

Fullerton School District Budget Advisory Committee

Dr. Gary Cardinale

Assistant Superintendent, Business Services

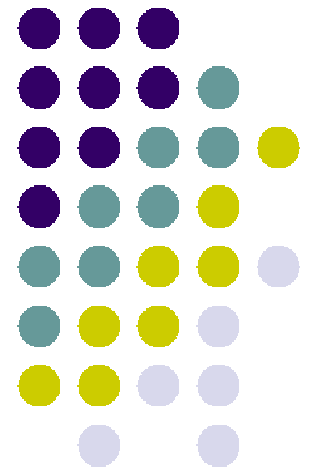
Assisted By:

Suwen Su

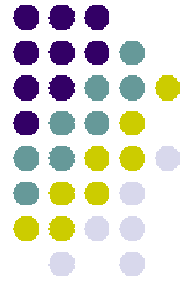
Director, Business Services

Becky Silva

Assistant Director, Business Services



Objectives For This Session



- | Review Governor's Proposed Budget
 - | Mid Year Reductions 2008/2009
 - | Cuts 2009/2010, 2010/2011

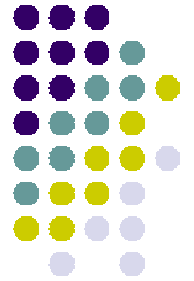
- | Fullerton School District -
 "Great Schools – Successful Kids"

- | Discuss Purpose of Groups

- | Break Into Groups

- | Brainstorm/ Prioritize Expenditures

Budget Calendar - FSD

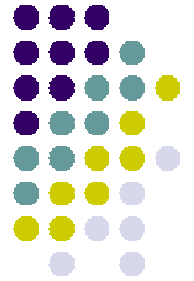


- | January 9, 2009
 - | Governor's Budget For 2009/2010 Released

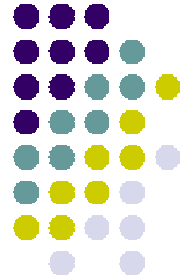
- | January-May 2009
 - | Ongoing Budget Discussions - Legislature

- | January 14, 2009
 - | Budget Advisory Meeting #2

Budget Calendar - FSD



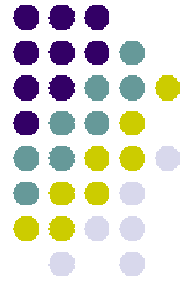
- | January 20, 2009
 - | Audit report to Governing Board
 - | Budget Study Session
- | January 21, 2009
 - | Budget Advisory Meeting #3
- | February 4, 2009
 - | Budget Advisory Meeting #4
- | February 11, 2009
 - | Budget Advisory Meeting #5



Budget Calendar - FSD

- | February 17, 2009
 - | Special Board Meeting
 - | Budget Advisory Recommendations to the Board
- | February 24, 2009
 - | Board Meeting
 - | Recommendations For Budget Reductions to Board
- | February 26, 2009
 - | Special Board Meeting - Public Input
- | March 10, 2009
 - | 2nd Interim Financial Report to Board
 - | Board Action on Budget Recommendations

Budget Calendar - FSD

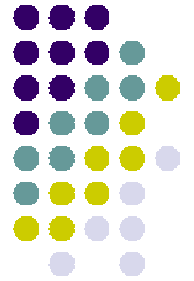


- | May 2009
 - | Governor's Budget Revise for 2009/2010

- | June 15, 2009
 - | Constitutional Deadline for Legislative Budget Proposal 2009/2010

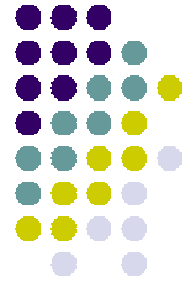
- | June 30, 2009
 - | Deadline for Schools to Adopt Budget for 2009/2010

Evolution of a State Budget Crisis

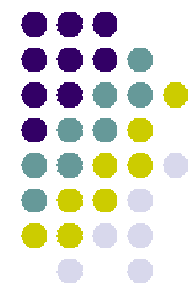


- | Collapse of Subprime Mortgage Market
- | Housing Crisis
- | Major Financial Institutions Collapse
- | Credit Market Tightens
- | Jobless Claims Rise (Currently 8.4%)
- | Drives Stock Market Down (40% From High)
- | State Revenue Forecasts Overestimated by \$14.5 Billion in 2008/2009
- | No Agreement in Sacramento on Solutions

