCAC meetings.
- Subcommittee Chairs to email staff their subcommittee meeting minutes so they can be posted to the web.
- School Needs Subcommittee
  - PAUSD presented data on school projections/needs
  - The short term data was great but it became clear that the School Needs Subcommittee needs to find out from the CCAC what information the CCAC needs from them.
- Facilities Subcommittee
  - Developing their approach for facility needs around “what if” scenarios
  - Identified six categories of facilities relevant to Cubberley
    1. School
2. Community
3. Joint use
4. Recreation
5. Site support (parking, pedestrian ways, etc.)
6. Child care
   o Discussed exploration of the Sobrato non-profit model in San Jose, Milpitas, and Redwood City
   o Also looking at a portion of the site as possibly revenue generating

- Finance Subcommittee
  o Planning to show revenue opportunities
  o First exploring the history of revenue flow, bonds, timelines, and other financing mechanisms currently being considered to understand possibilities
  o Will study other communities’ joint-use examples from a financial perspective to determine how they work
  o Will valuate private revenue generation options
  o Will explore new lease scenario possibilities
  o Will explore a joint powers district

- Community Needs Subcommittee
  o Four questions will drive their subcommittee’s process
    1. What programs/services are currently offered at Cubberley and who is using them (age, residency, etc.)?
    2. Are these programs/services provided elsewhere in town?
    3. Is there a demand for more of these programs/services?
    4. What other community needs exist that are not currently offered? How will population growth impact these program/service needs?
  o Will also evaluate the Palo Alto Comprehensive Plan amendment that addresses future community needs

6. Discussion of Subcommittee timeline and milestones (Formerly agenda item #5)
   - CPAC has condensed the timeline for when they would like a recommendation from the CCAC so staff asked the subcommittees to keep that in mind when working on their deliverables
   - Beecham proposed that each subcommittee have their intended deliverables prepared by the CCAC meeting on August 8th
   - CCAC then discussed the final report and what it entails
     o The 50/40/10 approach was identified as a significant policy constraint given to them by the CPAC
       ▪ Many felt the long-term needs are more important and that the long-term should drive the short-term but that is not how it stands now based on the CPAC policy direction given
     - Beecham noted the CCAC needs to understand what is needed in the long-term so the City Council and PAUSD can make a lease decision in the short-term
Cobb would like to take what has been discussed at this meeting back to the CPAC and see what can be agreed upon.

Cobb proposed that at the August 8th CCAC meeting that CCAC milestones are discussed including proposals from each subcommittee about when they can complete their assignments.

CCAC members reiterated frustrations with the time constraints given to them by the CPAC.

Cobb reiterated his vision that the CCAC give the CPAC an interim report in February 2013 and then continue working until they can finish a more detailed, final report.

A discussion then ensued on what the subcommittees had worked on so far and thoughts people had on each of them.

Schmidt said that the work of the Finance Subcommittee made him a little uneasy because he felt it’s one thing to take a scenario and assign cost estimates to it but it’s another thing to say having estimated it to cost x dollars here is the way we propose to pay for it – those are very different things.

Beecham said regarding the Finance Subcommittee that he would like the subcommittee to as much as possible put themselves in the shoes of the PAUSD and City Council and consider their current financial situation when making recommendations so any recommended proposal has the best chance of working.

Member said when thinking about the lease and a possible renewal the CCAC should consider what lease variations are out there that might work for all involved parties aside from the lease that currently exists.

Member asked what the total square foot cost of any improvements would be beyond just the construction cost (example: loss of revenue during construction, etc.)

It was reiterated that the current Cubberley site plans are only intended to aid the CCAC in their thinking, the CCAC is not limited by those site plans.

Request: Have Cobb create a draft project timeline for the CCAC final report and present it at a future meeting.

Cobb suggested that the Community Needs Subcommittee should be the one to do an initial evaluation of what services are currently at Cubberley and which should stay and which might be located elsewhere.

Shared facilities require staff so it must be determined who will staff any shared facilities that are recommended.

School Needs Subcommittee wants to know if PAUSD can dedicate any land at this point to certain school uses or if all of the land needs to remain flexible to a variety of different possible school uses.

