



San Diego Unified
SCHOOL DISTRICT

Budget Adoption – 2010/11 SDUSD Budget

June 29, 2010

Path to a Balanced Budget

- **October 2009**
 - Board Workshops began
- **October thru February**
 - BRACE and PBB Process
 - Identified potential reductions and consolidations in line with Board priorities
- **February 2010**
 - Staff identified potential reductions for Board actions
 - \$50.5 million in reductions
- **June 2010**
 - Staff balanced the 2010/11 budget and identified out-year deficits
 - \$54.3 million in reductions
- **June 21 Good News for the TRANs!**
 - District receives credit rating from Standard & Poor of SP1+
- **June 22 First Reading of the Budget for 2010/11**
- **June 23 More Good News for the TRANs**
 - District receives credit rating from Moodys- MIG1

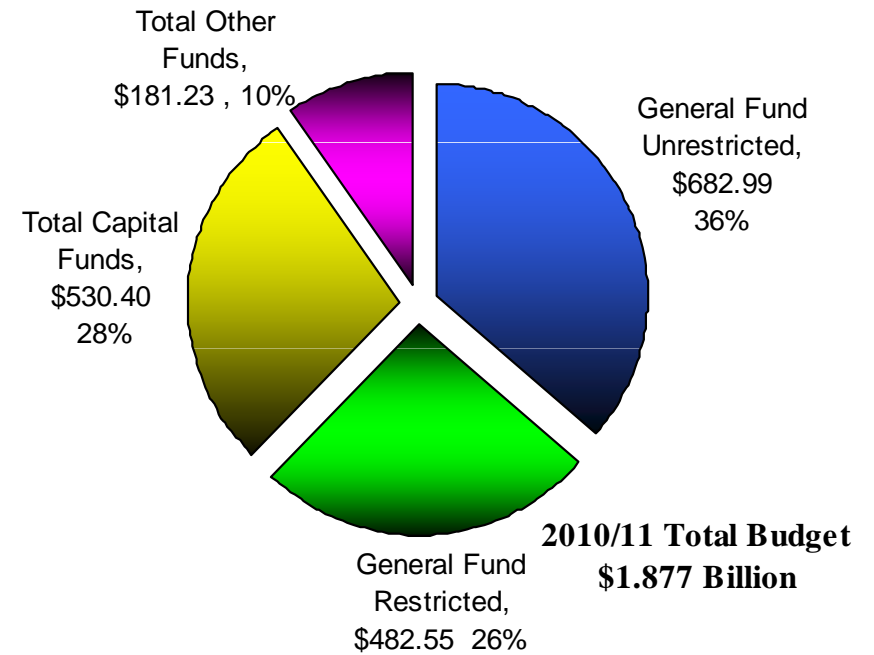
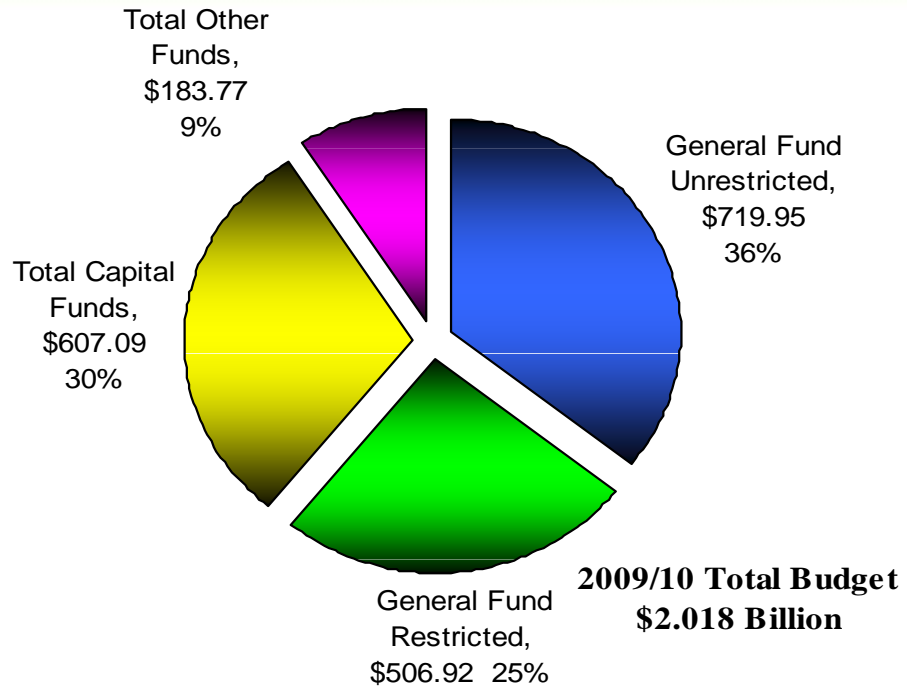


Required Actions for Budget Adoption

- Adopt 2010/11 budget and the multi-year deficit solution plan
- Approve Tier III flexibility usage agenda item to be compliant with State audit requirements on June 29 prior to budget adoption
- Approve One-time use of Sale of Property Proceeds board resolution on July 13