Result = \$41.8 Billion Deficit by June 30, 2009

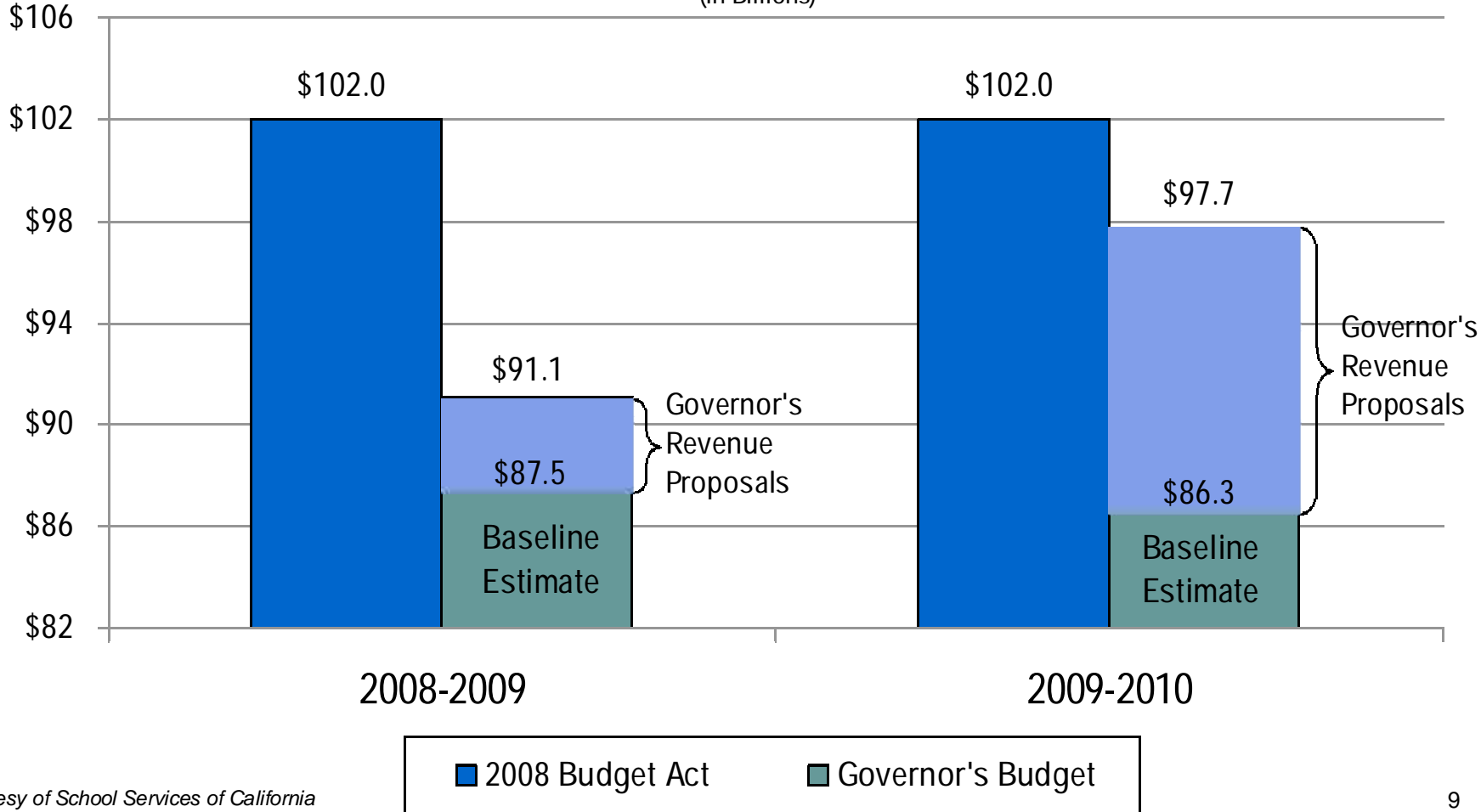


“All we need is another \$2.5 billion!”



