

Palisades Charter High School The State of the Budget

February 11-12, 2010

PALISADES CHARTER HIGH SCHOOL

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CBO

Assisted by Kevin Olson

Overview of the meeting

- Information Sharing
- Identify Budget process
- Solicit ideas



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PCHS Mission Statement:

To educate our diverse students by developing their skills and talents to help them make positive contributions to our global society.

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Goals of the Meeting

- Synthesize input on:

- School wide goals

- Ideas to balance budget for 2010-11

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Follow up to meeting

- Quantify Possible savings
- Develop a menu of all savings
- Prioritize ways to balance the budget
- Factor Savings into 2010-2011 budget

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STATEMENT OF FINANCIAL POSITION

June 30, 2009

(with Comparative Totals for 2008)

| | <u>2009</u> | <u>2008</u> |
|---|----------------------|---------------------|
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 6,822,946 | \$ 5,979,949 |
| Certificates of deposit | 455,235 | 581,942 |
| Accounts receivable | 2,845,439 | 1,180,634 |
| Due from other funds | 48,376 | 2,845 |
| Prepaid expenses | 67,598 | 19,642 |
| Total current assets | <u>10,239,594</u> | <u>7,765,012</u> |
| LONG-TERM ASSETS: | | |
| Property, plant and equipment (net of accumulated depreciation) | <u>2,531,212</u> | <u>1,947,500</u> |
| Total long-term assets | <u>2,531,212</u> | <u>1,947,500</u> |
| Total assets | <u>\$ 12,770,806</u> | <u>\$ 9,712,512</u> |

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

| | | |
|--------------------------------|------------------|------------------|
| Accounts payable | \$ 191,036 | \$ 395,071 |
| Accrued liabilities | 1,964,671 | 1,460,254 |
| Deferred revenue | 1,641 | 1,641 |
| Due to sponsoring district | 899,163 | 242,829 |
| Loan payable - current portion | <u>429,429</u> | <u>166,348</u> |
| Total current liabilities | <u>3,485,940</u> | <u>2,266,143</u> |

LONG-TERM LIABILITIES:

| | | |
|--------------------------------------|----------|----------------|
| Loan payable, net of current portion | <u>-</u> | <u>429,429</u> |
| Total long-term liabilities | <u>-</u> | <u>429,429</u> |

NET ASSETS:

