



Grossmont Union High School District

**FY 2009/10 First Interim
Financial Report &
Overall Budget Planning**

December 10, 2009

Agenda

- FY 2009/10 First Interim Financial Report Summary
- Overall Budget Planning
- ADA and Calendar Impact Projections
- FY 2010/11 Budget Calendar

FY 2009/10 First Interim Financial Report Summary

FY 2009/10 First Interim Report

Key Assumptions

2009/10

- Based on Adopted State Budget
- Includes All Aug. 26 Actions to Offset Deficits (Including \$5.7M of SFSF)
- ADA Projected at 19,179 (Net Increase of 127)
- Includes QEIA Fix Revenue per ABX3 56 at \$2.1M
- Does Not Forecast Mid-Year State Budget Cuts

2010/11

- State COLA Fully Deficited = 0% COLA
- Includes All Aug. 26 Actions to Offset Deficits (Including Remaining \$4.1M of SFSF)
- ADA Projected at 19,064 (Funding Based on Prior Year of 19,179)
- Does Not Forecast Further State Reductions
- Continues 09/10 Salary/Work Year Provisions

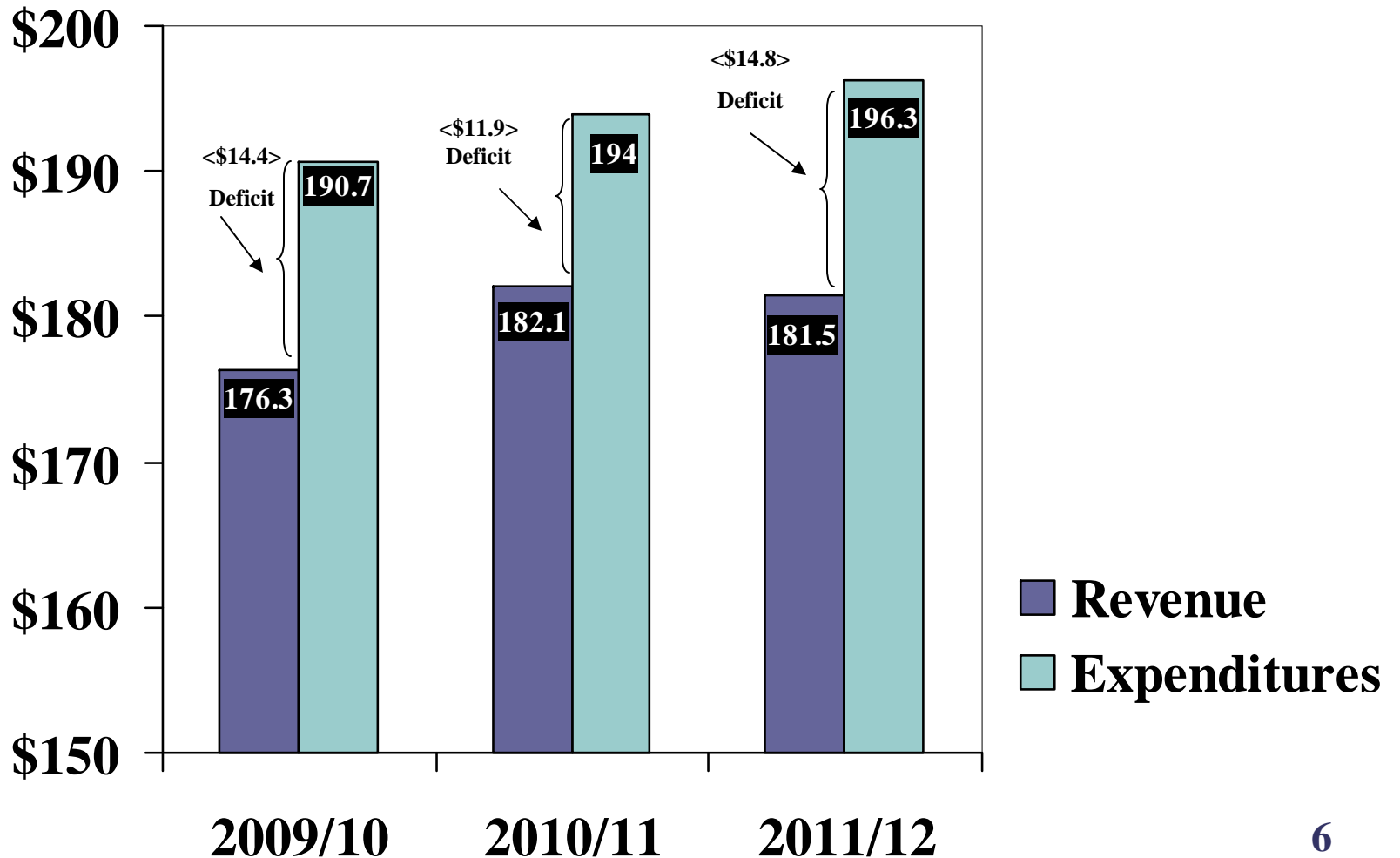
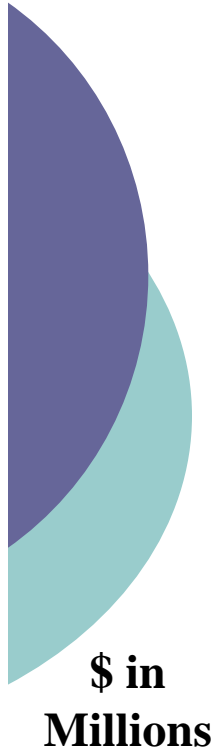
FY 2009/10 First Interim Report

