
Grossmont Union High School District

March 11, 2010

FY 2009/10 Second Interim Financial Report & Overall Budget Planning

Agenda

- FY 2009/10 Second Interim Financial Report Summary
- Potential Actions/Recommendations to Resolve Projected Deficits in FY 2010/11 and FY 2011/12

Big Picture

- State Budget Picture
 - No Real News or Progress
 - LAO Proposed Same Level of Cuts as Governor but Different Structure
- K-12 Education Has Taken 50% of the Cuts, Yet Accounts for 40% of the State Budget
- No GUHSD Layoffs
- Updated Projections—Slight Improvement
- Must Continue to Work on Resolving Significant Budget Structural Imbalance

FY 2009/10 Second Interim Financial Summary

FY 2009/10 Second Interim Report

Key Assumptions

2009/10

- Based on Adopted State Budget
- Includes All August 26 Actions to Offset Deficits (Including \$5.7M of SFSF)
- ADA Projected at 19,117 (Net Increase of 65)
- Includes QEIA Fix Revenue per ABX3 56 at \$2.1M
- Does Not Forecast Mid-Year State Budget Cuts
- Includes Level I Actions from January 28, 2010 Workshop

FY 2009/10 Second Interim Report

Key Assumptions

2010/11

- Based on Governor's January Budget Proposal
- Negative State COLA = <.38%>
- ADA Projected at 19,064 (Funding Based on Prior Year of 19, 117)
- Reflects Expenditure of Remaining SFSF Funds of \$4.1M
- Includes Level I Actions from January 28, 2010 Workshop
- Further Budget Solutions Necessary to Resolve Deficit

FY 2009/10 Second Interim Report

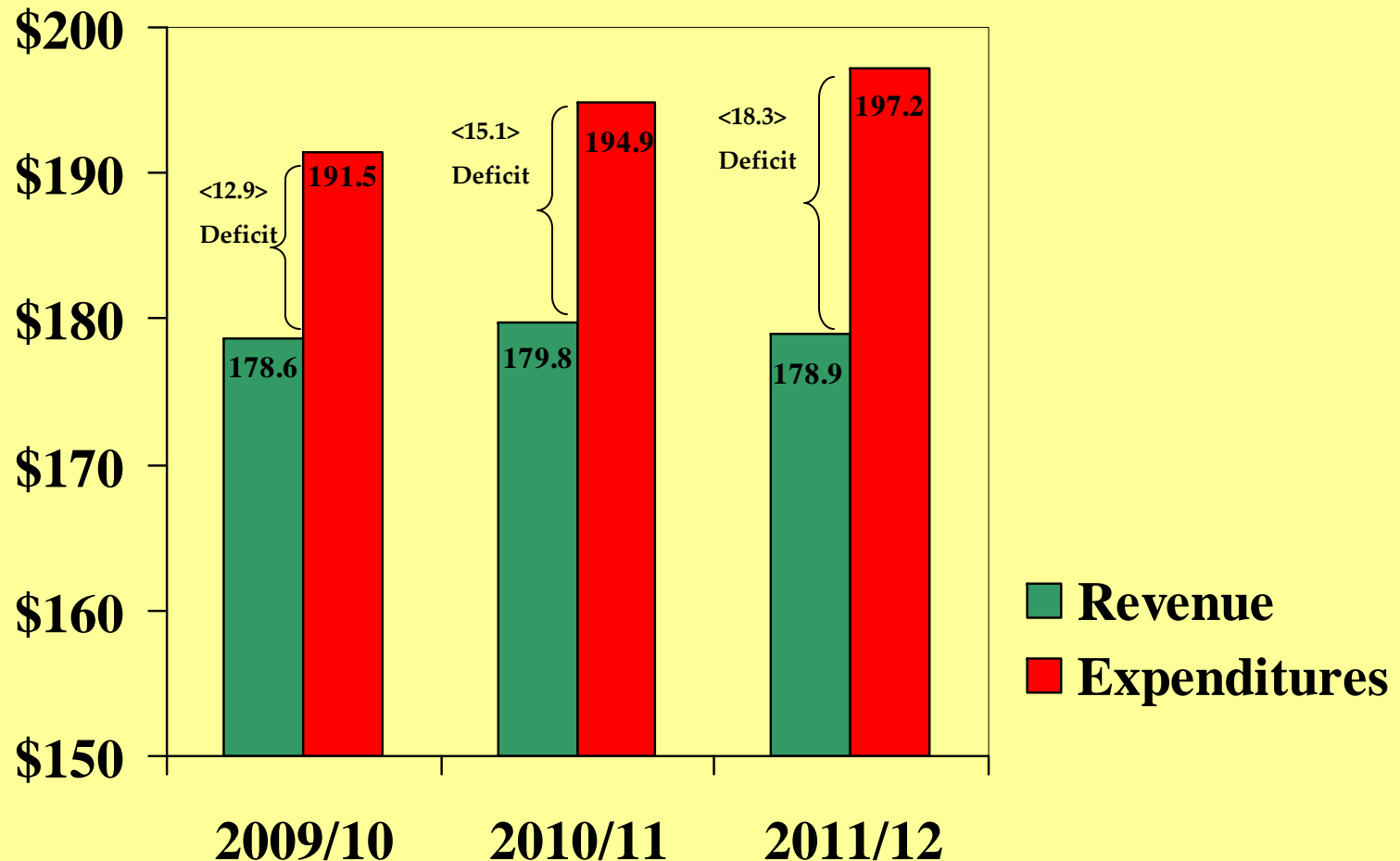
(In Millions)