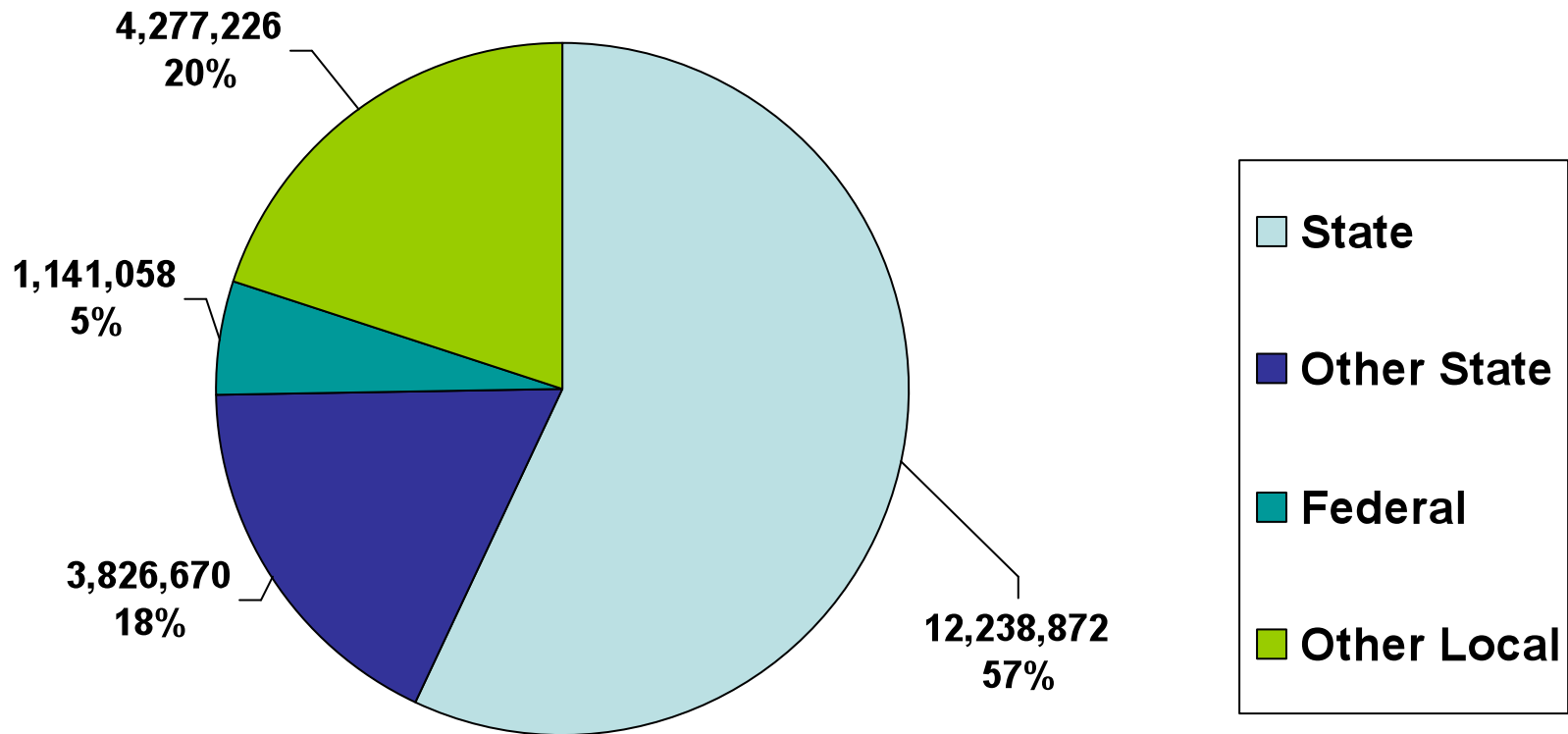
| | | |
|-----------------------------------|----------------------|---------------------|
| Unrestricted net assets: | | |
| Board designated (Note 9) | 1,618,603 | 1,568,603 |
| General reserves | <u>5,490,190</u> | <u>3,808,197</u> |
| Total unrestricted net assets | 7,108,793 | 5,376,800 |
| Temporarily restricted net assets | 2,006,073 | 1,470,140 |
| Permanently restricted net assets | <u>170,000</u> | <u>170,000</u> |
| Total net assets | <u>9,284,866</u> | <u>7,016,940</u> |
| Total liabilities and net assets | <u>\$ 12,770,806</u> | <u>\$ 9,712,512</u> |

The accompanying notes are an integral part of these financial statements.

State of California Current Budget Issues

- \$19 Billion Education budget deficit at the state level
- LAUSD currently projecting \$600 Million budget deficit
- Numerous school districts in budget reduction process
- Other state funded institutions in similar budget reduction modes (City of Los Angeles – work furloughs/layoff's)

