



## Oxnard Union High School District

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**TO:** Bob Carter, Ed.D., Superintendent      **DATE:** June 09, 2010

**VIA:** Randy Winton  
Asst. Superintendent, Business Services

**FROM:** Patsy Thomas  
Chief Accountant

**SUBJECT: 2010-2011 Adopted Budget Summary**

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The process to develop the District's budget began in January after the Governor presented the proposed State budget. Since the State is the source of most of our revenue, the Governor's priorities and our enrollment projections are used to calculate initial funding levels. Many other factors are then considered to project our revenue and expenditures for the next fiscal year.

The Governor revises his January proposal each May, after which we modify our proposed budget as necessary. The public hearing and Board adoption of our proposed budget occur in June and the new fiscal year begins July 1.

As the State budget has not been adopted yet, staff is using the best available information. The assumptions made reflect proposals in the Governor's May Revision, enacted legislation that impacts the district's revenues and expenditures, and current year actual to date revenues and expenditures.

Assembly Bill 2756 (Daucher), signed in June 2004, added authority and responsibility to the Superintendent of Public Instruction in improving the fiscal oversight of public schools. One requirement of this legislation was to update the criteria and standards in the development and management of the annual budget, effective in the 2006-2007 Adopted Budget. The Budget Certification (Form CB) offers a summary review of the Criteria & Standards. Specific details can be found in the Criteria & Standards Review (Form 01CS).

The Adopted General Fund Budget 2010-11 Assumptions follow:

**ADA**

P2 ADA (P2 is March 22, 2011)			
	2008-2009	2009-2010	2010-2011
P2 ADA (excludes County SPED)	15,124.07	15,023.44	*14,754.85
EC Section 42238.5(a)(1)		100.63	133.59
P2 ADA adjusted for Funding	15,124.07	15,124.07	*14,888.44
Declining ADA (*2010-11 includes 135 ACE Charter)		100.63	*268.59

\*ACE Charter School plans 1<sup>st</sup> year enrollment at 150. 90% (135) from OUHSD. ADA "lost" to district charter schools is not subject to EC 42238.5(a)(1) one-year restoration. OUHSD will lose \$771,481.80 in deficated revenue limit plus other funds immediately.

Note: 2010-2011 Funded P2 ADA = 14,903.36 (14,888.44 + 14.92 County SPED).

**Revenue**

1. No equalization aid.
2. 2010-2011 Base Revenue Limit = \$7,345.82. Based on 2009-10 Base Revenue Limit \$7,374.82 less -0.39% COLA (\$29).
3. 2010-2011 state deficit = 18.35% reduces base revenue limit by \$1,348.33 from \$7,345.82 to \$5,997.49
4. 2010-2011 additional state cut = 3.85% (applied before deficit) further reduces deficated Base Revenue Limit by \$282.81 from \$5,997.49 to \$5,714.68
5. Total negative COLA, State-School Deficit, and Additional State Cut reduce Base Revenue Limit by \$1,659.14 or 22.5%
6. Hourly rate for Core Academic Program has been eliminated and included in state revenue based on a deficated 2008-09 level.
7. Supplemental hourly rate, including core and mandated summer school, has been eliminated and included in state revenue based on a deficated 2008-09 level.
8. Payments to reimburse districts for mandated costs remain deferred, but requirement to provide mandated services continues.
9. Unrestricted Lottery revenue is budgeted at \$111.00 per annual ADA and Restricted lottery (Prop 20) revenue at \$13.25 per ADA.
10. SBX3 4 Revenues are included as Unrestricted General Fund in the amount of \$8,672,455 for 39 categorical programs. Flexibility resolution will be taken to board at the meeting in July 2010

**Expenditures**

	2009-2010	2010-2011
Expenditures-Unrestricted GF	95,488,413	94,804,062
Expenditures-Restricted GF	41,891,822	37,581,311
Expenditures-GF All	137,380,235	132,385,373
Undesignated GF Balance	2,115,730	4,157,754
Undesignated % of All Expenditures	1.54%	3.141%
ARRA SFSF Funds used for unrestricted GF salaries after 2009-10 2 <sup>nd</sup> Interim Report.	\$7,058,1820000	

Note: the use of ARRA SFSF General Fund \$4,789,251 and Categorical \$2,268,931 for salaries in FY 2009-2010 after the 2<sup>nd</sup> interim report results in a \$7,058,182 increase in the 2009-10 Ending and 2010-11 beginning Undesignated GF Balance. The 2009-10 undesignated GF balance in the table above does not include the favorable change due to the ARRA funds but the \$2,402,578 undesignated GF balance in the table above does include the use of the ARRA funds

