
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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