



**NEW HAVEN
UNIFIED SCHOOL DISTRICT**

FIRST INTERIM BUDGET

December 8, 2009

Presented by Ted Hood, CBO

FOCUS OF DISCUSSION

- The State Budget
 - More Changes
- Proposed 2009-10 District First Interim Budget
 - Effect of State Budget Changes
 - Budget Assumptions
 - Revisions from Adopted to First Interim
- Multi-Year Projections
- Budget Future

AN UNUSUAL BUDGET YEAR

- 2008-09 State budget approved 86 days late, but
 - State revenues are significantly below budget projections
 - Future year projections do not predict a significant improvement in the State economy
- Special legislative session called in November 2008 to revise the budget, no legislation created
- Special legislative session called for in December 2008, legislation forwarded to Governor in January but vetoed by Governor
- Cumulative 18 month deficit grows to \$41.6 billion

AN UNUSUAL BUDGET YEAR,

CONT

- Governor presented 2009-10 proposed budget
 - Released in December 2008
 - Budget included significant revisions to the 2008-09 budget
 - Changes for education resulted in reduced revenues of \$2.1 billion for the current year
 - Additional apportionment deferrals and substitutions of \$4.5 billion from 2008-09 to 2009-10
- State Adopts a 2009-10 Budget
 - Budget approved on February 19, 2009
 - Included significant revisions to the 2008-09 budget
 - 2009-10 budget relied on passage of ballot measures which did not pass
 - Budget assumed certain economic conditions would exist

2009-10 STATE BUDGET - PROPOSED PROVISIONS

- Specific Budget Provisions – Governor’s May Revise
 - 2008-09 Recommendations
 - Increase deficit factor from 9.685% to 11.428%
 - Additional revenue deferrals to 2009-10
 - 2009-10 Recommendations
 - Categorical sweep and Tier III program options continue
 - COLA 4.25%
 - Increase in deficit factor to 17.967%
 - Additional categorical program reduction of 4.46%
 - Additional revenue deferrals
 - Home to School Transportation apportionment reduction
- American Recovery and Rehabilitation Act (ARRA)
Funding for Education is Received

2009-10 STATE BUDGET REVISIONS

- State Revenue Assumptions Included in 2009-10 State Budget have not Materialized
- No action on 2008-09 or 2009-10 State Budget by June 30, 2009
- Budget is Revised in July 2009
 - 2008-09 provisions included in May Revise are not enacted and must be absorbed into the 2009-10 budget
 - Failure to implement 2008-09 provisions changes our prior year Estimated Actuals retroactively
 - Additional budget reductions in 2009-10 to compensate

2009-10 STATE BUDGET REVISIONS, CONT

- Major Provisions of 2009-10 State Budget Revision
 - Increased deficit factor from 17.967% to 18.355%
 - One-time reduction to revenue limit to offset impact of 2008-09 revisions not implemented, \$252.83 per ADA
 - Additional flexibility provisions authorized
 - Deferral of State instructional materials adoptions to 2013-14
 - Home to School and Special Education Transportation Funding Reduced by 19.84%

2009-10 DISTRICT KEY BUDGET ASSUMPTIONS

○ Base Revenue Limit ADA	
• Prior Year Revenue Limit per ADA	\$6,120.58
• COLA Applied	\$261.00
• Deficit Applied	<u>\$(1,171.34)</u>
• Net Funded Base Revenue Limit per ADA	<u>\$5,210.24</u>
○ Projected Enrollment	13,100
○ Projected ADA	12,395
○ State Fiscal Stabilization Funds Used	\$4,120,381
○ One-Time Reduction in Revenue Limit	\$(3,131,252)