1. Full 6.25% of 3-step salary reduction that began July 1, 2009 is implemented on July 1, 2010 (1% July 2009 +3.5% Dec 2009 + 1.75% Jul 2010)
2. Maintain retiree benefits as they now exist.
3. PERS Expense at 10.2% and PERS Reduction at 2.82%.
4. School site allocation is \$45 per CBEDS
5. Routine Restricted Maintenance in the amount of \$2,806,242 account at 2.38% of total general fund expenditures.
6. Class size is 29:1 based on a P2 enrollment of 15,868 (per MH in HR)

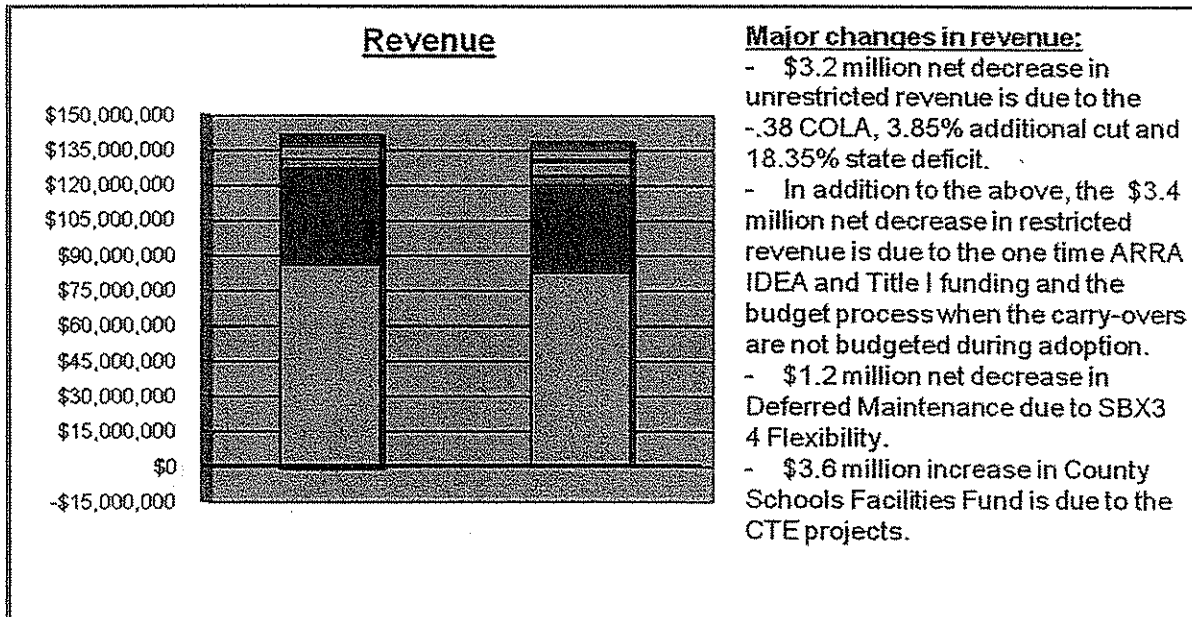
### Facilities

- Deferred maintenance has been reclassified to General Fund.