General Fund Summary

	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
Revenue	\$178.6	\$179.8	\$178.9
- Expenditures	<u>191.5</u>	<u>194.9</u>	<u>197.2</u>
= Surplus/<Deficit>	<u><\$ 12.9></u>	<u><\$ 15.1></u>	<u><\$ 18.3></u>

FY 2009/10 Second Interim Report

General Fund Summary



Projected Deficits – First Interim vs. Second Interim

	(\$M)		
	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
First Interim	<\$14.4>	<\$11.9>	<\$14.8>
Governor's Budget	<u>0</u>	<u>< 4.7></u>	<u>< 5.3></u>
Adjusted First Interim	< 14.4>	< 16.6>	< 20.1>
Second Interim	<u>< 12.9></u>	<u>< 15.1></u>	<u>< 18.3></u>
Change	\$ 1.5	\$ 1.5	\$ 1.8

**Projected Deficits –
First Interim vs. Second Interim
 (\$M)**

Changes in 09/10 Deficit

SELPA Equalization (Level I)	\$.4
Tutorial Program (Level I)	.3
Spending/Hiring Freezes	1.0
Misc. Revenue Adjustments	<u>< .2 ></u>
Total	\$1.5

Revenue & Expenditure Projections

	2009-2010	2010-2011	2011-2012
REVENUES			
Revenue Limit Sources	111,451,655	111,600,106	113,348,425
Federal Revenues	18,459,850	18,505,680	16,459,850
Other State Revenues	21,431,499	21,584,395	21,584,395
Other Local Revenues	23,951,931	24,782,264	25,270,597
Transfers In	3,283,430	3,283,430	2,270,430
TOTAL REVENUES	178,578,365	179,755,874	178,933,697
EXPENDITURES			
Certificated Salaries	82,647,142	82,861,360	82,668,384
Classified Salaries	37,142,339	37,848,625	38,569,037
Employee Benefits	35,456,141	37,086,111	39,468,261
Books and Supplies	15,120,137	15,553,539	14,501,224
Services & Other Operating	19,068,156	19,500,253	19,966,918
Capital Outlay & Other Outgo	2,056,283	2,011,124	2,011,124
TOTAL EXPENDITURES	191,490,198	194,861,012	197,184,948

Books & Supplies Breakdown FY 2009/10

	<u>(\$ M)</u>
<u>Unrestricted</u>	\$2.9
<u>Restricted</u>	
Economic Impact Aid	1.2
Lottery-Instructional Materials	.4
Microsoft Voucher	.5
Project Shield	1.6
QEIA	.6
Restricted Maintenance	.5
ROP/Perkins	3.1
Special Education	.6
Title I Basic	.5
Title I ARRA	1.3
Titles II – V	.6
Transportation – HTS	.9
All Other Restricted	.4
	<hr/>
Total	<u>\$15.1</u>