(In Millions)

General Fund Summary

	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
Revenue	\$176.3	\$182.1	\$181.5
- Expenditures	<u>190.7</u>	<u>194.0</u>	<u>196.3</u>
= Surplus/<Deficit>	<u><\$14.4></u>	<u><\$11.9></u>	<u><\$14.8></u>

FY 2009/10 First Interim Report General Fund Summary



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

Reconciliation to First Interim Report Deficit

	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
Total Deficit Reported on SACS	<\$14.4>	<\$11.9>	<\$14.8>
Less:			
<u>Intentional Spend Down of One-Time \$</u>			
Categorical Sweeps	2.5		<div style="border: 1px solid black; border-radius: 50%; padding: 10px; display: inline-block;"> N O N E </div>
2008/09 Revenue Limit One-Time Dollars (ROP & SPED)	2.8		
SFSF	5.7	4.1	
Unrestricted Freed Up by IDEA Money	1.0		
Insurance Refund	0.2		
Food Services Payback	0.4		
Categorical Balances	1.4	1.3	
First Interim Shortfalls to Resolve	< \$ 0.4 >	< \$ 6.5 >	< \$ 14.8 >

District Budget Picture

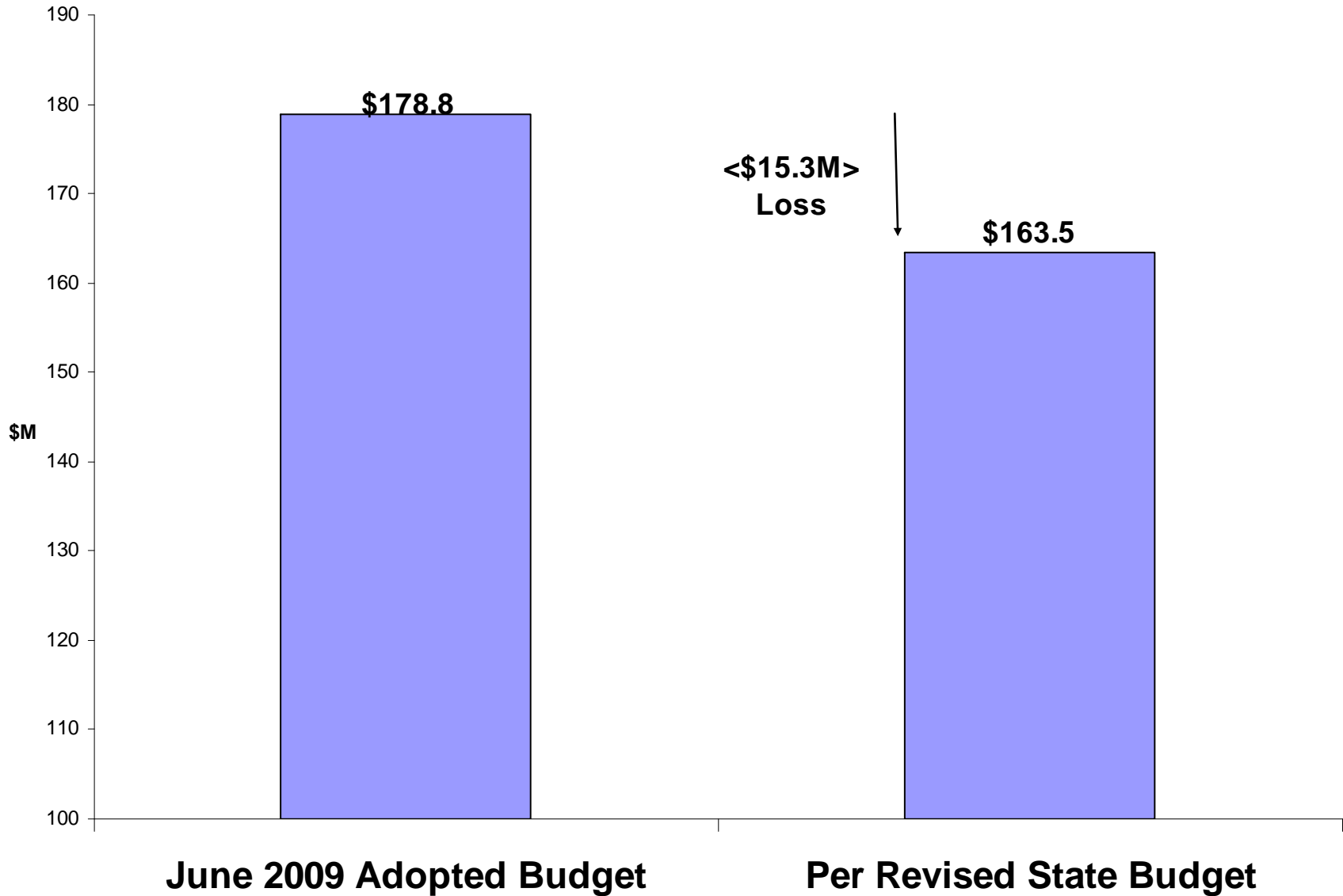
(\$ Millions)