## District Revenue Totals

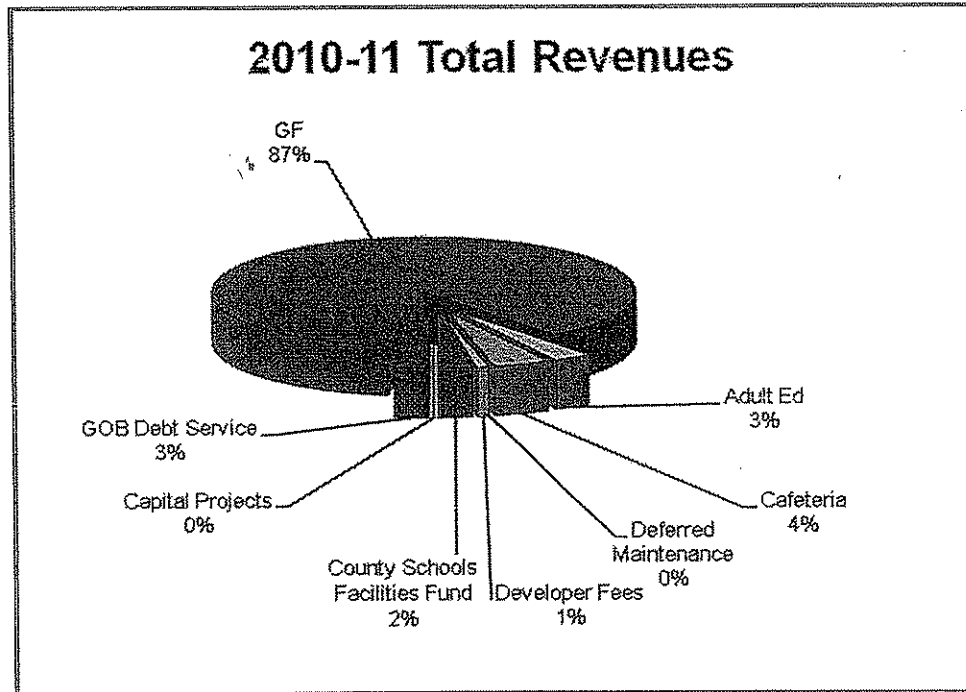
The following table summarizes the District's projected revenue (including Transfers-In) by fund.

Fund #	Fund Name	PROJECTED REVENUES (incl transfers in)			
		Estimated Actuals 2009-2010	Proposed 2010-2011	Difference	% Change
010	General Fund-Unrestricted	85,659,616	82,375,043	(3,284,573)	-3.8%
010	General Fund-Restricted	41,075,480	37,581,311	(3,494,169)	-8.5%
010	General Fund-Transfers In/Other Sources	-	-	-	-
110	Adult Education Fund	4,056,422	3,945,405	(111,017)	-2.7%
150	Cafeteria Fund	5,580,055	5,856,070	276,015	4.9%
140	Deferred Maintenance Fund	(1,277,152)	-	1,277,152	-100.0%
173	Special Reserve Fund	15,330	-	(15,330)	0.0%
250	Developer Fee Fund	1,186,300	1,186,300	-	0.0%
350	County Schools Facilities Fund	1,954	3,605,409	3,603,455	
401	COP Repayment	26,839	25,000	(1,839)	-6.9%
402	Camarillo Growth	700	700	-	0.0%
403	Pacifica Startup	96,000	96,000	-	0.0%
406	2006 Lease Revenue Bonds	30,000	30,000	-	0.0%
510	GOB Debt Service	3,720,907	3,656,885	(64,022)	-1.7%
<b>Total</b>		<b>140,172,451</b>	<b>138,358,123</b>	<b>(1,814,328)</b>	<b>-1.3%</b>



**Summary of the Unrestricted General Fund**

Attachment A is a summary of the Unrestricted General Fund Budget. The Unrestricted General Fund revenue is projected to be \$ 82,375,043. Encroachment to Restricted General Fund is estimated to be \$12,240,022. The primary source of Unrestricted General Fund revenue is the revenue limit income in the amount of \$80,734,496 and the transfer to Restricted General Fund is \$5,814,953. Revenue Limit income is a combination of state and local sources. The state share is projected to be \$46,924,308 and the local share is projected at \$41,070,301. Other revenue is: Federal, \$470,185, Other State, \$11,301,142 and Local, \$2,109,242.