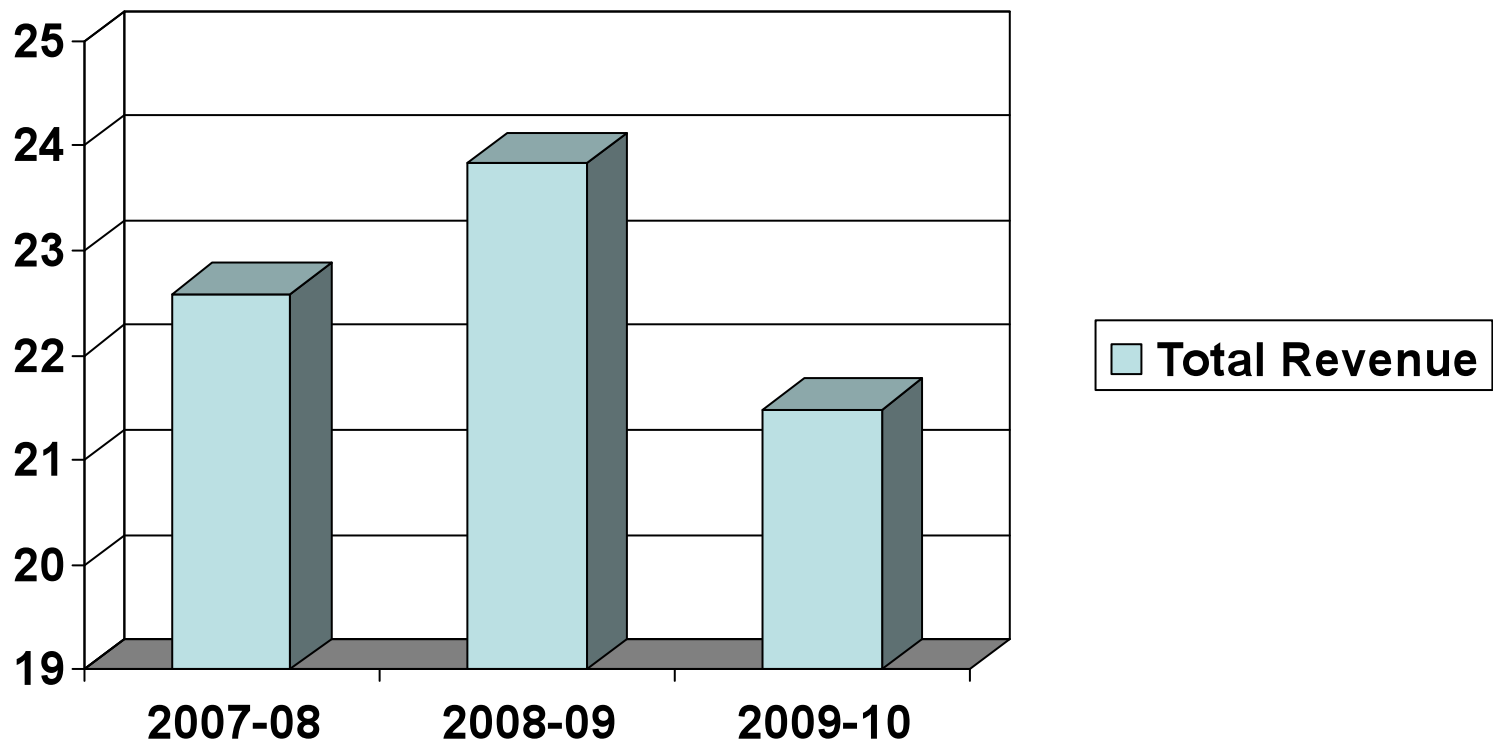
PCHS 2009-10 Revenue By Source



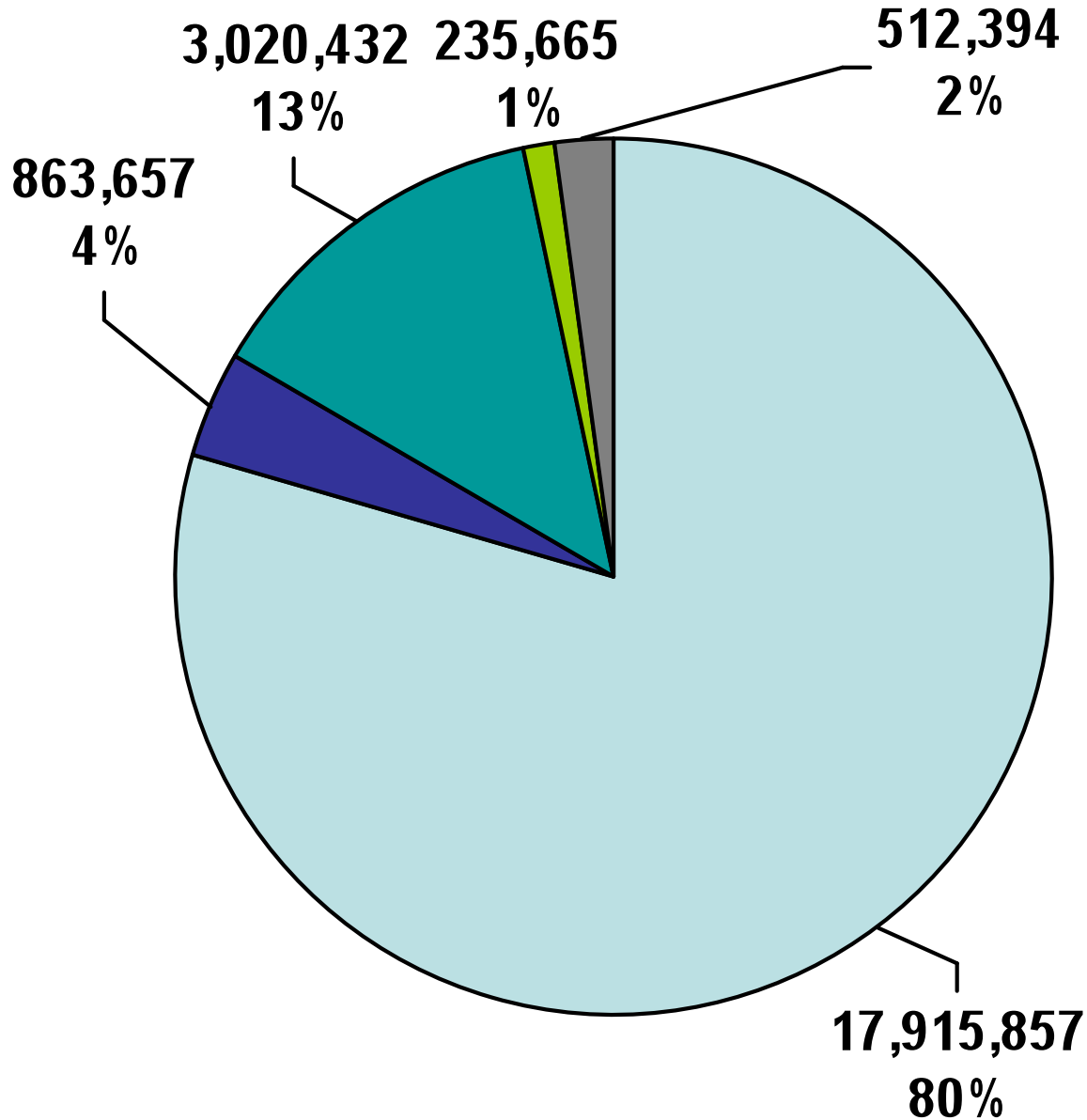
75% of PCHS Total Revenue comes from State funding sources






