

2010-11 Budget and Multi Year Projection

Glendale Unified School District Board Meeting – June 22, 2010

Eva Rae Lueck
Chief Business and Financial Officer
June 22, 2010



2010-11 Budget and Multi Year Projection

- For the fiscal years 2010-11 and 2011-12 the District will be able to meet its financial obligations
- For fiscal year 2012-13, the District needs to reduce expenditures or raise revenues \$21.9 million to remain solvent

2010-11 Budget and Multi Year Projection

Category	2008-09	2009-10	2010-11	2011-12	2012-13
<u>COLA – Adopted</u>	5.66%	4.25%	0.90%	2.40%	2.60%
July State Budget Act (9/15/09 Board)	5.66%	4.25%	0.50%	2.30%	2.50%
First Interim Projection	5.66%	4.25%	0%	0%	0%
Second Interim Projection	5.66%	4.25%	-0.38%	0%	0%
2010-11 Adopted Budget	5.66%	4.25%	-0.39%	0%	0%
<u>Net COLA Percentage – Adopted</u>	-6.41%	-3.45%	0.90%	2.40%	2.60%
July State Budget Act (9/15/09 Board)	-2.63%	-7.64%	0.50%	2.30%	2.50%
First Interim Projection	-2.63%	-7.64%	0%	0%	0%
Second Interim Projection	-2.63%	-7.64%	-0.38%	0%	0%
2010-11 Adopted Budget	-2.63%	-7.64%	-0.39%	0%	0%
<u>Deficit Factor – Adopted</u>	11.43%	17.97%	17.97%	17.97%	17.97%
July State Budget Act (9/15/09 Board)	7.84%	18.36%	18.36%	18.36%	18.36%
<u>COLA Increase – Adopted</u>	-369.00	-185.00	48.00	130.00	144.00
July State Budget Act (9/15/09 Board)	-150.00	-429.00	26.00	121.00	135.00
First Interim Projection	-150.00	-429.00	0.00	0.00	0.00
Second Interim Projection	-150.00	-429.00	-20.00	0.00	0.00
2010-11 Adopted Budget	-150.00	-429.00	-20.00	0.00	0.00
Additional State Adjustment (2010-11 was previously - \$201Jan. Initial Bud.)	0.00	-253.00	245.00	244.00	244.00

2010-11 Budget and Multi Year Projection

Category	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Limit per ADA – Adopted	\$5,409	\$5,224	\$5,271	\$5,399	\$5,534
July State Budget Act (9/15/09 Board)	\$5,628	\$4,946	\$5,225	\$5,346	\$5,481
First Interim Projection	\$5,628	\$4,946	\$5,199	\$5,199	\$5,199
Second Interim Projection	\$5,628	\$4,946	\$4,978	\$4,978	\$4,978
2010-11 Adopted Budget	\$5,628	\$4,946	\$4,933	\$4,934	\$4,934
Revenue Limit ADA (9/15/09 Board)	26,043	25,765	25,516	25,172	24,907
First/Second Interim Projection	26,043	25,765	25,619	25,172	24,907
2010-11 Adopted Budget	26,043	25,765	25,411	25,172	24,907
Enrollment (9/15/09 Board)	26,744	26,552	26,196	25,923	25,792
First/Second Interim Projection	26,744	26,659	26,196	25,923	25,792
2010-11 Adopted Budget	26,744	26,659	26,196	25,923	25,792

2010-11 Budget and Multi Year Projection

Category	2008-09	2009-10	2010-11	2011-12	2012-13
STRS	8.25%	8.25%	8.25%	8.25%	8.25%
Workers Comp - First/Second Interim	2.27%	2.46%	2.46%	2.46%	2.46%
2010-11 Adopted Budget - General Fund	2.27%	2.46%	1.31%	1.31%	1.31%
2010-11 Adopted Budget - Utilizing Fund 67.1	0%	0%	1.29%	1.29%	1.29%
Retiree Benefits – First/Second Interim Projection	2.00%	2.00%	1.00%	1.00%	1.00%
2010-11 Adopted Budget	2.00%	2.00%	2.21%	2.21%	2.21%
Health Insurance Increase - First/Second Interim	\$2,250,000	\$2,750,000	\$2,750,000	\$2,750,000	\$2,750,000
2010-11 Adopted Budget	\$2,250,000	\$2,750,000	\$3,650,000	\$2,750,000	\$2,750,000
Indirect Cost Rate	3.25%	4.13%	4.06%	4.06%	4.06%

