

# Fullerton School District 2nd Interim Financial Report



March 10, 2009

*Presented by:*

**Dr. Mitch Hovey**  
*Superintendent, Fullerton School District*

**Dr. Gary Cardinale**  
*Assistant Superintendent, Business Services*

# Objectives For This Session

- \* **Mandate to Report Fiscal Transactions as of January 31, 2009**
- \* **Budget Calendar**
- \* **Budget Assumptions**
- \* **2<sup>nd</sup> Interim Budget 2008/2009**
- \* **Review Previous Actions For Budget Reductions**
- \* **Budget Reductions**
- \* **Multi-Year Projections**
- \* **What if ???**
- \* **Next Steps**



# Budget Calendar - 2008/2009

- \* **March 10, 2009**
  - \* **2nd Interim Financial Report to the Board**
- \* **May 19, 2009**
  - \* **Special Election**
- \* **June 8, 2009**
  - \* **May Revise**
- \* **June 30, 2009**
  - \* **District Submits Adopted Budget to OCDE**

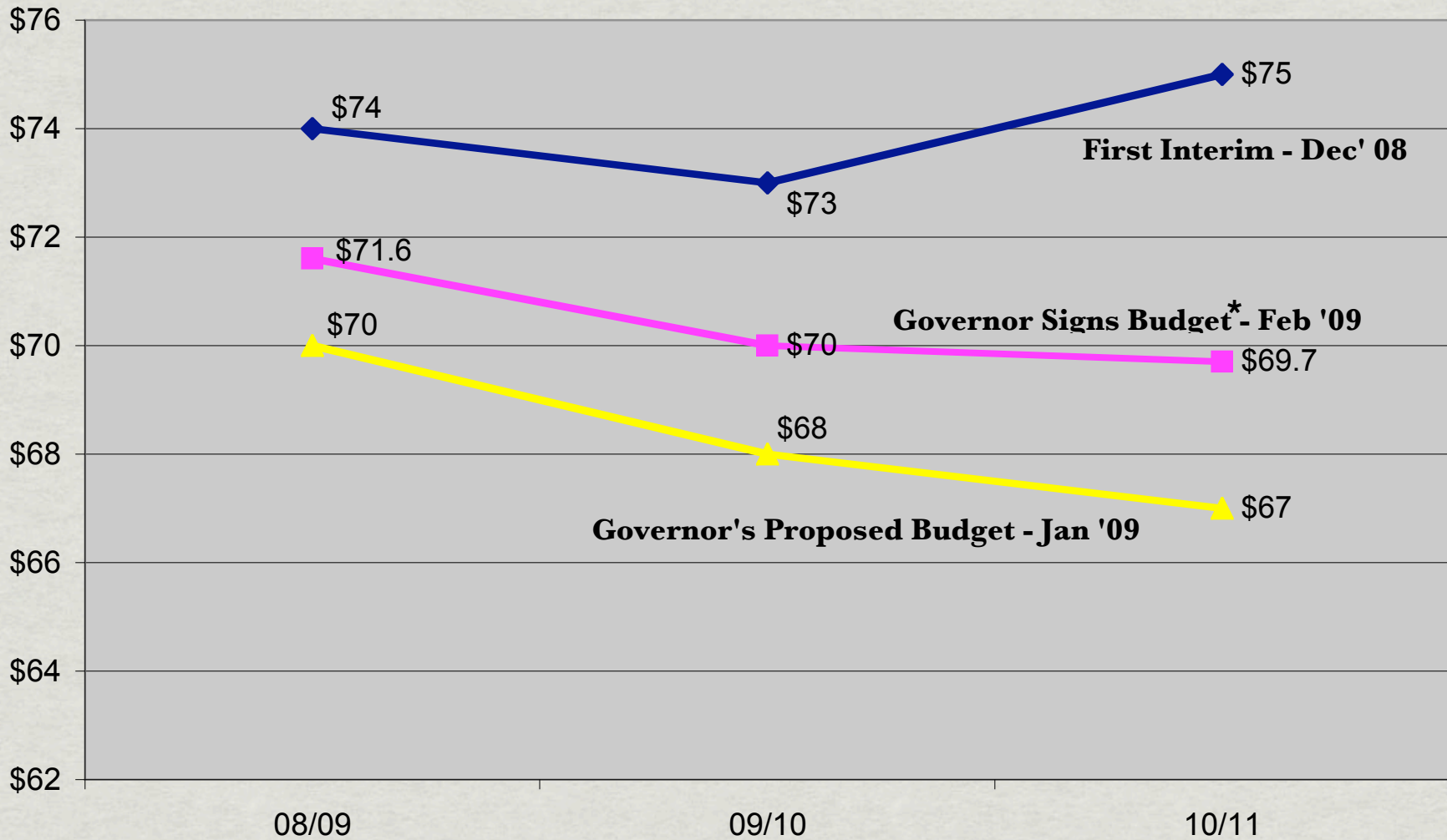
# Budget Assumptions

## 2008/2009 - 2010/2011

Factors		2008/2009 Adopted	2008/2009 1st Interim	2008/09 2 <sup>nd</sup> Interim	2009/2010 Projected	2010/2011 Projected
<b>Revenue Limit Funded COLA</b>		<b>0%</b>	<b>0.68%</b>	<b>-4.57%</b>	<b>-2.52%</b>	<b>0.50%</b>
<b>Categorical COLA</b>		<b>-6.50%</b>	<b>-6.50%</b>	<b>-15.40%</b>	<b>-4.50%</b>	<b>0.50%</b>
<b>California Lottery \$ Per ADA</b>	<b>Base</b>	<b>\$115.00</b>	<b>\$118.00</b>	<b>\$109.50</b>	<b>\$109.50</b>	<b>\$109.50</b>
	<b>Prop 20</b>	<b>\$16.50</b>	<b>\$19.00</b>	<b>\$11.50</b>	<b>\$11.50</b>	<b>\$11.50</b>
<b>Funded Revenue Limit ADA</b>		<b>13,216</b>	<b>13,218</b>	<b>13,211</b>	<b>13,102</b>	<b>12,956</b>
<b>CBEDS (Decline)</b>		<b>-7</b>	<b>-106</b>	<b>-125</b>	<b>-150</b>	<b>-150</b>
<b>P2 ADA (Decline)</b>		<b>-10</b>	<b>-126</b>	<b>-115</b>	<b>-145</b>	<b>-145</b>

**For this report, data from 7/1/2008 - 1/31/2009 is utilized for assumptions.**

## Unrestricted Revenue Limit Funding Change (in Millions)



**\*DEPENDENT ON MAY 19TH SPECIAL ELECTION**



# 2nd Interim Budget Summary

	<b>2008/2009 Adopted Budget</b>	<b>2008/2009 1<sup>st</sup> Interim</b>	<b>2008/2009 2nd Interim</b>	<b>% Change</b>
<b>Revenue/Transfer In</b>	\$106,339,724	\$109,323,070	\$106,008,349	-3%
<b>Expenditure/Transfer Out</b>	\$108,781,183	117,105,199	114,567,707	-2%
<b>Net Increase/ Decrease(-) Fund Balance</b>	-2,441,459	-7,782,129*	-8,559,358*	10%
<b>Beginning Balance 7/1</b>	13,844,767	13,844,767	13,844,767	0%
<b>Ending Balance 6/30</b>	\$11,403,308	\$6,062,638	5,285,409	-13%

