

Fullerton School District
2011/2012
Proposed Budget

Gary Cardinale, Ed.D.
Assistant Superintendent
Business Services

June 28, 2011

Gratitude is extended to:

- ◉ Steve Miller
- ◉ Becky Silva
- ◉ Guillermina Serrano
- ◉ Suwen Su

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Harwood



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"Last night I dreamt I died and went to Heaven. But the light at the end of the tunnel was turned off due to budget cuts."

Budget Assumptions

Estimated Actuals and 2011/12 Adopted Budget

Factors	May Revise 2010/11	2011/12 Projected	2012/13 Projected	2013/14 Projected
Revenue Limit COLA *	-0.39%	2.24%	3.20%	2.70%
Deficit Factor	17.963%	19.754%	19.754%	19.754%
Other Reserves/ADA *		<\$330/ADA>	<\$330/ADA>	<\$330/ADA>
COLA on Major Categoricals	0.00%	0.00%	3.20%	2.70%
COLA on Special Education	0.00%	0.00%	3.20%	2.70%
Revenue Limit Funded ADA (incl. Co. ADA)	13,330	13,330	13,330	13,282
P-2 ADA (excluding County ADA)	13,279	13,279	13,231	13,231
Growth/(Decline) compared to prior year	48	0	-48	0
District Total Enrollment (Est. CBEDs)	13,661	13,661	13,611	13,611
Growth/ (Decline) compared to prior year	45	0	-50	0
ADA/CBEDs Enrollment %	97.2%	97.2%	97.2%	97.2%
Health and Welfare Increase		6%	6%	6%
Lottery Funding per ADA				
Unrestricted	\$112.50	\$111.00	\$110.00	\$108.75
Restricted (Prop 20)	\$17.50	\$17.50	\$17.20	\$17.20

* OCDE recommends Districts to reserve \$330 per average daily attendance (ADA) in the budget and two subsequent years, pending the enactment of the State budget.

2011/12 Changes from Third Interim General Fund Revenues Based on Governor's May 2011 Proposal

REVENUES	2011/12 at Third Interim	2011/12 Proposed Budget	Difference	% Diff.
COLA	1.67%	2.24%	.57%	34%
Revenue Limit ^(a)	\$63,186,196	\$63,318,206	\$132,010	---
Federal ^(b)	\$5,892,292	\$8,144,991	\$2,252,699	38%
State ^(c)	\$15,149,835	\$15,741,707	\$591,872	4%
Local ^(d)	\$7,931,350	\$7,647,453	- \$283,897	-4%
Other Financing sources ^(e)	\$541,913	\$1,674,000	\$1,132,087	209%
Total	\$92,701,586	\$96,526,357	\$3,824,771	4%

(a) As per OCDE, \$330/ADA has been placed in a reserve pending an outcome of the state budget

(b) Increase from use of ARRA Education Jobs funding

(c) Increase funding from use of Professional Development grant carryover

(d) Decrease PTA/ASB reimbursements and donations accounts

(e) Additional transfers from Fund 17 and Fund 40

2011/12 Changes from Third Interim General Fund Expenditures

EXPENDITURES	2011/12 at Third Interim	2011/12 Proposed Budget	Difference	% Diff.
Operating Expenditures ^(a)	\$104,060,003	\$101,251,917	- \$2,808,086	- 3%
Other Outgo/Financing Uses	\$1,441,744	\$1,405,605	- \$36,139	- 2%
Budget Reductions Needed	-\$7,701,678	\$0	-	-
Net Total	\$97,800,069	\$102,657,522	\$4,857,453	- 5%

(a) Salary reductions to be negotiated and drop in supply budget was reduced to reflect current projected receipts

General Fund Recap 2011/12 from Third Interim to Adopted Budget

	Third Interim	Proposed Budget	Difference	% Diff.
Revenue and Other Financing Sources ^(a)	\$92,701,586	\$96,526,357	\$3,824,771	4%
Expenditures and Other Financing Uses**	\$97,800,069	\$102,657,522	\$4,857,453	5%
Surplus/Deficit(-)	-\$5,098,483	-\$6,131,165	-\$1,032,682	-
Beginning Fund Balance	\$11,515,539	\$14,873,860	\$3,358,321	29%
Ending Fund Balance	\$6,417,056	\$8,742,695	\$2,325,639	36%

(a)Detail on page 5

(b)Detail on page 6

Ending Fund Balance for General Fund 2011/12

	2011/12 at Third Interim	2011/12 Proposed Budget	Difference	% Diff.
Beginning Fund Balance	\$11,515,539	\$14,873,860	\$3,358,321	29%
Components of Ending Fund Balance:				
(a) Restricted (carryover of non-sweepable categoricals)	\$0	\$1,492,513	\$1,492,513	-
Revolving Cash/Stores/Prepaid Exp.	\$1,669,000	\$1,669,000	\$0	0%
Reserve for SERP	\$1,331,362	\$1,331,362	\$0	0%
Reserve for Fte's	\$450,000	\$450,000	\$0	0%
(b) Assigned (categorical carryovers)	\$0	\$720,094	\$720,094	-
Designated for Economic Uncertainties	\$2,966,694	\$3,079,726	\$113,032	4%
% Reserved for Economic Uncertainties	3.03%	3.00%		-1%
Ending Fund Balance	\$6,417,056	\$8,742,695	\$2,325,639	36%

(a) For example: EIA, QEIA, medical billing, etc.