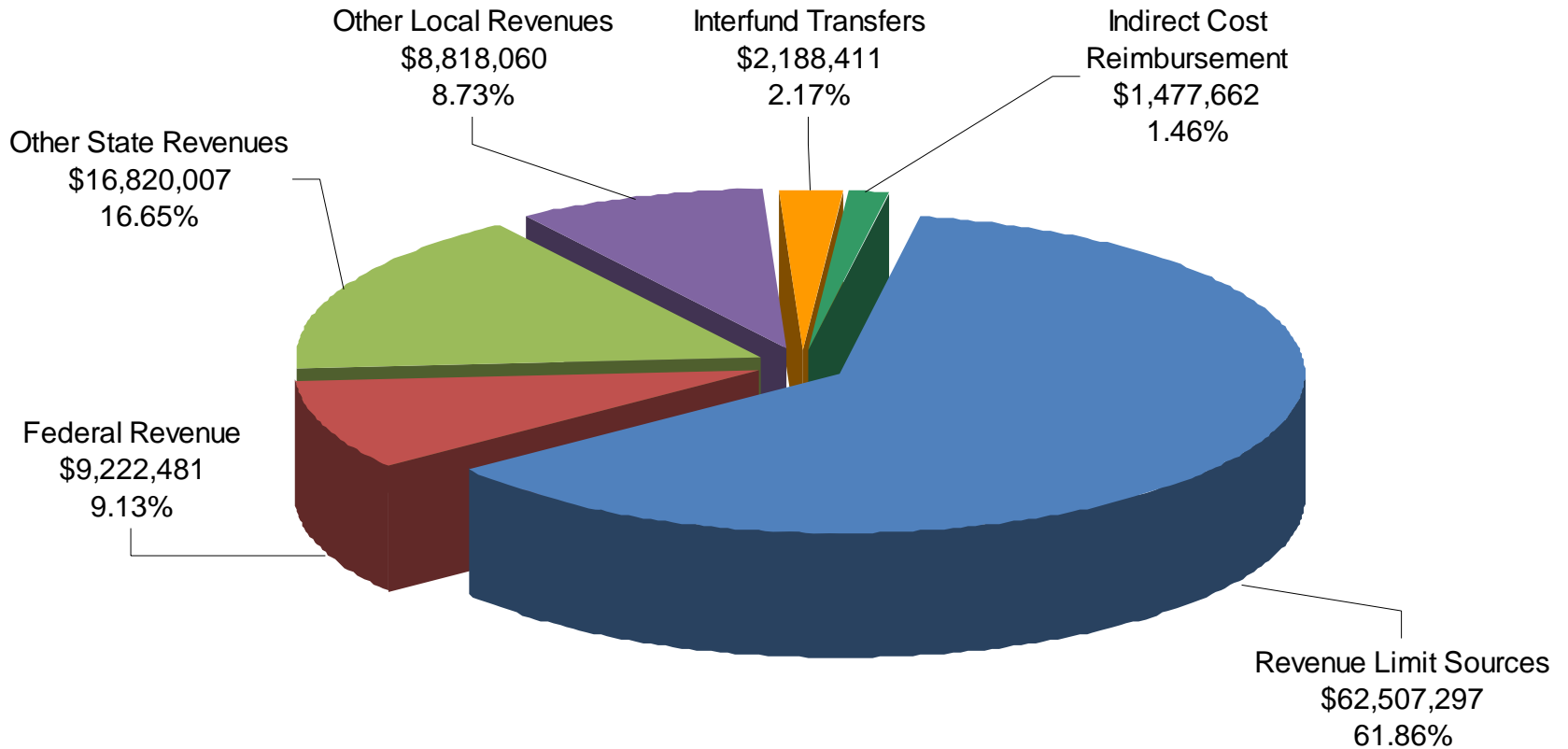
ADJUSTMENTS TO THE ADOPTED BUDGET

New Haven Unified School District Budget Revisions Affecting Fund Balance 2009-10 Adopted Budget to 2009-10 First Interim Budget

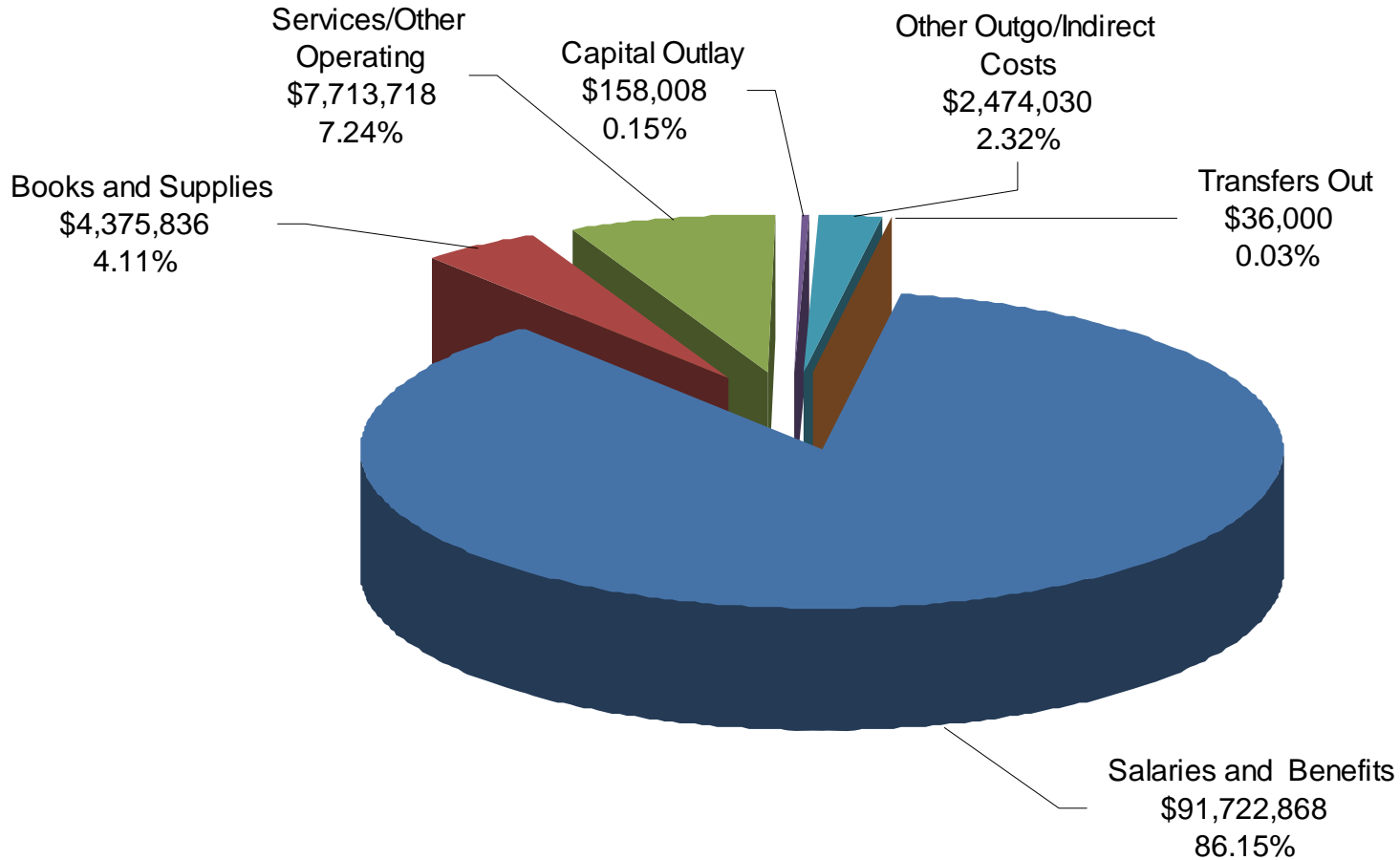
Description	Unrestricted General Fund	Adjustment Favorable?	Capital Facilities Fund	Adjustment Favorable?
Budgeted Ending Fund Balance June 30, 2010 per Adopted Budget	\$ 4,676,243			
Retroactive Adjustments to 2008-09 Estimated Actuals:				
2008-09 Reduction in May Revise Deficit Factor	2,385,473	Yes		
Incoming Transfer No Longer Necessary	(1,569,795)	No	1,569,795	Yes
Use of ARRA - SFSF No Longer Necessary	(856,233)	No		
Adjustments to Reflect New 2009-10 Budget Provisions:				
Increase in Deficit Factor From 17.967% to 18.355%	(309,012)	No		
One-Time Revenue Limit Reduction \$252.83 per ADA	(3,131,252)	No		
Additional K-3 CSR Expenses to ARRA - SFSF	260,484	Yes		
Move Psychologists to ARRA - IDEA	645,096	Yes		
Increase Transfer from Capital Facilities Fund	230,000	Yes	(230,000)	No
Savings from change to CALPERS	1,290,000	Yes		
Expense Transfer for CCMS GYM and Logan PAC	(321,941)	No		
Increase in Contributions to Restricted Programs	(321,941)	No		
Other Revenue and Expenditure Adjustments- Net	<u>(100,979)</u>	No		
Budgeted Ending Fund Balance, June 30, 2009 at First Interim *	<u>\$ 3,198,084</u>			

