



Fullerton School District

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Budget Advisory Committee

January 20, 2010



# Budget Advisory Committee

## January 20, 2010

### Agenda

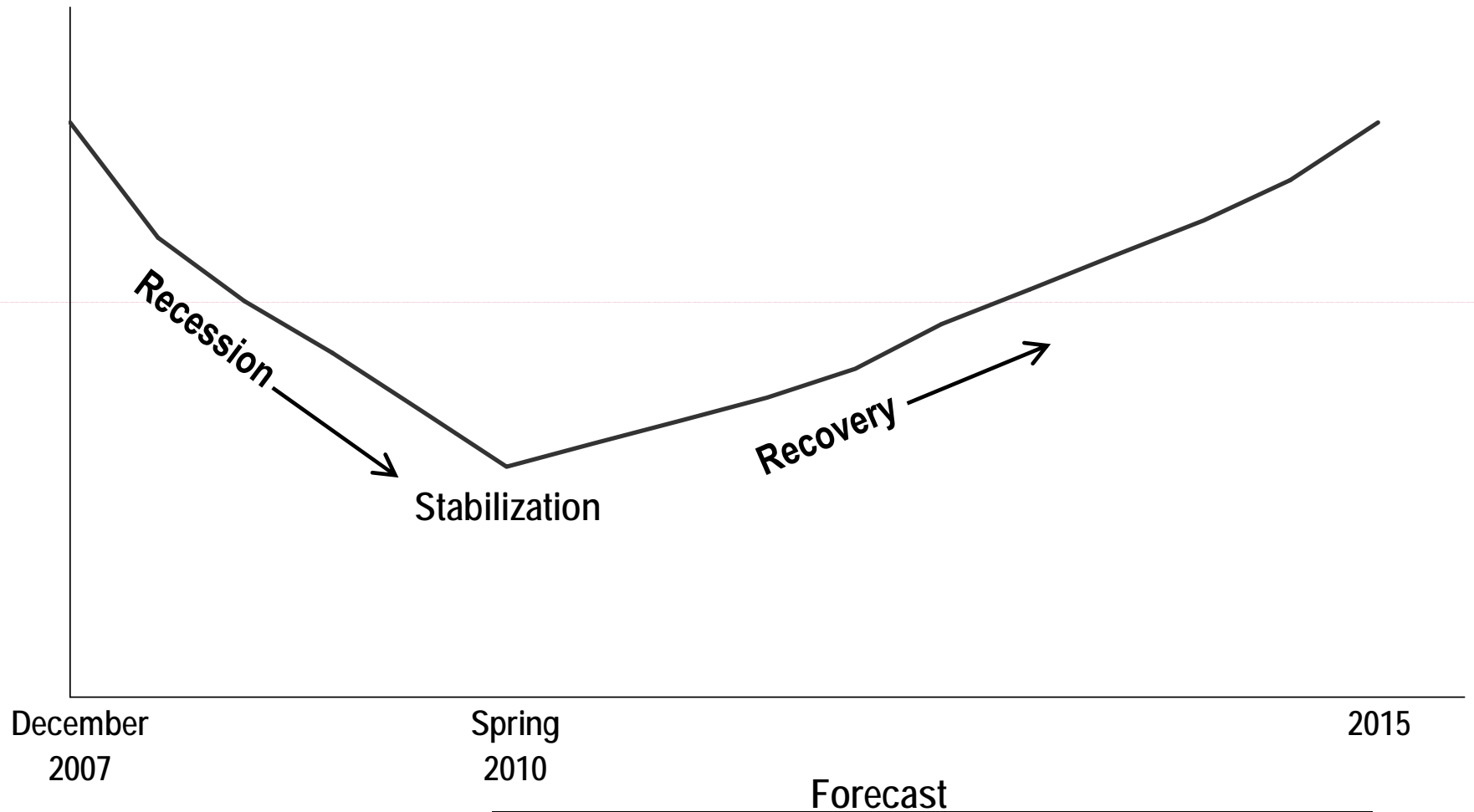
- Welcome
- Governor's Proposed Budget 2010-11
- Budget Timeline
- Race To The Top
- Revenue-Generating Ideas (handout)
- A Look Ahead At Committee Work
- Updated Meeting Schedule
- Other