2010-11 Budget and Multi Year Projection

Category	2008-09	2009-10	2010-11	2011-12	2012-13
<u>“Solvency” Transfers:</u>					
- Special Ed. Reserve (depleted 2012-13)	\$0	\$750,000	\$750,000	\$750,000	\$250,000
Second Interim	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000
2010-11 Adopted Budget	\$0	\$0	\$0	\$2,250,000	\$1,110,000
- Retiree Benefit Fund 20 (depleted 2012-13)	\$0	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000
2010-11 Adopted Budget	\$0	\$0	\$0	\$3,750,000	\$2,500,000
- Restricted Major Maint. Reserve (depleted 2012-13)	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
2010-11 Adopted Budget	\$0	\$0	\$0	\$3,000,000	\$1,000,000
- Deferred Maintenance - legally ends					
Transfer to Fund Canceled	\$1,238,000	\$1,238,000	\$1,238,000	\$1,238,000	\$1,238,000
State Revenue to General Fund	\$907,000	\$907,000	\$907,000	\$907,000	\$907,000

2010-11 Budget and Multi Year Projection

Category	2008-09	2009-10	2010-11	2011-12	2012-13
<u>Title I ARRA – Adopted</u>	\$0	\$0	\$0	\$0	\$0
Revised (9/15/09 Board)	\$0	\$1,775,955	\$1,486,273	\$0	\$0
<u>IDEA ARRA – Adopted</u>	\$0	\$0	\$0	\$0	\$0
Revised (9/15/09 Board)	\$0	\$5,460,233	\$0	\$0	\$0
<u>SFSF ARRA – Adopted</u>	\$0	\$9,500,000	\$0	\$0	\$0
Revised (9/15/09 Board)	\$0	\$9,543,036	\$0	\$0	\$0
2010-11 Adopted Budget - Revised (Addt. To offset State Cat. Cuts)	\$0	\$9,543,036	\$2,151,206	\$0	\$0

2010-11 Budget and Multi Year Projection

Summary of June 2010-11 Budget Adoption

Unrestricted General Fund	2010-11	2011-12	2012-13
Revenue	\$ 146.49	\$ 143.72	\$ 142.30
Expenditures	(141.68)	(146.34)	(149.91)
Transfers & Other Financing Sources	(19.33)	(10.58)	(15.08)
Deficit Spending	\$ (14.52)	\$ (13.20)	\$ (22.69)
Projected Beginning Balance	\$ 35.34	\$ 20.82	\$ 7.62
Deficit Spending	(14.52)	(13.20)	(22.69)
Projected Ending Balance	\$ 20.82	\$ 7.62	\$ (15.07)
3% Reserve Requirement, Stores, Revolving Cash	(6.66)	(6.76)	(6.86)
Excess over 3%	\$ 14.16	\$ 0.86	\$ (21.93)
	(million)	(million)	(million)

2010-11 Budget and Multi Year Projection

2009-10 Ending Fund Balance Will Change

- The State is defunding the funding for certain Tier III programs and will re-pay in 2010-11 from State ARRA monies
- Carry over funds from categorical programs & school site budgets will increase ending balance

2010-11 Budget and Multi Year Projection

Items NOT included in 2010-11 Budget

- CSEA Negotiated Agreement (TBD)
- Management Furlough Days and Health Insurance Cap
- GTA Negotiated Agreement (TBD)
- Clark Transportation Fee
- Group III Facility Rental Fee Increase

When finalized, these changes will reduce the \$21.9 million deficit.

2010-11 Budget and Multi Year Projection

CONCERNS

Reserve Balances – End of 2012-13

	<u>2009-10</u>	<u>2012-13</u>
■ Special Education Reserve	\$3.36 M	\$0
■ Retiree Health Benefits Fund 20.0	\$6.30 M	\$0
■ Early Retirement Fund 67.2	\$3.83 M	\$3.83 M
■ Restricted Major Maintenance Reserve	\$4.00 M	\$0
■ Deferred Maintenance Fund 14.0	\$4.76 M	\$4.76 M

2010-11 Budget and Multi Year Projection

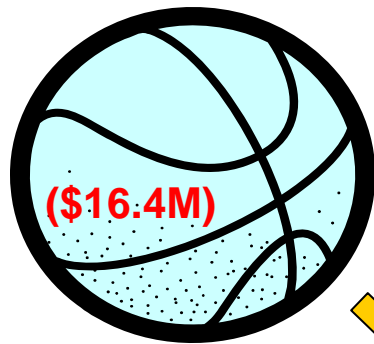
CONCERNS

Flexibility Options Terminate End of 2012-13

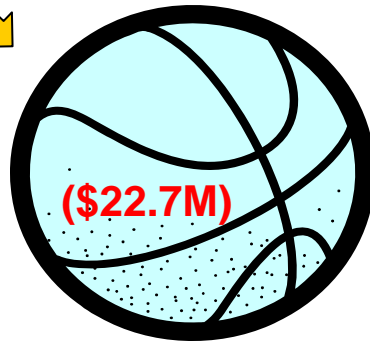
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|--|---------|
| ■ Deferred Maintenance Transfer Savings | \$1.2 M |
| ■ Deferred Maintenance Fund Revenue | \$.9 M |
| ■ K-3 CSR – Reduced Penalties (for 30:1) | \$3.3 M |

