

Navigating the FSD Budget

February 24, 2009

Dr. Mitch Hovey
Superintendent

Agenda

- Picking Up From Where We Left Off...
- Federal Stimulus Package
- 2008/2009 Mid-Year Budget Cuts!
- 2009/2010 New State Budget
- Budget Reductions and Adjustments
- What It Means for Fullerton School District

Fullerton School District Revenue Limit \$ Update

<u>2008/2009</u>	Statutory COLA	Revenue Limit Deficit	Funded COLA	Before Deficited BRL*/ADA	Deficited BRL*/ADA	Gain/ Loss (-) \$ Per ADA	Revenue Limit ADA	Loss in Revenue
May 2008 Revise	5.66%	5.357%	0%	\$5,872	\$5,557	\$0		
Adopted Budget	5.66%	5.357%	0%	\$5,872	\$5,557	\$0		
Sept 2008	5.66%	4.713%	0.68%	\$5,872	\$5,595	\$38		
Jan 2009**	5.66%	9.685%	-4.57%	\$5,872	\$5,304	-\$291	13,158.73	-\$3,829,754
<u>2009/2010</u>								
Sept 2008	5.60%	9.766%	0%	\$5,872	\$5,595			
Jan 2009**	5.02%	16.161%	-2.52%	\$6,167	\$5,171	-\$424	13,046.71	-\$5,537,644
<u>2010/2011</u>								
Sept 2008	3.50%	9.766%	3.50%	\$6,077	\$5,791			
Jan 2009**	0.50%	16.161%	0.50%	\$6,198	\$5,197	-\$594	12,901.66	-\$7,669,488

*BRL: Base Revenue Limit

**Jan '09 Gov's Proposal

Total Loss in Revenue Limit \$ For 3 Years

-\$17,036,885

Budget Cuts

	December 2008 1st Interim		January 2009 Governor's Proposal		Total
2008/2009	Original Cuts:	\$ 3.9 million	Ongoing: One Time: Not Yet Determined:	\$ 3.3 million \$(0.8) million <u>\$(2.1) million</u> \$ 0.4 million	\$ 7.2 million
2009/2010	Original Cuts:	\$ 5.5 million	Board Approved Ongoing: Not Yet Determined:	\$ 3.3 million \$(0.8) million <u>\$(1.5) million</u> \$ 1.0 million	\$ 6.5 million
TOTAL		\$ 9.4 million		\$ 4.3 million	\$ 13.7 million

Federal Stimulus Package

- On Tuesday, February 17th President Obama signed into law the \$789 billion Federal Stimulus Package
- Cautions from CCSESA Fiscal Oversight
 - They Are **One Time Funds**
 - Unsure Just How Much Will Reach the Schools
 - Will Not Know When Funding Will Be Received or How We'll Be Able to Spend It

“It is inappropriate to recognize any funding from the Federal Stimulus Package until you receive official notice of an allocation.”

Dr. W. Benkert Asst. Supt. Business Services for OCDE

February State Budget 2008/2009 Mid-Year Cuts!

- .68% Cost of Living Adjustment (COLA)
Loss of About \$500,000
- 2.5% to Revenue Limit Loss of About \$1.9
million or \$145 Less per ADA (Actual Daily Attendance)
- 15.4% to 53 Categorical Programs
Estimated Loss of \$900,000 for FSD
(plus an additional 5% reduction in 2009/2010)

State Budget 2009/2010

- 0% COLA
- \$8.6 Billion Reduction to Prop 98 Over the Next 17 Months - Representing a 58% Cut to Education
- May 19 Special Election/Ballot Propositions
- May Revisions to the State budget Postponed Until May 25, After the Special Election
- Conditional Categorical Program Flexibility

“Although the details of the budget have changed from the Governor’s January budget proposal, the magnitude of the cuts to education has **not** been reduced.” Dr. W. Benkert, Assist. Supt. Business Services for OCDE

2009/2010 Budget Reduction and Adjustment

- Details of the February Budget Act and the Impacts on District Finances are Being Addressed Now by the Legislature Through Trailer Bills. Clarification Will Be Communicated in Early March.
- Assumptions Based on the January Governor's Budget Proposal
- 2009/2010 Budget Reductions/Adjustments Will Remain Fluid Through Further Interpretation of the February Budget, May 19 Special Election, & May Revise

Previously Approved in the 2008/2009 Adopted Budget

- June 2008: \$3.9 million
- Reductions Already Made in 2008/2009
 - Retirement
 - Staff Reduction
 - Site and Department Budget Reductions
 - Attrition
 - Shifting of Costs

Previously Approved in the 2008/2009 Adopted Budget

- June 2008: \$1.5 million
- Reductions To Be Made in 2009/2010
 - Employee Retirement
 - Reduce Transportation
 - Media Assistants
 - Attrition
 - Program Reductions

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Fullerton School District Budget Reduction and Adjustment Options for 2009/2010

