
Overview

2008-09 & 2009-10

Budget Development Process

PUSD

March 31, 2009

How did it start: Revenue Shortfall

in millions

| Budget Year | 2008-09 | Loss | 2009-10 | Loss |
|-----------------------|---------|----------|---------|----------|
| June, 2008 | \$152.9 | | \$156.9 | |
| December, 2008 | \$152.7 | - \$ 0.2 | \$151.9 | - \$ 5.0 |
| March, 2009* | \$147.1 | - \$5.6 | \$143.9 | - \$ 8.0 |
| Total Loss Since June | | - \$ 5.8 | | -\$13.0 |

* Based on 2008-09 budget trailer bills & 2009-10 budget enacted on February, 2009

Process

- An interactive budget process started in December of 2008
 - A series of meeting was held under Superintendent Diaz's leadership with representatives from all divisions of the central administration
 - Cover both 2008-09 & 2009-10 budgets at the same time
 - Establish timeline & parameters
 - Validate budget assumptions
 - Identify potential revenue augmentation sources
 - Review programmatic and operational efficiency
 - Identify possible expense reduction areas
 - Survey other districts in the region for comparison
 - Analyze multi-year effects for each budget item reviewed
 - Board Develop Budget Guidelines, Values and Priorities
 - Updates to the governing board and submit recommendations
 - Form Budget Advisory Committee to review 2009-10 budget projection and make additional recommendations
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Progress Made

Recommended Budget Savings

| | 2008-09 | 2009-10 |
|--|--------------|--------------|
| Increase of Local Revenue | \$ 100,000 | \$ 150,000 |
| Realignment of categorical personnel costs | \$ 1,930,000 | \$ 1,930,000 |
| Staffing ratio adjustments | \$ 350,000 | \$ 5,000,000 |
| Staffing reorganization | \$ 410,000 | \$ 1,170,000 |
| Other expenditure reductions | \$ 400,000 | \$ 1,150,000 |
| Net budget savings | \$ 3,190,000 | \$ 9,400,000 |

Challenges: More Cuts Likely

- Absorbing 15% (2008-09) and an additional 5% (2009-10) categorical funding cuts
 - Managing cashflow and reduced interest earnings
 - Ongoing uncertainties from the May 19 Ballot Propositions & State revenue shortfall
 - Less buying power due to the increase of sales tax
 - State annual budget “May Revise” now due June 9
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