

GROSSMONT UNION HIGH SCHOOL DISTRICT

JUNE 10, 2010

Fiscal Year 2010/11 Budget Adoption

AGENDA

- FY 2010/11 Budget Guiding Principles
- FY 2010/11 Budget Overview
- State Budget Picture and Effect on District Revenue
- Revenue and Expenditure Summaries
- District Ending Balances/Reserves
- Level I Solutions
- Conclusion
- Appendix
 - General Fund Budget Summary, Detail, and Assumptions
 - District Enrollment
 - Cost of 1% Salary

FY 2010/11 BUDGET GUIDING PRINCIPLES

FY 2010-11 BUDGET GUIDING PRINCIPLES

- Focus Resources on Student Achievement
- Move Forward with Instructional Programs
- Maintain Reserve for Economic Uncertainties at 3% or Greater
- Maintain Restricted Maintenance Account at 3% or Greater--
SUSPENDED
- Avoid Deficit Spending in Two Consecutive Years--**SUSPENDED**
- Fiscal Restraint on Current Spending and Aggressive Pursuit of Revenue Enhancements
- All Necessary Budget Reductions That Affect People will be Handled with the Utmost Sensitivity to Employees

FY 2010/11 BUDGET OVERVIEW

FY 2010/11 OVERALL BUDGET PICTURE

- Revenues Based on Governor's May Revise
- District Budget is "Balanced." Based on:
 - Spend Down of Reserves
 - Level I Cuts
 - Reductions in Employee Costs
To be Negotiated (Level II)

FY 2010/11 UNRESTRICTED GENERAL FUND DEFICIT

	<u>\$M</u>
■ Projected Deficit at Second Interim	< \$15.7 >
■ Special Disabilities Funding Loss	< 1.5 >
■ Revenue Limit Cut in May Revise	
Shift from Fixed \$ Amount (\$231/ADA) to Percentage < 3.85% >	<u>< 1.0 ></u>
Current Deficit Projection: (Before Solutions)	<u><u>< \$18.2 ></u></u>

FY 2010-11 BUDGET
DEFICIT RESOLUTION
--UNRESTRICTED GENERAL FUND--

As Adopted

	<u>\$M</u>
■ Spend Down of Reserves	\$ 6.1
--SFSF Balance	4.1
--Mandated Cost Reimbursement	2.0
■ Level I Cuts	6.1
■ Reductions in Employee Costs To be Negotiated	6.0
	<hr/>
Total	<u><u>\$18.2</u></u>

Note: TIER III Flexibility Began in FY 09/10 at \$2.3M Annually

FY 2010-11 BUDGET
DEFICIT RESOLUTION

--UNRESTRICTED GENERAL FUND--

**Update-
Pending**

		<u>\$M</u>
■ Spend Down of Reserves		\$ 8.5
--SFSF Balance	4.1	
--Mandated Cost Reimbursement	4.4	
■ Level I Cuts		6.1
■ Reductions in Employee Costs To be Approved		3.6
		<hr/>
Total		<u><u>\$18.2</u></u>

Note: TIER III Flexibility Began in FY 09/10 at \$2.3 Annually

TIER III FLEXIBILITY TRANSFERS OF RESTRICTED FUNDS TO UNRESTRICTED GENERAL FUND

<u>Original Program</u>	<u>Transfer Amount</u>
<u>09/10 Baseline</u>	
■ Arts & Music Block Grant	\$ 200,000
■ Gifted and Talented (GATE)	35,000
■ Instructional Materials Block	500,000
■ California Peer Assistance & Review	66,915
■ ROP	500,000
■ Adult Education	<u>1,000,000</u>
SUBTOTAL	\$2,301,915

TIER III FLEXIBILITY TRANSFERS OF RESTRICTED FUNDS TO UNRESTRICTED GENERAL FUND

<u>Original Program</u>	<u>Transfer Amount</u>
<u>Added in 10/11 (Level I)</u>	
■ Instructional Materials Block Grant	\$ 200,000
■ ROP	100,000
■ Deferred Maintenance	400,000
■ Supplemental Instruction—Hourly Programs	1,020,667
	<hr/>
SUBTOTAL	1,720,667
	<hr/>
TOTAL	<u>\$4,022,582</u>