(b) For example: local grants, safety, SSOAR, school library improvement block grant, etc.

Budget Adjustment Recommendations for 2011/12 Adopted Budget^(a)

July 1, 2011	
ARRA Education Jobs Funding	\$2,443,000
Swap IMF with Lottery	200,000
Fund 17 (Mandated Costs)	761,000
Fund 20 Other Post Employment Benefits	580,000
Fund 40 Reserve for Capital Outlay	300,000
General Fund Fallout (10/11 Underspent)	400,000
Special Education Encroachment Reduction (10/11)	1,500,000
Professional Development Grant C/O 10/11	592,000
Added FTE's for Projected Enrollment	-434,000
Salary Reduction Needed	1,337,000
Total	\$7,679,000
(a) Recommendations from March 2011 Board workshop	



"We may have been a hung jury for 3 weeks,
but I did get a chance to sell 11 magazine
subscriptions for my kid's school field trip fund."

**Fullerton School District
Resolution #11/12-01
Flexibility Transfer per Education Code 42605
Estimated FY 2011/2012^(a)**

Program	SACS (old) Resource Code	Cost Center	Estimated Amount	Proposed Use
Gifted and Talented Education (GATE)	7140	115	\$89,220.00	Continue support GATE program
Supplemental Hourly Programs		117	\$545,457.00	Intervention and General Education Purpose
School & Library Improvement Block Grant	7395	304	\$1,053,509.00	General Educational Purpose
Calif. Peer Assistance & Review Prog. for Teachers	7271	306	\$42,234.00	Continue support PAR program
Educ. Tech. Supplemental Grant	7110	309	\$548,761.00	Continue support Educ. Tech. program
Arts & Music Block Grant	6760	316	\$183,290.00	Continue support Music and Arts program
Staff Dev. Administrator Training (AB 430)	7325	325	\$0.00	General Educational Purpose
Supplemental School Counseling, Grades 7-12	7080	326	\$186,732.00	General Educational Purpose
Professional Development Block Grant	7393	327	\$592,573.00	General Educational Purpose
Professional Development Block Grant	7394	328	\$899,356.00	Continue support Technology and Transportation
Physical Education Teacher Incentive Grant	6258	341	\$176,161.00	Continue support PLCs
Community Based English Tutoring (CBET)	6285	343	\$120,820.00	Continue support CBET program
School Safety & Violence Prevention	6405	352	\$55,260.00	Continue support program
Teacher Credentialing Block Grant	7392	355	\$205,531.00	Continue support BTSA program
Staff Dev. Math & Reading	7294; 7296	356	\$117,278.00	General Educational Purpose
Pupil Retention Block Grant	7390	362	\$4,348.00	General Educational Purpose
Instructional Materials Realignment, IMFRP	7156	380	\$750,000.00	Instructional Materials and General Ed. Purpose
Deferred Maintenance Program	6205		\$440,000.00	General Educational Purpose
Oral Health Assessment		509	\$9,876.00	General Educational Purpose
National Board Certification Teacher Incentive	6267	518	\$3,356.00	Continue support NBCI program
Total			\$6,023,762.00	

(a) Public hearing required. Board approval of resolution required.

What I did on my summer vacation...



TOM MEYER www.meyer.com

A Look Ahead

- Several budget scenarios available
- New budget today (tentative) includes:
 - Majority vote (no Republicans)
 - Tax extensions are dead
- Assumes an additional \$4 billion in revenue
 - (Based on \$1.2 billion more in income than projected for May and June)
 - Consumer confidence (based on conference board)

A Look Ahead

- ◉ Structural deficit of \$5 billion pushed ahead to 2012-13
- ◉ Sales tax on internet transactions (\$200 million)
- ◉ \$12/year increase/year in vehicle license fee
- ◉ \$2.8 billion deferral (up from \$2.1 billion) for education; \$150 million reduction for CSU and UC systems

A Look Ahead

- If \$4 billion does not happen, triggers:
 - \$1.5 billion mid-year cuts reduction to education
 - Assumes seven fewer student days for 2011-12 (168 student attendance days)
 - Additional \$100 million reduction to UC and CSU

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Considerations

- ◉ Monitor budget trailer bills
- ◉ Extreme caution in negotiations
- ◉ How to implement ramifications if \$4 billion does not materialize