



Palo Alto Unified School District

2009-10
Proposed Budget

June 2, 2009

BUDGET DEVELOPMENT/FINANCIAL REPORTING/CALENDAR FOR THE 2008-09 & 2009-10 BUDGET

June 2008	Adoption of 2008-09 PAUSD Budget
August 2008	Property Tax Projections from County of Santa Clara
September 2008	Governor Signed the 2008-09 State Budget
September 2008	First Revision of 2008-09 PAUSD Budget
November 2008	County Controller-Treasurer Property Tax Projection Update
December 2008	First Interim PAUSD Financial Report
December 2008	PAUSD Enrollment Projections
January 2009	Release of Governor's Recommended 2009-10 State Budget
February 2009	County Controller-Treasurer Property Tax Projection Update
March 2009	Second Interim PAUSD Financial Report
May 2009	Governor's May Revise & Property Tax Projection Update
June 2009	Adoption of 2009-10 PAUSD Budget
July 2009	Governor Signs State Budget

2008-09 Estimated Actuals

	2008-09 2nd Interim Projection	2008-09 Estimated Actual Projection	Difference
BEGINNING FUND BALANCE	\$17,103,536	\$17,103,536	\$ -
Restricted/Reserved/Designated	\$14,099,204	\$14,099,204	\$ -
Unrestricted, Undesignated	\$3,004,332	\$3,004,332	\$ -
INCOME	\$153,139,109	\$155,086,265	\$1,947,156
EXPENDITURES	\$154,262,640	\$154,668,881	\$406,241
AVAILABLE FOR BUDGET REPRIOTIZATION		\$ -	\$ -
Excess of Revenues over Expenses (Unrestricted)	(\$1,123,531)	\$417,384	\$1,540,915
ENDING FUND BALANCE	\$15,980,005	\$17,520,920	\$1,540,915
Restricted/Reserved/Designated	\$14,323,212	\$14,344,610	\$21,398
Unrestricted, Undesignated	\$1,656,793	\$3,176,310	\$1,519,517

Revenue Changes from Second Interim Projection

1.	Property Tax Increased from 10.12% to 11.15%	\$984,296
2.	Special Education – state and federal	\$182,504
3.	Special Education – local income	(\$45,000)
4.	Lottery – unrestricted	(\$136,155)
5.	Lottery – Prop 20*	(\$116,991)
6.	K-3 Grade Class Size Reduction	\$254,577
7.	9 th Grade Class Size Reduction	\$49,110
8.	Summer school and hourly	(\$48,073)
9.	Increase in local income to schools/grant adjustments*	\$822,888
	Total Income Adjustments	\$1,947,156
	*corresponding decrease/increase to expenditures (not net impact to budget)	

Expenditure Changes from Second Interim Projection

1.	Savings in personnel budgets	(\$316,570)
2.	Savings in health benefits (employees opt out)	(\$184,333)
3.	Addition to Routine Maintenance Budget	\$200,000
4.	Lottery – Prop 20*	(\$116,991)
5.	Other budget adjustments	\$1,246
6.	Increase in local income to schools/grant adjustments*	\$822,888
	Total Expenditure Adjustments	\$406,240
	<i>*corresponding decrease/increase in income (no net impact to budget)</i>	
	Net Change to Fund Balance	\$1,540,916 =====

2009-10 Proposed Budget

	2009-10 Proposed Budget
BEGINNING FUND BALANCE	\$17,520,920
Restricted/Reserved/Designated	\$14,344,610
Unrestricted, Undesignated	\$3,176,310
INCOME	\$154,589,127
EXPENDITURES	\$153,441,593
AVAILABLE FOR BUDGET REPRIORITIZATION	\$1,147,534
Excess of Revenues over Expenses (Unrestricted)	\$ -
ENDING FUND BALANCE	\$17,520,920
Restricted/Reserved/Designated	\$14,342,218
Unrestricted, Undesignated	\$3,178,702

Highlights of 2009-10 Proposed Budget

Revenue

- 3% property tax growth (on ongoing 2008-09 tax base)
- Funding reduction to state categorical programs based on the February Budget & May Revise information
- Funding reduction to federal programs because of new census data used by CDE
- Only 2009-10 revenue is budgeted for all state & federal programs; no carryover dollars included
- Parcel tax - \$9,200,000
- PIE income - \$2,570,000
- Lease revenue
 - 0.8% increase from City of Palo Alto
 - 3% for all other leases