* FLEX Program Fund Balance Designations are Eliminated

2009-10 TOTAL GENERAL FUND PROPOSED BUDGET REVENUES AND OTHER FINANCING SOURCES \$ 101,033,918

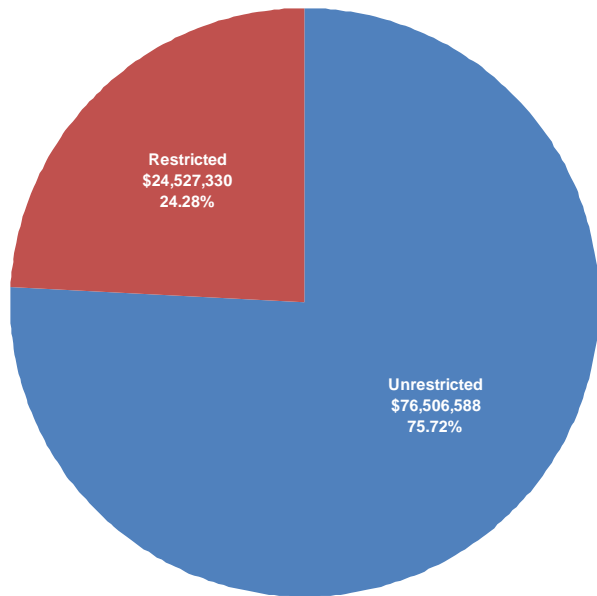


2009-10 TOTAL GENERAL FUND PROPOSED BUDGET
EXPENDITURES AND OTHER FINANCING USES
\$ 106,480,460

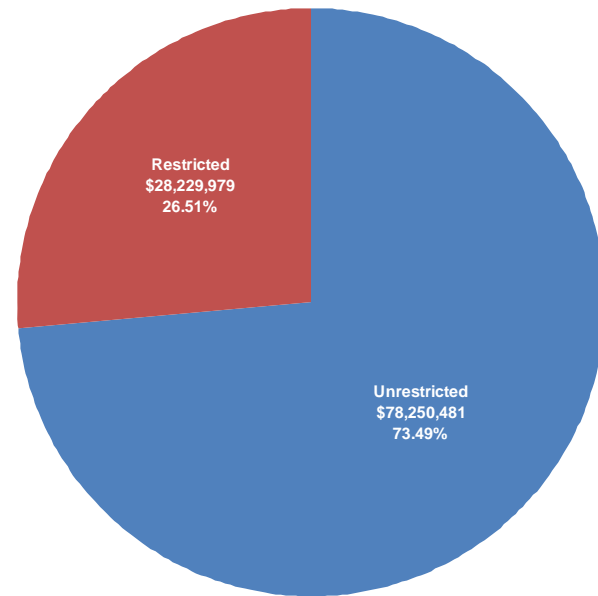


RESTRICTED AND UNRESTRICTED COMPONENTS

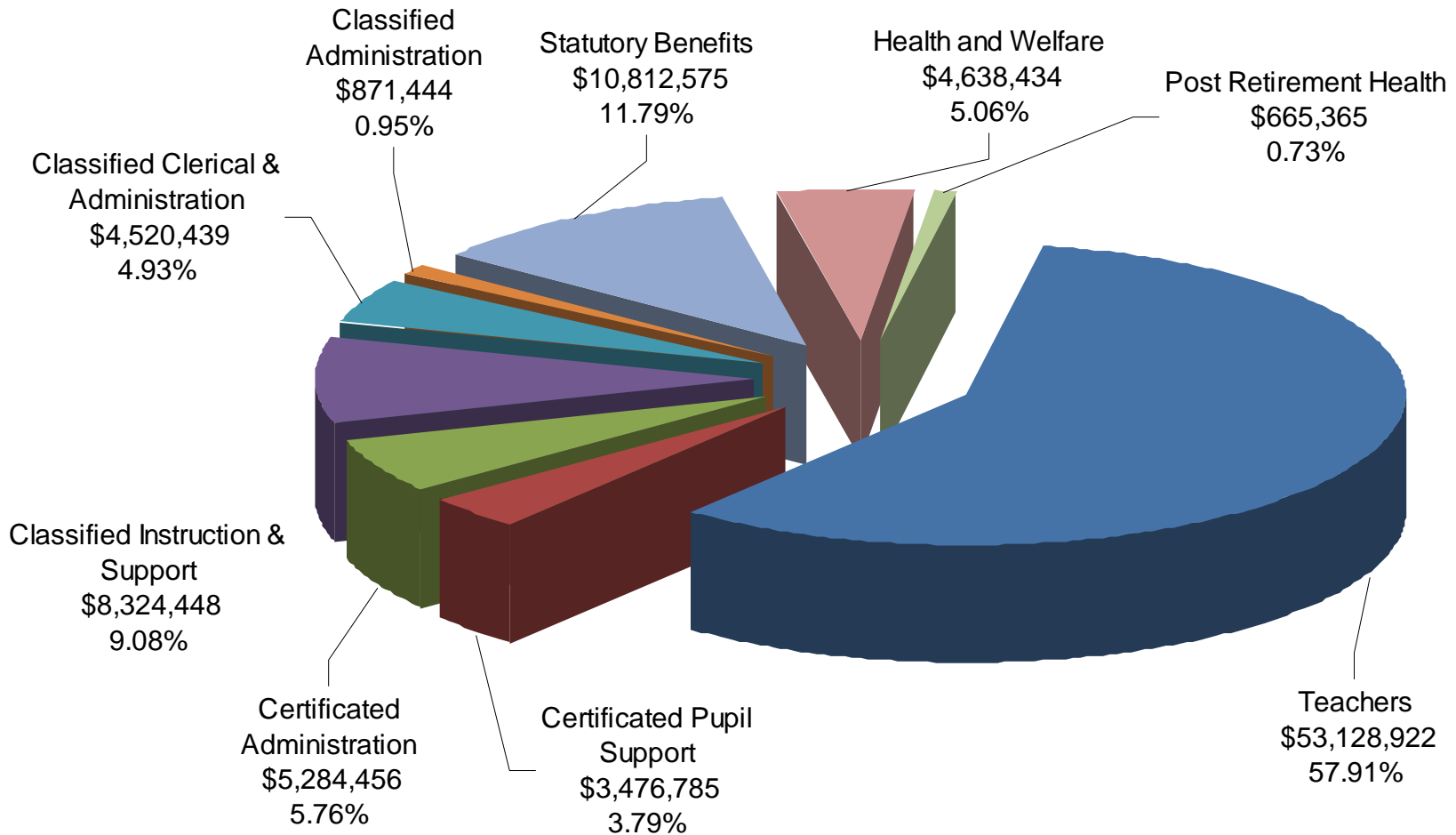
REVENUE SOURCES



EXPENDITURES

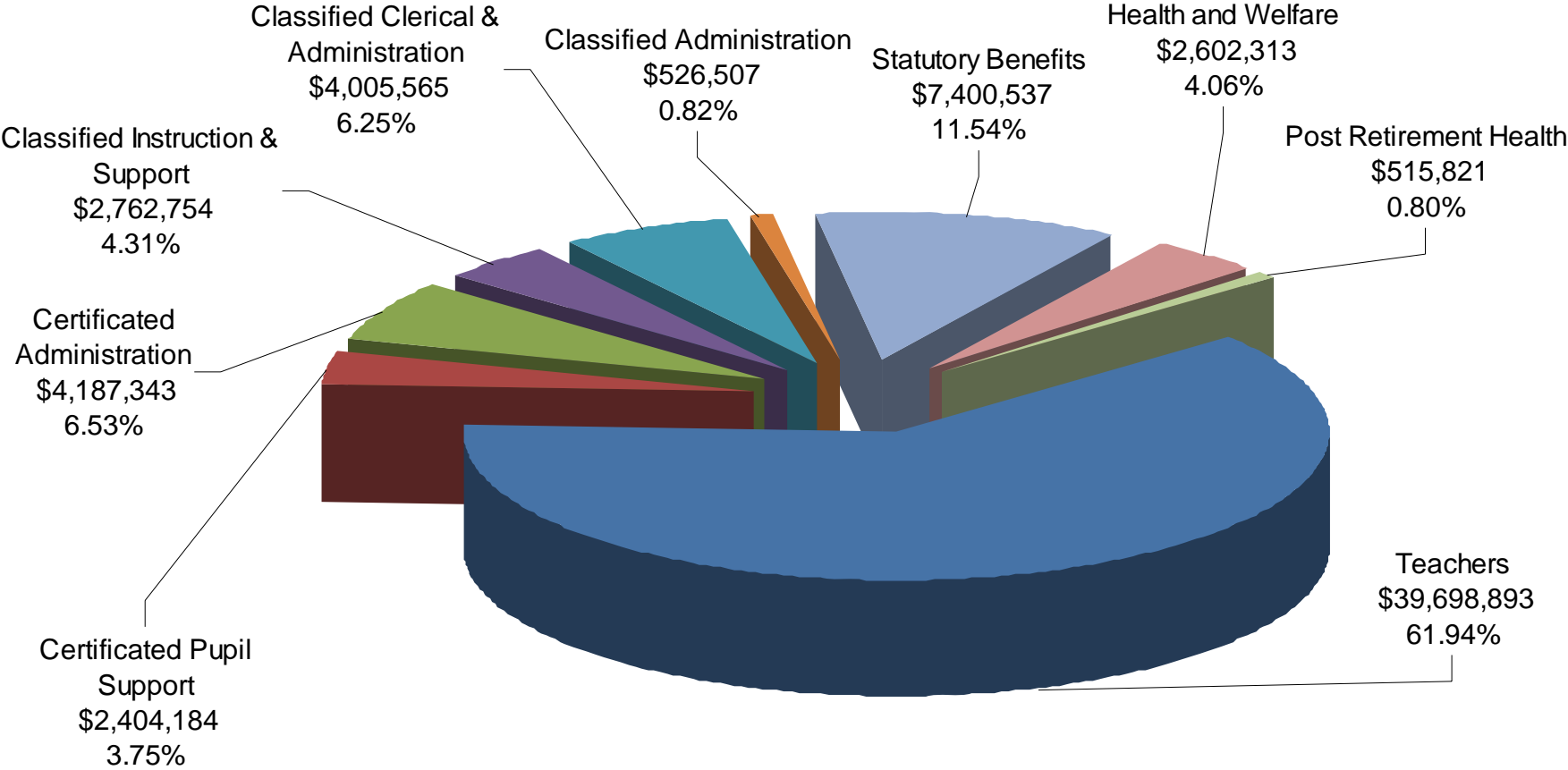


2009-10 SALARIES AND BENEFITS - FIRST INTERIM UNRESTRICTED & RESTRICTED GENERAL FUND \$ 91,722,868

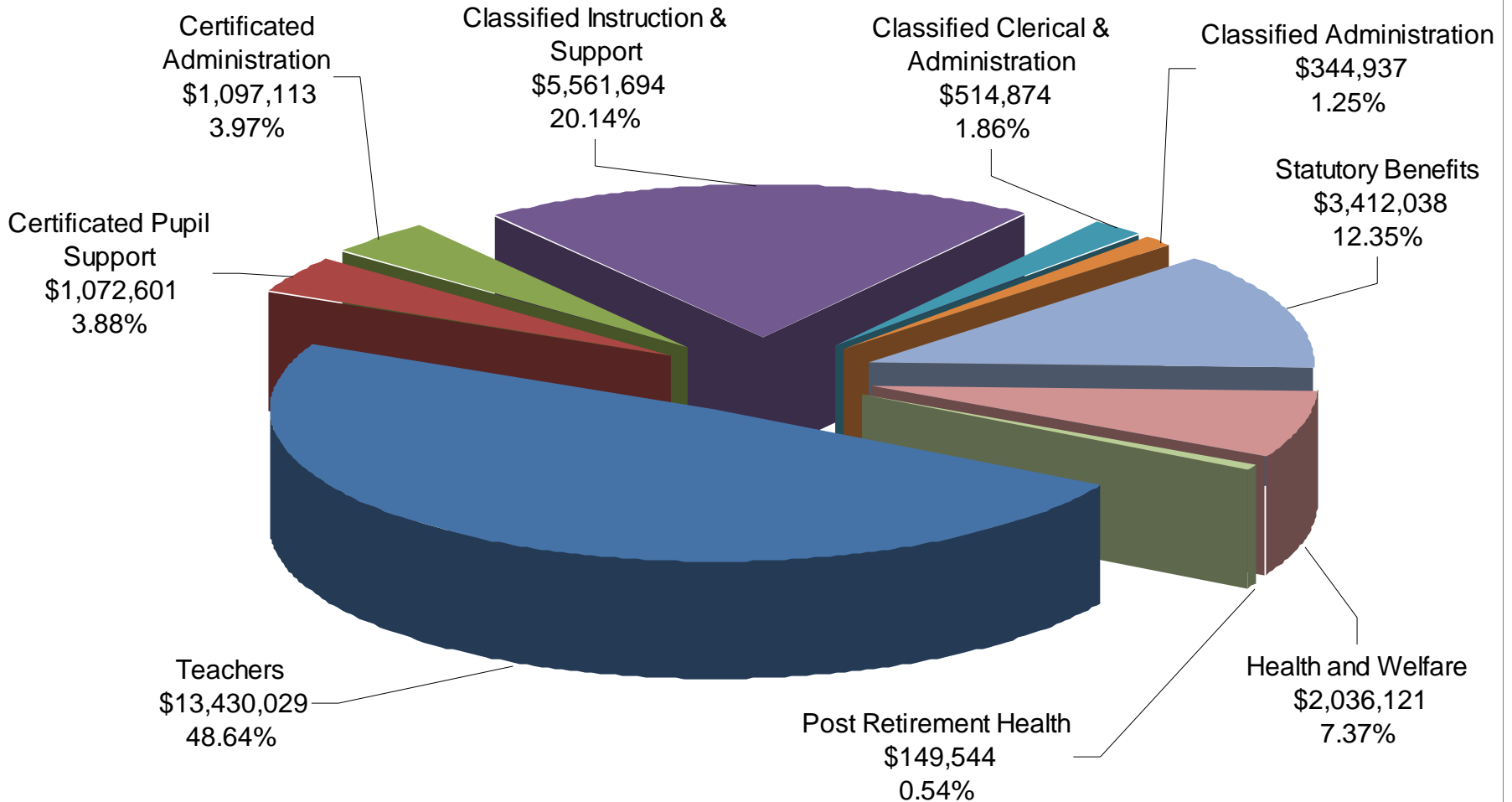


2009-10 SALARIES AND BENEFITS - FIRST INTERIM
UNRESTRICTED GENERAL FUND

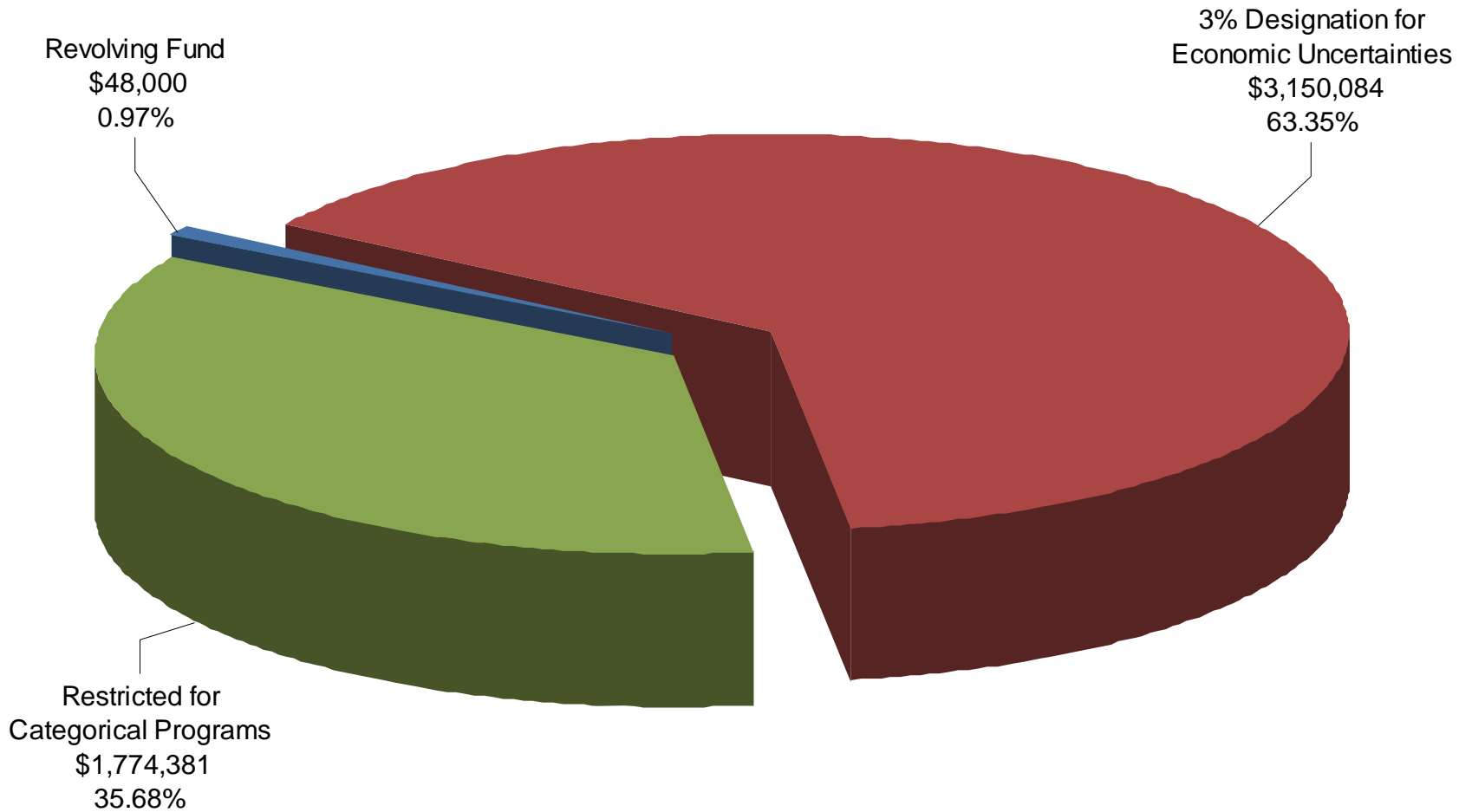
\$64,103,917



2008-09 SALARIES AND BENEFITS - FIRST INTERIM RESTRICTED GENERAL FUND \$27,618,951



2009-10 TOTAL GENERAL FUND - FIRST INTERIM REPORT