\* \$6 MILLION FROM 2007/2008 CARRYOVER MOSTLY DUE TO ONETIME GRANTS RECEIVED LATE AND LOSS OF REVENUE \$ DUE TO DEFICIT

**Previously Board Approved Budget Reductions to  
Unrestricted General Fund \$  
(Adopted June 2008)**

Categories	2008/2009 Year 1	2009/2010 Year 2	2010/2011 Year 3
1. Educational Services	\$107,135	\$ -	\$ -
2. Business Services	557,785	109,621	109,621
2a. Transportation	200,000	200,000	200,000
3. Personnel Services	164,346	-	-
4. Superintendent's Office	104,162	-	-
5. Set Assistant Principal Ratio	112,332	-	-
6. Set Ratios for Clerical Staff (School Sites)	418,960	-	-
7. Attrition Savings	1,202,773	400,012	409,636
8. Eliminate Media Assistants	-	462,330	462,330
9. Reduce 6 FTEs Teachers Due to Declining Enrollment	-	370,002	370,002
10. Reduce 6 Additional FTEs Teachers Due to Declining Enrollment			370,002
11. Programs	477,331	30,620	30,620
12. Other	599,606	-	-
<b>Total</b>	<b>\$3,944,430</b>	<b>\$1,572,585</b>	<b>\$1,952,211</b>

# Contributions to Restricted Programs: 2008/2009

<b>Special Education</b>	<b>\$ -6,445,524</b>
<b>Home to School Transportation</b> <i>(Supported By \$325,239 in Categorical Program \$)</i>	<b>\$ -20,859</b>
<b>Special Education Transportation</b>	<b>\$ -252,132</b>
<b>Routine Maintenance</b>	<b>\$ -2,674,695</b>
<b>Total Unrestricted Contribution</b>	<b>\$ -9,393,210</b>



## 2nd Interim Revenue Changes Since 1st Interim

### \* -\$2.3 Million Due To:

\* Loss of .68% COLA

\* Mid-Year Cuts -2.52% Revenue Limit \$  
or \$3.3 million

\* Contribution from QZAB and  
Childcare

## 2nd Interim Expenditure Changes Since 1st Interim

### \* -\$2.5 Million Due To:

- \* Adjustments to Salary and Benefits
- \* Cuts to Most State Categorical Programs of -15.4 %
- \* Increase PTA/ASB Reimbursements and Donations and Categorical Funding Adjustments
- \* Reverse Deferred Maintenance Match for 2008/2009



# Mid-Year Reductions and Adjustments 2008/2009

Categories	2008/2009
<b>Previously Approved Cuts (June 2008)</b>	<b>\$3,944,430</b>
1. Categorical Flexibility/Cost Shifts (SBCP, TIIG, QZAB, Arts and Music Block, and REMS)	1,091,000
2. Business Services	31,000
3. Remove 5 FTE Teachers reserve for declining enrollment	345,000
4. Other (Election Savings, Year-End Fallout, Reverse Deferred Maintenance Match, Child Development Contribution, Special Ed. Reduction)	1,314,000
<b>Mid-Year Reductions &amp; Adjustments</b>	<b>\$2,781,000</b>
<b>Additional Cuts or 2008/2009 Required by Revenue Limit Reductions</b>	
<b>Grand Total</b>	<b>\$6,725,430</b>