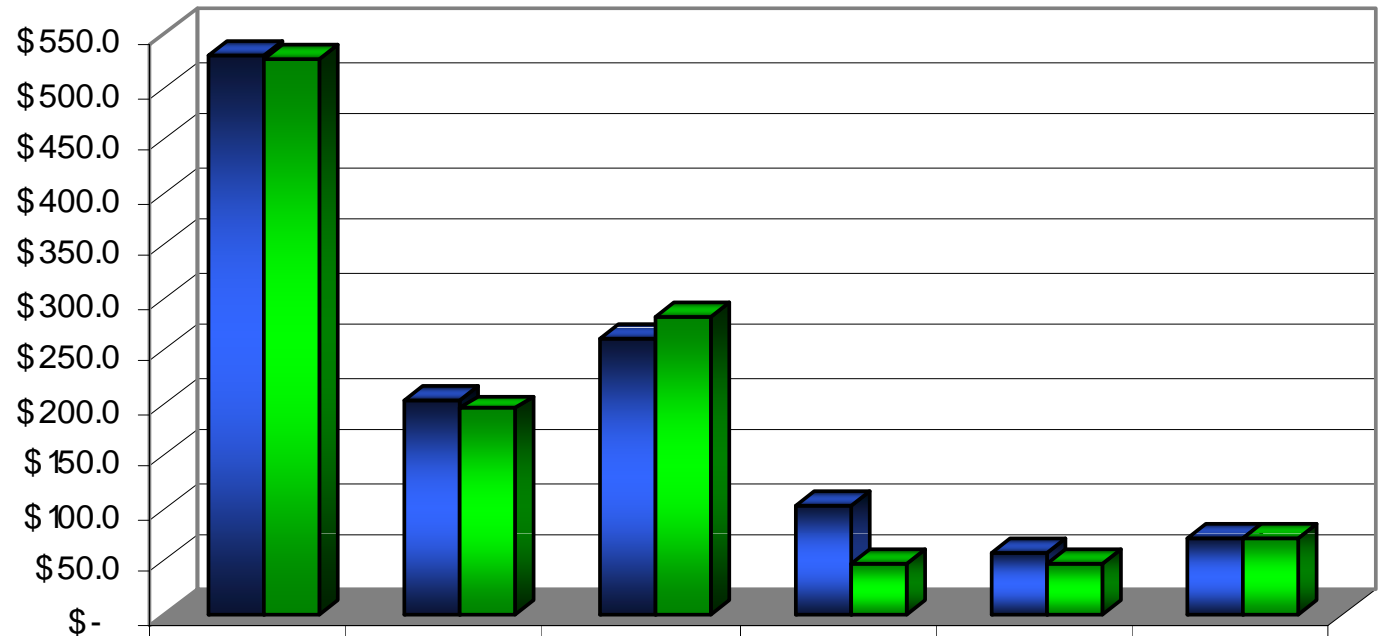


Total All Funds 2010/11 compared to 2009/10



- Current Proposed budget reflects 7% reduction across all Funds
- Other Funds include Child Development, Cafeteria, Liability Insurance and Post employment benefits
- Capital Funds include Prop S, Prop MM, State School Facilities and Transportation Equipment

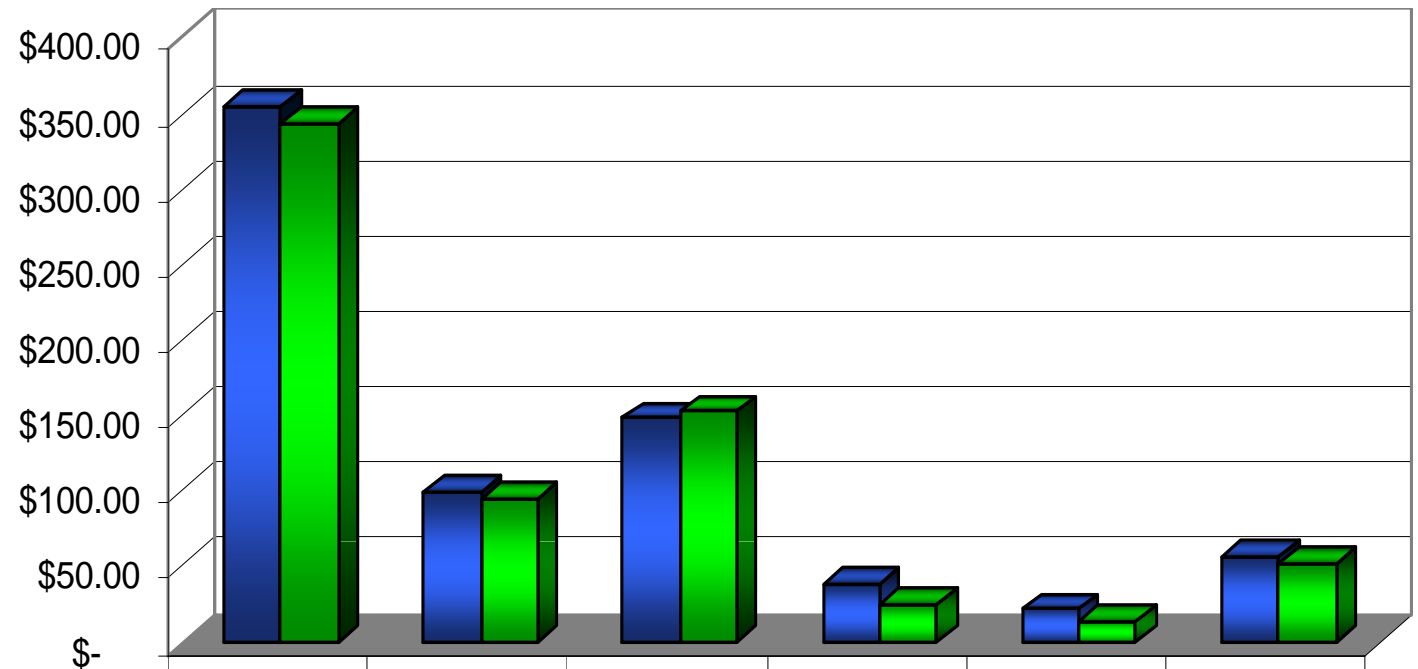
Total General Fund Budget 2010/11 (\$1.166B) Compared to 2009/10 (\$1.227B)