Highlights of 2009-10 Proposed Budget

Expenditures

■ Personnel Increases:

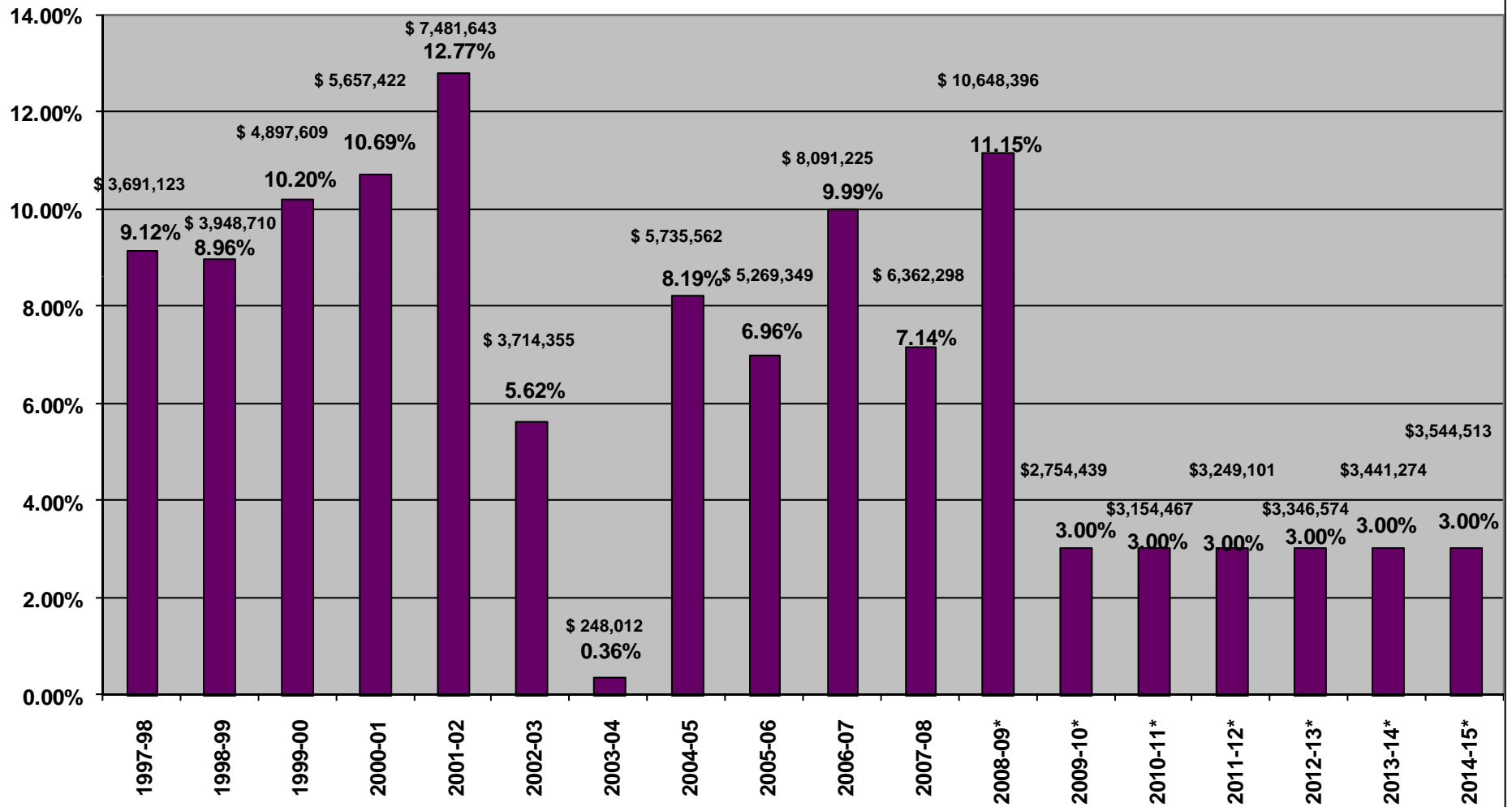
- Step and Column costs for all employees
- 18 growth teachers
- State Teacher Retirement System (STRS) rate stays at 8.25%
- Public Employee Retirement System (PERS) rate increases from 9.428% to 9.709%
- Unemployment Insurance (UI) rate increases stays at 0.3%

