

FULLERTON SCHOOL DISTRICT

PROPOSED 2010/2011 BUDGET

June 29, 2010

Presentation to the Board of Trustees

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Suwen Su, Director, Business Services

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With Gratitude

Suwen Su

Becky Silva

Guillermina Serrano

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Maria Hill

Mike Sokol

Debbie Fry

Outlook

The **Legislative Analyst's Office** and **Governor's Department of Finance** forecast a weak but improving economy.

The risk of mid-year cuts remains because:

- *Revenues could fall short due to a “double dip” recession
- *Budgeted savings may not materialize
- *Federal and State revenues could fall short, or
- *Any combination of these factors

The Governor has proposed no new taxes. State Senate and Assembly versions of the budget are vastly different. No sign of compromise in sight.



What We Know

2010/11

*\$11.7 million in approved budget adjustments and reductions

*\$5.3 million in one-time reductions

2011/12

*\$8.6 million in reductions needs to be identified by December 2010

2012/13

*\$13.9 million in reductions (current projection if 2011/12 is one-time)

What We Know

ARRA Funding Expires

- *Special Education staff paid with ARRA funds for increases in autism and expansion of high incident programs remains

Class Size Reduction (CSR) Flexibility sunsets under current law

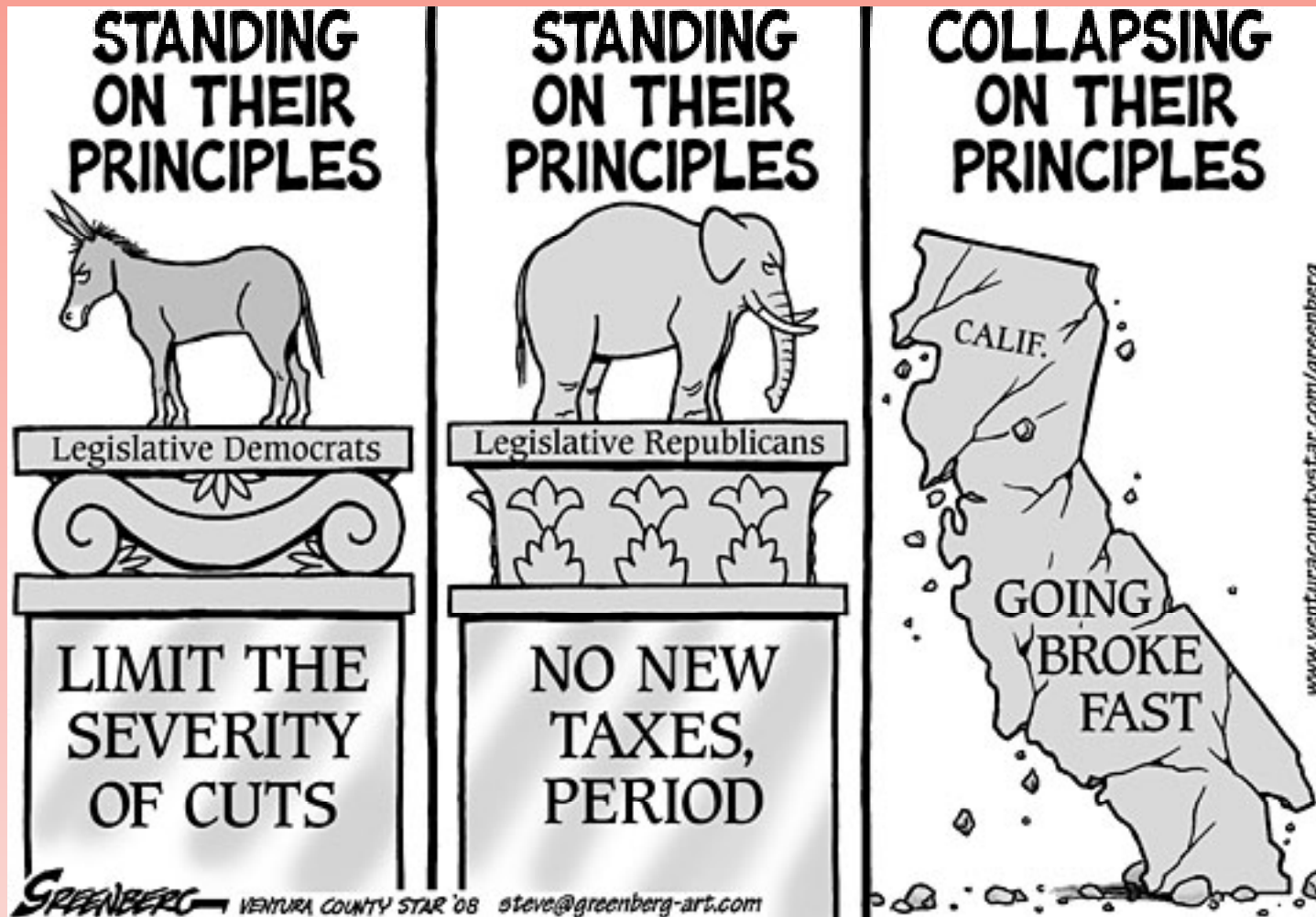
- *Original penalty structure reverts back to 20.44 class size

