Cubberley Community Advisory Committee (CCAC)

Action Notes

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
   • None

3. Approval of July 25 meeting action notes
   • Approved

4. High-level discussion of City and PAUSD finances

City Finances Discussion
• City of Palo Alto Administrative Services Director Lalo Perez presented on City of Palo Alto finances (SEE ATTACHED PRESENTATION)
• Perez explained a large component of structural budget issues is salaries and benefits. Those are being addressed in major ways through reforms in labor contracts but more work is needed
• City avoids the use of reserves for budget gaps
• City has been very lucky to have maintained high property tax rates through the Great Recession but there was a sales tax did dip from approx. $22M/year to as low as $18M/year and only now in FY 2013 is it projected to be back near that $22M/year mark
• Perez then explained the impact of the growing pension and medical liabilities and the efforts to increase employee contributions

PAUSD Finances Discussion
• PAUSD Chief Business Official Cathy Mak presented on PAUSD finances (SEE ATTACHED PRESENTATION)
• PAUSD is facing many of the same issues as the City
• PAUSD is facing a potential approx. $5M budget deficit for the coming fiscal year
• State funding for PAUSD has dramatically decreased since FY 2009 going from $17M/year to less than $6M/year
• PAUSD has been averaging about 2%/year enrollment growth

5. Subcommittee reports on milestones and deliverables

Facilities
• Presented four deliverables and dates:
  1. Doing a detailed analysis of the types of facilities at Cubberley and their uses including a matrix outlining types of Cubberley facilities, their condition, and use by September 20
  2. Determining various scenarios for the Cubberley site when facilities are added and the challenges posed by various scenarios including joint use. Will evaluate possible scenarios for Cubberley site in the short, medium, and long-term, including joint use, by October 15
  3. Evaluating a facility rebuild vs. remodel including wide-ranging estimated costs of maintaining the status quo, remodeling the facility, or rebuilding it by November 15
  4. Thinking differently about how the site can be used including “outside the box alternatives” by December 1

School Needs
• Presented seven deliverables and dates:
  1. Listing all PAUSD properties and their relevant characteristics/limitations by September 22
  2. Identifying the types of shared facilities PAUSD would need/be interested in by October 6
  3. Obtaining critical assumptions regarding demographics, ABAG projections, City response to ABAG projections, etc. by October 13
  4. Wants to know the total acreage at Cubberley that PAUSD likely will use for future school use by October 13
  5. Wants to know the total acreage at Cubberley for which PAUSD can give rights to for by October 20
  6. Wants to know the terms for turnover of City-built facilities to PAUSD at lease termination by November 3
  7. Wants PAUSD policy decisions on will a school facility be built on Stanford lands, what a new high school at Cubberley would look like, what should be expected on a 20-30 year time horizon, any possible changes in student density at each level, and desired limitations on the City’s use of its 8 acres by November 10

Finance
• Evaluating the terms of the current Cubberley lease and covenant not to develop
• Examining potential funding mechanisms that could be used to construct new facilities on the Cubberley site
• Doing extensive research of existing joint use facilities in other communities including how they came about and how they are governed
• Evaluating whether a joint-powers agreement can fund and manage the site

Community Needs
• Would like to form a Joint Use sub-subcommittee
• Creating a table of current Cubberley users and what they are paying
• Looking at potential new users and services based on other communities and what services have been requested there that are not currently provided at Cubberley
• Doing a community survey through the neighborhood associations to see what services residents want
• Evaluating future users and how the space can be maximized
• Evaluating resident vs. non-resident use
• Evaluating what services have wait lists
• Looking at the geographic location (and balance) of Cubberley users
• Looking at increasing cross cultural experiences at Cubberley and how increased community connections can be fostered at the site

6. Discussion of the CCAC Final Report schedule and timeline
• Cobb said at the next CPAC meeting that the CCAC final report due date will be finalized
• Cobb explained the expectations for the CCAC final report and what will be required to get it done on time

7. Future meetings
• Cobb said the CCAC will continue meeting every other week

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>
</tr>
<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>
</tr>
</tbody>
</table>
FY 2013 General Fund Budget Gap

(in millions)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</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>
</tr>
<tr>
<td>Revised Budget Gap</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>Proposed Budget</td>
<td>($1.022)</td>
</tr>
<tr>
<td>Adjustments</td>
<td>632</td>
</tr>
<tr>
<td><strong>Final Budget Gap</strong></td>
<td>*(390)</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

- Charges for Services - $23/16% 16%
- Sales Tax - $22/15% 15%
- Property Tax - $27/18% 18%
- Operating Transfers-In - $19/13% 13%
- Rental Income - $13/8% 8%
- Charges to other Funds - $11/7% 7%
- Other Revenue - $1/1% 1%
- 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
General Fund Expense by Category

$152 Million

- Salaries & Benefits - $94/62%
- Supplies & Materials - $3/2%
- Contract Services - $11/7%
- General Expense - $11/7%
- Rents and Leases - $1/0%
- Facilities and Equipment - ($0.5/0%
- Operating Transfers Out - ($1.6/0%
- Allocated Charges - ($17/11%
- Transfer to Infrastructure - $13/10%

9%
## 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%)
- Wastewater Treatment Fund, $2.6 (4%)
- Storm Drain Fund, $3.1 (5%)
- Fiber Optics Fund, $0.4 (1%)
- Technology Fund, $2.5 (4%)
- Vehicle Replacement Fund, $1.2 (2%)
## 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>0.0</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