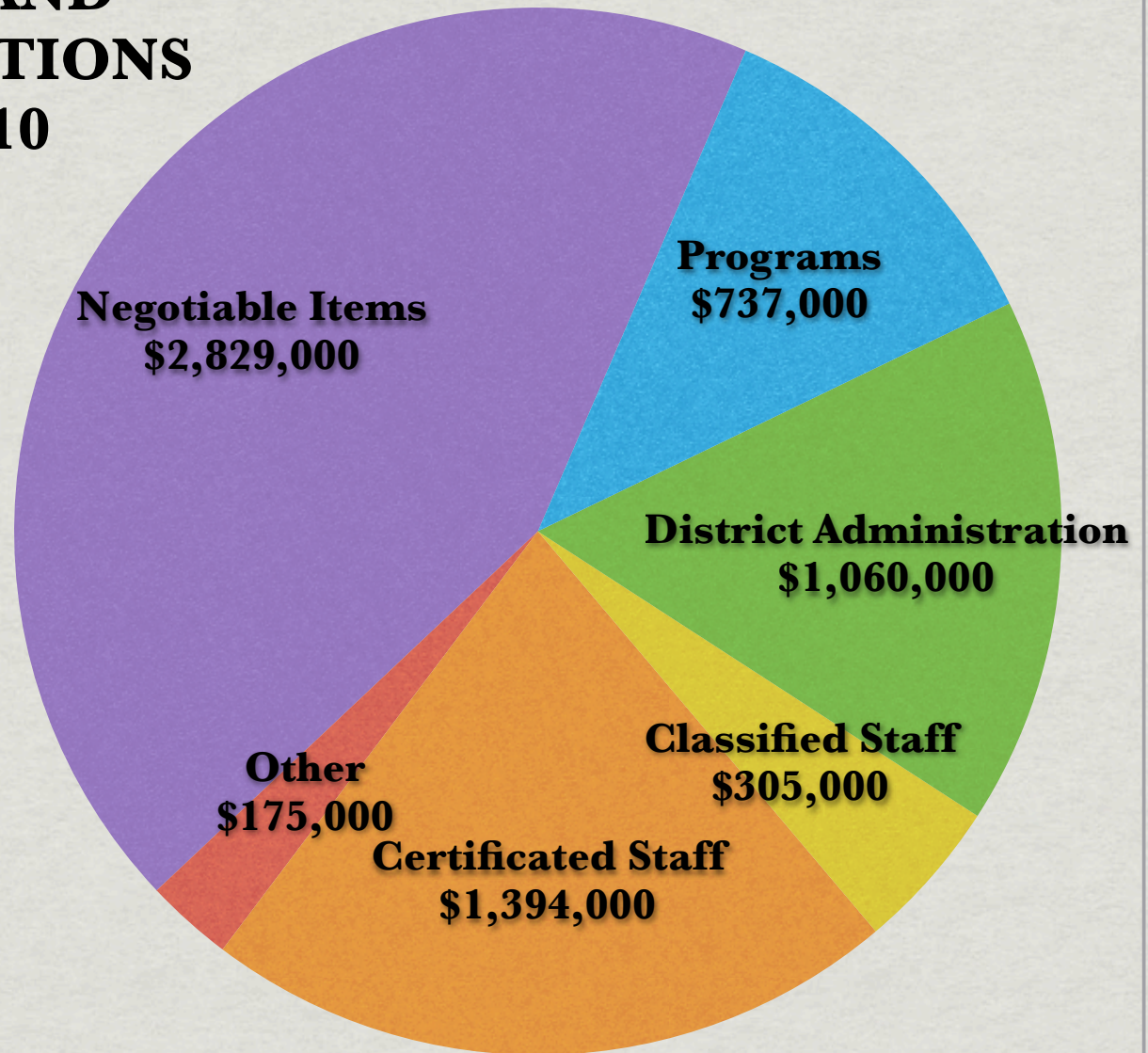


# Multi-Year Projections with January 2009 COLA

Funded COLA	0.68%	-4.57%	-2.52%	0.50%
	2008/2009 1st Interim	2008/2009 2nd Interim	2009/2010 Projection	2010/2011 Projection
<b>REVENUE</b>	\$108,836,251	\$106,008,349	\$102,187,700	\$101,713,172
<b>EXPENDITURES</b>	116,742,003	114,567,707	102,551,648	101,761,521
<b>Net Increase/Decrease (-) Fund Balance</b>	-7,905,752	-8,559,358	-363,948	-48,349
<b>Beginning Balance 7/1</b>	13,844,767	13,844,767	5,285,409	4,921,461
<b>Ending Balance 6/30</b>	\$5,939,015	5,285,409	\$4,921,461	\$4,873,112