	Certificated Salaries	Classified Salaries	Employee Benefits	Reserves	Books & Supplies	Utilities, Indirects, Other
■ 2009-10 Adopted Budget	529.794784	201.987743	262.29526	102.411858	58.795347	71.584818
■ 2010-11 Proposed Budget	528.199463	193.714953	282.182116	45.592795	45.652193	70.195149



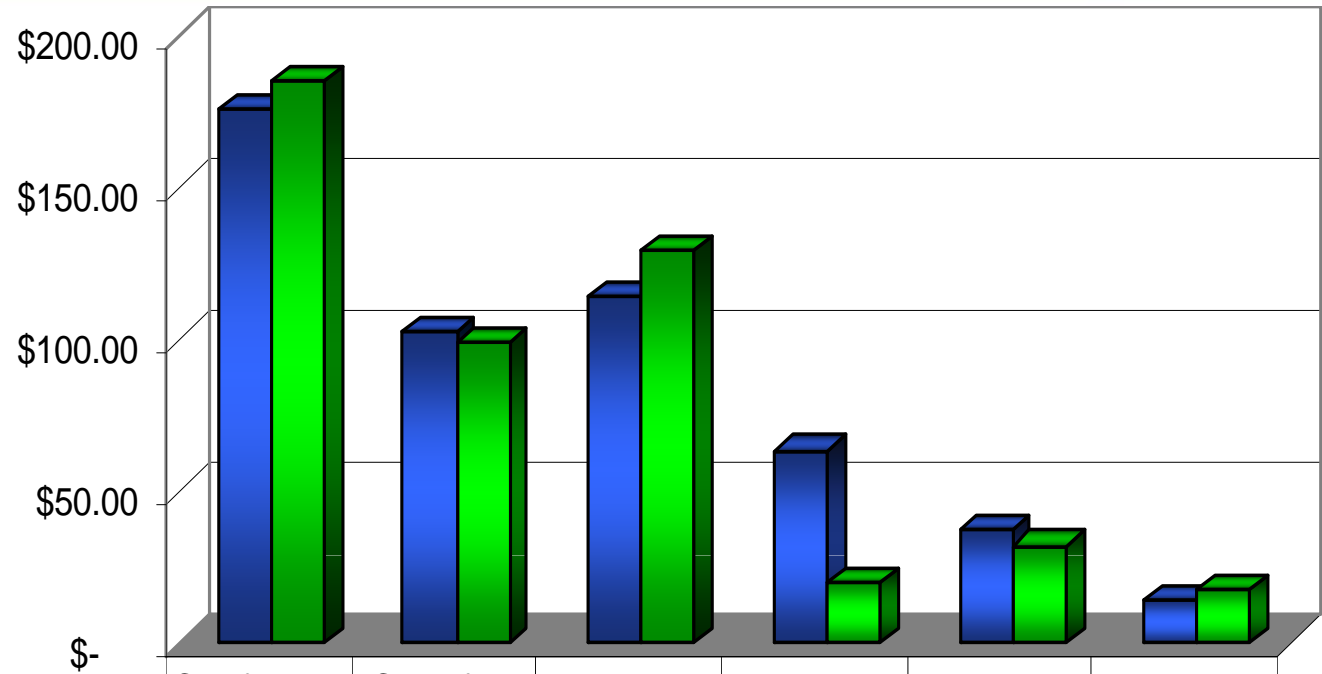
Total General Fund Unrestricted Budget 2010/11 (\$683M) Compared to 2009/10 (\$720M)



	Certificated Salaries	Classified Salaries	Employee Benefits	Reserves	Books & Supplies	Utilities, Indirects,
■ 2009-10 Adopted Budget	\$354.24	\$99.32	\$148.24	\$39.08	\$21.65	\$57.41
■ 2010-11 Proposed Budget	\$343.47	\$94.77	\$152.85	\$25.51	\$13.89	\$52.50