Highlights of 2009-10 Proposed Budget

Expenditures

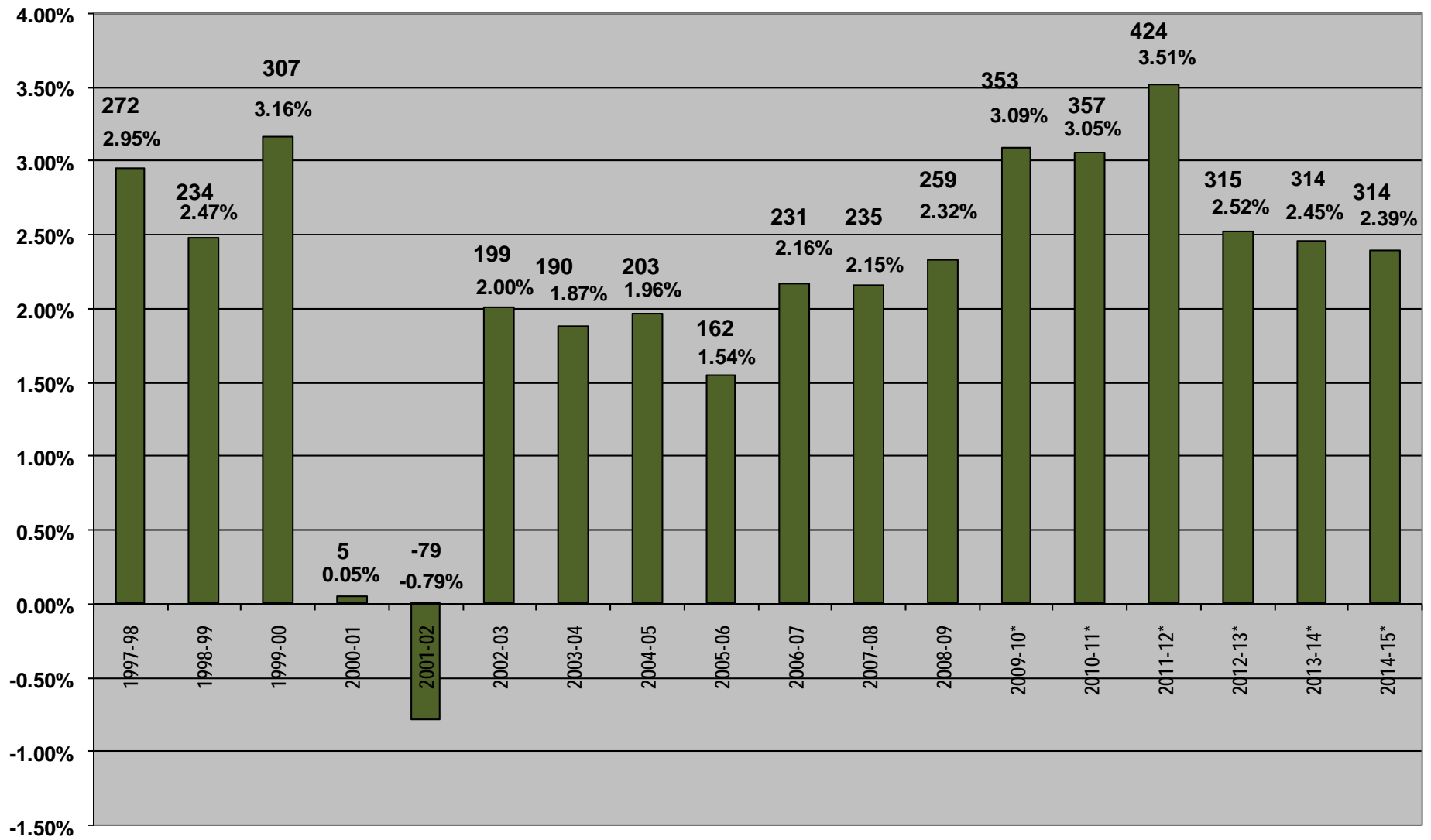
- **Other non personnel increases:**
 - Utilities
 - Non public schools
 - Transportation
 - Operating services and contracts

