

# 2011-12

# Unaudited Actuals

Glendale Unified School District Board Meeting – September 4, 2012  
Discussion Report No. 2

Eva Rae Lueck  
Chief Business and Financial Officer



# 2011-12 Unaudited Actuals

## 2011-12 Unrestricted General Fund Balance

Unrestricted General Fund	Projected June 12, 2012	Final
Designated for Economic Uncertainty	\$ 7,065,922	\$ 6,672,621
Revolving Cash & Warehouse	171,871	166,578
School Site & Program Carry Overs	-	2,807,015
Reserve for Medical Administrative Activity (MAA)	-	454,318
Reserve for Accreditation & E-Rate	-	366,322
Reserve for Tier III Programs	-	2,789,025
Reserve for ERRP & Site Mandated Costs	632,860	662,860
Unassigned Reserve	34,663,950	34,875,692
<b>Total Unrestricted General Fund Balance</b>	<b>\$ 42,534,603</b>	<b>\$ 48,794,430</b>

**\$211,742 Increase**  
**Positive Impact in Multi-Year Projections**

# Concern

<b>Fund Balance</b>	<b>\$48.8 Million</b>
---------------------	-----------------------

**But:**

<b>Cash Balance</b>	<b>\$21.4 Million</b>
---------------------	-----------------------

<b>Accounts Receivable</b>	<b>\$40.8 Million</b>
----------------------------	-----------------------

# Concern

## Reserves Available in Other Funds Rapidly Being Depleted

2011-12 to 2014-15  $\longrightarrow$  \$37.7 million will be used to support General Fund

<b>Reserve Balances-End of 2014-15</b>	<b>In Millions</b>
Special Education Reserve	\$ 0
Retiree Health Benefits - Fund 20.0	0.25
Early Retirement Benefits - Fund 67.2	0.36
Restricted Major Maintenance Reserve	0.70
Deferred Maintenance - Fund 14.0	0.03
Debt Service - Fund 56.0	0.09
<b>Total Remaining to Budget</b>	<b>\$ 1.43</b>

# 2011-12 Unaudited Actuals

**REVISED  
9/4/2012**

## How has the District maintained staffing, programs and fund balance during the State fiscal crisis?

In addition to the reductions in staffing, changes to health insurance and workers compensation programs, consolidation of facilities, energy conservation, retirement incentives, and program modifications, the following resources have been utilized:

Funding Source	2008-09	2009-10	2010-11	2011-12	2012-13	Total
Federal ARRA *	\$ -	\$ 16,182,075	\$ 8,193,100	\$ 1,861,015	\$ -	\$ 26,236,190
Tier III Programs	-	8,762,419	6,255,001	5,030,617	5,131,038	25,179,075
K-3 Class Size	-	2,000,000	3,400,000	3,400,000	3,400,000	12,200,000
Restricted Maintenance - Transfer Savings	1,012,698	1,179,812	949,936	3,679,825	2,057,244	8,879,515
Deferred Maintenance Restricted	907,220	962,914	965,191	961,829	965,191	4,762,345
<b>Utilization of Other Fund Reserves</b>						
- Workers Compensation Fund 67.1	-	-	1,184,449	1,644,855	-	2,829,304
- Routine Restricted Maintenance	-	-	-	inc. above	inc. above	inc. above
- Special Education	-	-	-	2,250,000	1,110,000	3,360,000
- Post Employment Benefits Fund 20.0	-	-	-	3,750,000	2,500,000	6,250,000
<b>Total</b>	<b>\$ 1,919,918</b>	<b>\$ 29,087,220</b>	<b>\$20,947,677</b>	<b>\$ 22,578,141</b>	<b>\$ 15,163,473</b>	<b>\$ 89,696,429</b>

\* The total ARRA received was \$28.3 million. The chart does not include: \$1.4 million Title I or \$0.7 million ETIS ARRA Grants.

This chart only includes the resources that are limited or one-time in nature. These reserves, as well as other reserves will be depleted in the next couple years and not available to supplement the General Fund. The flexibility options for Tier III Programs, K-3, Restricted Maintenance, and Deferred Maintenance will all expire by 2014-15.