Total General Fund Restricted Budget 2010/11 (\$483M) Compared to 2009/10 (\$507M)



	Certificated Salaries	Classified Salaries	Employee Benefits	Reserves	Books & Supplies	Utilities, Indirects,
■ 2009-10 Adopted Budget	\$175.55	\$102.67	\$114.05	\$63.33	\$37.14	\$14.17
■ 2010-11 Proposed Budget	\$184.73	\$98.95	\$129.33	\$20.08	\$31.76	\$17.70



Salary and Benefits as a Percentage of Total General Fund

	2009/10	2010/11	2011/12	2012/13
Total General Fund	88.3%	90.3%	91.3%	91.8%
Restricted	85.1%	89.6%	90.7%	91.0%
Unrestricted	90.5%	90.8%	91.6%	92.2%



General Fund Multi-Year Summary

LINE	DESCRIPTION	2009/10 PROJECTION	2010/11 BUDGET	2011/12 PROJECTION	2012/13 PROJECTION
	-1-	-2-	-3-	-4-	-5-
1	Beginning Balance	\$ 169,664,681	\$ 101,986,046	\$ 45,592,798	\$ 39,342,803
2	Revenues	1,052,690,423	1,053,472,674	992,272,261	987,268,065
3	Expenditures	(1,121,392,155)	(1,113,186,553)	(993,016,387)	(1,066,214,627)
4	Other Sources / Uses	1,023,097	3,320,631	(5,505,869)	(5,505,869)
5	<u>Ending Balance</u>	<u>\$ 101,986,046</u>	<u>\$ 45,592,798</u>	<u>\$ 39,342,803</u>	<u>\$ (45,109,628)</u>
6	Required Reserves				
7	Economic Uncertainties	\$ 22,690,000	\$ 22,926,006	\$ 19,995,000	\$ 21,459,000
8	Restricted Grant Carryover	41,266,362	20,084,764	16,696,130	950,429
9	Stores	1,674,228	1,674,228	1,674,228	1,674,228
10	Prepaid Expenses	850,000	850,000	850,000	850,000
11	Revolving Cash	57,800	57,800	57,800	57,800
12	<u>Total Required Reserve</u>	<u>\$ 66,538,390</u>	<u>\$ 45,592,798</u>	<u>\$ 39,273,158</u>	<u>\$ 24,991,457</u>
13	<u>Reserve (shortfall) / Surplus</u>	<u>\$ 35,447,656</u>	<u>\$ -</u>	<u>\$ 69,645</u>	<u>\$ (70,101,085)</u>



General Fund Unrestricted Multi-Year Summary

LINE	DESCRIPTION	2009/10 PROJECTION	2010/11 BUDGET	2011/12 PROJECTION	2012/13 PROJECTION
	-1-	-2-	-3-	-4-	-5-
1	Beginning Balance	\$ 98,876,128	\$ 60,719,684	\$ 25,508,034	\$ 22,646,673
2	Revenues	721,170,520	724,007,866	723,683,400	718,809,908
3	Expenditures	(659,225,763)	(650,722,361)	(585,290,692)	(626,988,233)
4	Other Sources / Uses	(100,101,201)	(108,497,155)	(141,254,069)	(160,528,405)
5	Ending Balance	\$ 60,719,684	\$ 25,508,034	\$ 22,646,673	\$ (46,060,057)
6	Required Reserves				
7	Economic Uncertainties	\$ 22,690,000	\$ 22,926,006	\$ 19,995,000	\$ 21,459,000
8	Restricted Grant Carryover	-	-	-	-
9	Stores	1,674,228	1,674,228	1,674,228	1,674,228
10	Prepaid Expenses	850,000	850,000	850,000	850,000
11	Revolving Cash	57,800	57,800	57,800	57,800
12	Total Required Reserve	\$ 25,272,028	\$ 25,508,034	\$ 22,577,028	\$ 24,041,028
13	Reserve (shortfall) / Surplus	\$ 35,447,656	\$ -	\$ 69,645	\$ (70,101,085)



General Fund Restricted Multi-Year Summary

LINE	DESCRIPTION	2009/10 PROJECTION	2010/11 BUDGET	2011/12 PROJECTION	2012/13 PROJECTION
	-1-	-2-	-3-	-4-	-5-
1	Beginning Balance	\$ 70,788,553	\$ 41,266,362	\$ 20,084,764	\$ 16,696,130
2	Revenues	331,519,903	329,464,808	268,588,861	268,458,157
3	Expenditures	(462,166,392)	(462,464,192)	(407,725,695)	(439,226,394)
4	Other Sources / Uses	101,124,298	111,817,786	135,748,200	155,022,536
5	Ending Balance	\$ 41,266,362	\$ 20,084,764	\$ 16,696,130	\$ 950,429