**Unrestricted General Fund  
Summary Unrestricted Support to Restricted Programs  
FY 2010-2011**

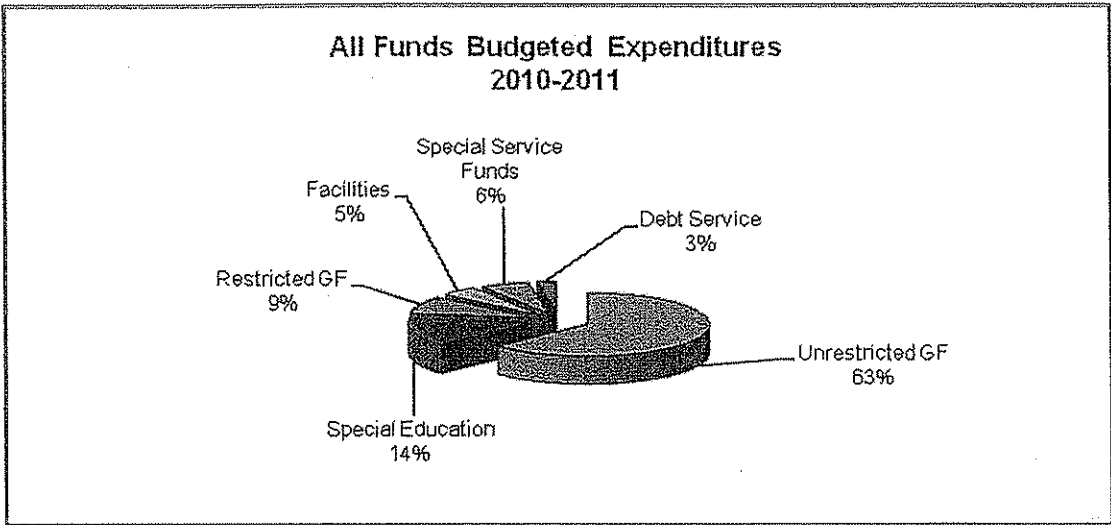
	2009-2010 Estimated Actuals	2010-2011 Adopted Budget	Change 09/10 Est Act to 10/11 Adopted Budget
<b>Support to Restricted Programs</b>			
Continuation HS	1,058,269	1,246,261	187,992
Special Ed	5,010,248	7,128,057	2,117,809
Transportation	1,080,063	1,059,462	(20,601)
Routine Restricted Maintenance	3,338,132	2,806,242	(531,890)
<b>Total Support</b>	<b>10,486,712</b>	<b>12,240,022</b>	<b>1,753,310</b>

## District Expenditure Totals

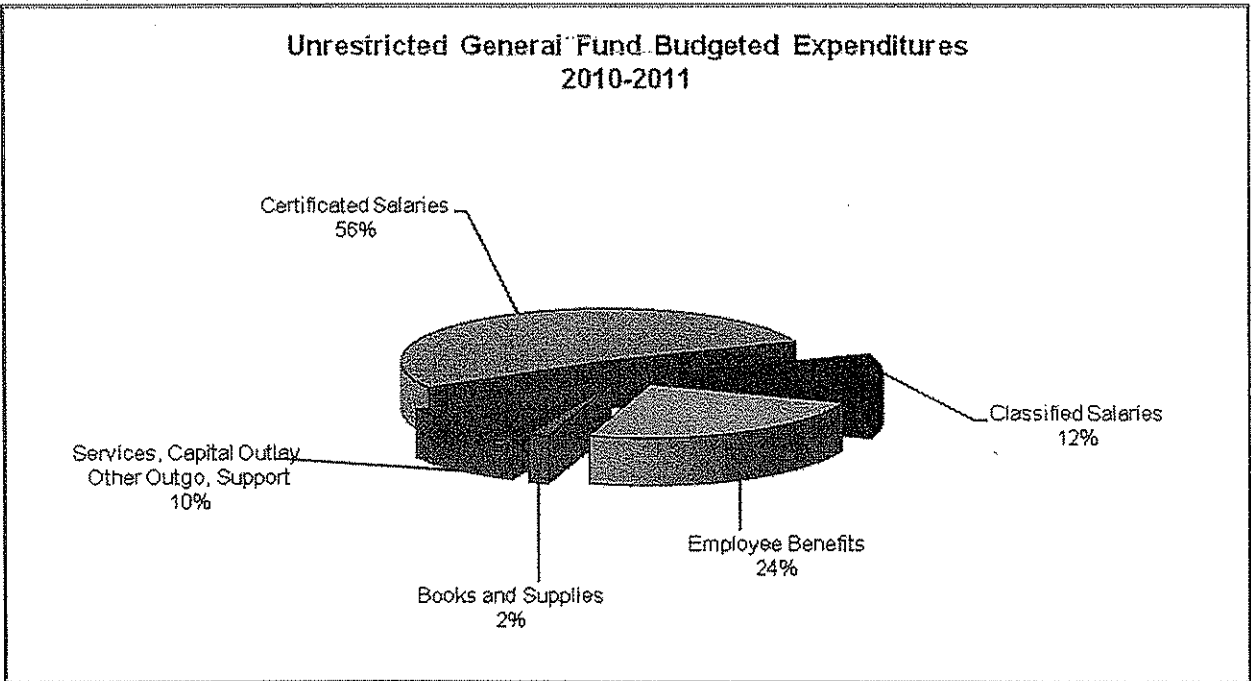
Total District expenditures increase by \$9.2 million. Of this amount, \$13.9 million is related to Unrestricted Funds and \$(4.3) million decrease is Restricted Funds.

The following table summarizes the District's projected expenditures (including transfers-out) by fund.