Change In Property Tax Revenue Amount and Percentage

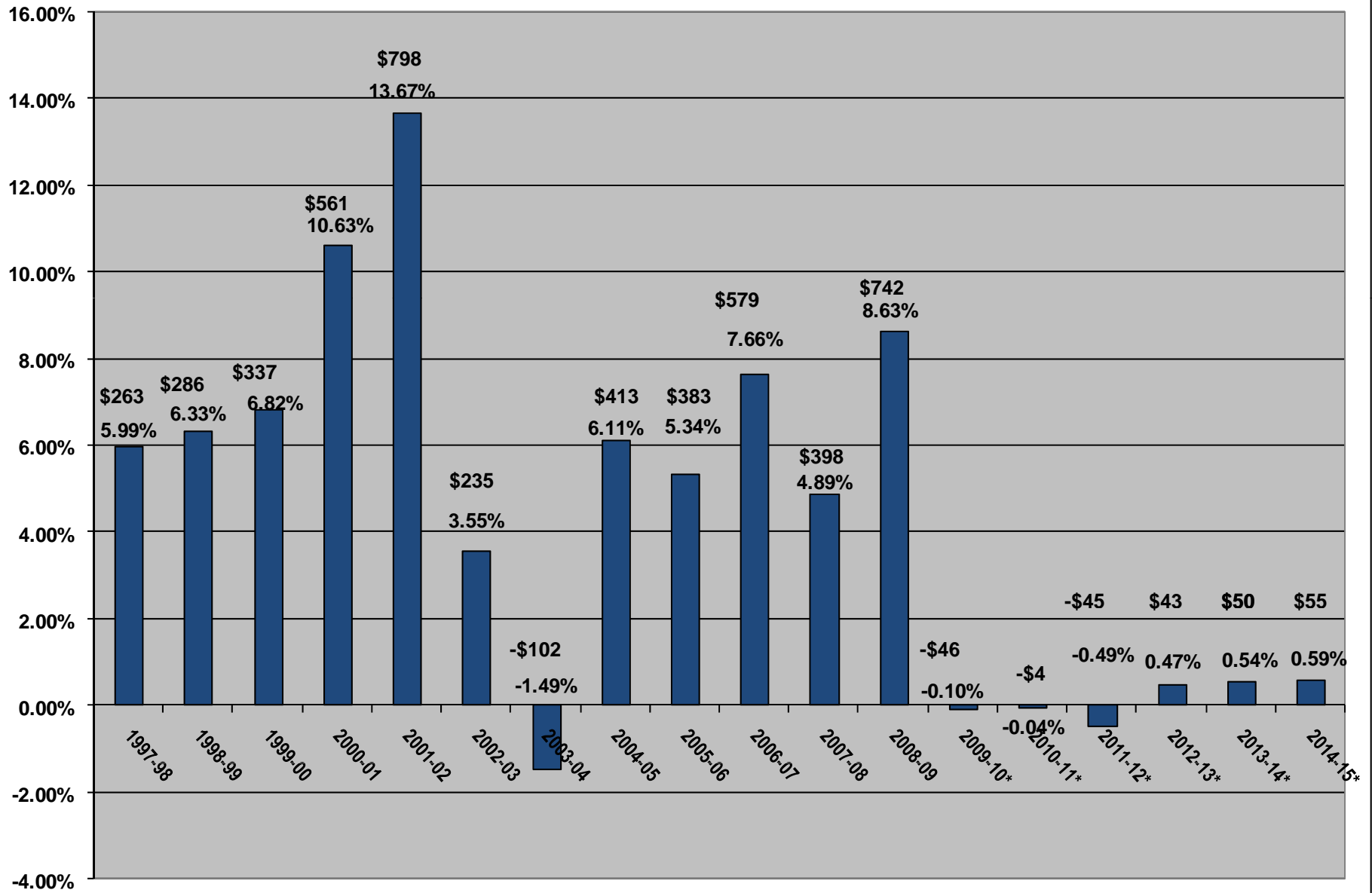