FY 2010/11 BUDGET HIGHLIGHTS

FY 2010-11 BUDGET HIGHLIGHTS

- NO LAYOFFS!!
- Learning Center Continues at 2009/10 Sites and Additional Sites May Initiate in 2010/11
- Full Supplemental Counseling Program Continues
- Student Attendance Incentive Program Continues
- CTE Pathway Programs Continue
- Food Services Program is Healthy Again and Providing Support to General Fund

STATE BUDGET PICTURE AND EFFECT ON DISTRICT REVENUE

STATE BUDGET PICTURE FY 2010/11

- January
 - Governor Proposed
 - Negative COLA of $< .38\% >$
 - Ongoing Reduction $< \$231/ADA >$ to Revenue Limit

- May Revise
 - Governor Proposed
 - Negative COLA of $< .39\% >$
 - Ongoing Reduction $< 3.9\% >$ (Equivalent to $\$283/ADA$) to Revenue Limit
 - Major Reductions to Non K-12 Programs

STATE BUDGET PICTURE FY 2010/11 (CONTINUED)

- Special Disabilities Funding for Special Education
 - Authority Sunset in 08/09
 - Not All SELPAs Participate
 - Legislative Fix?
- Democrats Proposing Drastically Different Scenario Based on Borrowing and New Taxes
- Long, Hot, Drawn-out Budget Battle Expected

REVENUE & EXPENDITURE SUMMARIES

FY 2010/11 GENERAL FUND

Before Solutions

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Revenue	\$120.7	\$ 48.8	\$169.5
Expenditures	<u>134.8</u>	<u>52.9</u>	<u>187.7</u>
 TOTAL	 <u>< \$ 14.1 ></u>	 <u>< \$ 4.1 ></u>	 <u>< \$ 18.2 ></u>

GENERAL FUND: MULTI-YEAR (\$M)

	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>
Revenue	\$169.5	\$168.6	\$168.3
Expenditures	<u>187.7</u>	<u>190.0</u>	<u>194.8</u>
TOTAL	<u>< \$ 18.2 ></u>	<u>< \$ 21.4 ></u>	<u>< \$ 26.5 ></u>

As Adopted

Solutions:

■ Spend Down of Reserves	6.1	6.1	--
■ Level I Cuts	6.1	6.1	6.1
■ Reductions to be Negotiated	6.0	TBD	TBD
	<u>\$18.2</u>	<u>TBD</u>	<u>TBD</u>

GENERAL FUND: MULTI-YEAR (\$M)

	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>
Revenue	\$169.5	\$168.6	\$168.3
Expenditures	<u>187.7</u>	<u>190.0</u>	<u>194.8</u>
TOTAL	<u><\$ 18.2></u>	<u><\$ 21.4></u>	<u><\$ 26.5></u>

Update-Pending

Solutions:

■ Spend Down of Reserves	<u>8.5</u>	<u>3.7</u>	–
■ Level I Cuts	6.1	6.1	6.1
■ Reductions to be Approved	<u>3.6</u>	<u>TBD</u>	<u>TBD</u>
	<u>\$18.2</u>	TBD	TBD

DISTRICT RESERVES

DISTRICT RESERVE PLAN (\$M)

As Adopted

	Projected at <u>06/30/10</u>	-	2010/11 <u>Spend-Down</u>	=	Projected at <u>06/30/11</u>
General Fund Unrestricted	\$12.0*		-		\$12.0
SFSF Balance	4.1		< 4.1 >		-
Fund 17 Reserve	5.1		< 2.0 >		3.1
	<u>\$21.2</u>		<u>< \$ 6.1 ></u>		<u>\$15.1</u>
	<u>11.7%</u>				<u>8.3%</u>

*Excluding Carryovers

DISTRICT RESERVE PLAN (\$M)-CONTINUED

As Adopted

	Projected at <u>06/30/11</u>	2011/12 <u>Spend-Down</u>	Projected at <u>06/30/12</u>
General Fund Unrestricted	\$12.0	< \$3.0 >	\$9.0
SFSF Balance	--	--	--
Fund 17 Reserve	<u>3.1</u>	<u>< 3.1 ></u>	<u>--</u>
	<u>\$15.1</u>	<u>< \$6.1 ></u>	<u>\$9.0</u>
	<u>8.3%</u>		<u>5%</u>