School Needs and Community Needs subcommittees should identify needs they both have that could be served through shared facilities.
7. Schedule next meeting(s)
   - Once the school year starts a Doodle poll will be done of the CCAC to determine the optimum meeting date and time factoring in school year commitments
   - Next meetings
     - August 8
     - August 22

8. Adjournment
Cubberley Community Advisory Committee

August 8, 2012
## General Fund Four-Year View

<table>
<thead>
<tr>
<th></th>
<th>FY 2010 Adopted</th>
<th>FY 2011 Adopted</th>
<th>FY 2012 Adopted</th>
<th>FY 2013 Proposed</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gap</strong></td>
<td>$10.0</td>
<td>$7.3</td>
<td>$3.2</td>
<td>$5.8</td>
<td>$26.3</td>
</tr>
<tr>
<td><strong>One-Time Adjustments</strong></td>
<td>$3.0</td>
<td>$0</td>
<td>$3.3</td>
<td>$3.4</td>
<td>$9.7</td>
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<tr>
<td><strong>Structural Adjustments</strong></td>
<td>$7.0</td>
<td>$7.3</td>
<td>$0</td>
<td>$2.4</td>
<td>$16.7</td>
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</table>
## FY 2013 General Fund Budget Gap

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Gap (4/30)</td>
<td>($5.844)</td>
</tr>
<tr>
<td>Revenue adjustments</td>
<td>4.474</td>
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<tr>
<td><strong>Revised Budget Gap</strong></td>
<td>(1.370)</td>
</tr>
<tr>
<td>Net changes in operating budget</td>
<td>1.048</td>
</tr>
<tr>
<td>Additional infrastructure funding</td>
<td>(2.200)</td>
</tr>
<tr>
<td>Less Public Safety Concessions</td>
<td>1.500</td>
</tr>
<tr>
<td><strong>Proposed Budget</strong></td>
<td>($1.022)</td>
</tr>
<tr>
<td>Adjustments</td>
<td>632</td>
</tr>
<tr>
<td><strong>Final Budget Gap</strong></td>
<td><em>(390)</em></td>
</tr>
</tbody>
</table>

*Council approved a one-time reserve draw*
General Fund Impacts

- Closed Station 7 (SLAC – 9 positions)
- Added 6 Paramedic & 4 Operations Positions
- Eliminated 6 Firefighter Positions
- Froze 7 Police Officer Positions
- Eliminated positions in Planning, Public Works and Community Services
- Froze 5 Library positions
- Increased some municipal fees
- Reduced staff in Animal Services (effective January)
General Fund Revenue by Type
$153.0 Million

- Operating Transfers-In: $19/13% (13%)
- Sales Tax: $22/15% (15%)
- Property Tax: $27/18% (18%)
- Charges for Services: $23/16% (16%)
- Rental Income: $13/8% (8%)
- Other Revenue: $1/1% (1%)
- Charges to other Funds: $11/7% (7%)
- From other Agencies: $2/- (0%)
- Return on Investment: $1/1% (1%)
- Permits & Licenses: $6.5/4% (4%)
- Other Taxes and Fines: $2/1% (1%)
- Utility Users Tax: $11/7% (7%)
- Transient Occupancy Tax: $9/6% (6%)
- Document Transfer Tax: $5/3% (3%)
General Fund Major Revenues

Fiscal Year

Millions

Sales Tax

Property Tax

Utility User's Tax

Transient Occupancy Tax

Documentary Tax


3.2 3.1 3.8 5.1 6.1 4.4 2.9 5.3 5.7 5.4 3.1 3.7 5.2 4.8 5.1

1.2 1.3 1.4 2.0 3.1 5.9 6.7 5.4 4.5 5.6 3.1 3.7 5.2 4.8 5.1

9.6 10.7 10.7 10.9 11.0 11.3 11.0 9.4 7.3 6.7 7.1 6.9 8.1 8.7 9.6

27.3 26.0 25.7 26.0 25.4 22.2 21.5 20.1 18.0 18.0 20.7 21.6 22.5 22.5 25.8

14.0 13.3 14.8 17.9 20.0 25.8 18.0 19.3 16.7 13.8 12.1 9.5 7.7 9.4 9.5

14.0 13.3 14.8 17.9 20.0 25.8 18.0 19.3 16.7 13.8 12.1 9.5 7.7 9.4 9.5

$4.0 $9.0 $14.0 $19.0 $24.0 $27.0

General Fund Expense by Category

$152 Million
# Citywide Budget Summary
(in millions)

