

New Haven Unified School District
Second Interim Report

MULTI YEAR PROJECTIONS

March 7, 2006

Presented by:

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Topics For Tonight

- Changes to Budget from First Interim to Second Interim
- Effect of enrollment decline on 2005-06 budget
- News from Sacramento
- Planning for Fiscal Year 2006-07
- Projections for Fiscal Year 2007-08

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Changes to Budget from First Interim to Second Interim

- Adjustment to Unrestricted Revenue to offset the drop in enrollment after CBEDS
- Adjustment to Restricted Revenue to recognize the addition of a continuation high school program
- Reduction of Unrestricted Expenses as a part of monthly reviews
- Budgeting of expenses in Restricted programs as managers make spending decisions
- Create reserve for Strategic Planning



Effect of Enrollment Decline on 2005-06 Budget

- Budget was adopted using 12,911.01 ADA representing P-2 of 04-05 + 19.99
- At First Interim the budget was adjusted to 12,910.70 to reflect 97% of our enrollment at CBEDS
- At P-1 ADA reporting, our enrollment had dropped by 80 students. At Second Interim revenue was adjusted to last year's level



Effect of Enrollment Decline on Budget

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!

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News from Sacramento

- Full COLA of 5.18% - salary pass through for New Haven
- State Categorical Programs receive 5.18% COLA
- Federal Programs – No COLA and possible slight drop in funding
- Equalization Aid & Deficit Reduction still in State Budget – 60% set aside for secondary CSR
- Next Update from State – Governor’s May Revise
- CTA Lawsuit to recapture the \$3.1 billion cut continues



Planning for Fiscal Year 2006-07

- Review Strategic Plan for inclusion in 2006-07 Budget
- Ensure all Categorical Programs balance with minimum encroachment on general fund
- Reduce revenue projections to reflect P-2 ADA for 2005-06 – 12,725.76
- Adjust General Fund expenditures to reflect lower revenue projections
- Review Comparability Studies, analyze and create staffing ratios
- Staff will work to reduce dependency on one-time funds



Projections for Fiscal Year 2007-08

- Revenue Limit ADA for 2006-07 used for 2007-08
- 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



What Happens Now?

- Work on Budget Development for 2006-07
- 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 20th, Board will be requested to approve the 2006-07 budget