



# El Monte Union High School District

3537 Johnson Avenue, El Monte, California 91731

---

## 2010-2011 PROPOSED BUDGET

*Board Report # 423*

*June 16, 2010*

### **Board of Trustees**

**Salvador Ramirez, President**  
**Esthella Torres de Siegrist, Clerk**  
**Carlos G. Salcedo, Member**  
**John Tran, Member**  
**Theresa A. Velasco, Member**

### **District Administration**

**Nicasio J. Salerno - Superintendent**  
**Anthony M. Ortega - Assistant Superintendent, Business**  
**Diane Bladen - Asst. Superintendent, Educ. Svcs./Adult & Alt. Educ.**  
**Dan Morris - Assistant Superintendent, Personnel**



# El Monte Union High School District

## THE MISSION

---

The Mission of the El Monte Union High School District is to provide a sound and well-balanced educational program for each student. The program is geared to each pupil's needs and restricted only by the financial limits of the district.

Educational experiences relate to daily living and give direction to career planning with future employment and technology trends in mind. Students will be actively engaged in each educational activity with all efforts to develop a healthy body, disciplined mind, broad education and sound character.

Schools will assist in developing a knowledge and appreciation for mankind's heritage, culture and wisdom. Students will develop into well-rounded, useful, intelligent citizens appreciative of our democratic way of life.

In particular, the district's goals for each student include a strong basic skills program; positive attitude towards self, others, learning and work; educational exposure to a variety of courses and disciplines; career awareness and exploration; life planning and decision making; and consumer and economic awareness.



# El Monte Union High School District

## **Educating Communities for a Better World**

---

Located in the heart of the San Gabriel Valley, the El Monte Union High School District, established in 1901 includes Arroyo High School, El Monte High School, Mountain View High School, Rosemead High School, South El Monte High School, Fernando R. Ledesma High School, El Monte Union High School District Community Day School and two El Monte/Rosemead Adult Centers, one of California's largest and most respected adult programs.

Just minutes from the hub of the Los Angeles metropolitan civic center, with the Pomona, San Bernardino and 605 freeways traversing the areas, the district boasts many comfortable and residential neighborhoods in addition to providing sites for a myriad of business and industrial facilities.

The population studies show that approximately 200,000 people reside in our attendance boundaries. The area that the District serves represents a cross section of interests, professions, and groups. The majority of income for people in the area is broadly grouped into industrial and factory work along with retail sales.

The District philosophy of education calls for the school, the home, and the community to work cooperatively toward the achievement of its educational goals.

With a commitment to excellence underlying all goals, the Board of Trustees constantly strives to provide outstanding educational services to the youth and adults of the community.

# El Monte Union High School District

## Budget Development Process

The budget development process at El Monte Union High School District begins with reflection on the district's goal of maintaining a high quality environment for students and staff. The next major step is a comprehensive review of all of the individual components of the larger picture of the financial health of the district. These components include total compensation costs (salaries and benefits combined), staffing requirements based upon projected/budgeted average daily attendance (ADA), participation in the E-Rate program and finally, evaluation and review of the Governor's proposed budget as presented in January and May of each year.

For the site's unrestricted allocations, each site gets approximately **\$41.00** per prior year CBEDS plus additional items. This year that total allocation to the sites is as follows:

- **\$417,029** for school site unrestricted allocations. (This relates to the **\$41.00** per prior year CBEDS)
- **\$265,150** for site related transportation expense for athletic events and field trips.
- **\$163,066** for district paid copiers located at the school sites plus paper allowances
- **\$66,150** for equipment replacement
- **\$135,861** for girls' officials, diploma, WASC, facilities, rentals etc.
- **\$2.0 million** for maintenance and custodial related expenses
- **\$3.2 million** for operations and utilities expenses

For a total of approximately **\$6.3 million** in unrestricted general fund expenditure excluding salaries and benefits.