<table>
<thead>
<tr>
<th></th>
<th>Operating</th>
<th>Capital</th>
<th>Total</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$153.0</td>
<td>$23.9</td>
<td>$176.9</td>
<td>37.1%</td>
</tr>
<tr>
<td>Enterprise Funds</td>
<td>$264.7</td>
<td>$35.8</td>
<td>$300.5</td>
<td>62.9%</td>
</tr>
<tr>
<td>Total</td>
<td>$417.7</td>
<td>$59.7</td>
<td>$477.4</td>
<td>100%</td>
</tr>
</tbody>
</table>

* Excludes Internal Service Fund CIPs totaling $3.7 million
10 Year Trend - Citywide Pension Expense
Paid by City ($Millions, FY 2012 Forecasted, FY 2013 Adopted)

*Employee contribution data prior to FY 2013 not included in chart
Capital Projects by Fund
$62.90 Million

- Capital Project Fund (General Fund), $23.9, 38%
- Electric Fund, $10.9, 17%
- Gas Fund, $7.8, 12%
- Water Fund, $6.1, 10%
- Wastewater Collection Fund, $4.4, 7%
- Storm Drain Fund, $3.1, 5%
- Wastewater Treatment Fund, $2.6, 4%
- Technology Fund, $2.5, 4%
- Vehicle Replacement Fund, $1.2, 2%
- Fiber Optics Fund, $0.4, 1%
# Enterprise Funds Overview

## Average Residential Utility Bill

<table>
<thead>
<tr>
<th>Utility</th>
<th>Current FY 2012 Bill</th>
<th>Proposed FY 2013 Bill</th>
<th>$ Difference</th>
<th>% Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric (1)</td>
<td>$42.76</td>
<td>42.76</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Water (2)</td>
<td>53.62</td>
<td>62.14</td>
<td>8.52</td>
<td>15.9%</td>
</tr>
<tr>
<td>Gas (3)</td>
<td>55.19</td>
<td>37.16</td>
<td>(18.03)</td>
<td>-32.7%</td>
</tr>
<tr>
<td>Wastewater (4)</td>
<td>27.91</td>
<td>29.31</td>
<td>1.40</td>
<td>5.0%</td>
</tr>
<tr>
<td>Refuse (5)</td>
<td>37.48</td>
<td>41.54</td>
<td>4.06</td>
<td>10.8%</td>
</tr>
<tr>
<td>Storm Drain (6)</td>
<td>11.40</td>
<td>11.73</td>
<td>0.33</td>
<td>2.9%</td>
</tr>
<tr>
<td>User Tax (7)</td>
<td>7.58</td>
<td>7.10</td>
<td>(0.48)</td>
<td>-6.3%</td>
</tr>
<tr>
<td><strong>Total Monthly Bill</strong></td>
<td><strong>$235.94</strong></td>
<td><strong>$231.74</strong></td>
<td><strong>(4.20)</strong></td>
<td><strong>-1.8%</strong></td>
</tr>
</tbody>
</table>

- Gas rate decrease – 10% average
  - Residential 32.7% (as of March 2012)
- Water rate increase – 15%
- Refuse rate increase – varies, above reflects 32-gal can
- Wastewater Collection rate increase – 5%
- Storm Drain & Fiber Optics rate increase 2.9% (CPI)
Enterprise Fund Highlights

- Utilities Organizational Assessment
  – Draft report received end of July
  – Department added 3 FTE and reclassed 2 FTE

- Landfill Closure (Refuse Fund)
  – Eliminated 9 FTE
  – $8.9M expense decrease which includes:
    - $1.6M landfill rent
    - $6.1M landfill closure CIP
    - $0.4M vehicle maintenance/replacement
    - $0.8M position eliminations & changes
# Citywide Position Changes

<table>
<thead>
<tr>
<th>FY 2012 Adopted FTE</th>
<th>1,016.60</th>
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<tbody>
<tr>
<td>Midyear Changes</td>
<td>8.25</td>
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<tr>
<td><strong>FY 2012 Adjusted FTE’s</strong></td>
<td>1,024.85</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY 2013 Proposed Changes</th>
<th>(10.5)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY 2013 Proposed Budget</strong></td>
<td>1,014.35*</td>
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</tbody>
</table>

