

**GOVERNING BOARD AGENDA ITEM
AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10**

DATE OF MEETING: June 21, 2010

**TITLE: Study and Approval of Proposed Fiscal Year
2010-2011 Expenditure Budget**

BACKGROUND:

The Arizona Department of Education recently released budget forms for the 2010-2011 fiscal year. The final enrollment numbers from the Arizona Department of Education have not been finalized. Therefore, the proposed budget represents an estimate and the budget will require revision in September.

The significant changes in budget are listed below:

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The Maintenance and Operations budget is overstated to allow the maximum override amount to be resolved when the student enrollment numbers are finalized with the Arizona Department of Education. The Classroom Instruction line has been lowered to reflect the staffing formula change, salary reduction, furlough days and Career Ladder reductions. In addition, the Classroom Instruction line has been lowered to reflect the non-staffing formula adjustments (elimination of field trips and professional development). The General Administration decreased due to the Override Election expenses in 2009-2010 that have been eliminated in the 2010-2011 budget. Special Education has increased as expenditures are returned to the Maintenance and Operations Fund that were covered in the IDEA Stimulus grant.

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Expenditures will decrease in the Classroom Site Funds as a result of decreased Proposition 301 sales tax revenues. The reductions to these funds average 25 percent.

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The Soft Capital Budget has been prepared pursuant to the formula. The estimated 80 percent reduction to this fund will be provided by the Arizona Department of Education at a later date and will require a budget revision.

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The Building Renewal Fund has a zero budget. The Building Renewal formula has been subject to many modifications and suspensions since its creation in 1998. Since 1998, the school district has been shorted over \$15,000,000. The suspension of funding for Building Renewal by the Legislature will require that the district keep uncommitted balances in the Unrestricted Capital and Soft Capital Budgets.

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Individual program budgets have been decreased in the Federal and State Project Funds. Line 1 – Title I & Line 8 – IDEA have been decreased due to one-time ARRA Stimulus Funds received during 2009-2010. Line 17 – Other Federal Projects has been decreased to reflect the phase down of funding in the TIF Grant. All State Grants budgets were lowered to reflect the reductions and elimination of funding from the Legislature.

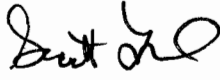
The Adjacent Ways Fund has been increased (Other Funds – Line 28). The tax rate increase to this fund will be absorbed by tax rate reduction associated with the Career Ladder reduction. The net impact on the tax bill should be zero. However, this increase requires a Truth in Taxation Notice and Hearing. The Truth in Taxation Notice is scheduled to appear in the Arizona Daily Star on June 22 and the Truth in Taxation Hearing will be prior to the Budget Adoption on July 1st.

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The State Fiscal Stabilization Fund has been reduced to zero. This budget reflects that all ARRA backfill funds (\$5,638,268) were utilized in the 2009-2010 budget year.

RECOMMENDATION:

It is the recommendation of the Administration that the Governing Board approve this proposed budget and direct that a summary of the budget be published. It is also recommended that the Governing Board schedule a public hearing on the proposed budget immediately prior to the adoption at the scheduled Board meeting on July 1, 2010.

INITIATOR:		Scott Little, Chief Financial Officer 6/16/2010
	Signature	Name/Title Date

**ASSOCIATE SUPERINTENDENT
SIGNATURE:**

SUPERINTENDENT SIGNATURE: