

Alvord Unified School District

The following budget briefing was presented to the Alvord Board of Education as well as AEA and CSEA membership. The information is meant to show the serious financial crisis that is at our doorstep because of decreased state revenues. Please note the last slide is meant to show examples of what each furlough day or each 1% pay cut saves the district. The savings ratios are different between the certificated, classified and management groups because of differences in work days, work hours per day and benefits.

If employees have questions about this or need further explanation, please contact your association, and if necessary, we will have another meeting for interested groups of employees.

Alvord Unified School District



Budget Overview and Impacts to Alvord

September 14, 2009

Presented by:

Wendel W. Tucker, Superintendent of Schools
Paul F. Gill, Assistant Superintendent
Tina Daigneault, Controller

COMMON MYTH

- **Use of Funds**

TIME FRAMES

- **December 1, 2008**

- Governor declares “Fiscal Emergency”
 - \$11B deficit for 08-09
 - \$28B for 2 years

- **December 19, 2008**

- Revised deficit
 - \$14.8B for 08-09
 - \$41.8B for 2 years

TIME FRAMES

- **February 20, 2009**
 - Budget agreement realized using cuts, increased taxes, borrowing & Federal \$\$
Required Voter approval
- **March 15, 2009**
 - Mandatory Date to inform teachers about layoffs
- **May 19, 2009**
 - Voters rejected Budget package

TIME FRAMES

- **June 2009**
 - Feds provide one-time ARRA funds
 - **Alvord Impact - \$12 M Total**
 - \$6M in Title 1 and IDEA
 - \$6.7M in SFSSF

TIME FRAMES

- **July 28, 2009**
 - **State Budget is Enacted**
 - State Acknowledges \$24B Gap for 08-09
 - Cuts Prop 98 Guarantee by \$9B below original 2008 Budget Act level

TIME FRAMES

- **State Budget Impact on Alvord**
 - State Requires payback of \$252 per ADA (**\$4.8M**) in 2009-10
 - In order to balance budget, requires additional \$5M in cuts for 09-10, and another \$4M in 10-11