	<u>2009/10</u>	<u>2010/11</u>
Shortfall After August 26 Actions	<\$1.4>	<\$5.5>
Changes per First Interim		
QEIA	2.1	
Life Insurance Rates	0.1	0.2
ADA Increase	0.4	0.8
Additional Teachers	<0.2>	<0.2>
Redevelopment \$ State Recapture	<0.2>	
Staff Dev. Revenue Overstated	<0.2>	
Disaster Recovery	<0.1>	<0.1>
COLA Deficited to 0%		<0.6>
Title II loss to CSR		<0.1>
Special Education Increase	<0.7>	<0.7>
Personnel Costs	<0.2>	<0.3>
	<u> </u>	<u> </u>
First Interim Shortfall to Resolve	<u><\$0.4></u>	<u><\$6.5></u>

**Must Resolve <\$6.9M> Deficit Through 2010/11 Plus React to Any Further State Budget Cuts*

Rebalancing the FY 2009/10 Budget--August 26, 2009

As Presented at the August 26, 2009 Board Meeting



2009/10 General Fund Revenue

	<u>\$Millions</u>
June 2009 Adopted Budget	\$178.8
State Budget Impact as Estimated Aug. 26	<u><15.3></u>
Subtotal at Aug. 26 Before Actions	\$163.5
 <u>Aug. 26 Actions</u>	
ROP Revision ADA	.9
Special Ed. Revision ADA	1.5
SELPA Funding Revisions	.3
Subtotal at Aug. 26 After Actions	<u>\$166.2</u>

FY 2009/10 General Fund Revenue

--Continued--

Subtotal at Aug. 26 After Actions		\$166.2
Additional Adjustments		
QEIA Fix	2.1	
ADA Forecast Update	.4	
ROP SFSF Supplement	1.1	
Professional Dev. Block Grant Revenue Correction	<.2>	
Categorical Carryovers Rebudgeted	3.6	
Redevelopment \$ State Recap	<.2>	
Subtotal Before Transfers In		\$173.0
+ Transfers In (Reserves & Adult Ed)		3.3
First Interim		\$176.3

Significant Initiatives Included in FY 2009/10 Budget



○ Learning Centers	\$1.3 M
○ Professional Learning Communities	.37
○ Cal-Pass	.07
○ Customized Success Institute	.13
○ Plan Testing for Sophomores	.05
○ Character Counts	.03
○ Educational Technology Training	.15
○ Post-Secondary Planning	.05
○ Literacy Assessment	.15
○ Attendance Incentive	.10
○ Literacy Program Achieve 3000	.20

FY 2009/10 First Interim Report

Conclusions

- Recommend Positive Certification That District Will Meet its Financial Obligations
- Additional State Budget Impact Unknown at this Time
(To both current year 09/10 and Budget Year 10/11)
- Will Require Proactive Decision Making to Resolve Shortfall

Overall Budget Planning

State Budget Picture

- Projected Deficits

- FY 09/10 <\$6.3B>

- FY 10/11 <14.4B>

- Budget Period Total <\$20.7B>

- FY 11/12-on <\$20.0B> per year

State Budget Picture *--Continued--*

- Spending is Higher Than Budget Because Budget Solutions Not All Achieved
 - Department of Corrections
 - Medi-Cal
 - Court Decision Against Use of Gas Tax and Transportation Account

- Revenue Stabilizing?

- Prop 98 Quirk—Guarantee up in 09/10 by \$1B
But How to Pay?

- Everyone Looking Ahead to Governor's January Proposal

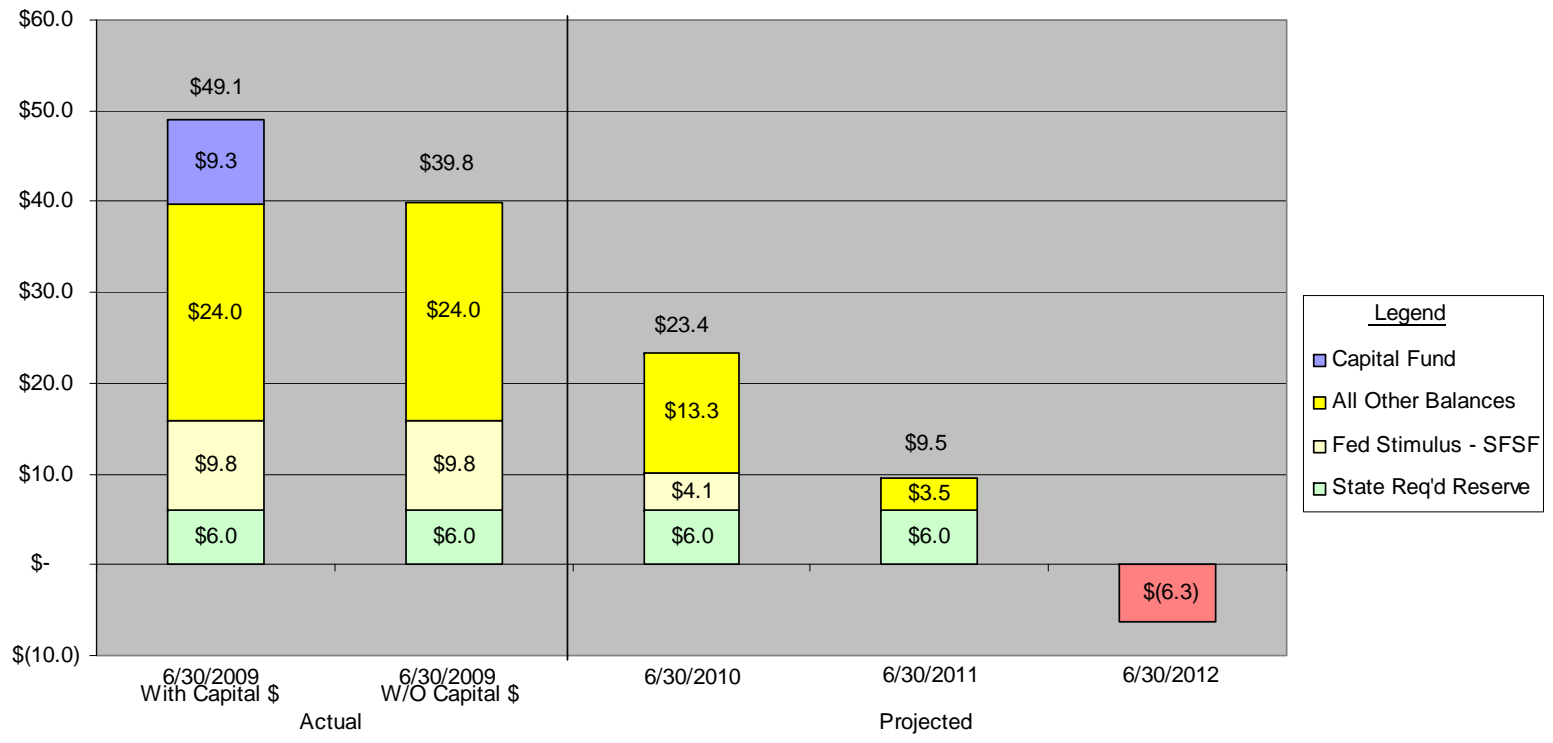
District Budgeting --A NEW ERA--

GUHSD, Along with Other Districts, is
Now Using Methods
—*Out of Dire Necessity*—
Previously “Taboo”


- Spending Down Reserves to Bare Minimum and Below
- Spending One-Time Money on Ongoing Costs
- Using Categorical Money to Balance the General Fund
- Asking Employees for Across the Board Reductions

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

District Ending Balances and Deficits BEFORE GOVERNOR'S BUDGET



What Do We Do?

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- ★ 1. First Interim Forecast to Governing Board on December 10
 2. Get the Governor's Budget January 13
 3. Update Forecasts
 4. Reaffirm District Priorities
 5. Identify Solution → Negotiations
 6. Second Interim Due March 15, 2010



ADA & Calendar Impact Projections

Impact of ADA Increase From Adopted Budget to First Interim

	<u>ADA</u>	<u>\$M</u>
June 2009 Adopted Budget	18,613	
August 26 Actions		
ROP	158	
Special Ed/Regular Ed	278	
Revision for P2 Actual	<u>3</u>	
Subtotal at August 26 After Actions	19,052	
Updated Forecast Increase	<u>127</u>	\$0.8
First Interim	<u><u>19,179</u></u>	
Calendar Change Impact Already Counted		<u><\$0.4></u>
Net Positive Increase to 2009/10 Budget		<u><u>\$0.4</u></u>

