

BUDGET UPDATE

May 28, 2009







Topics of Tonight's Budget Update ¹

- Phase I – Stop Light Update on Board Approved Budget Reductions



	On Target
	Savings Within 10% of Target
	Savings < 90% of Target or In Process

- Phase II – American Recovery and Reinvestment Act (ARRA) funds
- Phase III – Post May 19th Election and the Governor's May Revise













FY 2008-09 Reductions Levels 1 and 2

		Approved Reductions	Revised Reductions
● Reduce Site/Department Discretionary Budgets		1,442,466	1,830,000
● Sweep Expenditures from Unrestricted General Fund		425,000	425,000
● Tier III Flexibility Including 2007-08 Carryover Sweep		2,206,752	2,582,491
● Contribution to Restricted Programs		0	886,000
● TOTAL		<u>\$4,074,218</u>	<u>\$5,723,491</u>







Level 1: Administrative Reductions for 2009-10 and Ongoing

		Approved Reductions	Revised Reductions
● Reduce Site/Department Discretionary Budgets		608,000	2,002,587
● Reduce Staffing to Contractual/Legal Required		815,000	815,000
● Sweep Expenditures from Unrestricted General Fund		90,000	90,000
● Eliminate Double Busing at Canyon High School		115,000	115,000
● TOTAL LEVEL 1		<u>\$1,628,000</u>	<u>\$3,022,587</u>

Level 2: Board of Education Funding Adjustments for 2009-10 and Ongoing

		Approved Reductions	Revised Reductions
● District-Wide Calendar-Approved 2/26		456,616	456,616
● Eliminate Middle School Athletics		90,000	90,000
● Charge HS Students \$30 Athletic Fee		200,000	141,000
● Close Silverado Elementary School		263,000	263,000
● Reduce District Administration Staff:			
■ Superintendent's Office		98,000	98,000
■ Business Services		563,000	627,000
■ Educational Services		871,000	878,000
■ Human Resources		255,000	255,000
■ Pupil Services		114,000	114,000
● Reduce School Site Staffing		420,000	420,000
● Tier III Flexibility		3,711,210	3,713,042
● Restructure CSR Program to 24.94:1		900,000	900,000
● TOTAL LEVEL 2		<u>\$7,941,826</u>	<u>\$7,955,658</u>

Level 3 – Negotiable Reductions for 2009-10 and Ongoing

		Approved Reductions	Revised Reductions
● Reduce the Number of Work Days and Hours		321,435	340,077
● Revise Elementary LMT Staffing Formula		170,000	179,083
● Eliminate 3 ½ Hour Middle School Xerox Clerks		34,800	34,800
● Eliminate 4 High School Counselors		300,000	300,000
● Reduce the Total Number of Work Days by One (1) Day		800,000	800,000
● Reduce All Salaries by 3.75%		6,000,000	6,000,000
● TOTAL LEVEL 3		\$7,626,235	\$7,653,960

Phase II – American Recovery and Reinvestment Act (ARRA)

- February 17, 2009 President Obama signed into law the \$789 billion Federal Stimulus Package, (ARRA) to boost the National Economy.
- The Legislative Analyst's Office (LAO) estimates that California will receive more than \$31 billion in federal dollars.
- There are three major components of the ARRA in this update including preliminary estimate of the District's share:
 - **Title I – \$2,601,646**
 - **IDEA Part B, Special Education - \$5,910,288**
 - **State Fiscal Stabilization Funds (SFSF) - \$7,533,299**
- Currently, there are still unknowns including the actual allocation to school districts, when the apportionments will be received, and a final determination of allowable uses.
- A note of caution from OCDE - These are one-time funds and should not be used for ongoing expenditures.