*Includes 14 Frozen FTE
Citywide FTE in FY 2011 was 1,078.50 FTE
Cubberley Community Advisory Committee

August 8, 2012
Palo Alto Unified School District
2012-13
Proposed Budget

June 12, 2012
## BUDGET DEVELOPMENT/FINANCIAL REPORTING/CALENDAR
### FOR THE 2012-13 & 2013-14 BUDGET

<table>
<thead>
<tr>
<th>June 2012</th>
<th>Adoption of 2012-13 PAUSD Budget</th>
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<tbody>
<tr>
<td>July 2012</td>
<td>Adoption of 2012-13 PAUSD Budget</td>
</tr>
<tr>
<td>August 2012</td>
<td>Governor Signs the 2012-13 State Budget</td>
</tr>
<tr>
<td>September 2012</td>
<td>Property Tax Projections from County of Santa Clara</td>
</tr>
<tr>
<td>November 2012</td>
<td>First Revision of 2012-13 PAUSD Budget</td>
</tr>
<tr>
<td>December 2012</td>
<td>County Controller-Treasurer Property Tax Projection Update</td>
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<tr>
<td>December 2012</td>
<td>First Interim PAUSD Financial Report</td>
</tr>
<tr>
<td>January 2013</td>
<td>PAUSD Enrollment Projections</td>
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<tr>
<td>February 2013</td>
<td>Release of Governor’s Recommended 2013-14 State Budget</td>
</tr>
<tr>
<td>March 2013</td>
<td>County Controller-Treasurer Property Tax Projection Update</td>
</tr>
<tr>
<td>May 2013</td>
<td>Second Interim PAUSD Financial Report</td>
</tr>
<tr>
<td>May 2013</td>
<td>State Budget Update</td>
</tr>
<tr>
<td>June 2013</td>
<td>Governor’s May Revise &amp; Property Tax Projection Update</td>
</tr>
<tr>
<td>July 2013</td>
<td>Adoption of 2013-14 PAUSD Budget</td>
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<tr>
<td></td>
<td>Governor Signs State Budget</td>
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</table>
Agenda

- Estimated Actuals for 2011-12

- Proposed Budget for 2012-13
  - Revenue and expenses
  - Trends
  - Budget balancing

- Multi year projections

- Uncertainties
  - Governor’s tax initiative
  - Downside risk/upside potential
  - Weighted Student Formula
2011-12 Estimated Actuals

- Basis for 2012-13 Budget

- Estimated Fund balance available to mitigate future budget cuts of $12.7 million, an increase of $350k since second interim

- Increase due to:
  - Increase in property tax, lottery, and K-3 CSR revenue
  - Decrease in staffing budgets, special education NPS, and departmental budgets

- One-time savings of $1.3 million in mental health costs, designated in the ending fund balance
### 2012-13 Proposed Budget

<table>
<thead>
<tr>
<th></th>
<th>2012-13 Proposed Budget</th>
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</thead>
<tbody>
<tr>
<td><strong>BEGINNING FUND BALANCE</strong></td>
<td></td>
</tr>
<tr>
<td>Restricted/Reserved/Designated Available to Mitigate Future Budget Cuts</td>
<td>$31,105,988</td>
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<tr>
<td><strong>INCOME</strong></td>
<td>$157,699,718</td>
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<td>$18,387,180</td>
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<td></td>
<td>$12,718,808</td>
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<tr>
<td><strong>EXPENDITURES</strong></td>
<td>$163,241,219</td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Excess of Revenues over Expenses (Unrestricted)</strong></td>
<td>($5,541,504)</td>
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<tr>
<td></td>
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<tr>
<td><strong>ENDING FUND BALANCE</strong></td>
<td>$25,564,484</td>
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<tr>
<td>Restricted/Reserved/Designated Available to Mitigate Future Budget Cuts</td>
<td>$18,413,814</td>
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<tr>
<td></td>
<td>$7,150,670</td>
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Source of General Funds 2012-13

2012-13 Proposed Budget - Revenue Sources

- Property Taxes, $115,866,838, 74%
- Parcel Tax, $11,900,000, 8%
- State Revenue, $5,333,260, 3%
- Federal Revenue, $3,390,981, 2%
- Other Local Revenue, $6,779,799, 4%
- PIE Revenue, $4,500,000, 3%
- Lease Revenue, $9,455,240, 6%
- Transfers In, $576,673, 0%
2012-13 Proposed Budget - Revenues