Assumptions Used to Develop General Fund Revenue Budget

- **Revenue limit ADA decline of 1,546 compared to 2009/10 budget**
 - Unrestricted ADA decline of 653
 - Special Ed ADA decline of 893
- **Factors applied to the Revenue Limit funding**
 - Projected deficit factor of 18.355%
 - Reduction of \$245.32 per ADA
 - Negative .39% Projected COLA
- **Lottery Unrestricted of \$111 per prior year ADA**
- **Mandated Costs not funded by the State**
- **Special Disability Adjustment (SDA) budget of \$8.8 million**



Expense Assumptions Used to Develop General Fund Budget

- **Implementation of Board Approved Reductions to Unrestricted**
 - February 23 \$50.50 million
 - June 8 \$51.94 million
 - June 12 \$ 2.32 million
- **FTE funded by Restricted stimulus dollars**
 - 134 FTE teacher and corresponding Prep Time to be funded with Title I ARRA (Class size K-2 16.5 to 1)
 - 56.95 teacher, 52.5 counselor (non-Title I) and 3 grad coach (non-Title I) FTE funded by State Fiscal Stabilization Fund (SFSF)
- **All Capital Outlay to be funded by State School Facilities Fund**
- **CSR, Tier III flexibility, Textbook Adoption and Deferred Maintenance Flexibility continues in 2010/11**
- **2011/12 and 2012/13 includes \$128 million proposed deficit solutions**

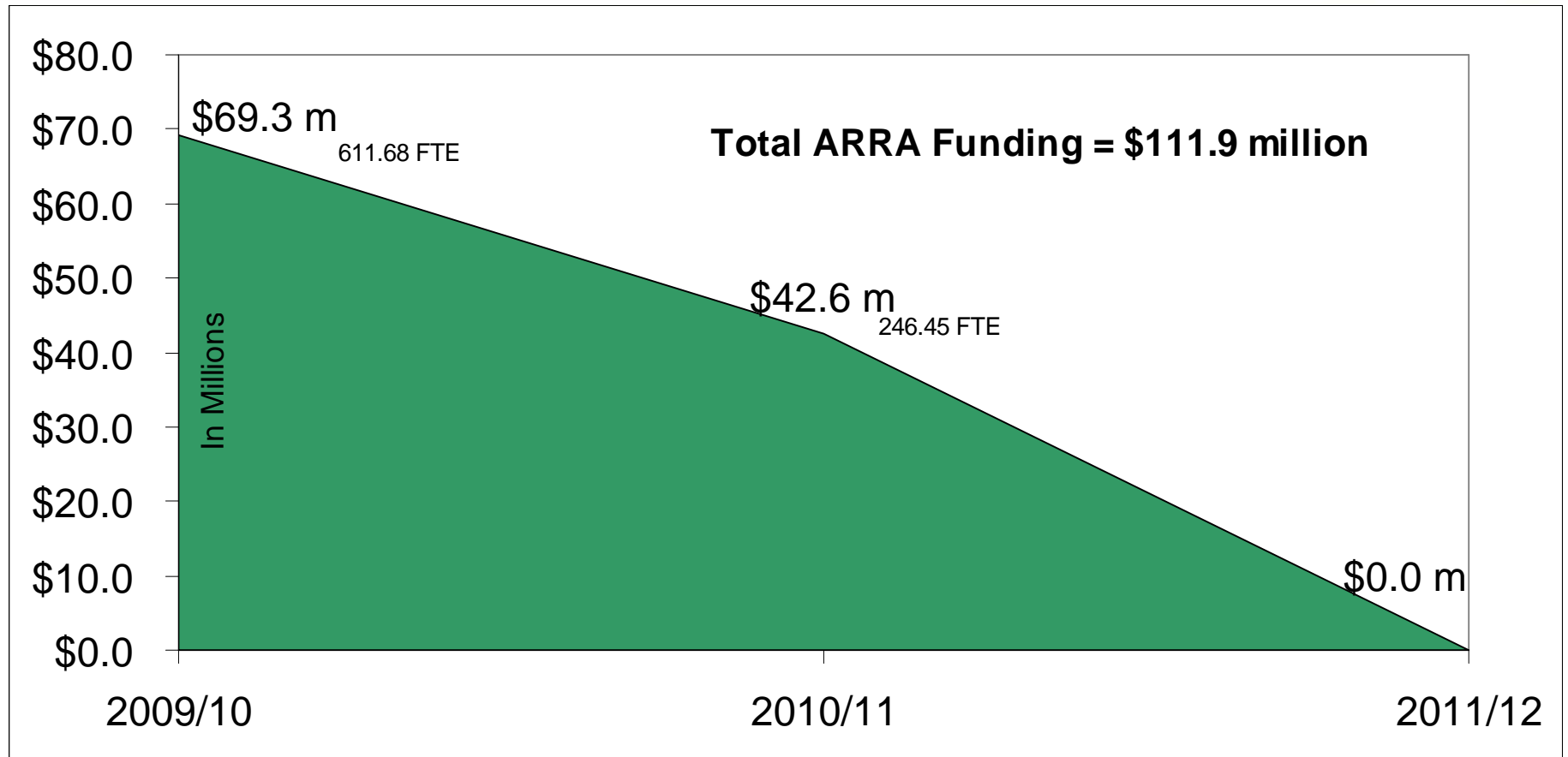


Expense Assumptions Used to Develop General Fund Budgets for 2010/11

- **Step and Column**
 - 2.71% Certificated
 - 0.79% Classified
- **Increase of Health and Welfare Benefits 9.71%**
- **District-wide 5-day furlough implementation**
- **Utility increase of 4.89% less savings identified from solar energy implementation**
- **Low Range budgeted enrollment declined by 1,500 students**
- **SERP Liability of \$14.2 million- 2nd of 5 years**
- **Local Contributions to restricted programs of \$120.6 million**
 - Special Education \$118.7 million
 - Community Day School \$1.9 million