Summary of All Funds

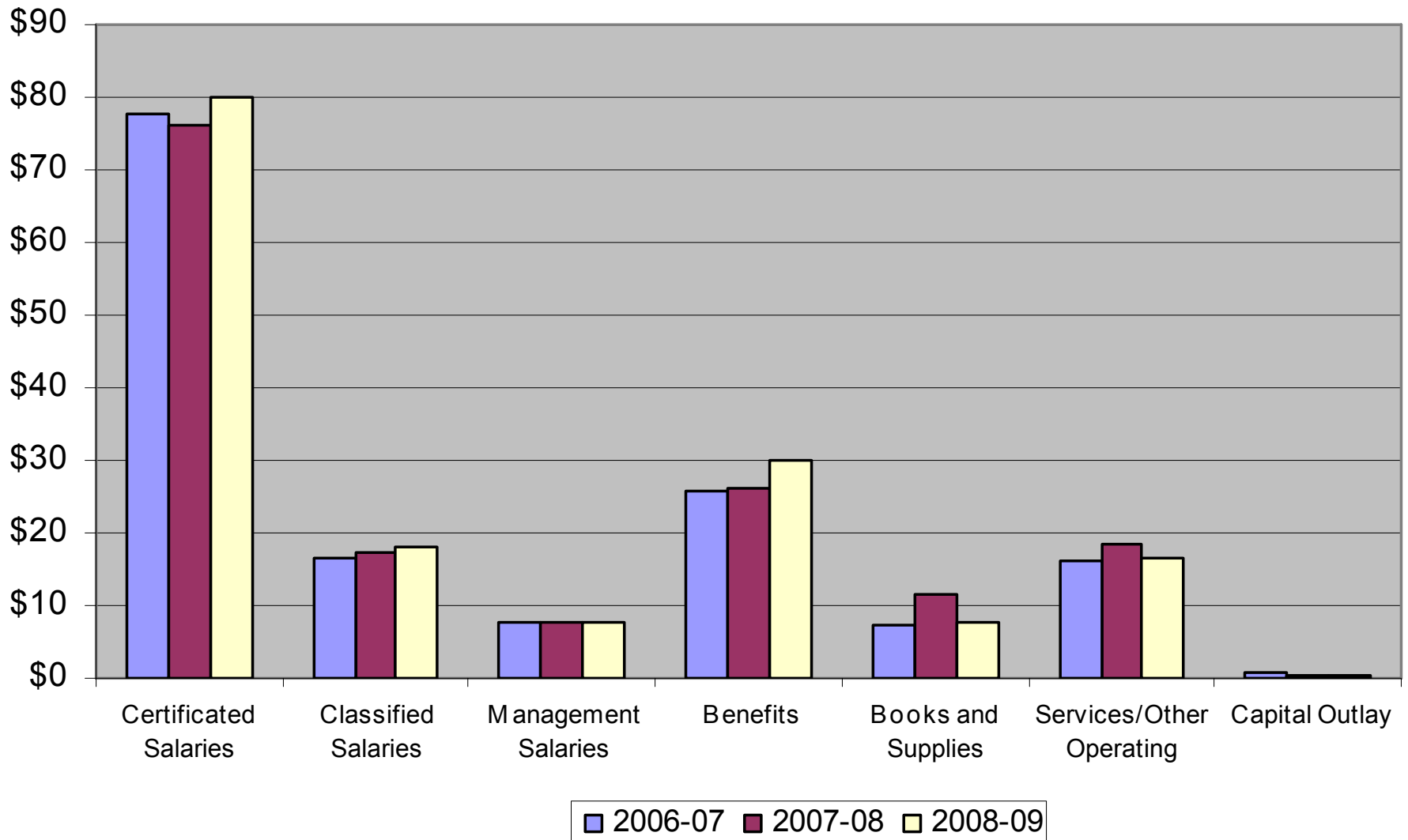
2008-09 Unaudited Actuals

Fund	Beginning Balance	Revenue	Expenditures	Transfers In/Out	Ending Balance
Unrest. General	9,957,280	123,519,682	118,802,157	(3,522,162)	11,152,643
Restrict. General	10,841,276	36,799,783	41,985,908	5,335,866	10,991,017
Total General	20,798,556	160,319,465	160,788,065	1,813,704	22,143,660
Adult Ed	346,459	274,086	280,858	0	339,687
Cafeteria	2,678,364	7,643,646	8,054,563	0	2,267,447
Deferred Maint.	2,580,473	471,800	525,802	(1,813,704)	712,767
Building Fund	36,188,968	719,505	32,594,554	55,888,131	60,202,050
Capital Facilities	1,482,803	55,853	556,481	0	982,175
School Facilities	27,855,534	518,989	23,520,966	0	4,853,557
Special Reserve	457,955	2,061,514	2,432,206	429,690	516,953
Bond & Interest	4,166,575	7,198,018	6,023,966	4,421,850	9,762,477
Self Insurance	2,539,890	998,881	1,041,419	0	2,497,352
Foundation/Trust	135,774	85,698	142,289	0	79,183