- 2.0% property tax growth ($2,223,000)
- Budget is based upon Governor’s May revision
- $5.3 million additional reduction due to state community funded district “fair share” cuts (total reduction - $12.6 million)
- Parcel tax - $11,900,000
- PIE income - $4,500,000
- Lease revenue – 3% increase
- No state/federal carryover dollars included, only 12-13 revenue
Revenue Trends – Sources

- State Funding
- Parcel Tax
- Leases - Surplus Sites
- Federal Funding
- PIE Funding
## Revenue Trends – Per Student Funding

<table>
<thead>
<tr>
<th>Total Funding*</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax</td>
<td>106,194,134</td>
<td>109,289,695</td>
<td>110,126,767</td>
<td>111,207,000</td>
<td>113,383,000</td>
</tr>
<tr>
<td>Property Tax - Special Ed</td>
<td>2,788,537</td>
<td>2,984,663</td>
<td>2,891,641</td>
<td>2,756,356</td>
<td>2,483,838</td>
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<tr>
<td>Parcel Tax</td>
<td>9,346,204</td>
<td>9,452,073</td>
<td>11,383,617</td>
<td>11,683,512</td>
<td>11,683,933</td>
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<tr>
<td>State Funding</td>
<td>16,877,168</td>
<td>12,806,108</td>
<td>13,855,528</td>
<td>10,095,567</td>
<td>5,333,260</td>
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<tr>
<td>Federal Funding</td>
<td>5,258,193</td>
<td>5,267,796</td>
<td>5,236,741</td>
<td>5,545,995</td>
<td>3,390,981</td>
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<tr>
<td>Leases - Surplus Sites</td>
<td>8,395,359</td>
<td>8,534,460</td>
<td>8,727,232</td>
<td>8,842,442</td>
<td>9,175,241</td>
</tr>
<tr>
<td><strong>Total Funding</strong></td>
<td>148,859,595</td>
<td>148,334,795</td>
<td>152,221,526</td>
<td>150,130,872</td>
<td>145,450,253</td>
</tr>
</tbody>
</table>

**Increase from 2008-09**: (3,409,342)  
% Increase from 2008-09: -2%  
* Excluding local sources

### Enrollment

<table>
<thead>
<tr>
<th>Enrollment</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>11th Day Enrollment</td>
<td>11,431</td>
<td>11,680</td>
<td>12,024</td>
<td>12,286</td>
<td>12,466</td>
</tr>
</tbody>
</table>

**Increase from 2008-09**: 1,035  
% Increase from 2008-09: 9%  
Decrease from 2008-09: $ (1,355)  
% Decrease from 2008-09: -10%

*Notes: Total General Fund Revenue does not include donations from PIE, PTA or any other donations and local revenue to the schools.
Use of General Funds 2012-13

2012-13 Proposed Budget - Expenses

- Salaries and Benefits, 138,948,141, 85%
- Supplies and Materials, 6,482,259, 4%
- Services and Other Operating Expenses, 16,411,158, 10%
- Capital Outlay, 81,000, 0%
- Transfers Out, 1,421,737, 1%
2012-13 Proposed Budget - Expenditures

- Personnel Budgets
  - Step and Column costs for all employees
  - 10 growth teachers (8 regular classroom teachers and 2 special education teachers)
  - Public Employee Retirement System (PERS) rate increases from 10.923% to 11.417% ($125,000)
  - Unemployment Insurance (UI) rate decreases from 1.61% to 1.10% ($500,000)
  - Health and Welfare decreases due to loss of one-time Federal Jobs Funds ($1.4 million), although carryover funds still available
2012-13 Proposed Budget - Expenditures

Other non personnel budgets:

- Utilities
  - 3% increase in electric and refuse
  - 20% increase in water
  - 20% decrease in gas
- 10% increase in non-public school tuition and placement ($400,000)
- Budget for other operating services and contracts remain relatively flat
Budget Balancing Plan

- $8.1 million budget deficit projected, if the Governor’s tax initiative does not pass ($5.3 million cut to PAUSD)

- Proposed budget includes:
  - $2.6 million in revenue enhancements and budget reductions
  - $5.5 million use of fund balance