PROJECTED ENDING FUND BALANCE COMPONENTS
\$ 4,972,465



**NEW HAVEN UNIFIED SCHOOL DISTRICT
2009-10 FIRST INTERIM REPORT
PROJECTIONS OF REVENUES, EXPENDITURES AND FUND BALANCE**

	General Fund			Special Revenue	Capital Project	Other Funds	District
	Unrestricted	Restricted	Total	Funds (Schedule 2)	Funds (Schedule 3)	(Schedule 4)	Totals
Revenues							
Revenue Limit Sources	\$ 59,142,093	\$ 3,365,204	\$ 62,507,297	\$ -	\$ -	\$ -	\$ 62,507,297
Federal Revenues	10,634	9,211,847	9,222,481	1,956,112	-	-	11,178,593
Other State Revenues	13,557,263	3,262,744	16,820,007	2,093,471	3,000,000	70,000	21,983,478
Other Local Revenues	1,530,525	7,287,535	8,818,060	1,707,594	493,573	13,170,293	24,189,520
Total Revenues	<u>74,240,515</u>	<u>23,127,330</u>	<u>97,367,845</u>	<u>5,757,177</u>	<u>3,493,573</u>	<u>13,240,293</u>	<u>119,858,888</u>
Expenditures							
Certificated Salaries	46,290,420	15,599,743	61,890,163	180,675	-	23,665	62,094,503