DISTRICT RESERVE PLAN (\$M)

Update-Pending

	Projected at <u>06/30/10</u>	-	2010/11 <u>Spend-Down</u>	=	Projected at <u>06/30/11</u>
General Fund Unrestricted	\$12.0*		--		\$12.0
SFSF Balance	4.1		< 4.1 >		--
Fund 17 Reserve	5.1		< 4.4 >		.7
	<u>\$21.2</u>		<u>< \$ 8.5 ></u>		<u>\$12.7</u>
	<u>11.7%</u>				<u>6.5%</u>

*Excluding Carryovers

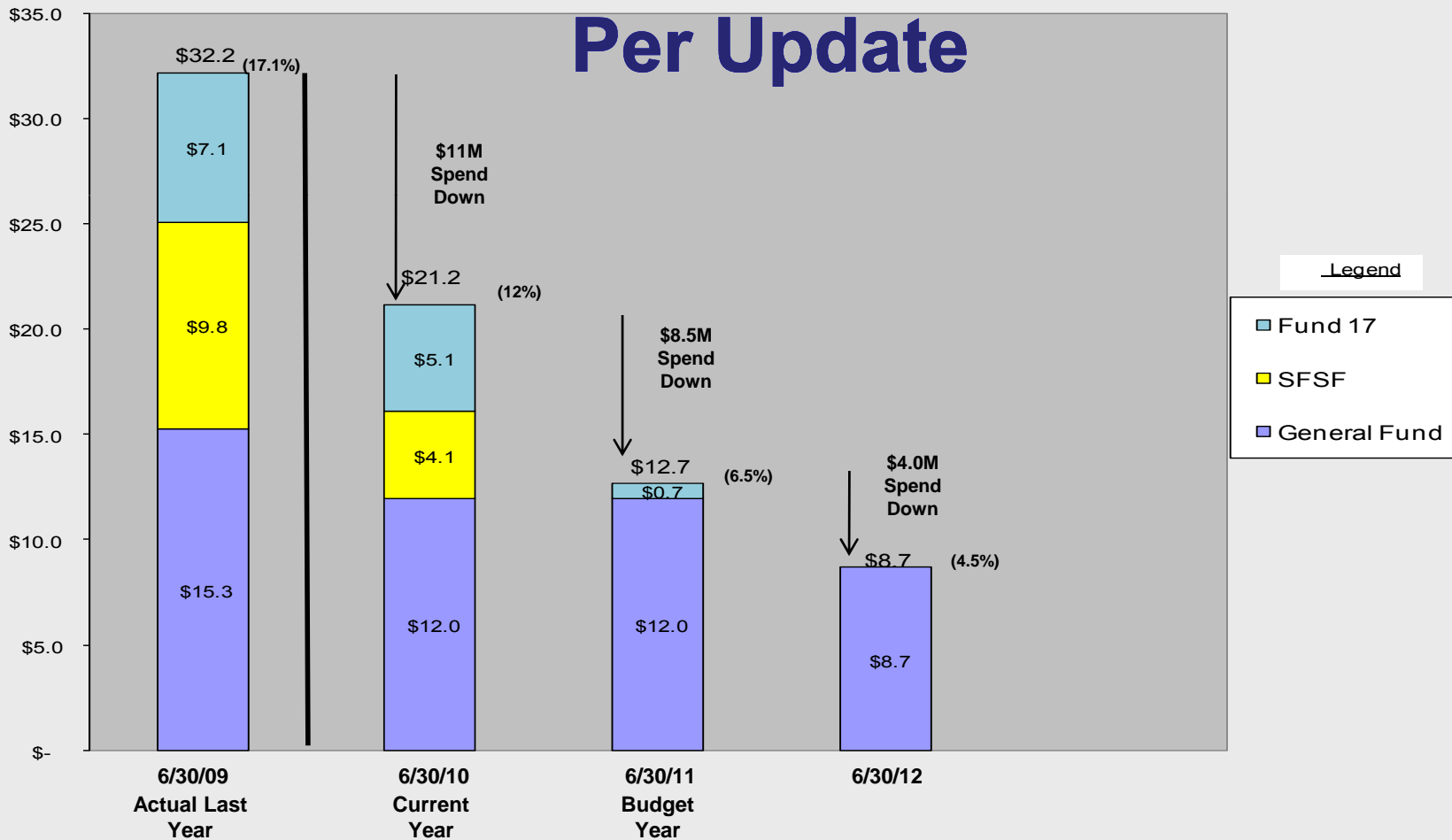
DISTRICT RESERVE PLAN (\$M)-CONTINUED

Update-Pending

	Projected at <u>06/30/11</u>	2011/12 <u>Spend-Down</u>	Projected at <u>06/30/12</u>
General Fund Unrestricted	\$12.0	< \$3.3 >	\$8.7
SFSF Balance	--	--	--
Fund 17 Reserve	<u>.7</u>	< <u>.7</u> >	—
	<u>\$12.7</u>	< <u>\$4.0</u> >	<u>\$8.7</u>
	<u>6.5%</u>		<u>4.5%</u>

GOVERNING BOARD BUDGET ADOPTION – JUNE 10, 2010

DISTRICT AVAILABLE ENDING BALANCE & RESERVE PLAN
GENERAL FUND UNRESTRICTED (EXCLUDES CARRY OVERS)



LEVEL I SOLUTIONS SUMMARY

LEVEL I SOLUTIONS SUMMARY FY 2010/11

<u>Item</u>	<u>Target</u>	<u>Included in Budget</u>	<u>Comment</u>
■ SELPA Funding Increase	\$.3	\$.3	Equalization Plan
■ Tutorial Program Allocation Reduction	.3	.3	Implemented by Site
■ Eliminate 9 th Grade CSR	1.1	.7	Current Forecast = 7 Excess Teachers
■ Other Excess Teachers		<.7>	Current Forecast = 8 Excess Teachers
■ Reduce Summer School to three weeks	1.0	.7	Final Plan Yielded Reduced Savings

LEVEL I SOLUTIONS FY 2010/11-CONTINUED

<u>Item</u>	<u>Target</u>	<u>Included in Budget</u>	<u>Comment</u>
■ Increase Categorical Transfers	.7	.7	ROP .1 Inst. Materials .2 Def. Maint. .4