Temporary tax increase sunsets at State level

What We Know

Tier III Flexibility sunsets under current law

- *Programs would need to be reinstated to receive funding
- *Much of this flexibility was utilized to staff “must have” classified support staff at school sites



Budget Assumptions (Including Multi-Year Projections)

Factors	2009/10 Estimated Actuals	2010/11 Adopted	2011/12 Projected	2012/13 Projected
Revenue Limit Funded COLA	-7.95%	-0.39%	2.10%	2.40%
Other Revenue Limit Adjustments	-\$252.99/ADA	3.85% Deficit applied to Undeficitated Base Revenue Limit	3.85% Deficit applied to Undeficitated Base Revenue Limit	3.85% Deficit applied to Undeficitated Base Revenue Limit
COLA on Major Categoricals	-4.46%	-0.38%	2.10%	2.40%
COLA on Special Education	0.00%	-0.38%	2.10%	2.40%
Revenue Limit Funded ADA	13,264.46	13,264.46	13,264.46	13,264.46
P-2 ADA (excluding County ADA)	13,218.97	13,218.97	13,218.97	13,218.97
Growth/(Decline) compared to prior year	96.35	0.00	0.00	0.00
District Total Enrollment (CBEDs)	13,617.00	13,617.00	13,617.00	13,617.00
Growth/(Decline) compared to prior year	159.00	0.00	0.00	0.00
Lottery Funding per ADA				
Unrestricted	\$110.00	\$111.00	\$111.00	\$111.00
Restricted	\$16.00	\$14.50	\$14.50	\$14.50

Projected Ending Balances for All Other Funds

Fund	2009/10 Estimated Actuals	2010/11 Adopted	Difference
12 – Child Development Fund	\$135,238	\$53,337	-\$81,901
13 – Cafeteria Fund	\$826,819	\$720,125	-\$106,694
14 – Deferred Maintenance Fund	\$2,264,913	\$1,971,756	-\$293,157
17 – Special Reserve Fund	\$3,697,555	\$3,197,555	-\$500,000
20 – Special Reserve Post Employment Benefits Fund	\$1,844,886	\$1,276,886	-\$568,000
21 – Building Fund	\$1,873,817	\$1,569,362	-\$304,455
25 – Capital Facilities Fund	\$1,574,905	\$1,586,503	\$11,598
40 – Special Reserve Capital Outlay Fund	\$1,916,612	1,619,106	-\$297,506
68 – Self-Insured Workers’ Compensation Fund	\$942,482	\$971,932	\$29,450
69 – Self-Insured Dental Insurance Fund	\$87,304	\$88,204	\$900
81 – Self-Insured Prop. & Liab. Fund	\$355,380	\$184,271	-\$171,109

General Fund Contributions to Restricted Programs

Program Description	2009/10 Estimated Actuals	2010/11 Adopted	Difference
Special Education	\$5,255,055	\$6,052,062	\$797,007
Home to School Transportation	\$147,435	\$91,507	-\$55,928
Special Education Transportation	\$339,966	\$425,670	\$85,704
Routine Maintenance	\$1,971,912	\$2,093,337	\$121,425
Total Unrestricted Contribution	\$7,714,368	\$8,662,576	\$948,208