FY 2012 Adopted FTE: 1,016.60
Midyear Changes: 8.25
FY 2012 Adjusted FTE’s: 1,024.85

FY 2013 Proposed Changes:
FY 2013 Proposed Budget: 1,014.35*

*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
<table>
<thead>
<tr>
<th>Month</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2012</td>
<td>Adoption of 2012-13 PAUSD Budget</td>
</tr>
<tr>
<td>July 2012</td>
<td>Governor Signs the 2012-13 State Budget</td>
</tr>
<tr>
<td>August 2012</td>
<td>Property Tax Projections from County of Santa Clara</td>
</tr>
<tr>
<td>September 2012</td>
<td>First Revision of 2012-13 PAUSD Budget</td>
</tr>
<tr>
<td>November 2012</td>
<td>County Controller-Treasurer Property Tax Projection Update</td>
</tr>
<tr>
<td>December 2012</td>
<td>First Interim PAUSD Financial Report</td>
</tr>
<tr>
<td>December 2012</td>
<td>PAUSD Enrollment Projections</td>
</tr>
<tr>
<td>January 2013</td>
<td>Release of Governor’s Recommended 2013-14 State Budget</td>
</tr>
<tr>
<td>February 2013</td>
<td>County Controller-Treasurer Property Tax Projection Update</td>
</tr>
<tr>
<td>May 2013</td>
<td>State Budget Update</td>
</tr>
<tr>
<td>May 2013</td>
<td>Governor’s May Revise &amp; Property Tax Projection Update</td>
</tr>
<tr>
<td>June 2013</td>
<td>Adoption of 2013-14 PAUSD Budget</td>
</tr>
<tr>
<td>July 2013</td>
<td>Governor Signs State Budget</td>
</tr>
</tbody>
</table>
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/ups ide 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>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BEGINNING FUND BALANCE</strong></td>
<td>$31,105,988</td>
</tr>
<tr>
<td>Restricted/Reserved/Designated</td>
<td>$18,387,180</td>
</tr>
<tr>
<td>Available to Mitigate Future</td>
<td>$12,718,808</td>
</tr>
<tr>
<td>Budget Cuts</td>
<td></td>
</tr>
<tr>
<td><strong>INCOME</strong></td>
<td>$157,699,718</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td>$163,241,219</td>
</tr>
<tr>
<td>**Excess of Revenues over</td>
<td>($5,541,504)</td>
</tr>
<tr>
<td>Expenses (Unrestricted)</td>
<td></td>
</tr>
<tr>
<td><strong>ENDING FUND BALANCE</strong></td>
<td>$25,564,484</td>
</tr>
<tr>
<td>Restricted/Reserved/Designated</td>
<td>$18,413,814</td>
</tr>
<tr>
<td>Available to Mitigate Future</td>
<td>$7,150,670</td>
</tr>
<tr>
<td>Budget Cuts</td>
<td></td>
</tr>
</tbody>
</table>
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%
- PIE Revenue, 4,500,000, 3%
- Lease Revenue, 9,455,240, 6%
- Other Local Revenue, 6,779,799, 4%
- 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 – Per Student Funding

<table>
<thead>
<tr>
<th></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><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>
<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>
</tr>
<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>
</tr>
<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>
</tr>
<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>
</tr>
<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

<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%

<table>
<thead>
<tr>
<th>Decrease from 2008-09</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Decrement from 2008-09</strong>:</td>
<td>$ (1,355)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**% 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%
- Transfers Out, 1,421,737, 1%
- Capital Outlay, 81,000, 0%
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
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
Amount and Percentage

*Estimate
Change In Property Tax Revenue Per Student
Amount and Percentage

$337 6.82% 10.63%
$561 10.63%
$798 13.67%

$337
$561
$798

$337 6.82%
$561 10.63%
$798 13.67%

Change In Property Tax Revenue Per Student
Amount and Percentage

$337 6.82% 10.63%
$561 10.63%
$798 13.67%

$337 6.82%
$561 10.63%
$798 13.67%

*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>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserve for Economic Uncertainties</td>
<td>$4.8 3.0%</td>
<td>$4.9 3.0%</td>
<td>$4.9 3.0%</td>
<td>$5.0 3.0%</td>
<td>$5.0 3.0%</td>
</tr>
<tr>
<td>Fund Balance Available to Mitigate Future Budget Cuts</td>
<td>$12.7 7.8%</td>
<td>$7.2 4.4%</td>
<td>$3.4 2.1%</td>
<td>$0.0 0.0%</td>
<td>$0.0 0.0%</td>
</tr>
<tr>
<td>Basic Aid Reserve</td>
<td>$9.5 5.8%</td>
<td>$9.5 5.8%</td>
<td>$9.5 5.8%</td>
<td>$9.5 5.7%</td>
<td>$9.5 5.8%</td>
</tr>
<tr>
<td><strong>TOTAL ESTIMATED ENDING RESERVE</strong></td>
<td>$27.0 16.6%</td>
<td>$21.6 13.2%</td>
<td>$17.8 10.9%</td>
<td>$14.5 8.7%</td>
<td>$14.5 8.8%</td>
</tr>
<tr>
<td><strong>TOTAL GENERAL 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>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</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>
</tr>
<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>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<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