Updated 2009/10 ADA Projection Methodology

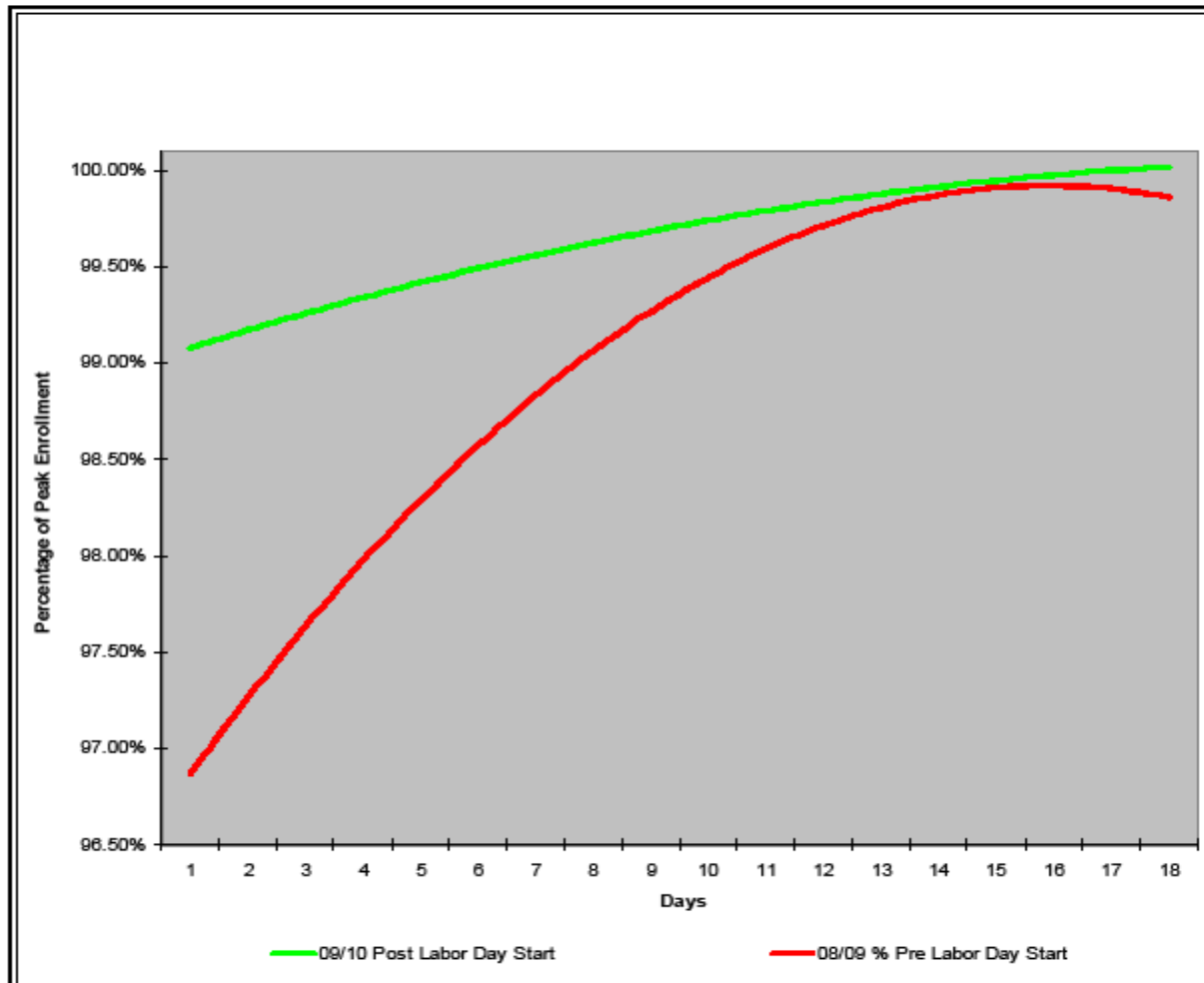
Actual 09/10 Third Week Enrollment	20,171
X 08/09 ADA/Enrollment Ratio	<u>X.9508</u>
= Projected 09/10 ADA	<u><u>19,179</u></u>
- Prior Forecast	19,052
= Projected Increase	<u><u>127</u></u>