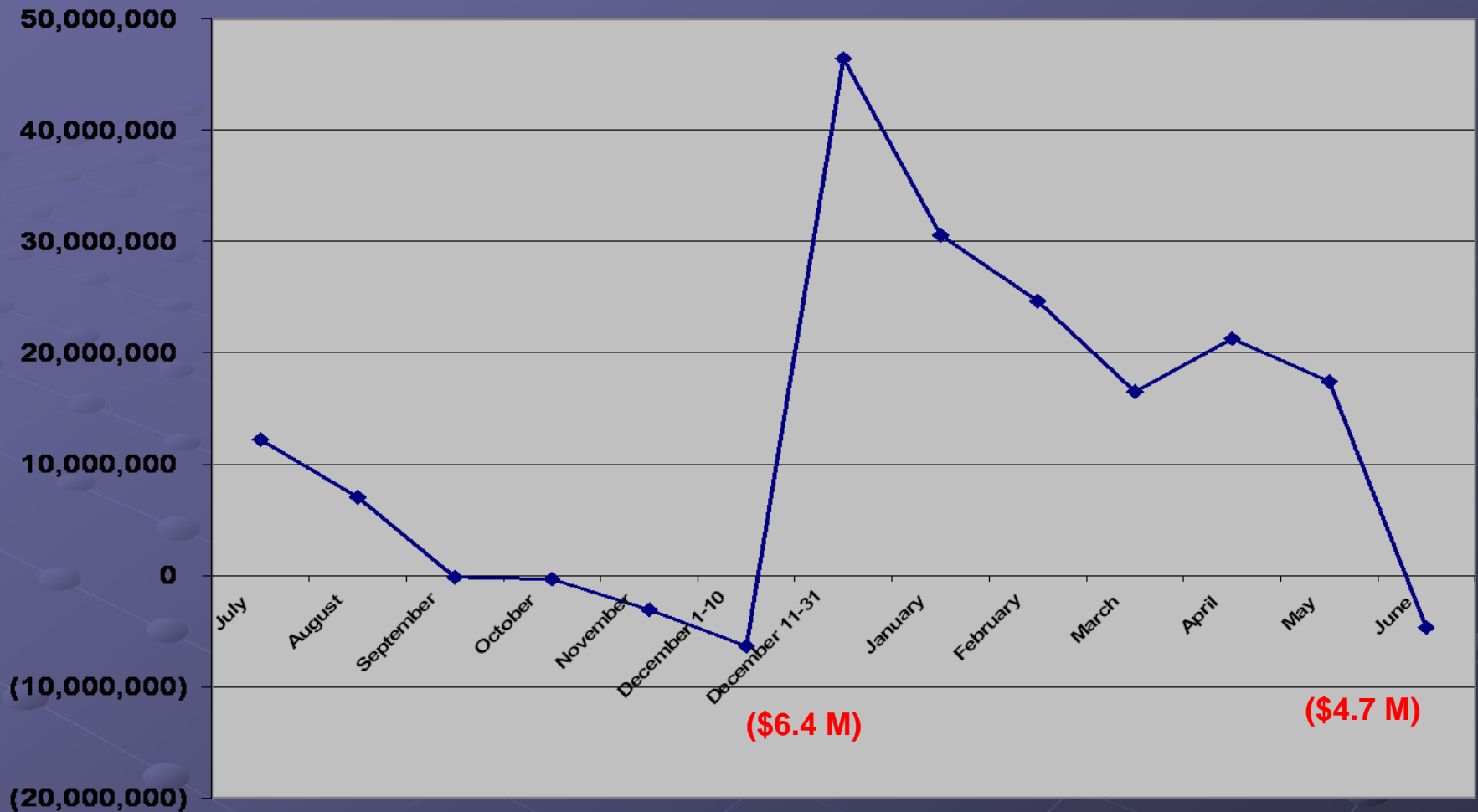
Phase III – Post May 19th Election and the Governor's May Revise ⁷

- Propositions 1A to 1E did not pass and the cost to the State is estimated to be \$5.8 billion.
- The Governor's proposed May Revise, Scenario 2 must be the starting point for proposed solutions to the budget gap.

Reductions	K-14 Education Cuts	OUSD Revenue Cuts
2008-09 Revenue Limit (One-time Reduction)	\$1.3 Billion (\$225/ADA)	\$6,075,000
2009-10 Revenue Limit (On-going Reduction)	\$1.4 Billion (\$244/ADA)	\$6,588,000
Deferrals, Apportionments (2009-10 to 2010-11)	\$1.7 Billion	TBD
Eliminate High Priority Grant Funding for 2008-09	\$114 Million	\$428,400
Length of the School Year	Option to Reduce by up to Seven Days for up to Three Years	TBD

FY 2009-10 Projected Cash Flows

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Assumptions:

Negotiable items in the amount of \$7.8 million implemented July 1st 2009
Does not include ARRA funds in the amount of \$16 million.

Next Steps

- June 18th – Fiscal Year 2009-10 Budget Adoption

- Assumptions:

- Average Daily Attendance Rate: 96.387%
- Average Daily Attendance (ADA): 26,937
- Negotiable Items Implemented July 1st 2009
- COLA: 4.25%
- Deficit Reduction: (12.447%)
- Revenue Limit per ADA:
 - Before Deficit Reduction: \$6,377
 - After Deficit Reduction: \$5,583
- Additional Cut in Revenue Limit:
 - 2008-09 \$225/ADA = (\$6,075,000)
 - 2009-10 \$244/ADA = (\$6,588,000)
 - (RL \$5,339 = Below 2006-07 Level)
- Retiree Health Benefits: \$8.2 million
- ARRA funds in the amount of \$16 million will be booked and budgeted upon receipt

- Unknown - Revision of the 2009-10 State Adopted Budget