	Fund	Est. Actuals 2009-2010	Proposed 2010-2011	Difference	Change %
010	General Fund Unrestricted	80,897,897	94,804,062	13,906,165	17.19%
	General Fund-Special Education	21,430,034	21,244,000	(186,034)	-0.87%
010	General Fund Restricted	17,122,716	13,531,069	(3,591,647)	-20.98%
010	General Fund-Routine Maintenance	3,339,072	2,806,242	(532,830)	-15.96%
140	Deferred Maintenance Fund			-	
250	Developer Fee Fund	3,118,121	2,881,519	(236,602)	-7.59%
350	County School Facilities Fund	110,000	1,015,951	905,951	823.59%
402	Camarillo Growth	20,000	-	(20,000)	-100.00%
406	2006 Lease Revenue Bonds	968,486	395,000	(573,486)	-59.21%
110	Adult Education Fund	4,026,772	3,945,405	(81,367)	-2.02%
130	Cafeteria Fund	6,161,892	5,856,070	(305,822)	-4.96%
173	Special Reserve Fund			-	
730	Foundation Trust			-	
401	COP Debt Service			-	
510	GOB Debt Service	3,871,083	3,871,721	638	0.02%
<b>TOTAL OUHSD EXPENDITURES</b>		<b>141,066,073</b>	<b>150,351,039</b>	<b>9,284,966</b>	<b>6.58%</b>



Unrestricted General Fund expenditures total \$94,804,062. Salary and fringe benefits account for 88% of Unrestricted General Fund expenditures.



## Total General Fund Expenditures by Function

The California State Accounting Manual defines a function as a general operational area in the district. The purpose is to promote consistent accounting and reporting throughout the state. The following are definitions of the main functions:

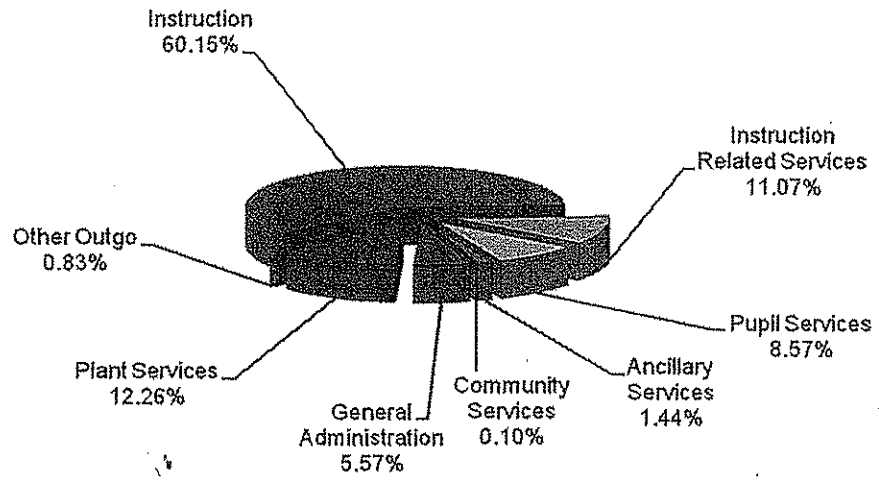
- **Instruction**--Activities dealing directly with the interaction between students and teachers.
- **Instructional Related Services**--Activities that provide administrative, technical and logistical support to facilitate and enhance instruction and community services.
- **Pupil Services**--Activities involving counseling for students or parents.
- **Ancillary Services**--School sponsored activities during or after school that are not essential to instruction. These activities generally are for motivation and enjoyment of skills in a competitive or non-competitive setting.
- **Community Service**--Activities that provide community services to participants other than students.
- **General Administration**--Expenses related to district wide or countywide administrative activities.
- **Plant Services**--Activities that maintain and safeguard buildings, grounds, and equipment.
- **Other Outgo**--Debt service and transfers out to other funds and agencies.