Calendar Change Impact

	<u>Original Estimate</u>	<u>Updated Estimate</u>	<u>Evidence to Date</u>
<u>After Labor Day Start</u>			
1. <u>ADA</u>			
• Fewer Days in P2	(+23) \$163K	(+39) \$229K	<ul style="list-style-type: none"> • Saw More Enrollment Sooner • \$/ADA Down by 15% • Final Analysis After P2
• Attendance Day Inc.	(+20) 143	(+18) 114	
2. <u>Utilities Savings</u>	50	70	
• Aug. Usage Savings			\$72K
• Sept. Usage Savings			38K
• June Usage Cost Increase			<TBD> "Longer June"
Subtotal: After Labor Day Start	\$356K	\$413K	
<u>Thanksgiving Week Off</u>			
3. Thanksgiving Week Off	(+13) \$ 95	(+13) \$ 81	<ul style="list-style-type: none"> • \$/ADA down by 15%
4. Staff Sub Savings	25	15	<ul style="list-style-type: none"> • Under Review--Expect fewer staff absences since no school Thanksgiving Week
Subtotal Thanksgiving Week Off	\$120K	\$ 96K	
Total Positive Impact:	<u>\$476K</u>	<u>\$509K</u>	


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

Impact of Post Labor Day Start of School Student Enrollment: 1st Day of School Until Peak Enrollment



FY 2010/11 Budget Calendar

FY 2010/11 Budget Calendar



★ December 10, 2009	First Interim and Preliminary Forecast for 2009/2010 and Presentation of 2008/09 Audit
Ongoing	Collaborative Meetings with Labor Associations
January 13, 2010	Governors Budget Workshop
January 14	Board Meeting—Presentation of November Financial Statements
February 2 - 13	Board Budget Workshop (Date TBD)
February 2 – May 18	Budget Meetings with Cabinet

FY 2010-11 Budget Calendar

Continued

February 8	Enrollment Projections for 2010/11
February 11	Board Meeting—Presentation of December Financial Statements
February 18	Distribute Budget Development Information for all Responsibility Code Holders
March 2 – 17	Board Budget Workshop (Date TBD)
March 11	Board Meeting—Presentation of January Financial Statements and Approval of Second Interim Financial Report for 2009/10
March 17	Budgets are Due from Sites and Departments to Fiscal Services


FY 2010-11 Budget Calendar

Continued

April, May	Interim Audit Visits from Independent Auditors for 2009/10
April 5 - 16	Board Budget Workshop (Date TBD)
April 2	Human Resources Completes all Updates and Corrections to Escape Personnel Module
April 14	Monthly Salary and Benefit Projections Complete
April 15	Board Meeting—Presentation of February Financial Statements
May 4 – 19	Board Budget Workshop (Date TBD)

FY 2010-11 Budget Calendar

Continued

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|--------|---|
| May 4 | Fiscal Services Completes Revenue and Expense Projections |
| May 13 | Board Meeting—Presentation of March Financial Statements |
| May 14 | May Revise of Governor's Budget Proposal |
| May 21 | May Revise Conference |
| May 21 | Update Enrollment Projections for 2010/11 |

FY 2010-11 Budget Calendar

Continued

May 28	Update 2010/11 Budget Based on May Revise
June 2	Final Budget to Print
June 3, 4	Final Budget Available for Public Inspection
June 4	Final Budget Submitted for Inclusion in the June Governing Board Meeting
June 10	Adopted Budget Presented to Governing Board for Approval and Presentation of April Statements
June 30, 2010	Legislature Approves and Adopts the State Budget for 2010/11


FY 2010-11 Budget Calendar

Continued

July 8	Board Meeting—Presentation of May Financial Statements
July – August	Close District Financial Books for 2009/10
September 16	Board Meeting—Presentation of June Financial Statements and Approval of 2009/10 Unaudited Actuals in SACS Format
September 10	School Staffing and Supply Allocations Finalized Based on the End of the Third Week of School
September/ October	Independent Auditors Complete Audit Process for 2009/10

FY 2010-11 Budget Calendar

Continued



October 14	Board Meeting—Presentation of August Financial Statements
November 4 or 18	Board Meeting—Presentation of September Financials and Approval of Revised Budget for 2010/11
December 3	Staffing Allocations for Second Semester Adjusted Based on Enrollment at November 2, 2010
December 9	Board Meeting—Presentation of October Financial Statements and Approval of First Interim Financial Report for 2010/11