



NEW HAVEN UNIFIED SCHOOL DISTRICT

BUDGET ADOPTION

- **Governor's Budget**
- **Budget 2005-06**
- **Multi-year Projections**

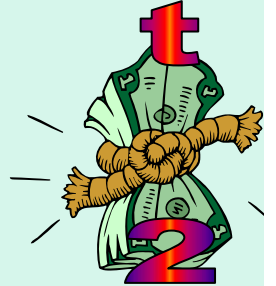
Presented By:

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Cal Scheid, Director of Fiscal Services

June 23, 2005

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Focus of Discussion

- **What is happening in Sacramento**
- **Comparison of 2004-05 Budget from Adoption to Estimated Actuals**
- **2005-06 Budget**
- **Multi-Year Forecast**
- **Next Steps**

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What is Happening in Sacramento

- COLA increased to 4.04%
- Deficit Reduced by 1.011% to 1.132%
- Senate Bill 311/K-3 CSR
- AB825 Categorical Block Grants
- Legislature wants to restore Proposition 98
- Governor has called for a Special Election

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Still Proposed

- Broken promise to limit cuts to \$2.0 billion
- Broken promise to rebuild \$3.7 billion in future years. Prop 98 compromise exposes Districts to future mid-year cuts.
- Shift 2.017% state contribution to STRS from state to local school districts or certificated employees
- New Haven's contract shifts STRS increase to employees.
- District budgets now subject to mid-year state cuts

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Unrestricted General Fund Comparison

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	2nd Interim Report	Estimated Actuals	Difference
Revenues	\$68,703,628	\$69,011,156	\$ 307,528
Expenses	\$63,913,692	\$64,986,179	\$1,072,487



Unrestricted General Fund Revenue Changes

(2nd Interim to Estimated Actuals)

- **Negative adjustment to the Revenue Limit due to reduction in ADA of 120 students**
- **Correction of prior year Revenue Limit adjustment**
- **Increase in support of Restricted Maintenance contribution by Developer Fee**
- **Total Net Unrestricted Revenue Improvement is \$307,528**

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Unrestricted General Fund Revenue Changes (2nd Interim to Estimated Actuals)

- Salaries and Benefits increased by \$1,080,755
- Supplies and Operating Expenses decreased by \$12,429
- Indirect/Direct Cost Support decreased by \$837
- Total Net Unrestricted Expenses increased by \$1,067,489

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Restricted General Fund Comparison

	2nd Interim Report	Estimated Actuals	Difference
Revenues	\$25,454,217	\$25,817,123	\$ 362,906
Expenses	\$30,872,690	\$32,406,703	\$1,534,013

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Restricted General Fund Revenue Changes

- **Transfer of experienced teachers to Restricted Programs is complete.**
- **Salary adjustments and retro payments have been made.**

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Undesignated Fund Balance for the Unrestricted General Fund

YEAR	AMOUNT
2004-05	\$1,144,385
2005-06	\$ 278,200
2006-07	\$1,416,446
2007-08	\$2,821,656

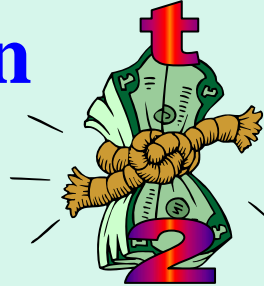
Any ongoing commitment of these funds will impact the amount of undesignated Resources in future years.



Positive Financial Health Indicators

- **Deficit Spending Pattern Eliminated**
- **3% Reserve for Economic Uncertainty in place**
- **3% Restricted Maintenance Program maintained**
- **Budget balanced for 2005-06**
- **Undesignated Fund Balance of \$278,200**

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Negative Financial Health Indicators

- **Salaries and Benefits in Unrestricted General Fund Budget are approx. 94% of expenditures 85% is desirable**
- **Reductions of \$1.5 million in the Restricted Budgets will need to occur in 2006-07, unless revenue increases**

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Multi-Year Assumptions Revenues

- Enrollment is based upon 12,911.01 students and should hold for 2005-06, 2006-07, and 2007-08
- Use of Medi-Cal Administration payments for ongoing expenses budgeted to decline annually and a budget for one-time expenses is budgeted to grow annually
- COLA of 4.04% for 2005-06, 3.8% for 2006-07, and 3.10% for 2007-08
- Indirect cost rate will increase to 4.04% in 2005-06

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Multi-Year Assumptions Expenses

- **Salary and Benefit Increases are in budgets for 2005-06, 2006-07, and 2007-08**
- **\$731,355 budgeted to pay early retirement annuity for next four years**
- **Starting in 2005-06, \$700,000 budgeted annually for Step and Column movement**
- **Technology Maintenance Budget moves into general fund in 2005-06**

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Preparing for What Lies Ahead

- Budget failed to get support by Republicans and did not pass on time
- Governor has called a Special Election. A late budget helps the Governor's election plans
- November election will decide who holds political power for years to come

We must remain conservative!

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