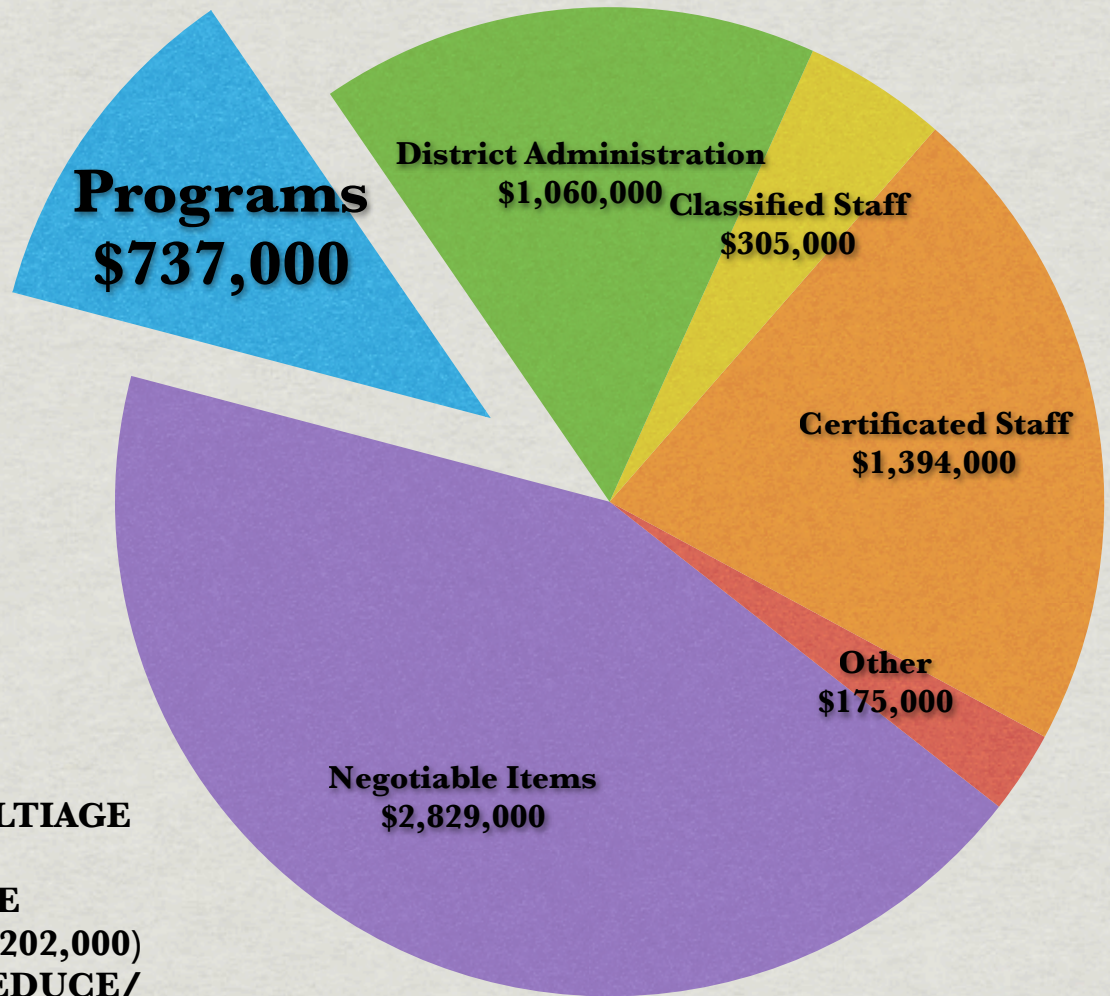
**FULLERTON SCHOOL  
DISTRICT BUDGET  
REDUCTIONS AND  
ADJUSTMENT OPTIONS  
FOR 2009/2010**

**TOTAL:  
\$6,500,000**





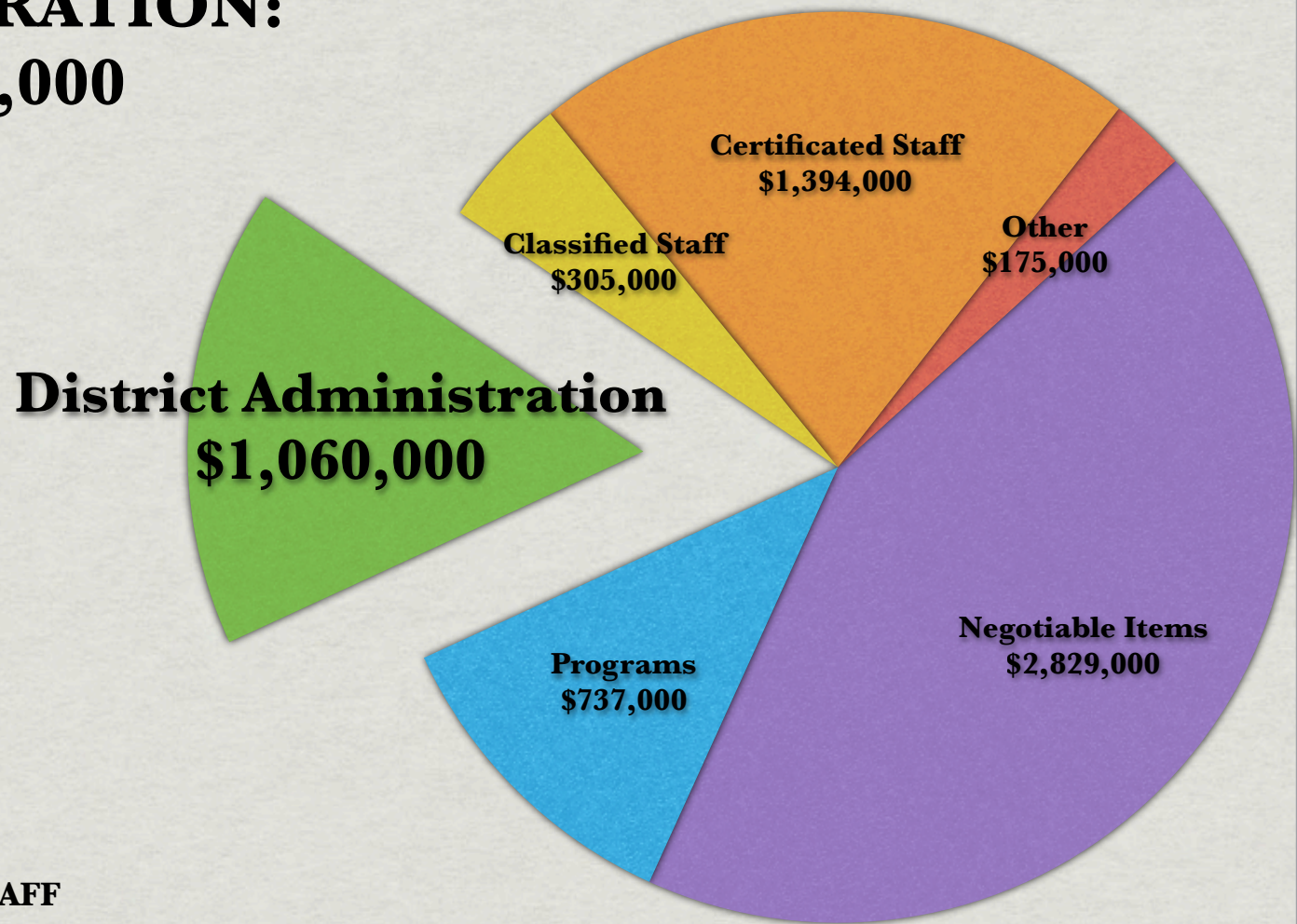
**PROGRAMS:  
\$737,000**



- 20% REDUCTION TO IB, GATE, MULTIAGE (\$76,800)
- ALL THE ARTS REDUCE/ELIMINATE GENERAL FUND CONTRIBUTION (\$202,000)
- ELEMENTARY MUSIC PROGRAM REDUCE/ELIMINATE GENERAL FUND CONTRIBUTION (\$177,000)
- LAPTOP 1:1 REDUCE/ELIMINATE GENERAL FUND CONTRIBUTION (\$73,000)
- CSR REDUCE/ELIMINATE GENERAL FUND CONTRIBUTION (\$209,000)



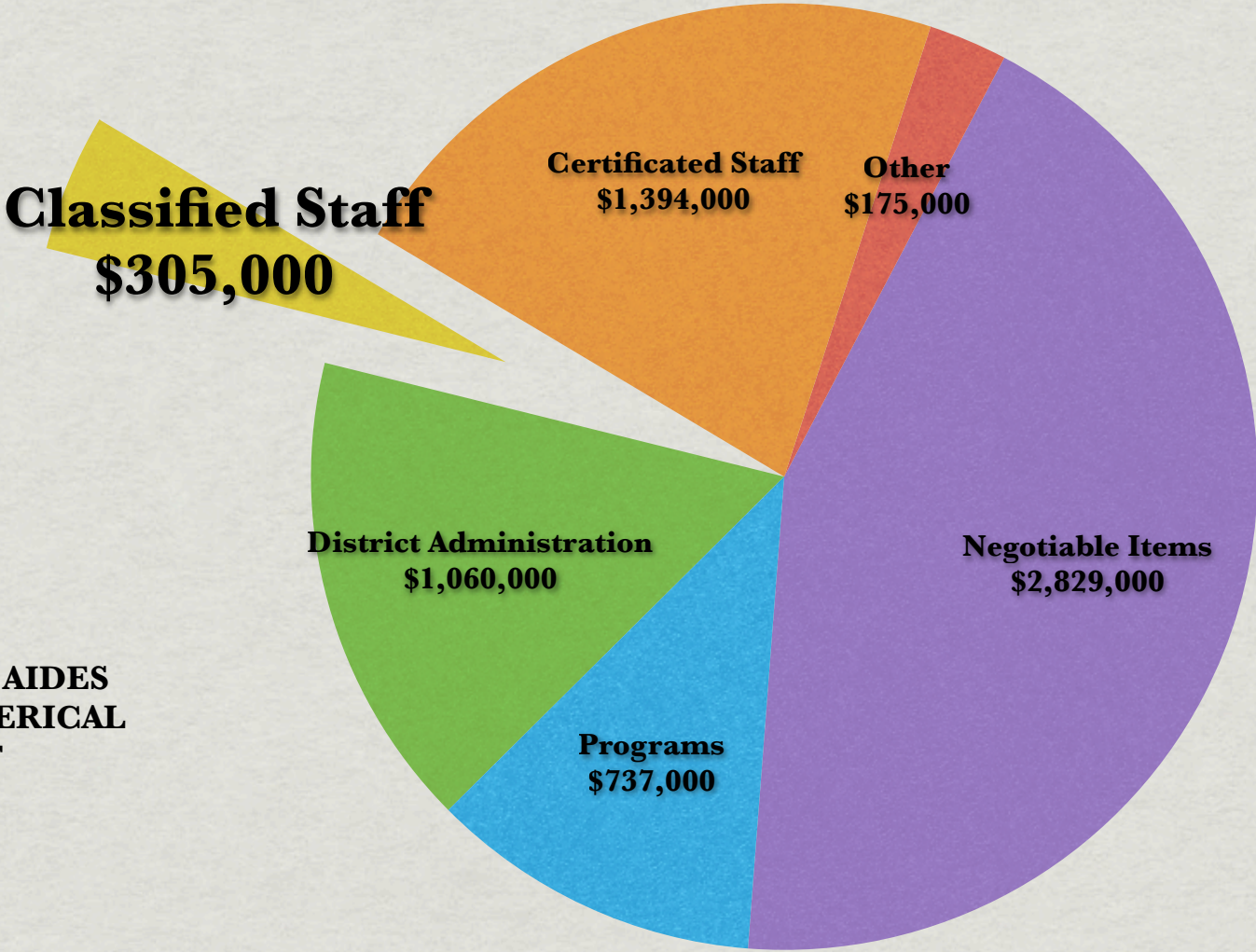
**DISTRICT  
ADMINISTRATION:  
\$1,060,000**