# Governor's Budget 2010-11

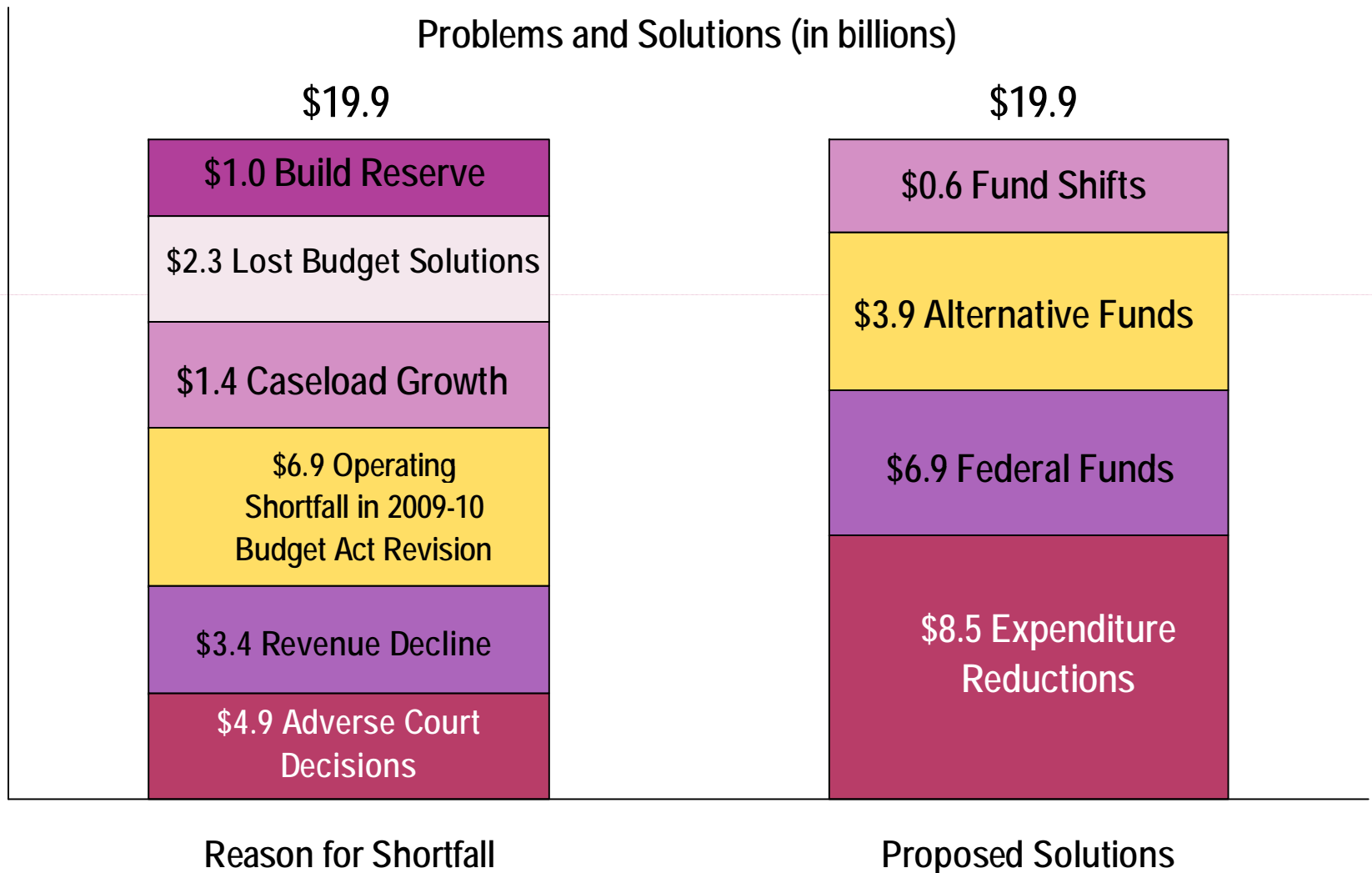
- For the current year, 2009-10, the Governor's January Budget proposes no change in revenue limit funding, with the deficit factor remaining at 18.355%.
- In 2010-11, the statutory cost of living adjustment (COLA) is negative 0.38% and is fully "funded".
- The deficit factor of 18.355% remains unchanged in the 2010-11 budget.
- In addition to the negative COLA and the continuation of the 18.355% deficit factor, the Governor's Budget proposes an ongoing targeted cut of \$1.5 billion in 2010-11.
  - \$1.2 billion is aimed at "school district administrative costs"
  - \$300 million assumed to follow from the "elimination of administrative costs"
- The Governor's budget provides no specifics on how this will be implemented.