■ Reduce Central Office Budgets by <u>≥</u> 25%	.4	.7	Expanded to Maintenance & Transportation
■ School Site Budgets	.2	.2	25% Cut to Hourly Allocation
■ Reduce Sub Budget	.1	.2	-Revised Ground Rules to Increase Savings -Teacher Sub Pay Untouched at \$115/Day

LEVEL I SOLUTIONS FY 2010/11-CONTINUED

<u>Item</u>	<u>Target</u>	<u>Included in Budget</u>	<u>Comment</u>
■ Targeted Program Reductions	.3	.6	See Detail
■ Non-Classroom Vacancies	.8	1.0	See Detail
■ Special Ed. Reductions	.8	.8	-Summer School -Interpreters In-House -Clerical & Aide Vacancies -ECAL Savings

LEVEL I SOLUTIONS FY 2010/11-CONTINUED

<u>Item</u>	<u>Target</u>	<u>Included in Budget</u>	<u>Comment</u>
■ New Ideas	.2	.6	-Am Express Card Rebates .1 -SRO Negotiated Savings .1 -Food Service Support to Gen Fund .4 -Transportation Agreement w/ Lemon Grove .1 -Band Instrument Repair/Replace <.1>
Total	<u>\$6.2</u>	<u>\$6.1</u>	

LEVEL I SOLUTIONS TARGETED PROGRAM REDUCTIONS–DETAIL \$.6M

- Learning Center Cost Reductions
 - Ed 2020 \$ 68K
 - Program Level 10K
- Professional Development Budgets 125K
- Literacy Program Budgets (Assessments & Pilots) 120K
- Ed Tech Training (FITT Program Implemented in 09/10) 135K
- Customized Success Institute Eliminated 130K

**LEVEL I SOLUTIONS
TARGETED PROGRAM REDUCTIONS–DETAIL
\$.6M (CONTINUED)**

■ PLAN Testing for Sophomores	\$ 52K
■ PASS Counseling--Added	< 16K >
■ Healthy Kids Survey--Added	<u>< 10K ></u>
Total	<u>\$614K</u>