- No reductions to sites
Change In Property Tax Revenue Per Student
Amount and Percentage

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-00</td>
<td>$337</td>
<td>6.82%</td>
</tr>
<tr>
<td>2000-01</td>
<td>$561</td>
<td>10.63%</td>
</tr>
<tr>
<td>2001-02</td>
<td>$798</td>
<td>13.67%</td>
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<tr>
<td>2002-03</td>
<td>$235</td>
<td>3.55%</td>
</tr>
<tr>
<td>2003-04</td>
<td>-$102</td>
<td>-1.49%</td>
</tr>
<tr>
<td>2004-05</td>
<td>$413</td>
<td>6.11%</td>
</tr>
<tr>
<td>2005-06</td>
<td>$383</td>
<td>5.34%</td>
</tr>
<tr>
<td>2006-07</td>
<td>$579</td>
<td>7.66%</td>
</tr>
<tr>
<td>2007-08</td>
<td>$398</td>
<td>4.89%</td>
</tr>
<tr>
<td>2008-09</td>
<td>$742</td>
<td>8.63%</td>
</tr>
<tr>
<td>2009-10</td>
<td>$72</td>
<td>0.77%</td>
</tr>
<tr>
<td>2010-11</td>
<td>-$198</td>
<td>-2.12%</td>
</tr>
<tr>
<td>2011-12</td>
<td>-$111</td>
<td>-1.21%</td>
</tr>
<tr>
<td>2012-13</td>
<td>0.53%</td>
<td>0.00%</td>
</tr>
<tr>
<td>2013-14</td>
<td>-$8</td>
<td>-0.08%</td>
</tr>
<tr>
<td>2014-15</td>
<td>-$43</td>
<td>-0.47%</td>
</tr>
<tr>
<td>2015-16</td>
<td>-$3</td>
<td>-0.04%</td>
</tr>
<tr>
<td>2016-17</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>2017-18</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Estimate
Assumptions in 2013-14 to 2017-18 Projections

- Weak growth outlook for the national and state economy
- Ongoing $12.6 million state “fair share” cut
- Property tax growth at 2% for all five years
- Expenses for thirteenth elementary site and loss of rental revenue for Garland site beginning in 2014-15
- Estimated fund balance available to mitigate future budget cuts of $12.7 million will be fully exhausted by the end of 2014-15
## Estimated General Fund & Basic Aid Reserves

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Reserve for Economic</td>
<td></td>
<td></td>
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<tr>
<td>Uncertainties</td>
<td>$4.8</td>
<td>$4.9</td>
<td>$4.9</td>
<td>$5.0</td>
<td>$5.0</td>
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<tr>
<td>Fund Balance Available</td>
<td>$12.7</td>
<td>$7.2</td>
<td>$3.4</td>
<td>$0.0</td>
<td>$0.0</td>
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<tr>
<td>to Mitigate Future</td>
<td>7.8%</td>
<td>4.4%</td>
<td>2.1%</td>
<td>0.0%</td>
<td>0.0%</td>
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<tr>
<td>Budget Cuts</td>
<td></td>
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<tr>
<td>Basic Aid Reserve</td>
<td>$9.5</td>
<td>$9.5</td>
<td>$9.5</td>
<td>$9.5</td>
<td>$9.5</td>
</tr>
<tr>
<td></td>
<td>5.8%</td>
<td>5.8%</td>
<td>5.8%</td>
<td>5.7%</td>
<td>5.8%</td>
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<tr>
<td><strong>TOTAL ESTIMATED</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>ENDING RESERVE</strong></td>
<td>$27.0</td>
<td>$21.6</td>
<td>$17.8</td>
<td>$14.5</td>
<td>$14.5</td>
</tr>
<tr>
<td></td>
<td>16.6%</td>
<td>13.2%</td>
<td>10.9%</td>
<td>8.7%</td>
<td>8.8%</td>
</tr>
<tr>
<td><strong>TOTAL GENERAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FUND EXPENDITURES</strong></td>
<td>$162.4</td>
<td>$163.2</td>
<td>$164.4</td>
<td>$166.2</td>
<td>$165.9</td>
</tr>
</tbody>
</table>