Total:
\$6,100,000

Programs

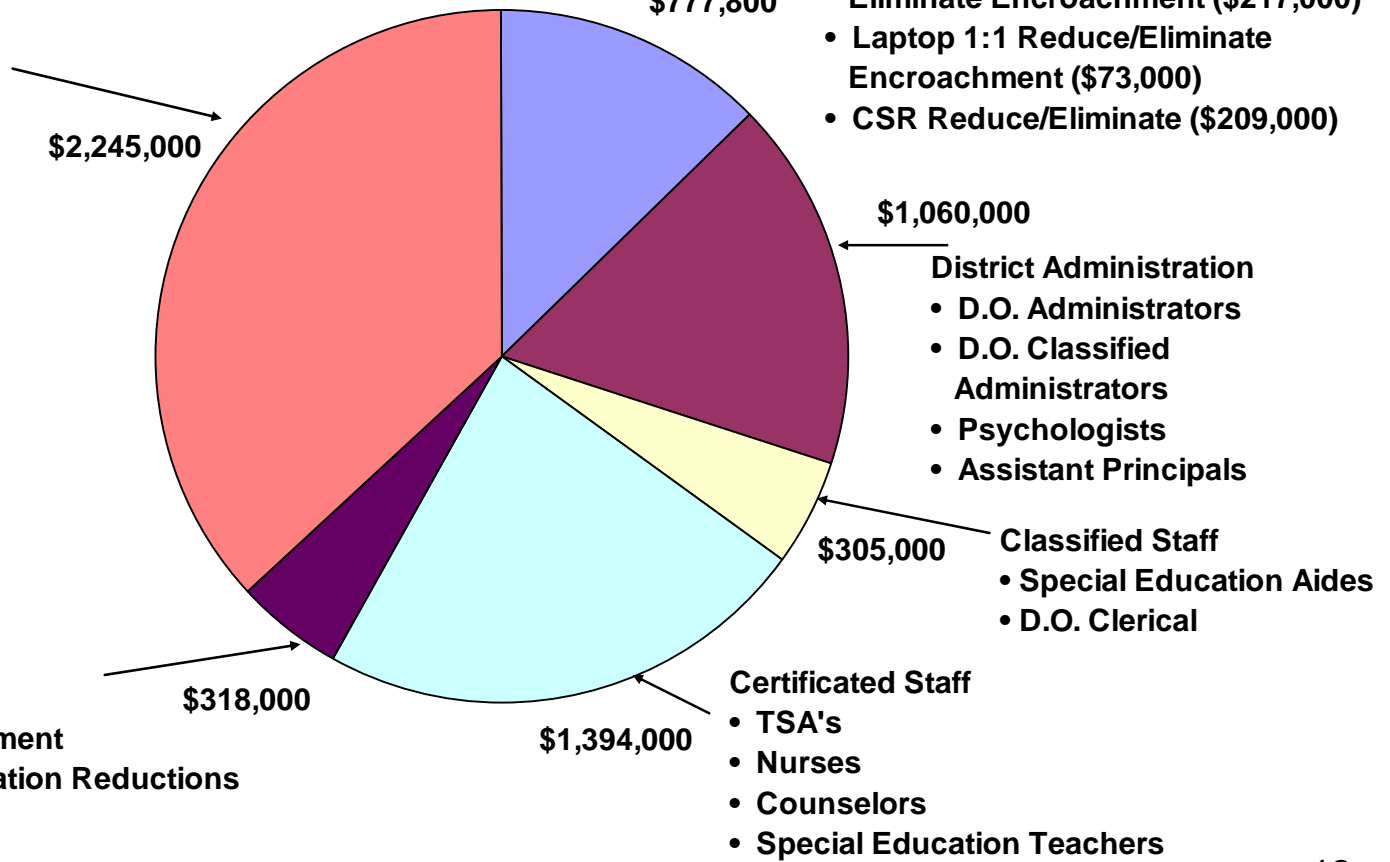
- 20% Reduction to IB, GATE, Multiage (\$76,800)
- All the Arts Reduce/Eliminate Encroachment (\$202,000)
- Elementary Music Program Reduce/Eliminate Encroachment (\$217,000)
- Laptop 1:1 Reduce/Eliminate Encroachment (\$73,000)
- CSR Reduce/Eliminate (\$209,000)

Not Yet Determined

- Negotiated Items
 - H+W shift to option B
 - Salary Reduction to All Employee Salaries

Other

- Special Education Settlement
- Additional Special Education Reductions



Next Steps

- Continue To Monitor Details as Presented by School Services Dashboard, OCDE Requirements, etc.
- Utilize Input Received by BAC, Extended Cabinet, Employee Advisory Group, Parent & Community Leaders to Finalize Budget Adjustments
- Prepare Second Interim Report to be Presented at March 10th Board Meeting to Include Final Budget Reductions