*Estimate

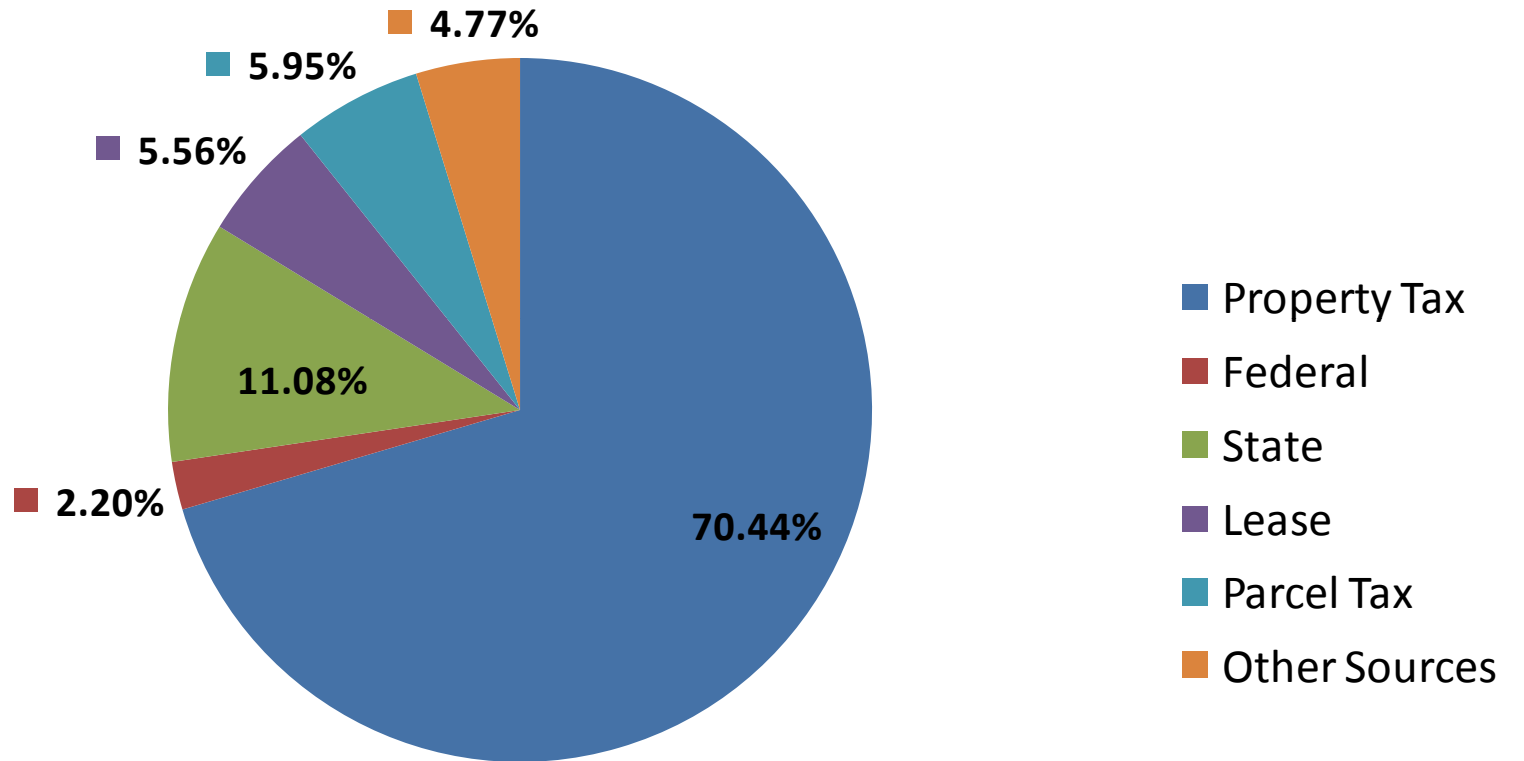
Change In Enrollment # of Students and Percentage