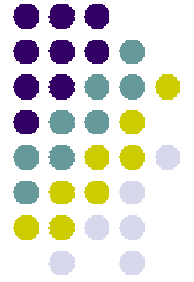
Governor's Budget Projections

General Fund Revenues
(In Billions)

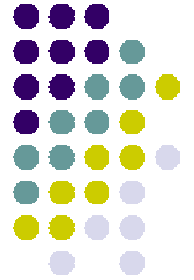


Courtesy of School Services of California

Governor's Proposition 98 Proposals

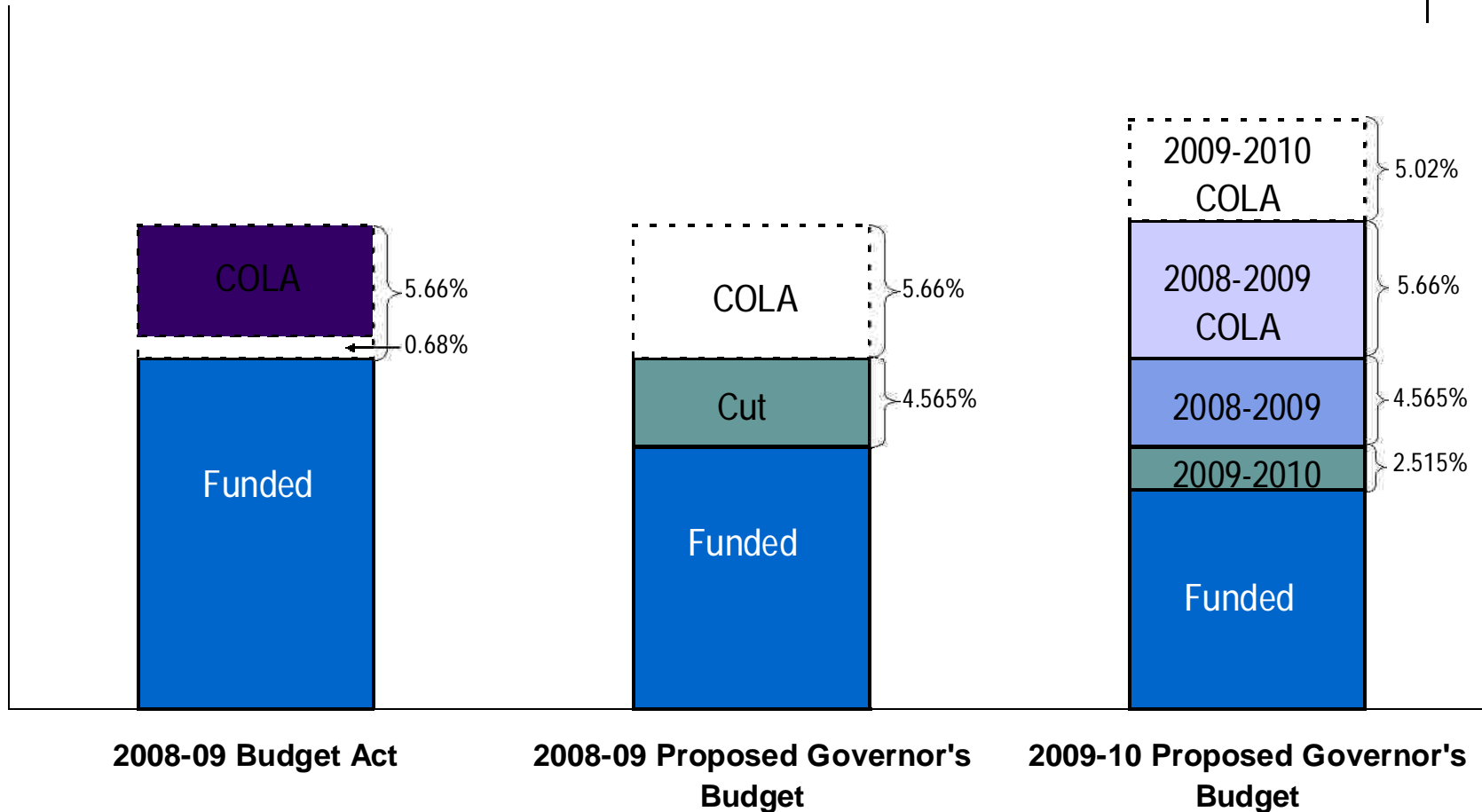
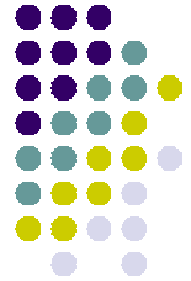