Classified Salaries	7,294,826	6,421,505	13,716,331	1,375,484	490,169	878,898	16,460,882
Employee Benefits	10,518,671	5,597,703	16,116,374	721,103	171,623	489,377	17,498,477
Book and Supplies	1,528,383	2,847,453	4,375,836	1,240,504	13,497	38,550	5,668,387
Services and Other Operating Expenditures	4,218,105	3,495,613	7,713,718	2,084,069	133,292	1,089,614	11,020,693
Capital Outlay	78,000	80,008	158,008	7,328	22,645,471	-	22,810,807
Other Outgo	1,145,579	-	1,145,579	-	98,546	11,418,779	12,662,904
Direct/Indirect Support Costs	(1,477,662)	1,328,451	(149,211)	149,211	-	-	-
Total Expenditures	<u>69,596,322</u>	<u>35,370,476</u>	<u>104,966,798</u>	<u>5,758,374</u>	<u>23,552,598</u>	<u>13,938,883</u>	<u>148,216,653</u>
Increase or (Decrease) in Fund Balance Resulting From Operations							
	4,644,193	(12,243,146)	(7,598,953)	(1,197)	(20,059,025)	(698,590)	(28,357,765)
Other Financing Sources and (Uses)							
Interfund Transfers In	788,411	1,400,000	2,188,411	36,000	-	-	2,224,411
Interfund Transfers Out	(36,000)	-	(36,000)	(72,000)	(2,116,411)	-	(2,224,411)
Other Sources	-	-	-	-	25,001,147	1,260,547	26,261,694
Other Uses	-	-	-	-	-	-	-
Contributions To Restricted Programs	(7,140,497)	7,140,497	-	-	-	-	-
Total Other Financing Sources and Uses	<u>(6,388,086)</u>	<u>8,540,497</u>	<u>2,152,411</u>	<u>(36,000)</u>	<u>22,884,736</u>	<u>1,260,547</u>	<u>26,261,694</u>
Net Change in Fund Balance	(1,743,893)	(3,702,649)	(5,446,542)	(37,197)	2,825,711	561,957	(2,096,071)
Estimated Beginning Fund Balance July 1, 2009	<u>4,941,977</u>	<u>5,477,030</u>	<u>10,419,007</u>	<u>729,771</u>	<u>15,570,733</u>	<u>9,202,207</u>	<u>35,921,718</u>
Estimated Ending Fund Balance June 30, 2010	<u>\$ 3,198,084</u>	<u>\$ 1,774,381</u>	<u>\$ 4,972,465</u>	<u>\$ 692,574</u>	<u>\$ 18,396,444</u>	<u>\$ 9,764,164</u>	<u>\$ 33,825,647</u>