PCHS Total Revenue last 3 years

Millions



PCHS 2009-10 Budget



-  Total Employee Costs (Salary + Benefits)
-  Total Supplies (Textbook/IMA/Food)
-  Total Other Operating Expenses
-  Total Capital (Buildings/Tech)
-  Total Direct Support / Indirect Costs (LAUSD)

3 year Expenses

| | | 2007-2008 Actual | Percent Of Budget | 2008-2009 Actual | Percent Of Budget | 2009-2010 Projected | Percent Of Budget | |
|----|--|---------------------|----------------------|---------------------|----------------------|------------------------|----------------------|--|
| 2 | | | | | | | | |
| 3 | | | | | | | | |
| 4 | | | | | | | | |
| 5 | Certificated Staff | 10,624,682 | 46.8% | 10,998,678 | 48.5% | 10,889,677 | 48.3% | |
| 6 | Classified Staff | 2,708,773 | 11.9% | 3,018,104 | 13.3% | 2,817,434 | 12.5% | |
| 7 | Benefits | 3,792,568 | 16.7% | 3,908,769 | 17.2% | 4,208,746 | 18.7% | |
| 8 | Total Employee Costs | 17,126,023 | 75.5% | 17,925,551 | 79.0% | 17,915,857 | 79.5% | |
| 9 | | | | | | | | |
| 10 | Textbooks | 194,917 | 0.9% | 230,132 | 1.0% | 179,792 | 0.8% | |
| 11 | IMA | 444,168 | 2.0% | 296,977 | 1.3% | 291,031 | 1.3% | |
| 12 | Other Supplies | 157,035 | 0.7% | 154,826 | 0.7% | 172,834 | 0.8% | |
| 13 | Food | 293,279 | 1.3% | 169,114 | 0.7% | 220,000 | 1.0% | |
| 14 | Total Supplies | 1,089,399 | 4.8% | 851,049 | 3.8% | 863,657 | 3.8% | |
| 15 | | | | | | | | |
| 18 | Total Other Operating Expenses | 2,770,685 | 12.2% | 2,784,051 | 12.3% | 3,020,432 * | 13.4% | |
| 19 | | | | | | | | |
| 20 | Site Improvements | 84,338 | 0.4% | 28,203 | 0.1% | | 0.0% | |
| 21 | Blding Improvemtns | 362,779 | 1.6% | 252,175 | 1.1% | 125,351 | 0.6% | |
| 22 | Technology | 504,033 | 2.2% | 228,846 | 1.0% | 90,314 | 0.4% | |
| 23 | Equipment Replacement | 202,021 | 0.9% | 69,623 | 0.3% | 20,000 | 0.1% | |
| 26 | Total Capital | 1,153,171 | 5.1% | 578,848 | 2.6% | 235,665 | 1.0% | |
| 27 | | | | | | | | |
| 30 | Total Direct Support/ Indirect Costs | 558,611 | 2.5% | 549,757 | 2.4% | 512,394 | 2.3% | |
| 31 | | | | | | | | |
| 32 | Total General Fund Expenses | 22,697,889 | 100.0% | 22,689,256 | 100.0% | 22,548,004 | 100.0% | |
| 33 | | | | | | | | |
| 34 | | | | | | | | |
| 35 | | | | | | | | |
| 36 | * 2009-2010 budget includes 590k of Special Ed LAUSD Services (27% Fee of PCHS special ed revenue) offset by increased revenue | | | | | | | |
| 37 | | | | | | | | |