# Recovery Takes a Long Time

## The Economic Cycle



# The Budget Gap



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**Remember the One-Time  
Budget Reduction of  
\$253/ADA in 2009-10?**



**We were told we would  
have that funding restored  
in 2010-11...**



**BUT**



*“Hasta La Vista”*

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*Money*

## For FSD: 2010-11 Governor's Proposed Budget Reductions

	=	
-.38% COLA	=	-\$23/ADA
-\$1.5 Billion "Administrative Costs"	=	-\$191/ADA Ongoing
TOTAL		-\$214/ADA*

Projected Budget Revenue Loss 2010-11

Projected 2010-11 ADA = 13,136

$$13,136 \times -\$214 = -\$2,811,104$$

\*Special Education and Categoricals will also be reduced by -.38%. Figures cited here do not include those reductions.

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**"I made a Valentine's Day card for you.  
The school has no art supplies so I  
wrote the color in."**

# Multi-Year Projections

## Fiscal Year 2010-II Projections

Perspective	OCDE	LAO
COLA	0.500%	-0.35%
Deficit	18.355%	18.355%
Other Revenue Limit Adjustments	0.00%	-\$252.83/ADA ongoing
Beginning Balance	\$6,655,597	\$6,655,597
Revenue and Transfers In	\$97,385,067	\$93,403,080
Expenditures and Transfers Out	\$106,830,304	\$106,728,747
<b>Budget Reductions Needed</b>	<b>\$(7,863,661)</b>	<b>\$(11,303,507)</b>
Ending Fund Balance	\$5,074,021	\$4,633,437