Services/Other Operating Breakdown FY 2009/10

	<u>(\$M)</u>
Utilities & Insurance	\$ 7.7
Special Education	
Nonpublic Schools & Services	6.6
Rents/Leases/Maintenance	1.6
SROs	1.0
Title I/II/IV/Shield/QEIA	1.0
Transportation/Field Trips/Travel	.9
Legal/Audits/Elections	.7
Instruction/Staff Development	.3
All Other Including Charter Services	<u>< .7 ></u>
Total	<u>\$19.1</u>

Potential Actions/
Recommendations to Resolve
Projected Deficits in FY 2010/11
and FY 2011/12

Level I Actions to Resolve Deficits (\$M)

Target Amounts

Level I Actions	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
<ul style="list-style-type: none"> ▪ SELPA Funding Increase Approved 01/19/10 	\$.4	\$.3	\$.3
<ul style="list-style-type: none"> ▪ Reduce Tutorial Programs 	.3	.3	.3
<ul style="list-style-type: none"> ▪ Eliminate 9th Grade CSR Through Attrition 		1.1	1.1
<ul style="list-style-type: none"> ▪ Reduce Summer School to One Three-Week Session 		1.0	1.0
<ul style="list-style-type: none"> ▪ Increase Categorical Transfers 			
<ul style="list-style-type: none"> --Instructional Materials from \$500K to \$700K 		.2	.2
<ul style="list-style-type: none"> --ROP From \$500K to \$600K – NEW 		.1	.1
<ul style="list-style-type: none"> ▪ Reduce District Office Operating Budgets by 25% 		.4	.4

Already Included

Level I Actions to Resolve Shortfalls

	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
Level I Actions			
▪ Reduce School Site “Dollar” Allocations by 25%		\$.2	\$.2
▪ Reduce Substitute Budgets		.1	.1
▪ Targeted Program Reductions		.3	.3
▪ Eliminate Non Classroom Vacancies		.8	.8
▪ Special Education Program Reductions to Offset Growth		.8	.8
▪ County Sheriff SRO Contract Savings - NEW	.1	.1	.1
▪ American Express Card A/P Rebates - NEW	_____	_____ .1	_____ .1
TOTAL LEVEL I ACTIONS	<u>\$.8</u>	<u>\$ 5.8</u>	<u>\$ 5.8</u>

Level II: Potential Actions to Resolve Deficits (\$M)

Level II Potential Actions	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
<ul style="list-style-type: none"> ▪ Increase Categorical Sweeps --Deferred Maintenance Reduces DM \$ From \$800K - \$400K 		\$.4	\$.4
<ul style="list-style-type: none"> ▪ Equalize Furlough Days in 09/10* 	\$.8		
<ul style="list-style-type: none"> ▪ Five-Day School Year Reduction— All Employees* 		2.6	2.6
<ul style="list-style-type: none"> ▪ Eliminate Department Chair Release Periods* (Retain Stipends and Add Back Days) 		.5	.5

*Subject of Negotiation

Level II: Potential Actions to Resolve Deficits *(Continued)*

Level II Potential Actions	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
<ul style="list-style-type: none"> ▪ Health & Welfare Benefits Changes* to Offset Increase <ul style="list-style-type: none"> --Increase Co-Pays --Implement Caps --Employee Contribution to Dental ▪ Salary Rollbacks* (Each 1% = \$1.2M) 		\$ 1.2	\$ 2.0
		TBD	TBD

*Subject of Negotiation

Summary Recommendations

- Recommend Positive Certification That District Will Meet its Financial Obligations
- Authorize Initiation and Maximization of All Current Level I Actions and Identification of New Actions as Possible
- Continue Negotiation/Mediation Process on Level II Actions

District Ending Balances & Deficits 2009-10 First Interim **After Governor's Proposal**