2010-11 Budget Issue


- State of California Jan 2010 Gov Budget update indicates another budget cut 0.38% (approx \$75,000 reduction in revenue)
- Based upon 2009-10 current budget projections 2010-11 budget shortfall will approximate \$1.1M

How can PCHS reduce \$1M+ Budget Deficit

- INCREASE REVENUE SOURCES
 - Increase ADA
 - Fundraising
 - Grants
 - Federal Stimulus: Race to the top
 - Other Ideas?

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How can PCHS reduce \$1M+ Budget Deficit

- **DECREASE EXPENDITURES**
 - Reduce Cafeteria deficit
 - Reduction of Operating Costs (capital leases, LAUSD Services, etc)
 - Reduce salaries and benefits (all forms of compensation/benefits)
 - Other ideas? 

How can PCHS reduce \$1M+ Budget Deficit

- **UNKNOWNNS**

- Transportation Issues with LAUSD
- SP Ed issues with LAUSD
- Facility use fees with LAUSD
- Health care costs
- Retiree Benefits
- Other Unknowns...

How can PCHS reduce \$1M+ Budget Deficit

- **PROCESS:**
 - Stakeholder input (Includes Staff, Students, Parents, and Community)
 - Administrative review
 - Union Negotiations- Salary/Benefits
 - Budget/Finance Committee
 - Budget Process, March 2010-June 2010
 - Board of Trustees approval, June 2010

PCHS 2010-11 Budget Calendar

| | | |
|----|----------------------------------|--|
| 4 | | |
| 5 | | |
| 6 | Monday, February 08, 2010 | - Meet with Budget Finance to Discuss 2010-2011 Budget |
| 7 | | |
| 8 | | - Discuss Overview/Design of 2010-2011 Budget at Department Chair Meeting |
| 9 | | |
| 10 | Friday, February 26, 2010 | - Release 2010-2011 Budget Packets |
| 11 | | |
| 12 | | - Teachers/Staff meet with Department/Program Heads to build budget requests |
| 13 | | |
| 14 | Monday, March 1, 2010 | - School-wide budget goals due to Budget/Finance Committee to facilitate budget process |
| 15 | | |
| 16 | | - Available to meet with Department/Program Heads to |
| 17 | | Assist in Developing Budget Worksheets |
| 18 | | |
| 19 | | - Department/Program Heads meet with Administrator (see Historical IMA Tab to find your Administrator) to prioritize budget and complete for |
| 20 | | Review Goals & Prepare a Recommended Priority List Ranking |
| 21 | | |
| 22 | Thursday, March 25, 2010 | - Final Budget Worksheets Due to Business Office – submitted via online form |
| 23 | | |
| 24 | Thursday, April 08, 2010 | - Business Office Compiles Budget Requests/Recommendations, and organizes for Committee(s) |
| 25 | | |
| 26 | to | - Committees meet to assign priorities to department/program requests |
| 27 | | |
| 28 | Tuesday, May 11, 2010 | - Business Office compiles committee's forms and creates files for Aldersgate meeting. Reports back to department/program chairs as to committee's decisions. |
| 29 | | |
| 30 | Tuesday, May 25, 2010 | - All Day Budget & Finance Meeting to Discuss/Approve 2010-2011 Budget Requests |
| 31 | | |
| 33 | | |
| 34 | Tuesday, June 08, 2010 | - 2010-2011 Budget Submitted to Board of Directors for Review/Approval |
| 35 | | |
| 36 | Friday, June 11, 2010 | - Approved Budget Details Sent to Department/Program Heads for |
| 37 | | Communication to Staff |
| 38 | | |

Sources of Stakeholder Input

- Link on website to budget savings suggestions
- Hard copy suggestions turned into main office

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