The District's total General Fund expenditures by function are as follows:

Function	2010-2011 Amount	% of Total
	\$	
Instruction	76,669,059	60.15%
Instruction Related Services	14,114,245	11.07%
Pupil Services	10,923,833	8.57%
Ancillary Services	1,832,059	1.44%
Community Services	130,275	0.10%
General Administration	7,104,158	5.57%
Plant Services	15,627,914	12.26%
Other Outgo	1,055,245	0.83%
<b>Total</b>	<b>\$ 127,456,788</b>	<b>100.00%</b>

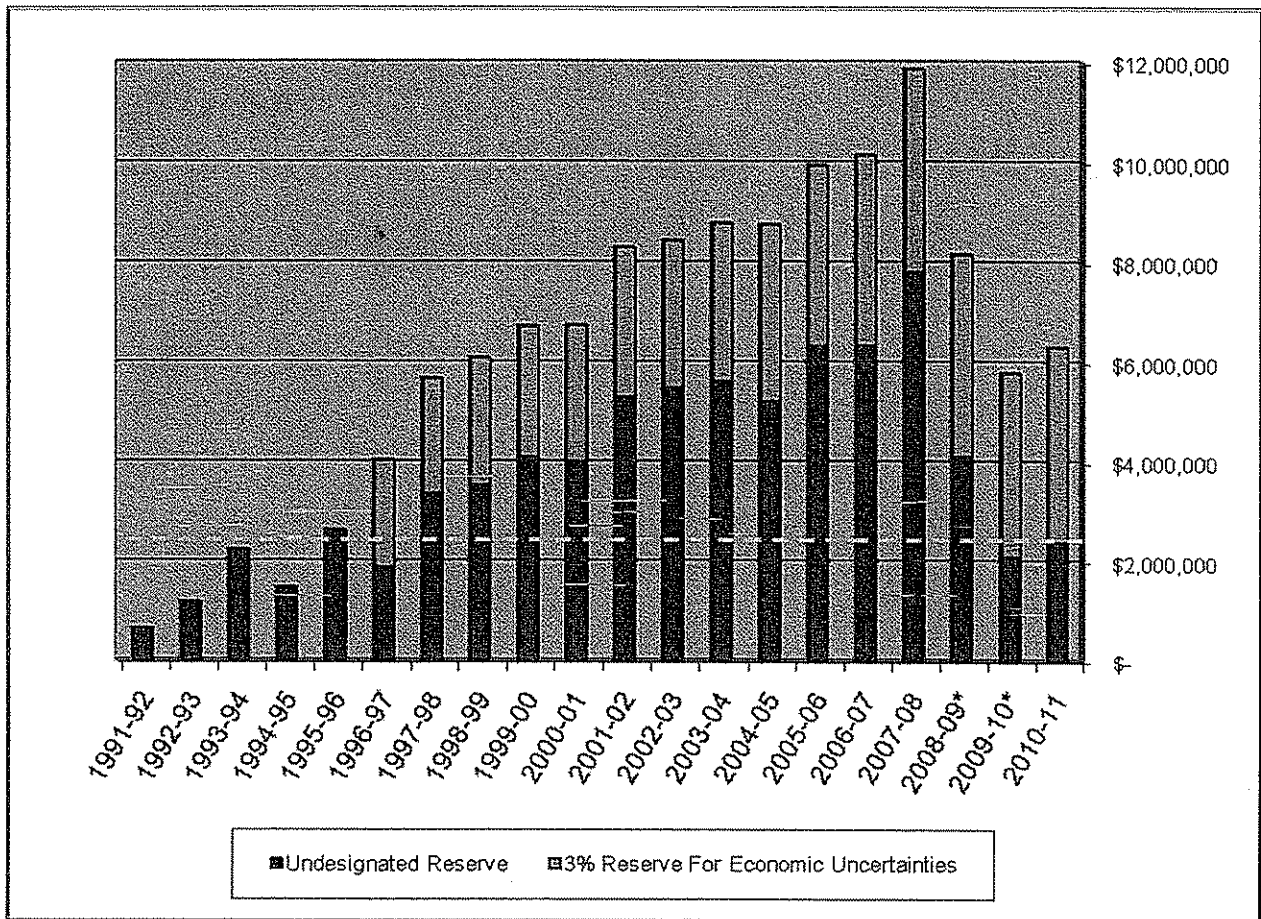


2010-2011 Total General Fund Expenditures By Function



## Ending General Fund Balance-Discretionary Reserves

The following chart shows the history of two important components of the ending General Fund balance. The lower (red) portion is the undesignated amount of the fund balance. The State recommends a 3% reserve for economic uncertainties. This amount is reflected in the upper (blue) portion of the bar.



\* amounts are projections only

The District entered the last recession with minimal reserves and could not achieve the recommended 3% reserve until 1996-97. As the economy recovered from the recession, the District has built reserves beyond the recommended minimum. The District does not anticipate the use any of its 3% reserves in 2009-10 or 2010-11.