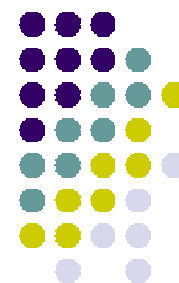
- | The Governor's Budget assumes a loss of current-year General Fund revenues of \$14.5 billion, which in turn drives down the Proposition 98 guarantee from \$58.1 billion to \$51.5 billion



Unlike in prior years,
Proposition 98
guarantee will not be
restored.

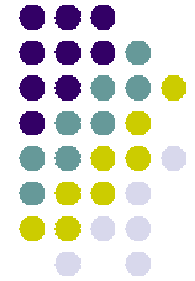
2008-2009 and 2009-2010 K-12 Revenue Limits



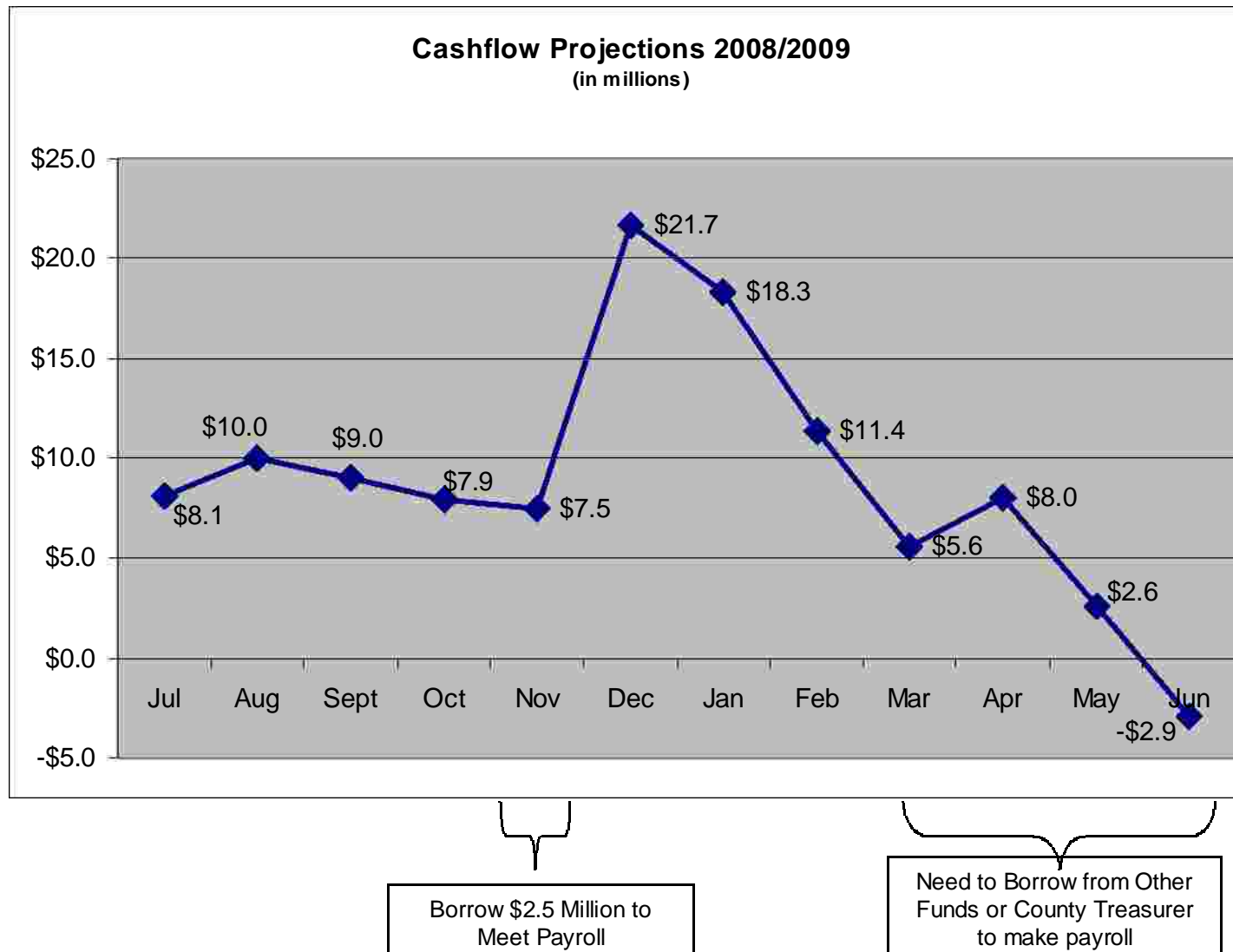


Revenue Limit \$ Update

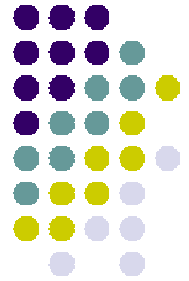