# New Budget Reduction Target For 2010-11

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**\$10.7 - \$11.2 Million**

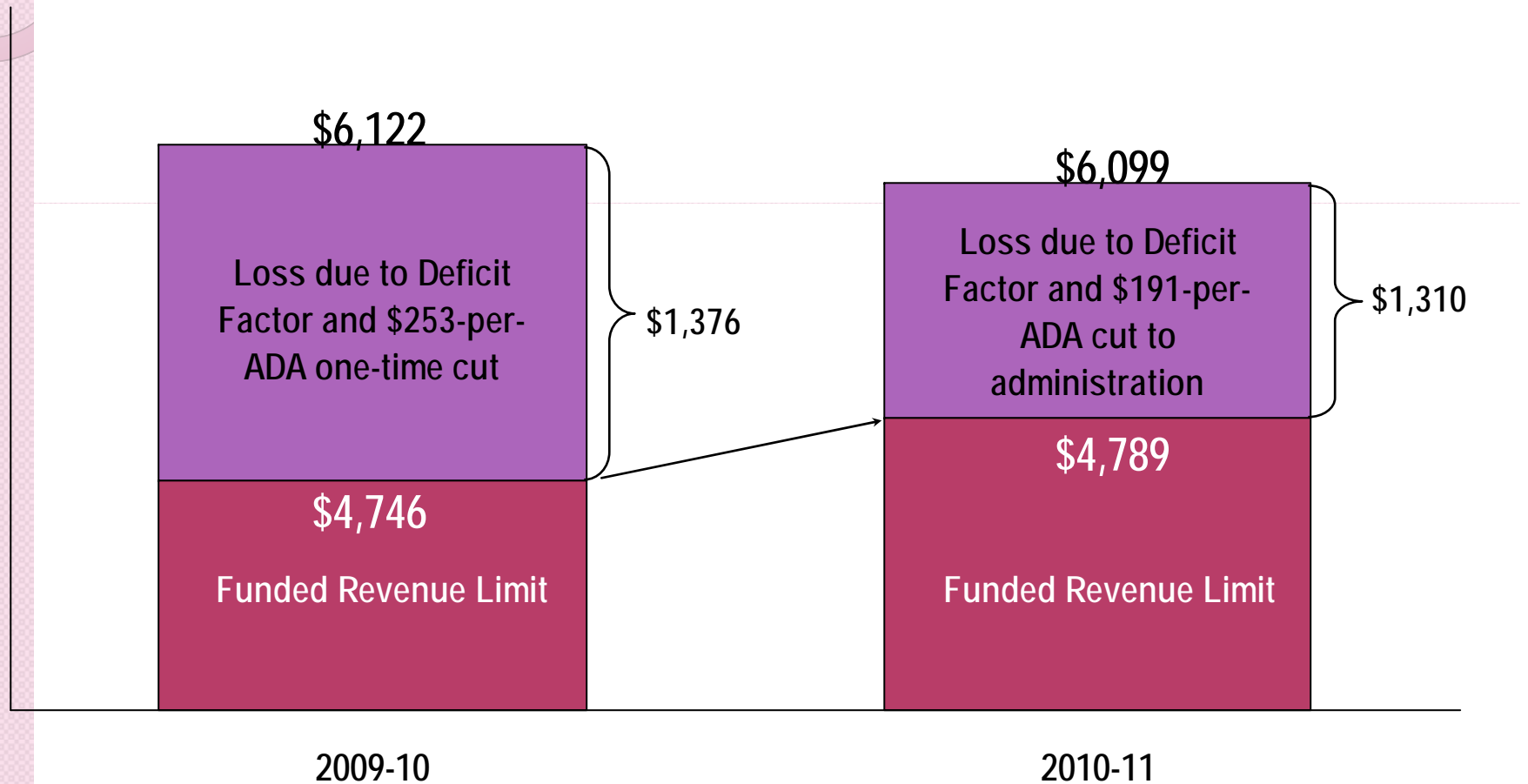
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**"First, let me confirm a rumor. The next round of cuts will go deeper than originally announced."**

# Funded Revenue Limit 2009-10 vs. 2010-11

Fullerton School District



# Next Steps

- **Balanced budget must be adopted by District prior to June 30, 2010.**
  - State Budget will most likely not be in place by then.
- **Developing the budget requires:**
  - Clarifying assumptions
    - How much revenue?
    - How will expenditures change?
- **Once the State Budget is adopted, the District makes adjustments to its budget within 45 days.**



# Budget Development Tentative Timeline 2010-11

January 2010 – Governor’s Budget Released

January-February 2010 – Eighth Special Legislative  
Session Meets

January, February, March 2010 – Budget Advisory  
Committee Meets

January-June 2010 – Executive Cabinet Continues  
Budget Development Process



# Budget Development Tentative Timeline 2010-11

**March 2010 – Reduction In Force Notices for  
Certificated Employees (if necessary)**

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**March 2010 – Second Interim Report**

**April 2010 – Race To The Top Awards Announced**

**May 2010 – Governor's May Revise**



# Budget Development Tentative Timeline 2010-11

**May 2010 – Lay-Off Notices for Classified  
Employees effective July 1, 2010 (if necessary)**

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**June 29, 2010 – Adopted Budget for 2010-11  
Presented to Board**

**Summer-Fall 2010 – State Legislature Passes  
2010-11 State Budget**



# Meeting Schedule

- January 27, 2010
  - February 3, 2010
  - February 17, 2010
  - March 3, 2010 (if necessary)
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# Questions?