**NEW HAVEN UNIFIED SCHOOL DISTRICT
2009-10 FIRST INTERIM REPORT
PROJECTIONS OF REVENUES, EXPENDITURES AND FUND BALANCE
SPECIAL REVENUE FUNDS**

	<u>Adult Education</u>	<u>Child Development</u>	<u>Cafeteria</u>	<u>Special Reserve - Not Capitl Outlay</u>	<u>Total Special Revenue Funds</u>
<u>Revenues</u>					
Revenue Limit Sources					\$ -
Federal Revenues	\$ 328,824		\$ 1,627,288		1,956,112
Other State Revenues		\$ 1,964,665	128,806		2,093,471
Other Local Revenues			1,706,094	\$ 1,500	1,707,594
Total Revenues	<u>328,824</u>	<u>1,964,665</u>	<u>3,462,188</u>	<u>1,500</u>	<u>5,757,177</u>
<u>Expenditures</u>					
Certificated Salaries	180,675			-	180,675
Classified Salaries	46,538		1,328,946	-	1,375,484
Employee Benefits	60,198		660,905	-	721,103
Book and Supplies	38,523		1,201,981	-	1,240,504
Services and Other Operating Expenditures	2,890	1,964,665	116,514	-	2,084,069
Capital Outlay			7,328	-	7,328
Other Outgo				-	-
Direct/Indirect Support Costs			149,211	-	149,211
Total Expenditures	<u>328,824</u>	<u>1,964,665</u>	<u>3,464,885</u>	<u>-</u>	<u>5,758,374</u>
<u>Increase or (Decrease) in Fund Balance Resulting From Operations</u>					
	<u>-</u>	<u>-</u>	<u>(2,697)</u>	<u>1,500</u>	<u>(1,197)</u>
<u>Other Financing Sources and (Uses)</u>					
Interfund Transfers In				36,000	36,000
Interfund Transfers Out				(72,000)	(72,000)
Other Sources					-
Other Uses					-
Contributions To Restricted Programs					-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,000)</u>	<u>(36,000)</u>
<u>Net Change in Fund Balance</u>					
	<u>-</u>	<u>-</u>	<u>(2,697)</u>	<u>(34,500)</u>	<u>(37,197)</u>
<u>Estimated Beginning Fund Balance July 1, 2009</u>					
	<u>-</u>	<u>-</u>	<u>421,708</u>	<u>308,063</u>	<u>729,771</u>
<u>Estimated Ending Fund Balance June 30, 2010</u>					
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 419,011</u>	<u>\$ 273,563</u>	<u>\$ 692,574</u>

**NEW HAVEN UNIFIED SCHOOL DISTRICT
2009-10 FIRST INTERIM REPORT
PROJECTIONS OF REVENUES, EXPENDITURES AND FUND BALANCE
CAPITAL PROJECT FUNDS**

