



**SAN DIEGUITO UNION HIGH SCHOOL  
DISTRICT  
BOARD OF TRUSTEES  
BOARD WORKSHOP  
MINUTES**

**Board of Trustees**  
Joyce Dalessandro  
Linda Friedman  
Barbara Groth  
Beth Hergesheimer  
Deanna Rich  
  
**Superintendent**  
Ken Noah

**TUESDAY, JULY 20, 2010  
3:30 PM**

**DISTRICT OFFICE BOARD ROOM 101  
710 ENCINITAS BLVD., ENCINITAS, CA. 92024**

The Governing Board of the San Dieguito Union High School District held a Board Workshop on Tuesday, July 20, 2010, at the above location, in the Board Room.

**ATTENDANCE**

**BOARD OF TRUSTEES**

Joyce Dalessandro  
Linda Friedman  
Barbara Groth  
Beth Hergesheimer  
Deanna Rich

**DISTRICT ADMINISTRATION**

Ken Noah, Superintendent  
Terry King, Associate Superintendent, Human Resources  
Steve Ma, Associate Superintendent, Business  
Eric Dill, Associate Superintendent, Business, (as of July 1, 2010)  
Ron Tackett, CSEA Association President, Chapter 241  
Sue Koehnen, Director, Human Resources  
Rick Labib-Wood, Director, Classified Personnel  
Becky Banning, Recording Secretary

APPROVED IN PUBLIC MEETING OF THE  
BOARD OF TRUSTEES OF THE SAN DIEGUITO  
UNION HIGH SCHOOL DISTRICT 8-10-10  
*Becky Banning*  
BECKY BANNING RECORDING SECRETARY  
BOARD OF TRUSTEES

1. CALL TO ORDER – The meeting was called to order at 3:30 PM.

**INFORMATION ITEM**

2. PROPOSED REVISIONS TO 2010-11 GENERAL-FUND ADOPTED BUDGET

Mr. Eric Dill gave a detailed update on the district's Budget for 2010-11. Key topics discussed were changes to the budget since June; a summary of property taxes for 2009-10 and 2010-11, stimulus dollars, multi-year projections including details on targeted reductions from now through 2013-14 school year. A copy of a handout document is attached.

3. ADJOURNMENT – The meeting was adjourned at 4:35 PM.

*Joyce Dalessandro*  
\_\_\_\_\_  
Joyce Dalessandro, Board Clerk

*Ken Noah*  
\_\_\_\_\_  
Ken Noah, Superintendent

8-10-10  
\_\_\_\_\_  
Date

8-10-10  
\_\_\_\_\_  
Date

# SAN DIEGUITO

UNION HIGH SCHOOL DISTRICT

# BUDGET WORKSHOP

July 20, 2010

3:30 p.m.

1 of 17

# Changes to Budget Since June

Item	Date	Amount
2009-10 Property Tax Revenue Below Budget	June 25, 2010	(888,699)
Property Tax Projection for 2010-11	June 1, 2010	(1,893,775)
Return of ARRA/SFSF to State	June 16, 2010	(2,825,711)
<b>Total Impact</b>		<b>(4,719,486 – 5,606,185)</b>

# 2009-10 Property Tax

- Final property tax receipts came in under annual budget by \$888,699
- This will affect the General Fund Unrestricted ending balance
- Finance is working on year-end close
- Estimated unspent amounts should cover this shortfall
- Shortfall should not result in further reduction in 2010-11 property tax projections

# 2010-11 Property Tax

- 2010-11 Assessed Valuation within District boundaries was estimated in May to drop by 1.9%
- SDCOE advised District in June to apply the same percentage reduction to 2010-11 property tax revenue
- Decrease in revenue of \$1,893,775 from our projection

# 2010-11 Property Tax

- Final Assessed Valuation projection received in July is slightly higher
- San Diego County will release new projection of property tax in August
- District will use most conservative estimate

# Return of Stimulus

- Received \$3,755,292 in 2008-09
- Originally not included in 2009-10 budget due to belief Basic Aid districts would not be entitled to stimulus funds
- Final Fair Share deal allowed BA districts to amount equal to their cut to categoricals
- Included in final 2009-10 budget based on advice from SDCOE

# Return of Stimulus

- District's preliminary allocation was based on higher ADA, higher funded Revenue Limit, and lower property taxes at P-1
- ADA and funded Revenue Limit decreased and property tax increased by P-2
- Final allocation by CDE was based on P-2, which resulted in drastic reduction
- District must now return \$2,823,711
- No other district in the state is affected to the same extent



# Multi-Year Projection

- Multi-Year Projection presented at adoption took the 1.9% loss in 2010-11 property tax into consideration, but not the 2009-10 property tax shortfall or the return of stimulus
- Revised MYP would reflect a more dire outlook