<u>2008/2009</u>	Statutory COLA	Revenue Limit Deficit	Funded COLA	Before Deficited BRL*/ADA	Deficited BRL*/ADA	Gain/ Loss (-) \$ Per ADA	Revenue Limit ADA	Loss in Revenue
May 2008								
Revise	5.66%	5.357%	0%	\$5,872	\$5,557	\$0		
Adopted Budget	5.66%	5.357%	0%	\$5,872	\$5,557	\$0		
Sept 2008	5.66%	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	



Cashflow Borrowing

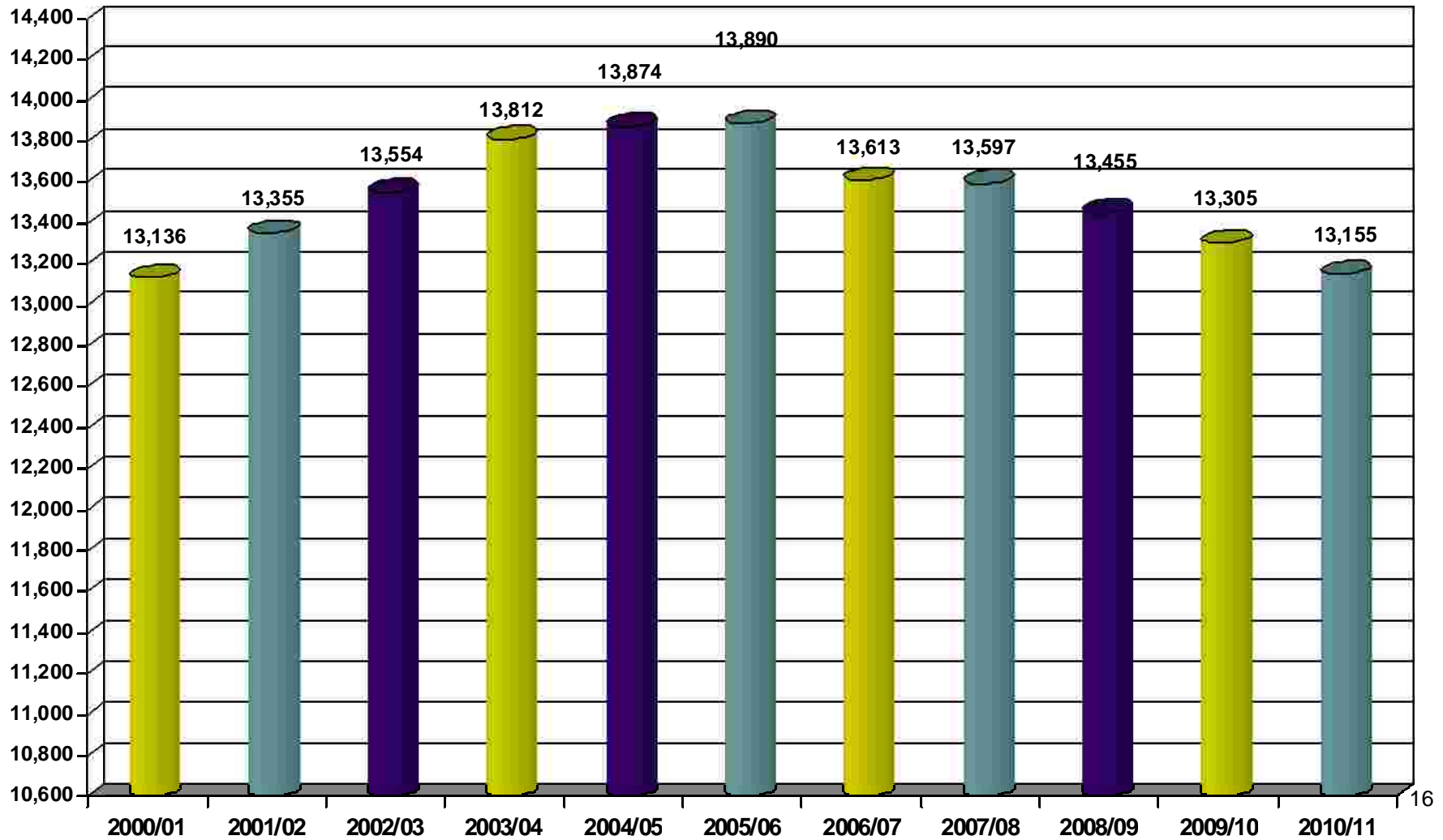
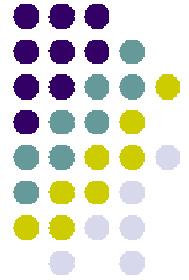