	<u>Building</u>	<u>Capital Facilities</u>	<u>County School Facilities</u>	<u>Special Reserve for Capital Outlay</u>	<u>Total Capital Outlay Funds</u>
Revenues					
Revenue Limit Sources					\$ -
Federal Revenues					-
Other State Revenues			\$ 3,000,000		3,000,000
Other Local Revenues	\$ 425,000	\$ 56,658		\$ 11,915	493,573
Total Revenues	<u>425,000</u>	<u>56,658</u>	<u>3,000,000</u>	<u>11,915</u>	<u>3,493,573</u>
Expenditures					
Certificated Salaries					-
Classified Salaries	400,301		89,868		490,169
Employee Benefits	92,071		79,552		171,623
Book and Supplies	13,497				13,497
Services and Other Operating Expenditures	(4,508,115)	1,641,407	3,000,000		133,292
Capital Outlay	22,645,471				22,645,471
Other Outgo		98,546			98,546
Direct/Indirect Support Costs					-
Total Expenditures	<u>18,643,225</u>	<u>1,739,953</u>	<u>3,169,420</u>	<u>-</u>	<u>23,552,598</u>
<u>Increase or (Decrease) in Fund Balance Resulting From Operations</u>	<u>(18,218,225)</u>	<u>(1,683,295)</u>	<u>(169,420)</u>	<u>11,915</u>	<u>(20,059,025)</u>
<u>Other Financing Sources and (Uses)</u>					
Interfund Transfers In					-
Interfund Transfers Out		(2,116,411)			(2,116,411)
Other Sources	25,001,147				25,001,147
Other Uses					-
Contributions To Restricted Programs					-
Total Other Financing Sources and Uses	<u>25,001,147</u>	<u>(2,116,411)</u>	<u>-</u>	<u>-</u>	<u>22,884,736</u>
<u>Net Change in Fund Balance</u>	<u>6,782,922</u>	<u>(3,799,706)</u>	<u>(169,420)</u>	<u>11,915</u>	<u>2,825,711</u>
<u>Estimated Beginning Fund Balance July 1, 2009</u>	<u>5,606,268</u>	<u>5,448,249</u>	<u>4,116,233</u>	<u>399,983</u>	<u>15,570,733</u>
<u>Estimated Ending Fund Balance June 30, 2010</u>	<u>\$ 12,389,190</u>	<u>\$ 1,648,543</u>	<u>\$ 3,946,813</u>	<u>\$ 411,898</u>	<u>\$ 18,396,444</u>

**NEW HAVEN UNIFIED SCHOOL DISTRICT
2009-10 FIRST INTERIM REPORT
PROJECTIONS OF REVENUES, EXPENDITURES AND FUND BALANCE
OTHER FUNDS**

	<u>Bond Interest and Redemption</u>	<u>Enterprise Kids First</u>	<u>Retiree Benefits</u>	<u>Total Other Funds</u>
<u>Revenues</u>				
Revenue Limit Sources				\$ -
Federal Revenues				-
Other State Revenues	\$ 70,000			70,000
Other Local Revenues	10,874,068	\$ 1,591,650	\$ 704,575	13,170,293
Total Revenues	<u>10,944,068</u>	<u>1,591,650</u>	<u>704,575</u>	<u>13,240,293</u>
<u>Expenditures</u>				
Certificated Salaries		23,665		23,665
Classified Salaries		878,898		878,898
Employee Benefits		489,377		489,377
Book and Supplies		38,550		38,550
Services and Other Operating Expenditures		133,919	955,695	1,089,614
Capital Outlay				-
Other Outgo	11,418,779			11,418,779
Direct/Indirect Support Costs				-
Total Expenditures	<u>11,418,779</u>	<u>1,564,409</u>	<u>955,695</u>	<u>13,938,883</u>
<u>Increase or (Decrease) in Fund Balance Resulting From Operations</u>				
	<u>(474,711)</u>	<u>27,241</u>	<u>(251,120)</u>	<u>(698,590)</u>
<u>Other Financing Sources and (Uses)</u>				
Interfund Transfers In				-
Interfund Transfers Out				-
Other Sources	905,576		354,971	1,260,547
Other Uses				-
Contributions To Restricted Programs				-
Total Other Financing Sources and Uses	<u>905,576</u>	<u>-</u>	<u>354,971</u>	<u>1,260,547</u>
<u>Net Change in Fund Balance</u>	<u>430,865</u>	<u>27,241</u>	<u>103,851</u>	<u>561,957</u>
<u>Estimated Beginning Fund Balance July 1, 2009</u>	<u>8,613,827</u>	<u>198,486</u>	<u>389,894</u>	<u>9,202,207</u>
<u>Estimated Ending Fund Balance June 30, 2010</u>	<u>\$ 9,044,692</u>	<u>\$ 225,727</u>	<u>\$ 493,745</u>	<u>\$ 9,764,164</u>

COMPARE PROPOSED BUDGET AND ESTIMATED ACTUALS

Description	2009-10 Adopted Budget	2009-10 First Interim	Increase or (Decrease)
Unrestricted General Fund			
Revenues	78,187,117	75,028,926	(3,158,191)
Expenditures	78,501,145	76,772,819	(1,728,326)
Restricted General Fund			
Revenues	32,327,017	31,667,827	(659,190)
Expenditures	32,325,389	35,370,476	3,045,087
Net Change In Fund Balance	(312,400)	(5,446,542)	(5,134,142)
Beginning Balance	5,388,273	10,419,007	5,030,734
Projected Ending Balance	5,075,873	4,972,465	(103,408)

MULTIYEAR PROJECTIONS

- Projects the District's financial position for the current and two subsequent years
- Assumptions used to prepare the projection
 - Inclusion of 2009-10 State budget items
 - SSC Dartboard projections for COLA, deficit, interest rates, etc.
 - Step and Column increases are included but salary COLA increases are not included
 - Taken advantage of State program flexibility options
 - Budgeted for expenditure of ARRA funds

MULTI-YEAR PROJECTION – ASSUMPTIONS

○ 2010-11 Assumptions

- Change in Enrollment None
- Projected Enrollment 13,100
- COLA 0.50%
- Deficit Factor (18.355)%
- Funded Revenue Limit per ADA \$5,236.37

○ 2011-2012 Assumptions

- Change in Enrollment None
- Projected Enrollment 13,100
- COLA 2.30%
- Deficit Factor (18.355)%
- Funded Revenue Limit per ADA \$5,357.20

CONCLUSIONS

- Based on the reports and schedules presented, the District will meet its reserve requirement for 2009-10 and the subsequent two fiscal years
- The District will have sufficient funds to meet its financial obligations

FUTURE CHALLENGES

- Continuing decline in the World, National and State economies, revisions to the State Budget will be required
- The inability of the State Legislature to resolve the budget problem
- Preservation of District resources
- Maintaining high quality programs with diminishing resources