**LEVEL I SOLUTIONS
NON-CLASSROOM VACANCIES-DETAIL
\$1.0M**

■ Transportation		
Bus Mechanic	\$	83K
Driver (2)		93K
■ Maintenance – Locksmith		83K
■ Warehouse Delivery Driver		69K
■ Instructional Support Technician		69K
■ Office Assistant – Facilities		67K
■ Vice Principal – Santana		127K
■ One Position at Remaining Sites (8)		<u>431K</u>
Total		<u>\$1,022K</u>

CONCLUSION

- Recommend Adoption of FY 2010/11 Budget as Proposed
- Revise Budget as Necessary to Reflect State Budget Once Adopted

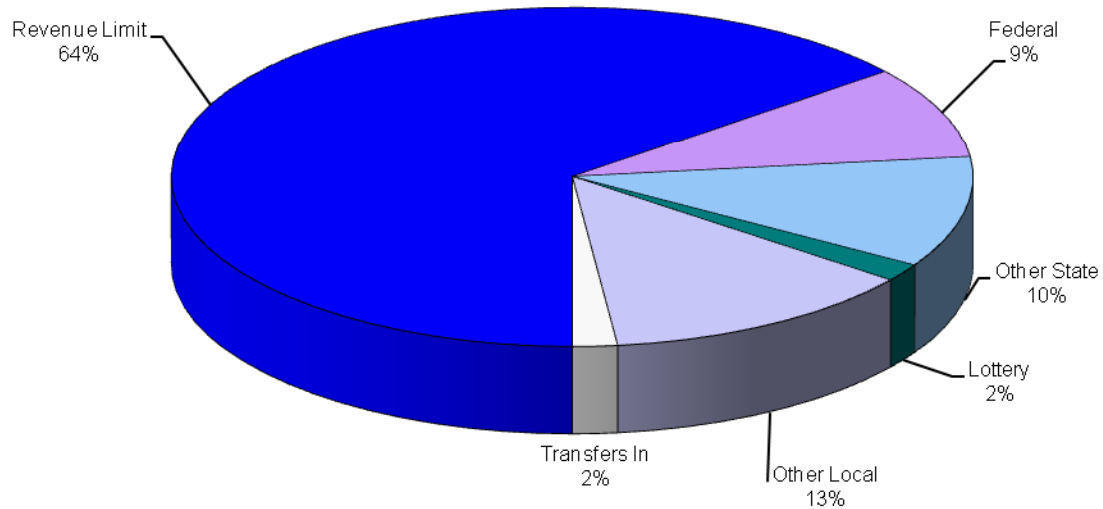
APPENDIX

GENERAL FUND BUDGET

- SUMMARY
- DETAIL
- ASSUMPTIONS

GOVERNING BOARD BUDGET ADOPTION – JUNE 10, 2010

GROSSMONT UNION HIGH SCHOOL DISTRICT
GENERAL FUND REVENUE 2010-11 BUDGET

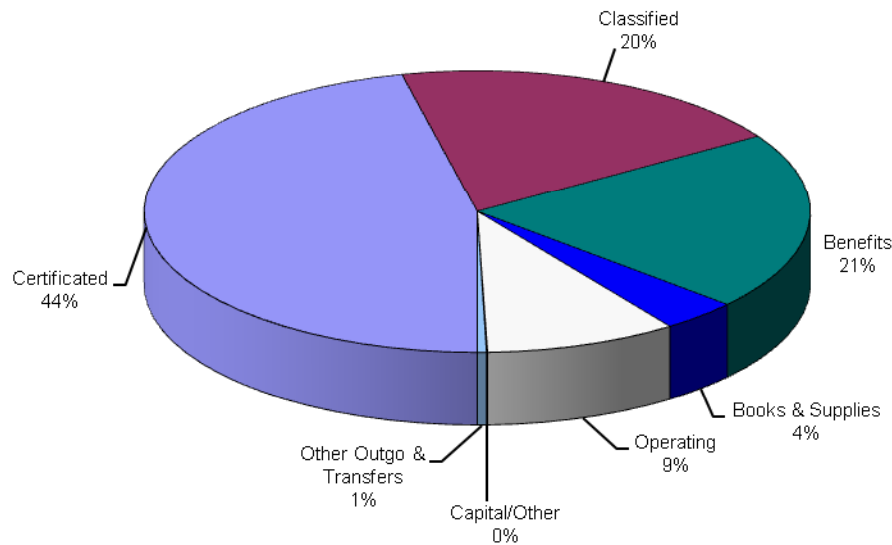


**General Fund Sources
(In Millions)**

Revenue Limit	110.2
Federal	15.2
Other State	18.2
Lottery	2.9
Other Local	21.9
Transfers In	3.1
Total Revenues	\$ 171.5