***Reserves and options are being depleted and will soon be unavailable***

# What have we done....?

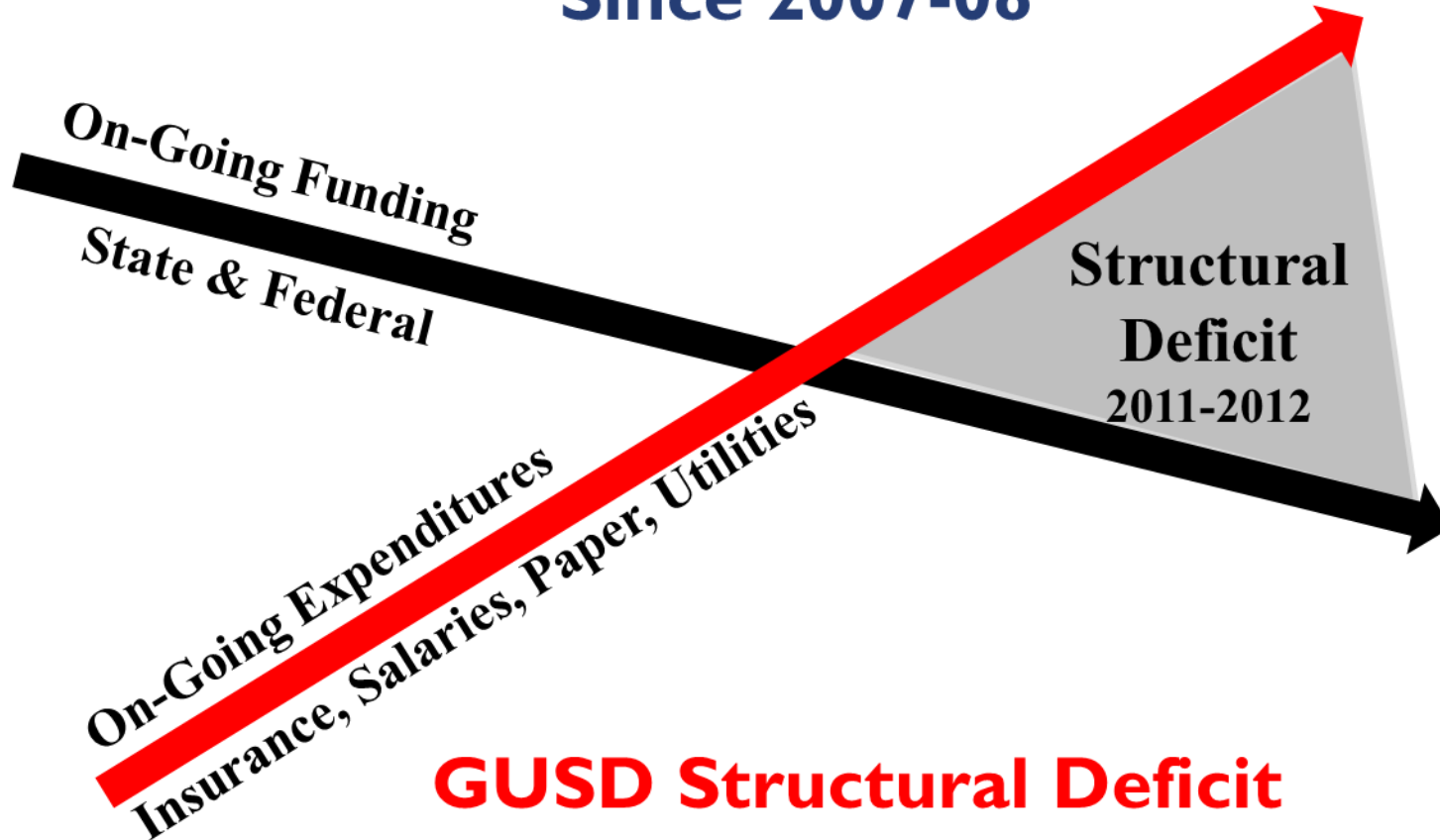
## Budget Reductions Implemented

(Details: Page 93 of the 2011-12 Unaudited Actuals and 2012-13 Budget Book)

2007-08	\$	3,463,000
2008-09		9,947,235
2009-10		7,592,478
2010-11		9,900,000
2011-12		
Measure "S" Savings		517,000
ReConnectEd Savings		TBD
Consolidated Positions		150,000
<b>Total All Years</b>	<b>\$</b>	<b>31,569,713</b>

# GUSD Budget Challenges

Since 2007-08



**GUSD Structural Deficit  
\$15 Million and Increasing  
\$3M - \$4M Per Year**

# Structural Deficit Analysis

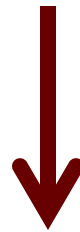
	In Millions			
	2011-12 Unaudited Actuals	2012-13 Projected Budget	2013-14 Projected Budget	2014-15 Projected Budget
<b>Deficit Spending</b>	\$ 0.26	\$ (12.8)	\$ (21.2)	\$ (6.2)
Adjust for Short Term Strategies/Impacts				
ARRA	(2.1)	-	-	-
Mandated Cost	(0.6)	-	-	-
Utilize Workers Comp for Premium	(1.2)	-	-	-
Insurance Refund	(1.7)	-	-	-
Furlough Days	-	(2.3)	(0.9)	-
Solvency Transfers	(9.0)	(4.6)	(2.5)	(22.2)
2011-12- Designated Carryover (Tier III, Sites, etc.)	(7.1)			
2010-11- Designated Carryover (Tier III, Sites, etc.)	5.8	-	-	-
<b>Total Short Term Strategies/Impacts</b>	\$ (15.9)	\$ (6.9)	\$ (3.4)	-
<b>Structural Deficit</b>	\$ (15.6)	\$ (19.7)	\$ (24.6)	\$ (28.4)



# What needs to be done....?

**Additional Reductions Needed to Fix  
\$15+ Million Structural Deficit**

**First Step**



**Reduction Target for 2013-14  
\$8 to \$10 Million**

# Concern

**If Proposition 30 Fails**



**Additional \$11 Million - \$12 Million in Cuts Needed**

# GUSD Budget Challenges

## Next Steps

### Develop Reduction Plan – 2 Scenarios

- **Structural Deficit - \$15+ Million**
- **Additional \$11 Million to \$12 Million**