2009/10 Fiscal Year Budget Discussion #1

2008/09 Unaudited Actuals
Re-appropriation of Carryover Funds
2009/10 Budget Revision #1

September 15, 2009
Agenda Item No. 32
(Revised 9-15-09)

2009/10 Budget
Order of Business

- **2009/10 Budget Adopted (6-24-09)**
- **2008/09 Books Closed**
  - Adjust Budget to Expenditures
  - Item #19 Transfer of Funds
- **Gann Limit Approved**
  - Item #23 Gann Limit
- **Approve 2008/09 Unaudited Actuals**
- **Re-appropriation of Carryover Funds**
  - Adjust 2009/10 Beginning Balances to 08/09 Actuals
  - Revise 2009/10 Budget to Reflect State Budget (45 days)

Additional State Budget Cuts
(Since June 2009)

Revenue Reductions*	Millions
Ongoing Revenue Limit Cut - $85/ADA	($4.26)**
Additional Revenue Limit Cut - $25/ADA	($1.20)
One-time Revenue Cut – 2009/10	($1.52)
Transportation Cut - 20% (Home to School)	($0.17)
Transportation Cut - 20% (Special Ed.)	($0.44)
Revenue Limit Cut - QEIA Grant Offset	($0.39)
Lottery - Additional $3.25/ADA	$0.17
Total Reduction in State Revenue	($7.81)

 * Major components, amounts are approximate.
** Previously not recognized.

Federal $ Update

- $4.9M - ARRA SFSF 2nd Round
  - OCDE Advises Districts Not to Recognize
- $460K – IDEA Increase
  - Restricted to Special Education
- ($500K) - ROP Pass-through Offset
  - State ROP Cuts Included in Tier III Flexibility
  - CDE Identified 1st Round ARRA $ to Offset Cuts
  - Backfill of Cuts Not Required
  - Scheduled for Discussion/Action on October 13

CUSD Response

Component	Millions*
Spending Freeze/Additional Cat Flex (2008/09)	$3.00
TRAN Premium	$0.45
Transfer from Adult Education	$1.70**
Transfer from Deferred Maintenance	$2.10**
Miscellaneous Adjustments	$0.46
Undesignated Unallocated Reserve (2008/09)	$0.60
Total	$8.31
ROP Offset	($0.50)
Revised Total	$7.81

* Major Components, amounts are approximate.
** Loan to Gen. Fund to be paid back from 2nd round of ARRA funds.

Undesignated Unallocated Ending Balances

Amounts Above (Below) the 2% Required Reserve
Based on Multi-Year Projection

Year	6-8-09	9-15-09
2008/09	$513,000	$11,316
2009/10	$170,000[1]	($7.81M)[2]
2009/10	$170,000[1]	$5,600
2010/11	($26.0M)	($25.1M)[3]
2011/12	($27.0M)	($29.4M)[4]
2011/12		($4.3M)[5]

1. Not included: $4.2M RL Cut + $4.9M SFSF
2. With Revenue Limit cut, no corrective action
3. Assumes no additional Revenue Limit cut and no corrective action
4. Assumes no additional Revenue Limit cut and no corrective action in 10/11
5. Assumes no additional Revenue Limit cut and $25.1M ongoing cuts in 10/11

Yet to Be Quantified

- **Enrollment**
  - 2008/09 P-2   52,170
  - 09/10 Budgeted Enrollment 52,203   (Growth of 33)
  - Current Enrollment   52,414   (approximate)
  - Revenue Limit per Student $5,203
- **Position Lapse/Reorganization Savings**
  - Savings from Open/Vacant Positions Not Recognized
  - Final Organization Structure Will Likely Produce Savings

Yet to Be Quantified

- Textbook Adoption
  - Waiver of Adoption Requirements May Not Yield Large Savings
  - Review on Case-by-Case Basis
- Health Insurance Cost Savings
  - Reduction Is Anticipated Over Budgeted Amount.

- Changes/Savings Will Be Incorporated at 1st Interim

Perspective

- $25M   2010/11 Reduction Amount
- $379M   2010/11 Budgeted Expenditures
- $25M   = 6.7% of Budgeted Expenditures
- $31M   October Payroll
- $7.6M   2% Reserve for Economic Uncertainties
- $58M   2009/10 Revenue Limit Deficit
- $1.1K   Revenue Limit Deficit per Student
- 85%   Payroll as a % of Expenditures

Next Steps

- Mid-Year Cuts?
- 2010/11 Budget Reductions
  - October 13
    - Identify and Review Possibilities
  - November 10
    - Present Draft Recommendations
  - December 15
    - Present 1st Interim Report
    - Approve Draft 2010/11 Reductions

Handouts

- Resolution No. 0910-25
- Unaudited Actuals Financial Reports
- Budget Summary (Recap)
- Budget Reduction Update
- Web Links to Backup Info & Handouts

  http://capousd.ca.schoolloop.com/cms/page_view?d=x&piid=&vpid=1219972013336
  http://capousd.ca.schoolloop.com/cms/page_view?d=x&piid=&vpid=1221873525786