GOVERNING BOARD BUDGET ADOPTION – JUNE 10, 2010

GROSSMONT UNION HIGH SCHOOL DISTRICT
GENERAL FUND EXPENDITURES 2010-11 BUDGET



General Fund Expenditures
(In Millions)

Certificated	84.2
Classified	35.6
Benefits	37.3
Books & Supplies	6.7
Operating	16.9
Capital/Other	0.1
Other Outgo & Transfers	.8
Total Revenues	\$ 181.6

GOVERNING BOARD BUDGET ADOPTION – JUNE 10, 2010

	2008/09 ACTUALS	2009/10 Working Budget	2010/11 Adopted -.39% COLA X .81645 Deficit + 3.85 Cut	2011/12 PROJECTED 2.1% COLA X .81645 Deficit + 3.85 Cut	2012/13 PROJECTED 2.4% COLA X .81645 Deficit + 3.85 Cut
REVENUE	191,609,358	172,437,752	168,403,416	167,561,751	167,242,703
EXPENDITURES	188,049,738	186,231,446	181,643,464	183,967,400	188,783,482
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDI- TURES BEFORE OTHER FINANCING SOURCES AND USES	3,559,620	< 13,793,694	< 13,240,048 >	< 16,405,649 >	< 21,540,779 >
TRANSFERS IN	7,609,210	3,649,430	3,050,000	4,150,000	1,050,000
TRANSFERS OUT	1,125,510	46,190	0	0	0
TOTAL OTHER FINANCING/ USES	6,483,700	3,603,240	3,050,000	4,150,000	1,050,000
NET INCREASE (DECREASE) IN FUND BALANCE	10,043,320	< 10,190,454 >	< 10,190,048 >	< 12,255,649 >	< 20,490,779 >

GOVERNING BOARD BUDGET ADOPTION – JUNE 10, 2010

	2008/09 ACTUALS	2009/10 Working Budget	2010/11 Adopted	2011/12 PROJECTED	2012/13 PROJECTED
FUND BALANCE, RESERVES					
1) Beginning Balance, July 1	22,627,455	32,670,775	22,480,321	12,290,273	15,034,624
2) Ending Balance, June 30	32,670,775	22,480,321	12,290,273	34,624	< 20,456,155 >
Components of Fund Balance					
State Required 3%	5,675,258	5,588,330	5,449,304	5,069,022	5,046,440
Revolving Cash/Stores/Prepaid	284,569	240,103	240,103	240,103	240,103
ROP Capital Reserve	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Carryovers	10,269,895				
Student System	428,009	338,766	0	0	0
Budget Flexibility Reserve	1,949,310	1,013,030	< 608,193 >	0	0
Vacancy Savings Reserve	0	282,234	1,465,558	1,465,558	1,465,558
Categorical	2,887,002	4,443,501	4,443,501	4,443,501	4,443,501
MAA	32,712	32,712	0	0	0
State Budget Uncertainty	0	0	4,000,000	0	0
Projected Unexpended	0	5,150,000	2,000,000	2,000,000	2,000,000

GOVERNING BOARD BUDGET ADOPTION – JUNE 10, 2010

	2008/09 ACTUALS	2009/10 Working Budget	2010/11 Adopted	2011/12 PROJECTED	2012/13 PROJECTED
FUND BALANCE, RESERVES (Cont.)					
SFSF	9,844,020	4,091,645	0	0	0
Reserve for Negotiated Solutions	0	0	< 6,000,000 >	< 14,933,560 >	< 35,568,822 >
	0				
Total Components of Fund Balance	32,670,775	22,480,031	12,290,273	34,624	< 20,456,155 >