# Revised Multi-Year Projection

Unrestricted Funds	2010-11	2011-12	2012-13	2013-14
<b>Income</b>	71,365,841	72,456,699	73,209,255	74,212,323
<b>Expense</b>	76,675,167	77,326,311	77,101,518	77,434,359
<b>Surplus (Deficit)</b>	(5,309,326)	(4,869,612)	(3,892,263)	(3,222,036)
<b>ARRA Pay Back</b>	(2,823,711)			
<b>GF Ending Balance</b>	<b>7,072,042</b>	<b>2,202,430</b>	<b>(1,689,833)</b>	<b>(4,911,869)</b>
<b>Total GF Expense</b>	98,845,439	98,109,723	98,078,623	99,125,056
<b>GF Reserve Surplus (Shortfall) of 3%</b>	4,106,679	(740,862)	(4,632,192)	(7,885,621)
<b>Special Reserve</b>	2,551,602	2,577,118	2,602,890	2,628,919
<b>Total Unrestricted Reserve</b>	<b>9,623,644</b>	<b>4,779,548</b>	<b>913,057</b>	<b>(2,282,950)</b>
<b>Total Unrestricted Reserve Percent</b>	10%	5%	1%	-2%

# Targeted Reductions

- Previous MYP anticipated \$1M in further expenditure reductions for 2011-12 & 2012-13
- We will need to exceed those targets to maintain the minimum required reserve
- Reduction of ongoing costs in early years prevent larger cuts in later years and provide greater certainty in forecasting
- Step, Column, & Benefits increases add ~\$1M to budget each fiscal year

# Targeted Reductions

□ Assumptions include:

- Annual increases in step, column, benefits
- Slight upturn in property tax applied toward deficit reduction
- No restoration of categorical funding
- Categorical flexibility ending in 2012-13
- Maintenance of 3% and Basic Aid Reserves

Year	Amount
2010-11	\$1.90M
2011-12	\$1.37M
2012-13	Hold
2013-14	Hold
Cumulative Effect	\$11.7M

# Multi-Year Projection With Reductions

Unrestricted Funds	2010-11	2011-12	2012-13	2013-14
<b>Income</b>	71,365,841	72,456,699	73,209,255	74,212,323
<b>Expense</b>	74,771,760	75,056,429	74,831,636	74,164,477
<b>Surplus (Deficit)</b>	(3,405,919)	(2,599,730)	(1,622,381)	47,846
<b>ARRA Pay Back</b>	(2,823,711)			
<b>GF Ending Balance</b>	<b>8,975,449</b>	<b>6,375,719</b>	<b>4,753,338</b>	<b>4,801,184</b>
<b>Total GF Expense</b>	96,942,032	95,839,841	95,808,741	95,855,174
<b>GF Reserve Surplus (Shortfall) of 3%</b>	6,067,188	3,500,524	1,879,076	1,925,529
<b>Special Reserve</b>	2,551,602	2,577,118	2,602,890	2,628,919
<b>Total Unrestricted Reserve</b>	<b>11,527,051</b>	<b>8,952,837</b>	<b>7,356,228</b>	<b>7,430,103</b>
<b>Total Unrestricted Reserve Percent</b>	12%	9%	8%	8%

# Targeted Reductions—Certificated

## 2010-11

Item	Amount
4.0 FTE Staffing Formula	322,152
0.2 BTSA Support	16,108
0.4 Psychologist	32,215
READI Restructure	48,323
0.6 Special Ed Teacher	65,733
1.0 Counselor	80,538
<b>Total</b>	<b>565,069</b>

## 2011-12

Item	Amount
Reductions due to declining enrollment & retirements	1,055,000
Shift some coaching funding to other sources	75,000
<b>Total</b>	<b>1,130,000</b>



# Targeted Reductions— Services & Supplies

2010-11	
Item	Amount
Reduce HS Athletics Allocation	36,000
Encinitas SRO	100,734
Management Association Dues	36,000
Report Card Mail Out	15,000
Safari Licenses	5,000
Renegotiate EW Library Contract	70,000
<b>Total</b>	<b>262,734</b>

2011-12	
Item	Amount
Eliminate HS Athletics Allocation	36,000
<b>Total</b>	<b>36,000</b>



# Targeted Reductions—Other Shifts

2010-11	
Item	Amount
Transfer of funds from SELPA†	60,000
ROP Surplus Sweep‡	448,552
Home-To School Encroachment	60,148
EL Stipend Paid from Fund 06†	TBD
<b>Total</b>	<b>568,700</b>

2011-12	
Item	Amount
Home to School Transportation	
Encroachment	99,721
Tier III Shift	482,921
Auto Insurance	14,319
<b>Total</b>	<b>596,961</b>

† One-time Shift

‡ Assumes continued flexibility

# Next Steps

- Discussion
- Take necessary actions to maintain fiscal solvency
- Adjust budget to reflect changes
- Fall Revision presented to Board of Trustees