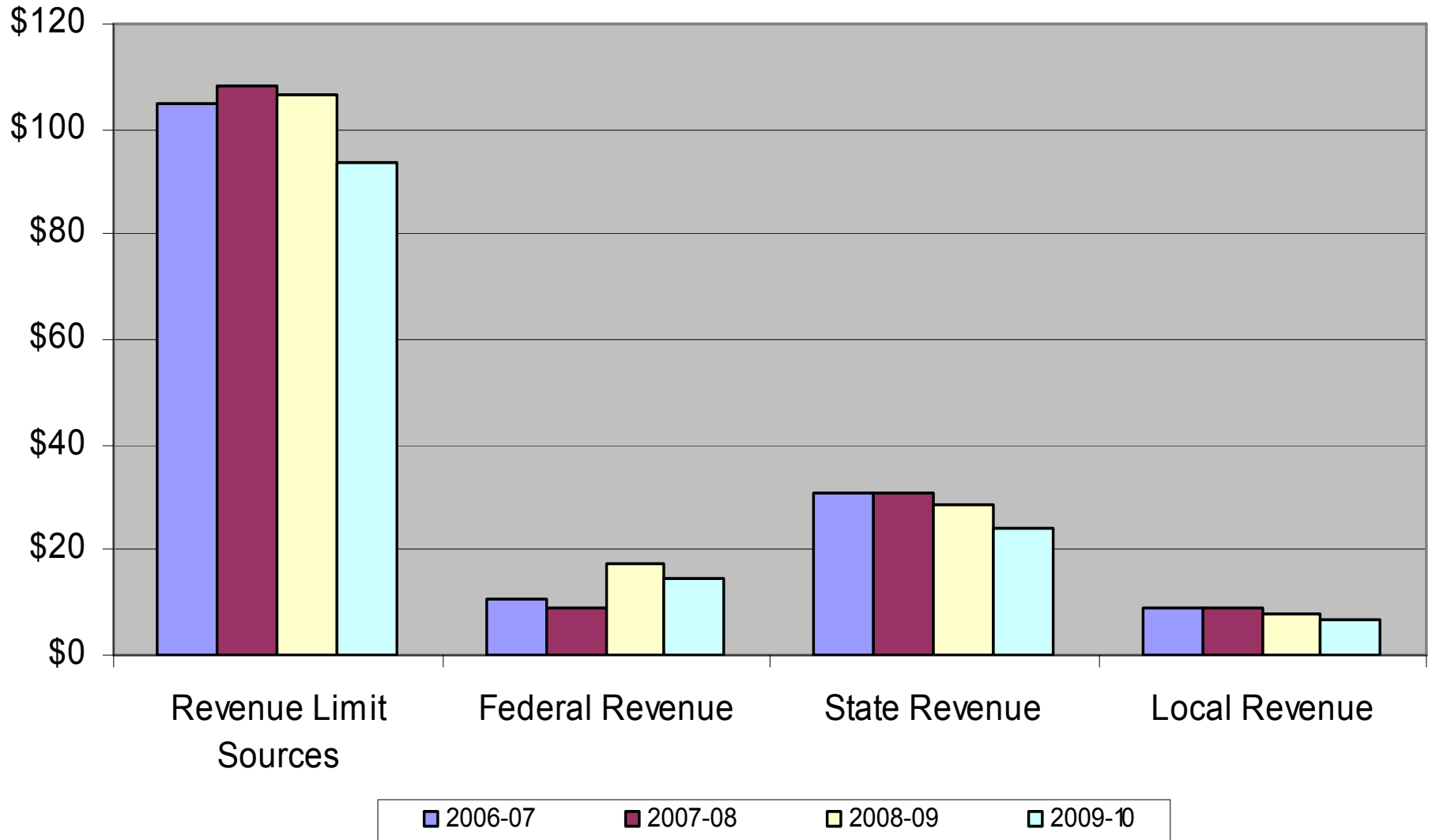
2008-09 Unaudited Actuals Summary

	Unrestricted	Restricted	Total
Beginning Balance	\$9,957,280	\$10,841,276	\$20,798,556
Revenues	\$123,519,682	\$36,799,783	\$160,319,466
Contributions/Transfers In	(\$3,522,162)	\$5,335,866	\$1,813,704
Total Revenue & Other Sources	\$119,997,520	\$42,135,649	\$162,133,169
Less Total Expenditures	(\$118,802,157)	(\$41,985,908)	(\$160,788,065)
Net Increase/(Decrease)	\$1,195,364	\$149,741	\$1,345,105
Ending Balance	\$11,152,644	\$10,991,017	\$22,143,661
<i>Reserves for Economic Uncertainties</i>	<i>\$4,823,642</i>		
<i>Reserve for Stores/Revolving</i>	<i>\$220,049</i>		
<i>Reserve for State Take back</i>	<i>\$4,800,000</i>		
<i>Tier 3 Program Balances</i>	<i>\$853,891</i>		
<i>AEA Benefit Reserve</i>	<i>\$296,489</i>		
<i>Undesignated</i>	<i>\$158,573</i>		
<i>Restricted Balance</i>		<i>\$10,991,017</i>	