REVENUE & EXPENDITURE ASSUMPTIONS

GOVERNING BOARD BUDGET ADOPTION – JUNE 10, 2010

REVENUE	2008/09 ACTUALS	2009/10 Working Budget	2010/11 Adopted	2011/12 Projected
1. COLA per SSC	5.66%	4.25%	<.39%>	2.10 %
Deficit	<7.8%>	<18.355%>	<18.355%>	<18.355%>
Other Adjustments	0	<3.4%>	<3.85%>	<3.85%>
Calculated RL Rate per ADA	6,592	5,846	5,820	5,941
Enrollment Projection	20,153	20,216	20,041	20,003
Enrollment Growth/(Decline)	432	63	<175>	<38>
Factor of Enrollment to P2 ADA	94.5%	93.3%	93.4%	91.6%
P2 ADA	19,037	18,944	18,709	18,327
ADA for Funding*	19,053	19,053	18,944	18,709
2. Categorical COLA per SSC	<15.38%>	<4.46%>	<.38%>	2.10%
3. Special Ed COLA per SSC (Bifurcation)	0%	0%	<.38%>	2.10%
4. Lottery - Regular	\$ 109.5	\$ 111.00	\$ 111.00	\$ 111.00
- Instructional Materials	\$ 11.50	\$ 14.50	\$ 14.50	\$ 14.50
5. Equalization Aid	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

**Revenue Limit Funding is based on declining enrollment formula*

GOVERNING BOARD BUDGET ADOPTION – JUNE 10, 2010

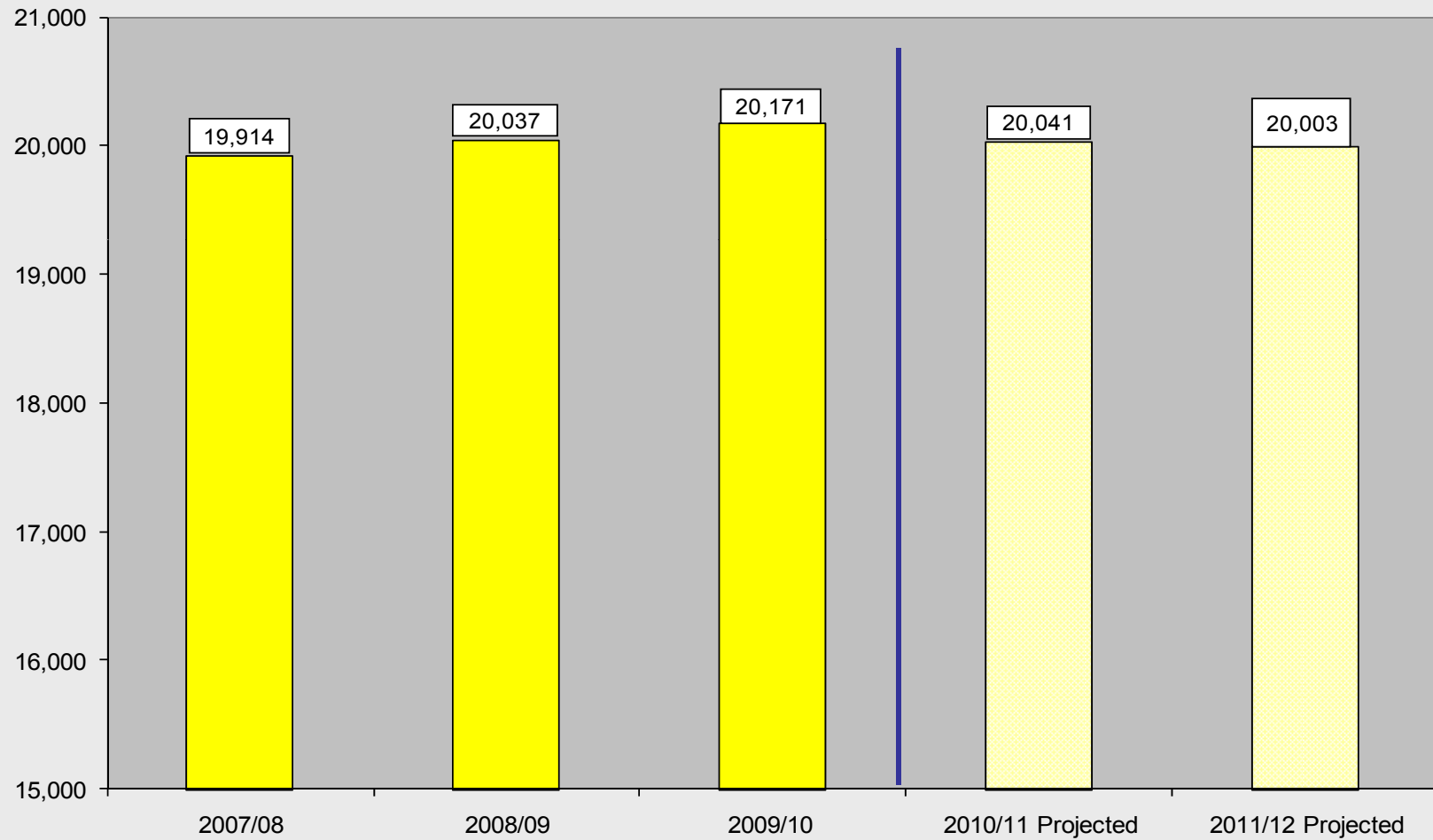
Expenditures	2008/09 ACTUALS	2009/10 Working Budget	2010-11 Adopted	2011/12 Projected
1. Step and Column-All Groups	In Actuals	In Actuals	\$.9M	\$ 1.0M
2. Health & Welfare Increases	4%	13.5%	8.3%	11.9%
Annual Health Insurance (Per Employee)	\$7,527	\$8,542	\$9,249	\$10,310
3. Fringe Benefit Rates				
STRS State Teachers Retirement	8.25%	8.25%	8.25%	8.25%
PERS Public Employees Retirement	9.428%	9.709%	9.709%	9.709%
PERS Rate Reduction	<u>3.592%</u>	<u>3.311%</u>	<u>3.311%</u>	<u>3.311%</u>
PERS Total	13.020%	13.020%	13.020%	13.020%
Social Security	6.20%	6.20%	6.20%	6.20%
Medicare	1.45%	1.45%	1.45%	1.45%
State Unemployment	0.3%	0.30%	0.72%	0.72%
Worker's Compensation	1.66%	1.64%	1.68%	1.68%
Retiree Medical				
% (Amortization of UAAL)	.94%	.94%	.94%	.94%
\$/FTE (Normal Cost)	\$ 538	\$ 538	\$ 538	\$ 538