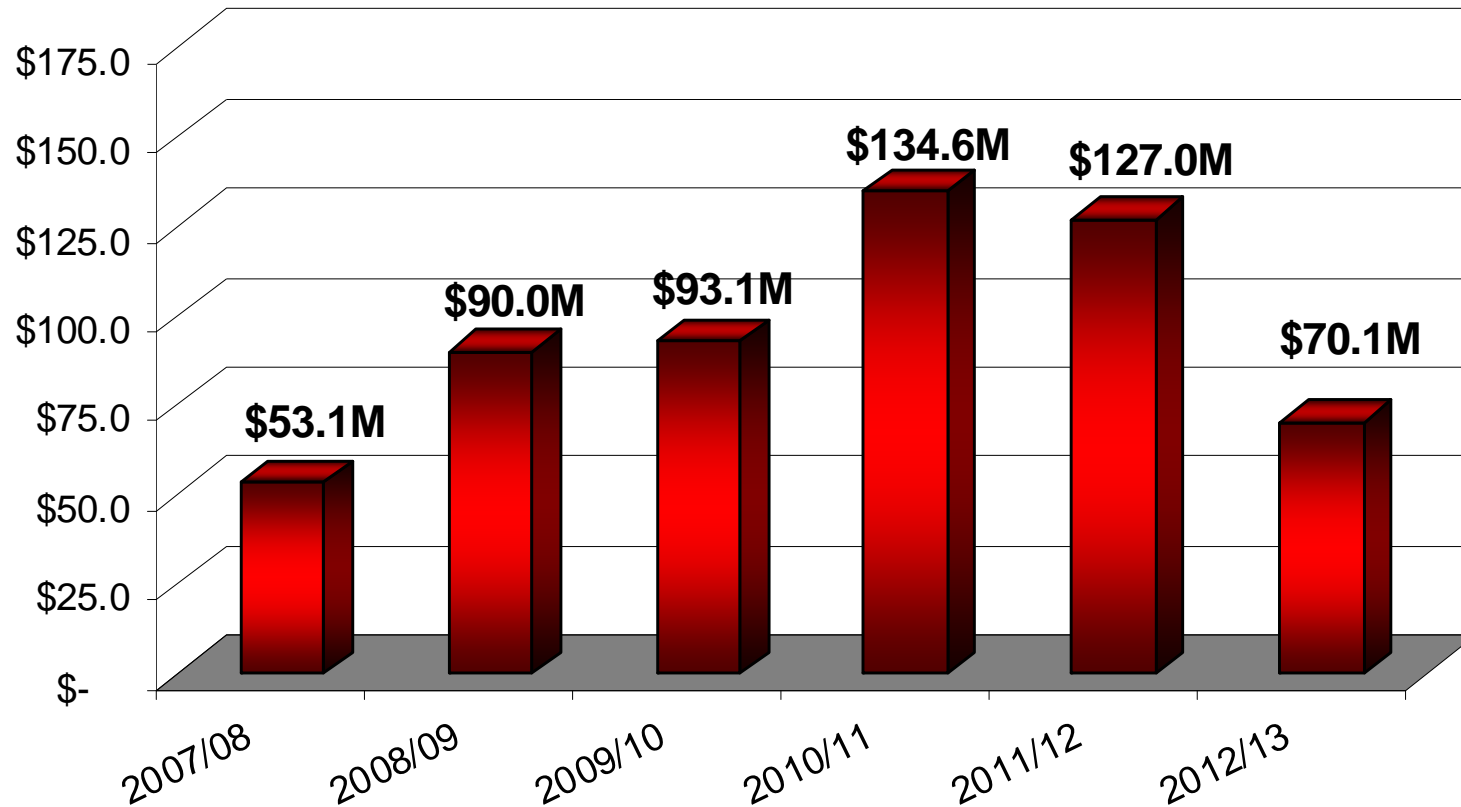
Federal Stimulus Funding



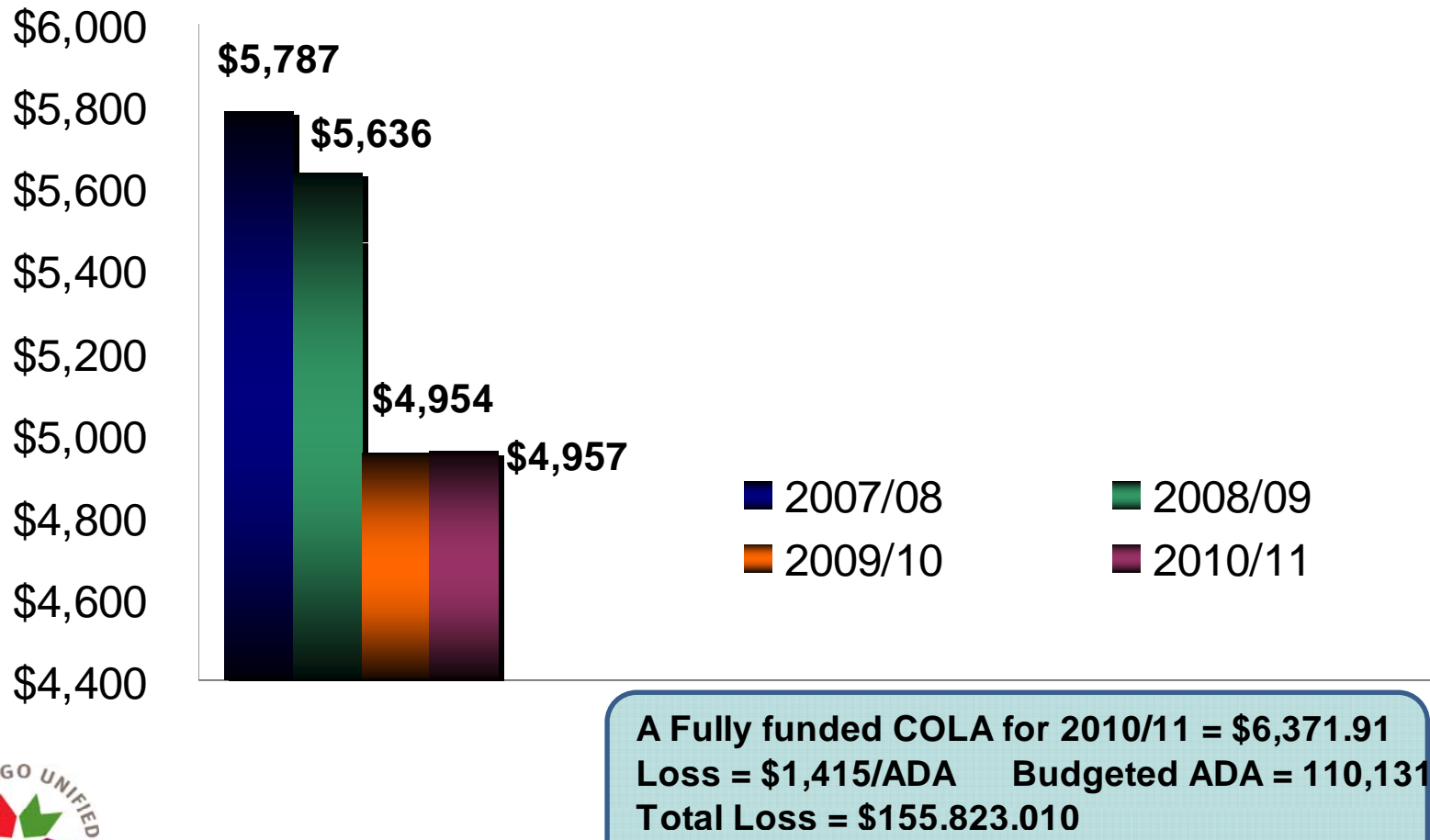
- In 2011-12, 112.45 of SFSF funded FTE to be absorbed in Unrestricted as part of school allocation model
- 134 of ARRA Title I funded FTE must be eliminated due to conclusion of 16:1 Class Size K-2 programs at Title I schools

General Fund Deficit 2007/08 to 2012/13

Total Budget Deficit over 6 years is \$567.9 million



SDUSD Per Pupil State Funding Decline



Multi-Year General Fund Budget Deficit

- **General Fund Unrestricted**
 - 2011/12 \$127.0 million
 - Approved reductions need to be ongoing or the 2012-13 deficit will increase
 - 2012/13 \$70.1 million
 - Plan will need to be provided by 2nd Interim submission to County office in March
- **General Fund Restricted**
 - 2012/13 \$15.7 million
 - Deficit is currently mitigated based on the inclusion of proposed 2011/12 reductions