Why Budget Reduction is a Moving Target For Fiscal Year 2012-2013

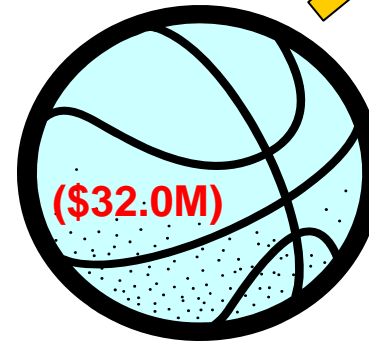
Why Budget Reduction is a Moving Target For Fiscal Year 2012 -2013



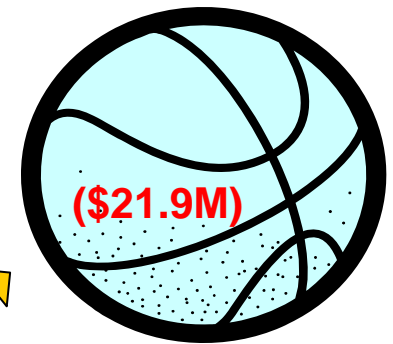
June 2009 – 2010 Adoption



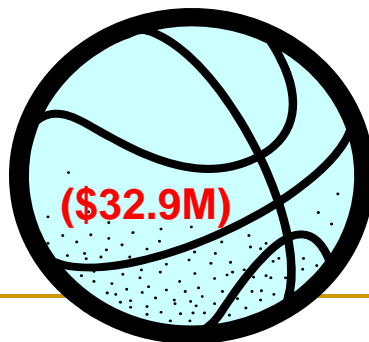
Sept. 15, 2009 Revision for Final State Budget



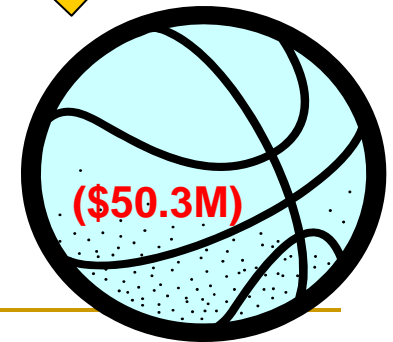
March 15, 2010 Second Interim



May Revise, June 2010 – 2011 Adoption



Dec. 15, 2009 First Interim



Jan. 2010 Gov. 2010–11 Proposal

Why Budget Reduction is a Moving Target For Fiscal Year 2012 -2013

	2012-13
June 2009-10 District Adoption	(16.4 M)
- State Funding Cuts - State Revised 2009-10 Budget	(11.6 M)
- Interest Income Reduction	(2.4 M)
- Other	1.2 M
- ARRA \$9.5M to \$18.2M	8.7 M
- Fund Balance Designation - Swept	(2.1 M)
Sept. 15, 2009 Revision for Final State Budget	(22.7 M)
- State Funding - Eliminating Future COLA'S	(14.0 M)
- ADA Change - 103 increase	1.5 M
- ROP ARRA Savings	.3 M
- Salary & Benefits Savings (09/10 Beginning of Year)	2.0 M
First Interim 2009-10	(32.9 M)

Why Budget Reduction is a Moving Target For Fiscal Year 2012 -2013

	<u>2012-13</u>
First Interim 2009-10	(32.9 M)
- State Funding Cuts - Governor's 2010-11 January Proposal	(17.4 M)
Governor's 2010-11 January Proposal	(50.3 M)
- K-3 Staffed at 30:1 and Summer School Reduction	17.7 M
- Fund Balance Designation Change	.5 M
Second Interim 2009-10	(32.0 M)

Why Budget Reduction is a Moving Target For Fiscal Year 2012 -2013

	<u>2012-13</u>
Second Interim 2009-10	(32.0 M)
- State Funding Cuts - May Revise	(3.3 M)
- ADA Change	(.9 M)
- Staff Savings in Admin, FASO and Special Ed.	4.4 M
- PARS Annual Payment (3 years)	(2.7 M)
- Revise Retire Benefit Expense	(4.2 M)
- School Safety Grants - Sweep	1.2 M
- Restructure Workers Comp Payment	4.7 M
- Utilize Rest. Lottery for Inst. Supplies	1.5 M
- School Site Staffing Ratio Changes	5.1 M
- H&W Additional 10/11 Cost Increase	(2.7 M)
- Solvency & Transfer Adjustments	4.6 M
- Fund Balance Designation and Misc. Adjustments	2.4 M
May Revise, June 2010 - 11 Budget Adoption	(21.9 M)

Why Budget Reduction is a Moving Target For Fiscal Year 2012 -2013

When finalized, the following items will reduce the \$21.9 million deficit:

- CSEA Negotiated Agreement (TBD)
- Management Furlough Days and Health Insurance Cap
- GTA Negotiated Agreement (TBD)
- Clark Transportation Fee
- Group III Facility Rental Fee Increase

Target will also change when 2010-11 State Budget is finalized.