- ADMINISTRATIVE STAFF
- PSYCHOLOGISTS
- ELEMENTARY ASSISTANT PRINCIPALS



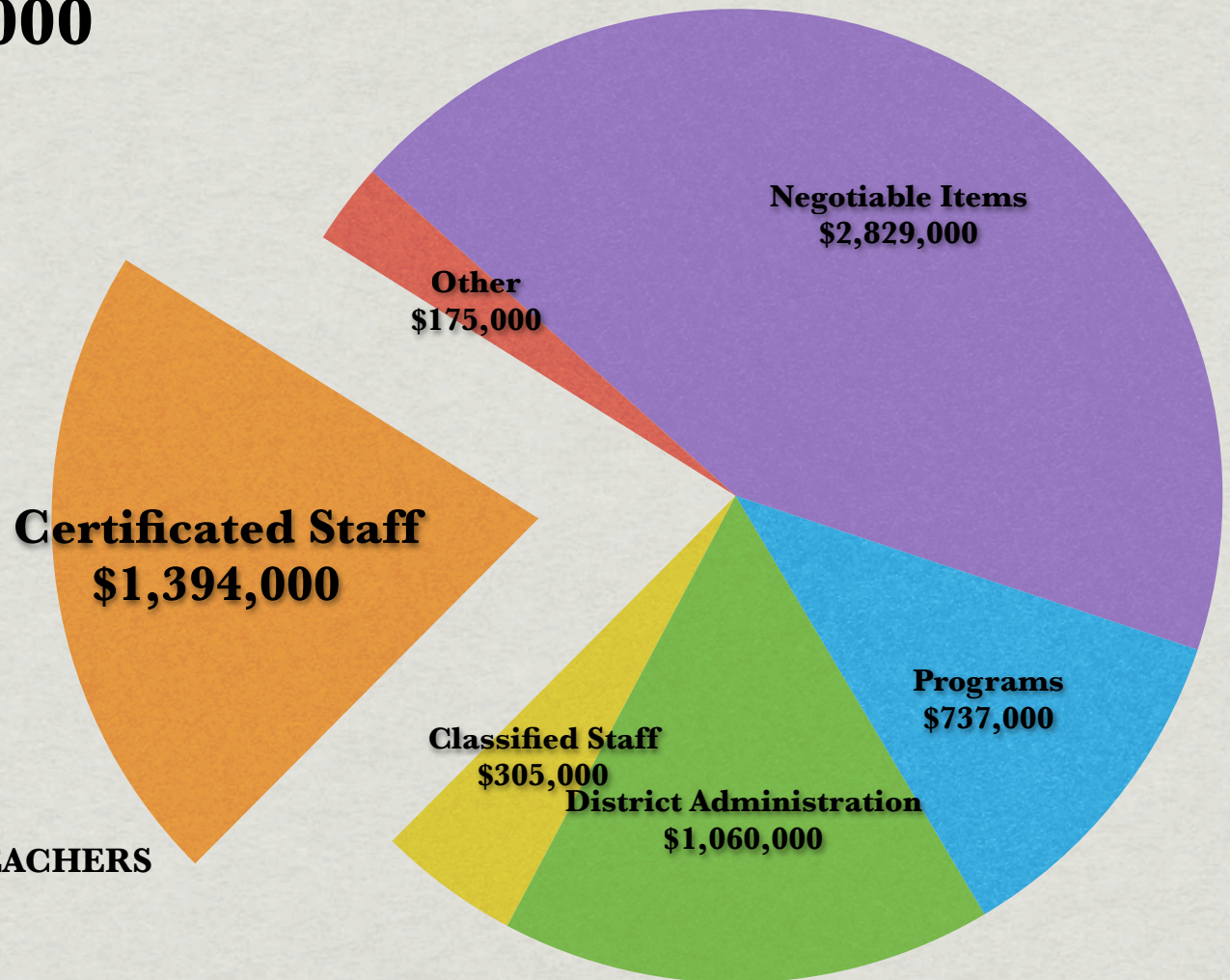
**CLASSIFIED  
STAFF:  
\$305,000**



- SPECIAL EDUCATION AIDES
- DISTRICT OFFICE CLERICAL
- CLASSIFIED SUPPORT



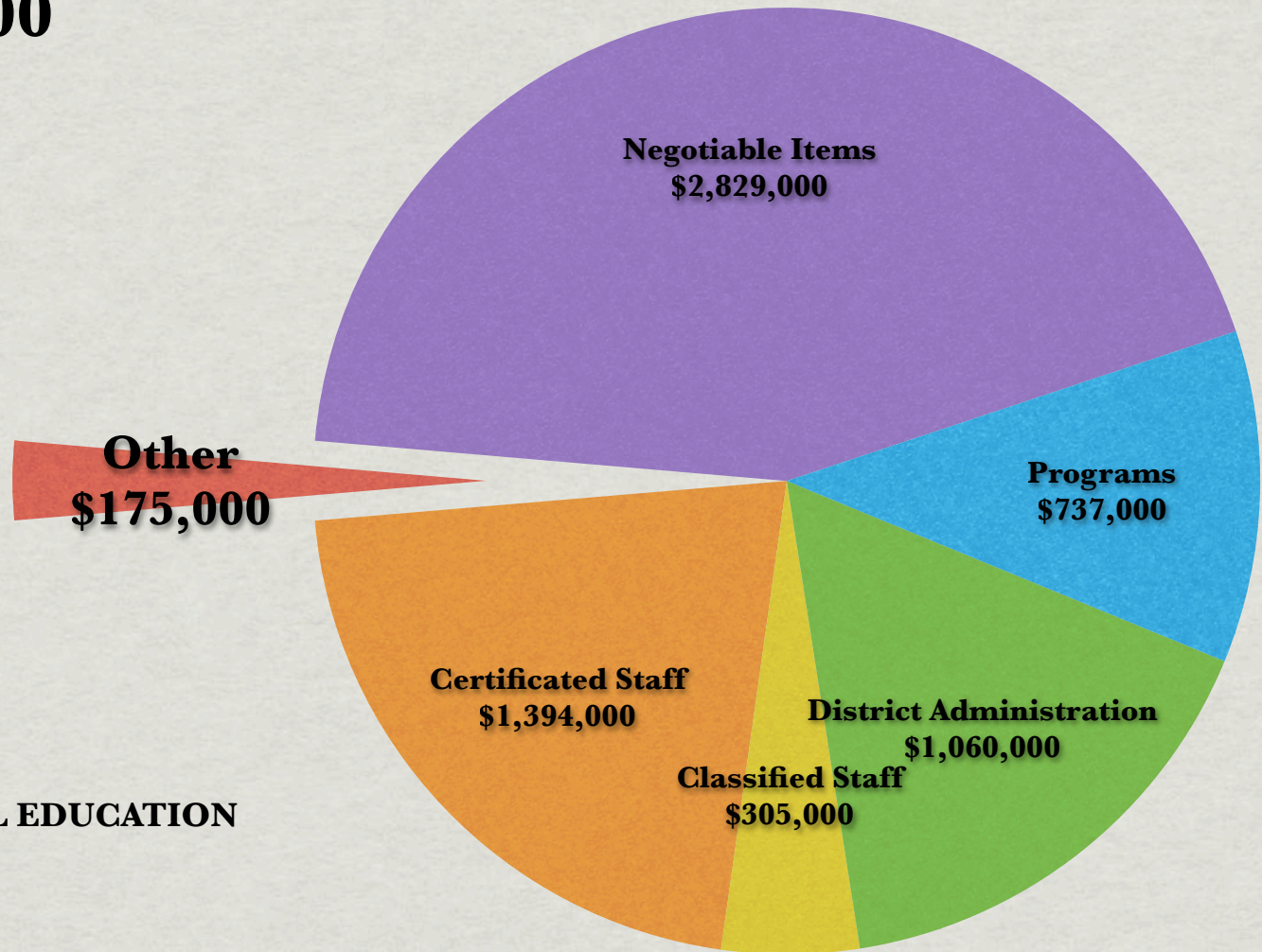
**CERTIFICATED  
STAFF:  
\$1,394,000**



- TSAs
- NURSES
- COUNSELORS
- SPECIAL EDUCATION TEACHERS



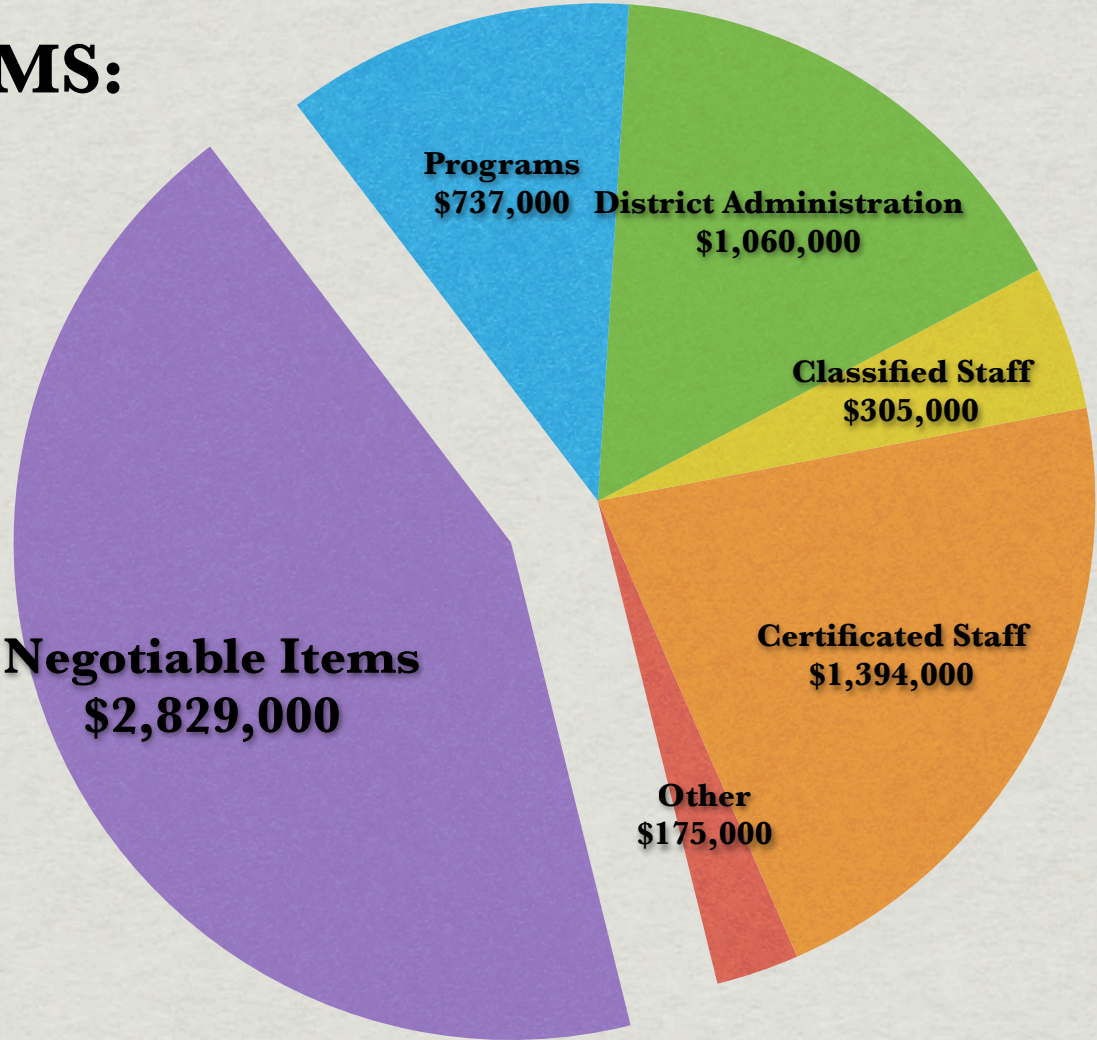
**OTHER:  
\$175,000**



**- ADDITIONAL SPECIAL EDUCATION  
REDUCTIONS**



**NEGOTIABLE ITEMS:  
\$2,829,000**



**Negotiable Items  
\$2,829,000**

- **NEGOTIATED ITEMS**
- **H+W SHIFT TO OPTION B**