Proposed Solutions: 2011/12 Reduction of \$127 million

	Unrestricted			Restricted			
	Class	Cert	General Fund	Class	Cert	General Fund	
	FTE	FTE	(Millions)	FTE	FTE	(Millions)	
1	Additional Revenue Generation-Cell Phone Tower leasing and Advertising		\$ 0.60				
2	Close Small Schools (4 @ \$450K)		\$ 1.80				
3	Solar Energy Implementation		\$ 0.50				
4	Evaluate/Eliminate/Reduce the Following Central Office Departments						
5	5370-GATE District Administration and Advanced Placement	3.00	6.83	\$ 1.15	-	1.17	\$ 0.33
6	Counseling and Guidance	3.00	3.00	\$ 0.63	1.50	14.35	\$ 1.63
7	5400-Nursing and Wellness	4.10	4.00	\$ 0.83	2.50	2.30	\$ 0.66
8	5409-American with Disabilities Act (504)	1.00	1.00	\$ 0.22	-	-	\$ -
9	Professional Development for Administration and Instruct Support	2.75	1.00	\$ 0.53	1.25	6.50	\$ 1.27
10	5532-Magnet Programs Office	-	-	\$ 0.31	1.15	1.00	\$ 1.44
11	5533-Enrollment Options	7.13		\$ 0.66	2.72		\$ 0.25
12	5537-Utilities Management	7.00		\$ 0.61	-	-	\$ -
13	5547-Teacher Prep and Student Support	0.50		\$ 0.08	0.50	0.50	\$ 0.22
14	5605-School Police Services	43.00	-	\$ 5.42	-	-	\$ 0.84
15	5606-Office of School Innovation	0.50	1.00	\$ 0.21	0.50	1.00	\$ 1.28
16	5638-Drop Out Prevention	3.00	0.80	\$ 0.55	1.00	1.20	\$ 0.60
	Sub-Total	74.98	17.63	\$ 14.10	11.12	28.02	\$ 8.52



Proposed Solutions: 2011/12 Reduction of \$127 million

	Unrestricted			Restricted		
	Class	Cert	General Fund	Class	Cert	General Fund
	FTE	FTE	(Millions)	FTE	FTE	(Millions)
17 Suspend the OCILE Program	32.5	10.4	\$ 4.70			
18 Close Some Instructional Media Center Services	10.0	1.00	\$ 0.86			
19 Suspend Transportation for Magnet and VEEP			\$ 6.80			
20 Adjust Custodial Work Schedule to Eliminate Shift Differential			\$ 0.40			
21 Reduction of Custodians and Landscapers	25.0		\$ 1.32			
22 Split Principal Assignments at Small High Schools		7.00	\$ 0.97			
23 Reduce School Staffing Allocation Formula						
24 (a) Eliminate Health Technicians	90.88		\$ 4.20			
25 (b) Eliminate Library Technicians	54.50		\$ 2.93			
26 (c) Reduce School Clerk II by one at High Schools	14.00		\$ 0.70			
27 (d) Eliminate Student Information System Site Tech II	45.00		\$ 2.68			
28 (e) Eliminate Vice Principals		80.00	\$ 9.00			
29 (f) Eliminate Librarians		21.50	\$ 2.02			
30 (g) Eliminate/Reduce Nurses Allocation Ratio (Consultation)		57.40	\$ 5.33			
31 (h) Eliminate/Reduce District Counseling Program (Consultation)		171.90	\$ 15.19			
32 (i) K-3 CSR Program (teacher ratio 29:1 from 24:1) 30% penalty		203.00	\$ 12.38			
33 Implementation of 1/2 day Kindergarten at 1:29		240.00	\$ 15.79			
34 Suspend Supplemental Allocations for Magnet Programs	15.4	51.11	\$ 6.25			
35 Eliminate 9th Grade Athletics			\$ 0.14			
36 Change Prep time allocation to comply with minimum contract requirements		17.00	\$ 1.51			
37 Reduce Elementary Teacher Formula by Eliminating the .2 Rounding Up		38.00	\$ 3.37			
38 Eliminate K-2 ARRA funded class size at 16.5:1		136.00	\$ 12.05			
39 Reductions to Special Education local contribution			\$ 6.00			
Sub Total	287.26	1,034.31	\$ 114.58	-	-	\$ -
Grand Total	362.24	1,051.94	\$ 128.69	11.12	28.02	\$ 8.52



Potential Public Policy Impacts on Budget

Potential Impacts to Revenues	2009/2010	2010/2011	2011/2012	2012/13
Parcel Tax Ballot Measure November 2010	N/A	N/A	\$47.0 Million	\$47.0 Million
State Renewal of Categorical Flexibility	Yes	Yes	Yes	\$104.9 Million
Level Revenue Limit Funding (Undeficited)	N/A	\$156.0 Million	\$144.0 Million	\$146.0 Million
Assembly Speaker Budget Bill	N/A	\$65.0 Million	UNK	UNK
Federal Teacher Jobs Bill	N/A	\$12.5 Million	\$12.5 Million	UNK
Impact of SDA Reduction (Special Education)	(\$7.7 Million)	(\$7.7 Million)	(\$7.7 Million)	(\$7.7 Million)
Eliminate CSR Penalties	N/A	\$12.2 Million	\$12.2 Million	\$27.0 Million
Total Revenue Impact	(\$7.7 Million)	\$238.0 Million	\$208.0 Million	\$317.2 Million



Next Steps

- **June 29** **Budget Adoption by Board**
- **July 1** **Submission due to County Office**
- **July 1** **Year End Close process for 2009/10
(Unaudited Actuals)**
- **July 16** **Staff Budget Development Retreat**
- **August 15** **Deadline for County to notify districts
of approved budget**
- **September 14** **Board approves unaudited actuals**
- **September 15** **Unaudited Actuals due to County Office**