* All amounts in millions
# Impact of Governor’s Tax Initiative

## Budget Scenarios to the Governor's Proposal

### If tax initiative fails

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Deficit</td>
<td>8,136,504</td>
<td>7,565,369</td>
<td>7,132,780</td>
<td>5,249,495</td>
<td>783,575</td>
<td>649,871</td>
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<tr>
<td>Budget Solutions</td>
<td>2,595,000</td>
<td>3,825,000</td>
<td>3,811,164</td>
<td>5,241,850</td>
<td>876,530</td>
<td>747,890</td>
</tr>
<tr>
<td>Use Fund Balance</td>
<td>5,568,138</td>
<td>3,773,636</td>
<td>3,377,034</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ending Fund Balance Available to Mitigate Budget Cuts</td>
<td>7,150,670</td>
<td>3,377,034</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### If tax initiative passes

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deficit</td>
<td>2,844,504</td>
<td>2,273,369</td>
<td>5,675,342</td>
<td>7,603,222</td>
<td>4,906,404</td>
<td>769,955</td>
</tr>
<tr>
<td>Budget Solutions</td>
<td>2,595,000</td>
<td>-</td>
<td>-</td>
<td>3,472,749</td>
<td>4,879,276</td>
<td>864,477</td>
</tr>
<tr>
<td>Use Fund Balance</td>
<td>276,138</td>
<td>2,421,386</td>
<td>5,845,383</td>
<td>4,175,901</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ending Fund Balance Available to Mitigate Budget Cuts</td>
<td>12,442,670</td>
<td>10,021,284</td>
<td>4,175,901</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Downside Risk

- Governor’s tax initiative fails
- Weighted Student Formula
- Slow property tax growth
- High enrollment growth
Upside Potential

- Governor’s tax initiative passes
- Property tax growth above 2%
- Lower than projected enrollment growth
Weighted Student Formula

- Governor has updated proposal in the May Revise
- Education Coalition and many legislators oppose proposal
- Many winners and losers
- Relies on unrealistic growth assumptions of funding to education
- Community funded districts would lose all categorical funding
CCAC
Subcommittee Presentations

1. Facilities Subcommittee
2. School Needs Subcommittee

August 8, 2012

CCAC Facilities Subcommittee Presentation

Preliminary Milestones and Deliverables

August 8, 2012
Milestone 1
Detailed analysis of types of facilities and their use at Cubberley Community Center

- **Deliverable**
  - Matrix outlining types of Cubberley facilities, their condition and use

- **Due Date**
  - September 20

Milestone 2
Determine various scenarios for Cubberley site when facilities are added and challenges posed by various scenarios, including joint use

- **Deliverable**
  - Possible scenarios for Cubberley site short-, medium-, and long-term, including possible joint uses

- **Due Date**
  - October 15
Milestone 3
Facilities rebuild vs. remodel

- **Deliverable**
  - Wide-ranging estimated costs to maintain status quo, rebuild/remodel facilities

- **Due Date**
  - November 15

Milestone 4
Thinking Differently

- **Deliverable**
  - Thinking outside the box alternatives

- **Due Date**
  - December 1
CCAC School Needs
Subcommittee Presentation

Preliminary Milestones and Deliverables

August 8, 2012

1. List of all PAUSD properties and their relevant characteristics/limitations (Sept. 22)

2. Identify types of shared facilities PAUSD would need / be interested in (from Measure A?) (Oct. 6)
   – Probable terms of use for building shared facilities
3. Critical assumptions regarding demographics, ABAG, City response to ABAG, etc. (Oct. 13)
   – Total students in Elementary, Middle School, High School @ 10, 20, 30 years

4. PAUSD policy decisions on... (Nov. 10)
   – New school facility on Stanford lands?
   – If new HS built at Cubberley: capacity? Special purpose HS?
   – In 20-30 years, will nominal student/school ratio increase because of technologies, spread-shifts, lengthened school year, adjusted facilities, etc.
   – Change (increase) in student density at each level
   – PAUSD desired limitations on city's use of its 8 acres
5. Total acres at Cubberley that PAUSD likely will use for future school use in... (Oct. 13)
   – 10 years
   – 20 years
   – 30 years

6. Total acres at Cubberley for which PAUSD can give rights to for... (Oct. 20)
   – 10 years
   – 20 years
   – 30 years

7. Terms for turnover of city-built facilities to PAUSD at lease termination... (Nov. 3)
   – Shared use facilities
   – Designed for ultimate school use facilities