General Fund Expenditure Comparison



General Fund Revenue Comparison



Updated 2009-10 Budget

	Unrestricted	Restricted	Total
Beginning Balance	\$11,152,644	\$10,991,017	\$22,143,661
Revenues	\$111,352,256	\$32,688,684	\$144,040,940
One Time State Take Back	(\$4,800,000)	\$0	(\$4,800,000)
Contributions/Transfers In	(\$9,015,206)	\$9,015,206	\$0
Total Revenue/Other Sources	\$97,537,050	\$41,703,890	\$139,240,940
Less Total Expenditures	(\$108,270,239)	(\$48,061,830)	(\$156,332,069)
Net Increase/(Decrease)	(\$10,733,189)	(\$6,357,940)	(\$17,091,129)
Ending Balance	\$419,455	\$4,633,077	\$5,052,532
<i>Reserves for Economic Uncert</i>	\$4,635,962		
<i>Reserve for Stores/Revolving</i>	\$220,049		
<i>AEA Benefit Reserve</i>	\$296,489		
<i>Undesignated Balance/Shortfall</i>	(\$4,733,045)		
<i>Restricted Balance</i>		\$4,633,077	

Multi-Year Projections with Reductions

	2009-10	2010-11	2011-12
Beginning Balance	\$22,143,661	\$10,052,532	\$7,366,678
Revenues	\$144,040,940	\$141,360,855	\$143,674,355
One Time State Take Back	(\$4,800,000)		
Total Revenue	\$139,240,940	\$141,360,855	\$143,674,355
Total Expenditures	(\$156,332,069)	(\$153,046,709)	(\$155,064,709)
<i>Proposed Expenditure Reductions</i>	\$5,000,000	\$9,200,000	\$9,200,000
Less Total Expenditures	(\$151,332,069)	(\$143,846,709)	(\$145,864,709)
Net Increase/(Decrease)	(\$12,091,129)	(\$2,485,854)	(\$2,190,354)
Ending Balance	\$10,052,532	\$7,566,678	\$5,376,324
<i>Restricted Balances (Categorical)</i>	\$4,633,077	\$2,640,793	\$249,509
<i>Reserves for Economic Uncert</i>	\$4,539,962	\$4,321,401	\$4,381,941
<i>Reserve for Stores/Revolving</i>	\$220,049	\$220,049	\$220,049
<i>AEA Benefit Reserve</i>	\$296,489	\$296,489	\$296,489
<i>Undesignated Balance</i>	\$362,955	\$87,946	\$228,336

\$4.7 Million Shortfall **THIS** year!

- Need to address ASAP
- One time solutions have gotten us this far.
 - Undesignated Fund Balances
 - ARRA Funds
 - Categorical Flexibility and Sweeps

Other Reductions over the last 2 years

- Offered SERP(s)
- Reduced Certificated “Appendix C” Employee’s Work Year
 - Counselor 4 days
 - Agriculture 5 days
 - Program Specialist 10 days
 - High School Music 6 days
 - Psych, Resource Sp, Nurse LH, LSP 7 days
 - Project Specialist, TOSA 10 days

Other Reductions over the last 2 years

- Eliminated 2 Counselor Positions, 70 Teacher Positions
- Reduced Certificated Management Work Year
- Eliminated Certificated Management Positions
- Reduced School Resource Officers to 2
- Reduced Contract for Elementary Counseling
- Reduced 4 FTE's for MS On Campus Intervention
- Eliminated 2.5 FTE Classified Positions
- Reduced Site Allocations – overall 30%

Where to go now?

- **Unrestricted General Fund Budget**

Certificated	\$63.7 M	58.1%
Classified	\$14.3 M	13.0%
Benefits	\$22.9 M	20.9%
Book/Supplies	\$1.4 M	1.3%
Services/Operating	\$7.1 M	6.5%
Capital Outlay	\$0.2 M	0.2%
Total	\$109.6 M	100%

Non-Personnel Related Costs

- Only 8% (\$8.7M) of our Unrestricted Budget is Non-Personnel!
 - \$3.5M – Utilities
 - \$2.3M – Other Services (Consultants, Audit, etc.)
 - \$1.4M – Books and Supplies (Site Budgets)
 - \$700K – Rentals/Leases
 - \$500K – District Insurance
 - \$200K – Equipment
 - \$97K – Travel/Conference

Salary and Benefit Examples:

	1% Salary Rollback	1 Furlough Day	Step and Column
Certificated	\$780,000	\$410,000	\$1,221,000
Classified	\$260,000	\$76,000	\$267,000
Management	\$110,000	\$39,000	\$112,000
Totals	\$1,150,000	\$525,000	\$1,600,000