- **SALARY REDUCTIONS TO ALL EMPLOYEES**
- **RAISE CLASS SIZE TO LEGAL MAXIMUM**
- **REDUCE WORK YEAR**
- **SECOND WINDOW CERTIFICATED LAYOFFS (JULY 1-AUGUST 15)**

# Considerations

## 1. Federal Stimulus Money

- How Much Will We Get?
- How Much Will the State Take?
- When Will We Receive These Onetime Funds?

## 2. The May 19th Election

- Will The Lottery Provision Pass?
- If Not, How Will the State Fill the \$10 Billion Hole?
- Prop 1A Fails, \$9.3 Billion in Catch Up Money Will Not Come to Schools
- Will the State Reduce Planned Augmentations to Revenue Limit Funding?

## 3. May Revise in June

- Will April Tax Collections Be Above or Below Projections?
- What “Last Minute” Adjustments Will We Be Forced to Make to Have Our Adopted Budget Completed by June 30, 2009?



# Next Steps

1. Continued Negotiations with Associations
2. Scenarios Regarding State Funding
3. Scenarios Regarding State Funding Federal Stimulus Package
4. Continue to Develop Priorities for Program Management/  
Changes
5. Continue to Monitor Trailer Bill Legislation
6. Special Education Audit
7. May Revise Alterations
8. Adopted Budget Packets Sent to All Departments and Sites

Coming together is a beginning.

Keeping together is progress.

Working together is success.

- Henry Ford



