



Fullerton School District

Budget Advisory
Committee

December 2, 2009



Agenda

December 2, 2009

Welcome

Review News from Sacramento

Brief Review of Revenues

The Workings of Categorical Funding

Introduction of Committee Assignment

Review of Norms

Committee Work

Groups Report Out

Closing Thoughts

Fullerton School District Multi-Year Projections

Fiscal Year 2010-11 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	\$6,640,918	\$6,640,918
Revenue and Transfers In	\$97,407,826	\$93,403,080
Expenditures and Transfers Out	\$106,853,063	\$106,728,747
Budget Reductions Needed	\$(7,863,660)	\$(11,303,507)
Ending Fund Balance	\$5,059,341	\$4,618,758

Fullerton School District Multi-Year Projections

Fiscal Year 2011-12 Projections

Perspective	OCDE	LAO
COLA	2.300%	-3.90%
Deficit	18.355%	18.355%
Other Revenue Limit Adjustments	0.00%	-\$252.83/ADA ongoing
Beginning Balance	\$5,059,342	\$4,618,758
Revenue and Transfers In	\$98,823,639	\$89,110,682
Expenditures and Transfers Out	\$109,642,648	\$107,954,093
Budget Reductions Needed	\$(12,602,087)	\$(18,659,492)
Ending Fund Balance	\$6,842,420	\$4,434,839

2010-11 Will Be The Worst Year of the Recession

- One-time money from Feds (Stimulus \$) = gone
- Categorical Sweeps = 09-10 only
- Ongoing cuts from 08-09 and 09-10 carried into 10-11
- In 09-10, California laid off 27,000 teachers

OPTIONS

- Further ongoing cuts
- Raise class sizes
- Compensation roll-backs
- Once recovery does come, State will not allow local control
- More categorical programs will emerge
- More Local Fundraising
- Other Means of Increasing Revenues

Fullerton School District General Fund Revenue 09-10

Revenue Limit	2008-09 Actuals	2009-10 1 st Interim Budget (tentative)	% Diff
State Aid ^(a)	\$39,744,848	\$31,134,786	-22%
Property Tax ^(b)	\$31,825,404	\$31,449,878	-1%
Total Revenue Limit	\$71,570,252	\$62,584,664	-13%
Federal Revenue	\$11,223,276	\$10,112,538	
IDEA Special Ed	\$2,377,986	\$2,377,786	0%
Title I ^(c)	\$1,810,792	\$1,558,870	-14%
ARRA Federal Stimulus ^(d)	\$4,513,252	-	-100%
ARRA IDEA Special Ed ^(d)	-	\$2,848,607	100%
ARRA Title I ^(d)	-	\$971,396	100%
Other Federal Programs ^(e)	\$2,521,246	\$2,355,879	-7%
Total Federal Programs	\$11,223,276	\$10,112,538	-10%
(a) RL per ADA fell from \$5,412 to \$4,746			
(b) Reassessment of home values and refunds			
(c) Reduce in funding			
(d) One-time funding			
(e) Programs such as Medi-Cal Billing, 21 st Century Learning, Drug Free Schools, Teacher Quality, etc.			

Fullerton School District General Fund Revenue 09-10

Other State Revenue	2008-09 Actuals	2009-10 1 st Interim Budget (tentative)	% Diff
Class Size Reduction ^(f)	\$4,097,624	\$3,281,000	-20%
Lottery	\$1,667,780	\$1,687,137	1%
Arts and Music ^(g)	\$193,404	\$176,912	-9%
Home To School Transportation ^(g)	\$499,203	\$400,153	-20%
After School Learning ^(g)	\$1,818,224	\$1,763,469	-3%
GATE ^(g)	\$104,614	\$89,212	-15%
Economic Impact Aid	\$1,990,535	\$1,990,535	0%
SBCP School Library Improvement ^(g)	\$1,115,300	\$1,053,108	-6%
QEIA ^(g)	\$496,900	\$465,900	-6%
High Priority School Grant ^(h)	\$491,600	-	-100%
Other State Revenue ⁽ⁱ⁾	\$5,290,653	\$4,667,569	-12%
Total State Revenue	\$17,765,837	\$15,574,995	-12%
(f) Increase in CSR penalties due to increase in class size (g) Reduce in funding or change in funding (h) Funding no longer available (i) Programs such as ELAP, TUPE, TIIBG, BTSA, PAR, etc.			

