

New Haven Unified School District

Second Interim Report

MULTI YEAR PROJECTIONS

March 6, 2007

Presenters:

Carol Gregorich, Chief Business Officer

Enrique Palacios, Executive Director, Operations



Topics For Tonight

- Changes to Budget from First Interim to Second Interim
- News from Sacramento
- Effect of enrollment decline on Budget Projections
- Planning for Fiscal Year 2007-08
- Projections for Fiscal Year 2008-09

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Changes to Budget from First Interim to Second Interim

- Adjustment to Unrestricted Revenue to offset the Summer School Intervention Program
- Reduction of Unrestricted Expenses as a part of monthly reviews: <\$164,392>
- Budgeting of expenses in Restricted programs as managers make spending decisions: \$1,412,028



News from Sacramento

- Full COLA of 4.04% - salary pass through for New Haven - a drop from 4.17% at First Interim
- State Categorical Programs receive 4.04% COLA
- Federal Programs – No COLA and possible slight drop in funding
- No Equalization Aid & Deficit Reduction in future years
- No Funding for Mandates
- Next Update from State – Governor’s May Revise



Effect of Enrollment Decline on Budget Projections

Example

Enrollment Decline of 200 Students

- Revenue Reduction:

200 x \$5,400 (Approximate Revenue Limit) \$1,080,000

- Expense Reduction:

Reduce teaching staff by 8:

8 x \$60,000 \$480,000

Still Short Expense Reductions of: \$600,000

Revenue must meet or exceed expenses to balance budget!



Planning for Fiscal Year 2007-08

- Review Strategic Plan for inclusion in 2007-08 Budget
- Ensure all Categorical Programs balance with minimum encroachment on general fund
- Reduce revenue projections to reflect P-2 ADA for 2006-07
- Adjust General Fund expenditures to reflect lower revenue projections
- Review comparability studies, analyze staffing ratios, and programs



Projections for Fiscal Year 2008-09

- Revenue Limit ADA for 2007-08 used for 2008-09
- Categorical Programs reduce expenditures to offset salary increases - no encroachment allowed
- Strategic Planning is part of budget
- Staff continues to work on reduction of dependency on one-time dollars and analysis of all expenditure lines



What Happens Now?

- Work on Budget Development for 2007-08
- In April & May Board will receive updates on various department re-organizations and the effect on the budget
- Current budget will be reviewed monthly and transfers made to fine tune actual expenditures
- Transfer reports will come to the Board in April and May
- On June 19th, Board will be requested to approve the 2007-08 budget