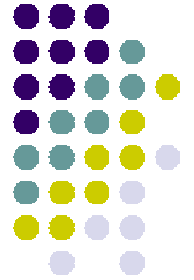
Cash Borrowing To Make Payroll



Payroll Per Month																			
\$8.9 Million																			
Amount Available to Borrow from Other Funds*																			
<table border="0"> <tr> <td style="padding-left: 100px;">Fund 14 - Deferred Maintenance</td> <td style="text-align: right;">\$0.4 million</td> </tr> <tr> <td style="padding-left: 20px;">Fund 17 – Special Reserve Other Than Capital Outlay Projects**</td> <td style="text-align: right;">3.6 million</td> </tr> <tr> <td style="padding-left: 60px;">Fund 21 – Building Fund</td> <td style="text-align: right;">1.6 million</td> </tr> <tr> <td style="padding-left: 40px;">Fund 25 – Capital Facilities Fund</td> <td style="text-align: right;">1.1 million</td> </tr> <tr> <td style="padding-left: 60px;">Fund 40 – Special Reserve</td> <td style="text-align: right;">1.2 million</td> </tr> <tr> <td style="padding-left: 40px;">Fund 68 – Workers’ Compensation</td> <td style="text-align: right;">0.6 million</td> </tr> <tr> <td style="padding-left: 80px;">Fund 81 - Property/Liability Insurance</td> <td style="text-align: right;">0.3 million</td> </tr> <tr> <td style="padding-left: 60px;">Fund 71 – Retiree Benefit Fund</td> <td style="text-align: right;">1.8 million</td> </tr> <tr> <td style="padding-left: 100px;">Total Available</td> <td style="text-align: right;">\$10.6 million</td> </tr> </table>	Fund 14 - Deferred Maintenance	\$0.4 million	Fund 17 – Special Reserve Other Than Capital Outlay Projects**	3.6 million	Fund 21 – Building Fund	1.6 million	Fund 25 – Capital Facilities Fund	1.1 million	Fund 40 – Special Reserve	1.2 million	Fund 68 – Workers’ Compensation	0.6 million	Fund 81 - Property/Liability Insurance	0.3 million	Fund 71 – Retiree Benefit Fund	1.8 million	Total Available	\$10.6 million	
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*75% allowed per EC 42603																			
**100% allowed																			

Enrollment History





Next Steps

- | Generate Proposed Solutions
- | Prioritize Expenditures
- | Investigate Revenue Enhancements
- | Examine Budget Reductions
- | Consider Program Alternatives
- | Other?