Fullerton School District General Fund Revenue 09-10

	2008-09 Actuals	2009-10 1 st Interim Budget (tentative)	% Diff
Local Revenue (i)	\$10,063,133	\$8,837,773	-12%
Transfers In			
Child Care Contribution (k)	\$100,000	\$150,000	50%
Textbook money from fd21 (k)	\$300,000	\$200,000	-33%
OPEB Contribution from fd20 (l)	-	\$580,000	100%
IB Contribution from fd21 (k)	\$43,000	\$33,000	-23%
Total Transfers In	\$443,000	\$963,000	117%
Total General Fund Revenue	\$111,065,498	\$98,072,970	
(j) PTA/ASB reimbursements and donations are budgeted when received. Drop in interest earned. (k) Change in contribution (l) To pay for retiree benefits			



What are Categorical Funds?

- Funds are designed with specific requirements and purposes to improve and enhance the regular education program.
- Funds are restricted and are intended to supplement, not supplant the regular educational programs.
- Supplanting is defined as using categorical funds to support services that would otherwise have been provided from non-categorical resources.



A few...

FSD State and Federal Categorical Funds

State

- Economic Impact Aid
- School and Library Improvement Program
- Supplemental Funds
- P.E. Teacher Incentive Grant
- English Learner Acquisition Program

Federal

- ◎ **Title I Economically Disadvantaged**
- ◎ Title II Professional Development
- ◎ Title III English Learner
- ◎ Title IV Safe and Drug Free Schools



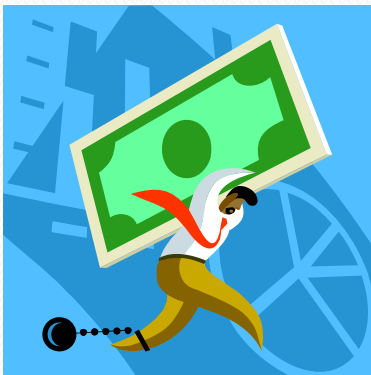
Title I Funding

- Funds allocated to sites with at least 40% of students who receive free or reduced lunch.
- FSD Title I sites: Commonwealth, Maple, Nicolas, Orangethorpe, Pacific Drive, Raymond, Richman, Valencia Park, and Woodcrest.
- All sites are school-wide programs, so funds can be utilized for all students.
- Funds are also targeted to lowest achieving students.

Restricted Use of Title I Funds

Funds may be used for the following:

- Professional development (at least 10% at PI schools)
- Parent involvement (1% at all Title I sites)
- All expenditures must be aligned to the goals in the School Plan which requires SSC and Board approval
- Extended learning opportunities
- Supplemental instructional materials including instructional technology
- Instructional aides, content specialists, health, social service
- Only 15% carryover allowable





Types of Unallowable Costs Title I Programs

- Core textbooks
- Construction or modernization
- Regular classroom teacher salary
- School administration personnel (AP, office clerk, secretary)
- Bad debt
- Entertainment costs
- Fundraising
- Gifts

Categorical Program Monitoring (CPM)

- State auditors review districts and schools sites to ensure compliance with all categorical programs and funding.
- Auditors review documents including meeting agendas and minutes, time accounting logs, inventory records, school plans, fiscal records, etc....
- Auditors review all expenditures to ensure that expenditures meet program guidelines.
- Auditors visit classrooms and meet with staff and parents.
- If a district and sites are found out of compliance, they have 45 days in which to correct compliance findings, or risk losing funding.

CPM is a very serious matter!



Meeting Norms

- Respect ideas/comments from all Committee members
- Maintain the self worth of all participants and institutions
- Eliminate sidebars when someone has the floor
- Turn off cell phones, or turn them on vibrate only
- Begin and end meetings on time
- Others?

Budget Assumptions

	COLA	Deficit*	Reductions	Lottery	H&W	ADA
09/10	4.25%	18.355%	\$252.83/ADA	\$111/ADA	6%	13,112.42
10/11	.5%	18.355%		\$111/ADA	6%	12,967.58
11/12	2.30%	18.355%		\$111/ADA	6%	12,822.73

*Eliminates COLA in each year

Estimated Statewide Undeficitied Base Revenue Limit Per ADA

	Elementary	High School	Unified
09/10 (est.)	\$6,132	\$7,369	\$6,411

FSD	Statutory	\$6,122
	Funded	\$4,745

Sources: School Services of California
Orange County Department of Education