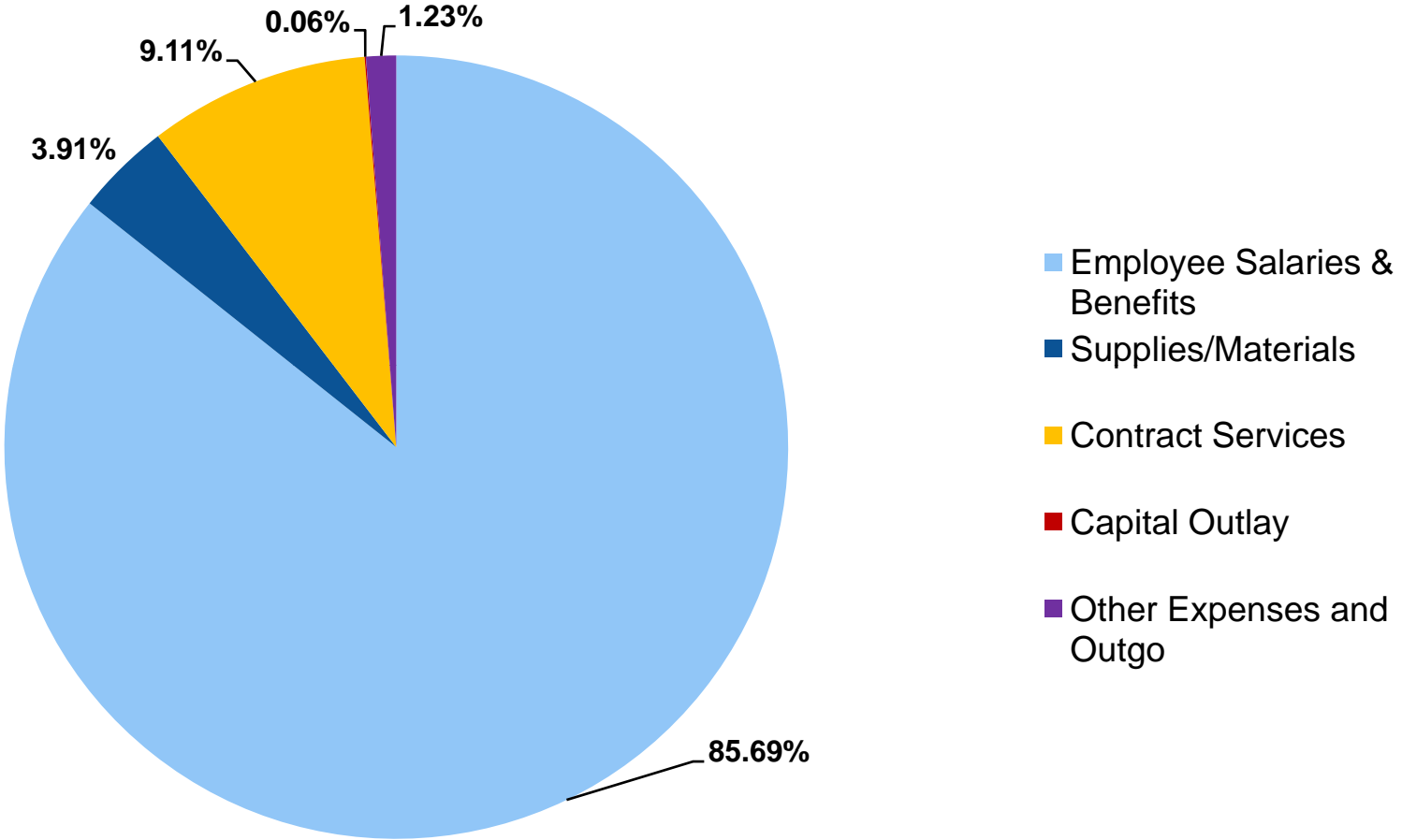
Change In Property Tax Revenue Per Student Amount and Percentage



Source of General Funds 2009-10



Use of General Funds 2009-10



Property Taxes

- Secured Roll

- 93% of total property tax revenue
- Real properties that cannot be moved
- Apportionment based on July 1 assessment

- Unsecured Roll

- 6% of total property tax revenue
- Personal and business properties
- Apportionment based on actual collection during the year

- Homeowners Exemptions

- 1% of total property tax revenue
- Assessment exemption of \$7,000 per parcel
- Reimbursed by the State of California

Estimated General Fund & Basic Aid Reserves

	2008-09	% of General Fund Budget	2009-10	% of General Fund Budget
Reserve for Economic Uncertainties	\$4,640,066	3%	\$4,637,674	3%
Unrestricted, Undesignated Fund Balance	\$3,176,310	2%	\$3,178,702	2%
Basic Aid Reserve	\$9,423,066	6%	\$9,563,272	6%
TOTAL ESTIMATED ENDING RESERVE	\$17,239,442	11%	\$17,379,648	11%
TOTAL GENERAL FUND EXPENDITURES	\$154,668,880		\$154,589,127	

Unknown/Variables

- State Budget
- Property Tax Revenue
- Enrollment Growth
- Compensation
- Health Benefits