District Budget Overview – General Fund

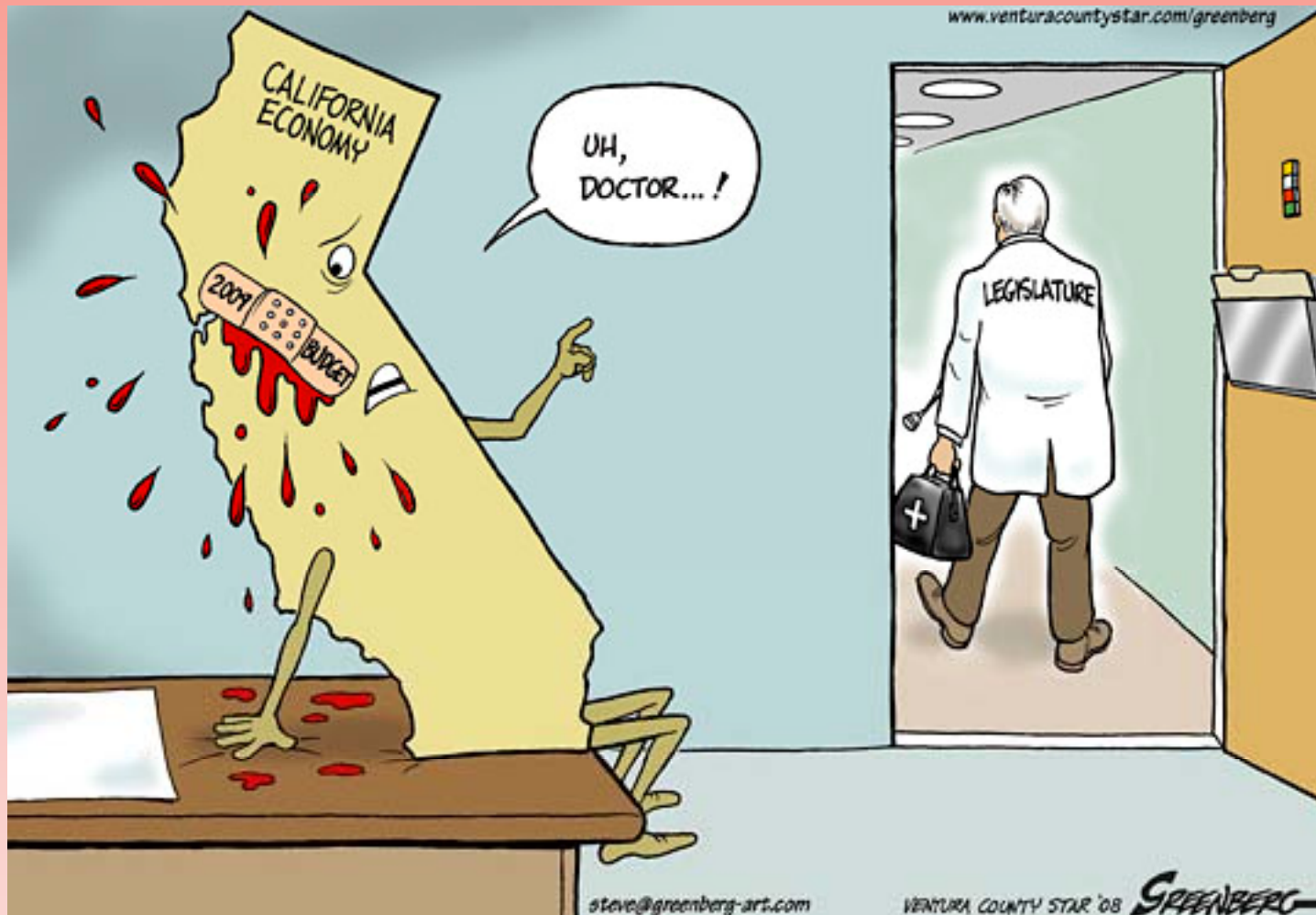
	2009/10 Estimated Actuals	2010/11 Adopted Budget	2011/12 Multi-Year Projections	2012/13 Multi-Year Projections
Beginning Fund Balance	\$16,585,319	\$10,533,550	\$7,145,548	\$6,801,620
Revenues:				
Revenue Limit	\$63,032,401	\$63,152,804	\$64,330,670	\$65,874,881
Federal	\$11,266,736	\$7,515,432	\$5,685,660	\$5,685,660
State	\$15,928,870	\$15,136,926	\$14,733,373	\$11,917,800
Other Local	\$9,221,306	\$7,997,401	\$8,017,310	\$8,072,143
Transfers In	\$963,000	\$1,921,506	\$613,000	\$613,000
Total Revenues	\$100,412,313	\$95,724,069	\$93,380,013	\$92,163,484
Expenditures	\$105,885,716	\$98,759,670	\$93,371,540	\$91,855,593
Transfers Out	\$578,366	\$352,401	\$352,401	\$352,401
Ending Balance	\$10,533,550	\$7,145,548	\$6,801,620	\$6,757,110

Ending Fund Balance for General Fund 2009/10 and 2010/11

	2009/10 Estimated Actuals	2010/11 Adopted Budget	Change
Ending Fund Balance	\$10,533,550	\$7,145,548	-\$3,388,002
Components of Ending Fund Balance			
Revolving Cash/Stores/Prepaid Exp.	\$1,730,000	\$1,630,000	-\$100,000
Local School Donations/Foundations/Grants	\$322,480	\$322,480	0
Categorical Year-End Balances (Tier III)	\$648,944	\$648,944	0
Reserve for FTEs	\$420,000	\$420,000	0
Restricted – Categorical Carryover	\$968,457	\$968,457	0
Designated for Economic Uncertainties	\$6,443,669	\$3,155,667	-\$3,288,002

Contributions to General Fund from Other Funds for 2010/11

Fund Number	Fund Description	
17	Special Reserve Fund	\$500,000
20	Special Reserve Post Employment Benefits Fund	\$580,000
40	Special Reserve Capital Outlay Fund	\$308,506
12	Child Development Fund	\$100,000
14	Deferred Maintenance Fund	\$400,000
21	Building Fund	\$33,000
	Total	\$1,921,506



Calendar of Coming Events

- *County Approves District Budget - July 2010
- *State Adopts Budget – Summer 2010
- *Revised Budget – September 2010
- *Unaudited Actuals to Board - September 2010
- *General Election – November 2010
- *First Interim to Board - December 14, 2010
- *Governor’s Proposed Budget for 2011/12 – January 2011

Questions