GOVERNING BOARD BUDGET ADOPTION – JUNE 10, 2010

Expenditures (Cont.)	2008/09 ACTUALS	2009/10 Working Budget	2010/11 Adopted	2011/12 Projected
4. Salary Increases	0.00%	0.00%	0.00%	0.00%
5. Utility Increases	6% \$289K	8% \$408K	8% \$432K	8% \$467K
6. Supplies & Other Opr. Exp. Inc.	0	0	0	0
7. School Formula Allocations				
Per Student Enrollment				
Books, Supplies, Equipment	\$55.00	\$55.00	\$55.00	\$55.00
Instructional Materials	\$20.00	\$20.00	\$20.00	\$20.00
Hourly Allocation	\$37.52	\$39.02	\$30.67	\$30.67
8. Categorical Increase	< 15.38% >	< 4.46% >	< .38% >	2.10%
9. Special Ed Growth	2.00% \$.8M	2.00% \$.9M	2.00% \$.9M	2.00% \$.9M
10. Projected Unexpended Amount <i>(other than vacancy savings)</i>		In Base	In Base	In Base
11. Vacancy Savings	\$1.4M	\$1.4M	\$1.5M	\$1.5M

DISTRICT ENROLLMENT

District Enrollment



COST OF 1% SALARY/BENEFITS

GOVERNING BOARD BUDGET ADOPTION – JUNE 10, 2010

2010-11 GENERAL FUND COST FOR
1% BY BARGAINING UNIT

Bargaining Unit	Salaries ⁽¹⁾	Benefits	Cost of 1%
CSEA	\$248,213	\$ 59,602	307,816
SEIU	35,791	8,594	44,386
GEA	704,121	91,836	795,956
Confidential	7,023	1,686	8,709
Classified Supervisor	12,466	2,993	15,460
Management	<u>104,115</u>	<u>16,973</u>	<u>121,088</u>
Totals	\$1,111,730	\$181,685	\$1,293,415

(1) Salaries are based on projections as of April 1, 2010.
Does not include Helix Charter, Steele Canyon Charter
or Adult Ed.