

Budget Assumptions

2011-12

1. Payroll assumes that employees in all groups receive step advances if earned. No COLA's except for Classified who get 1.5% per contract.
2. Restoration of full calendar for all employees. i.e. assumes not cut days
3. No increases to district contribution to health insurance (i.e. Insurance Cap)
4. PERS rates – Tier 1/ 2 & OPSRP PERS rates increase by 7.48% & 5.45% respectively effective 7/1/11. I am reducing PERS Bond rate accordingly down from 10.25% to 3.75%. I am able to do this by using drawing on the PERS reserve fund by about \$140,000. Total overall rates are now 21.43% for Tier 1 and 19.92% for OPSRP, held very close to current rates.
5. Transfer to Retirement Fund is again limited to \$260,000. This uses approximately \$150,000 of the reserve in the Retirement Fund, leaving a balance of \$180,000. (This might use too much; may need to increase transfer.)
6. Assumed that Purchased Services, Supplies & Materials, Capital Outlay, Other and Transfers will be close to same levels as 2010-11. More analysis is required for all of these categories, especially as we have some buildings being demolished and that will impact the normal demands for repair & maintenance as well as utilities.
7. Largest items in Purchased Services are payments to Kings Valley, Utilities and Transportation.
8. I think a goal should be to try to increase Fund Balance carryover from 2010-11 by about \$300,000. This would reduce the shortfall in 2011-12 to about \$1 million.