# El Monte Union High School District

## Budget Assumptions

- It is important to note that the information and assumptions that we glean from the Governor's proposed budget, as presented in the May Revise, are merely estimates and won't be known factors until the Budget Act has been signed later in the fiscal year.
- The specific assumptions used in the development of the budget and multi year projections for El Monte Union High School District are as follows:

### 2010-2011

- Step and column increase for certificated and classified staff
- Increase in Health and Welfare costs budgeted at 7%
- 1% decline in enrollment
- No COLA on Revenue Limit and Other State Revenues
- No COLA on Tier II and Tier III State Categorical Programs

### 2011-2012 and 2012-2013

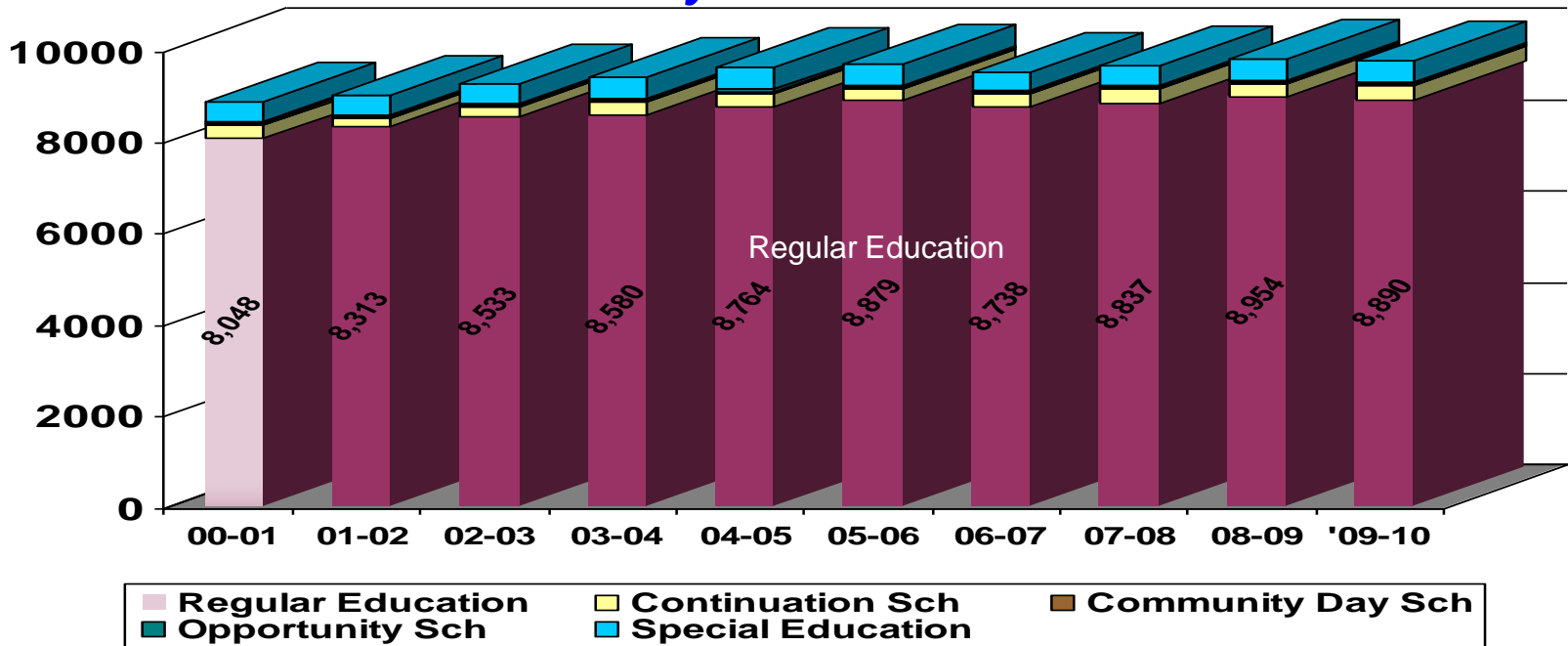
- No step and column for both certificated and classified staff
- No COLA on Revenue Limit Projections
- 1% decline in enrollment for both years
- Staffing adjustments for lost ADA
- Ongoing cost reductions in the amount of \$8.6 million starting 2011-2012
- Fund transfers from Adult Ed, ROP and GASB 45 Reserves.

# El Monte Union High School District

## ADA and Enrollment Trends Analysis

ADA is equal to the average number of pupils actually attending classes over a span of time. For the majority of our Unrestricted Funding Resource, the benchmark in time is called P2 or Period 2 reporting. This time period is the last complete school month ending prior to April 15<sup>th</sup> of a school year.

*History of ADA Data*

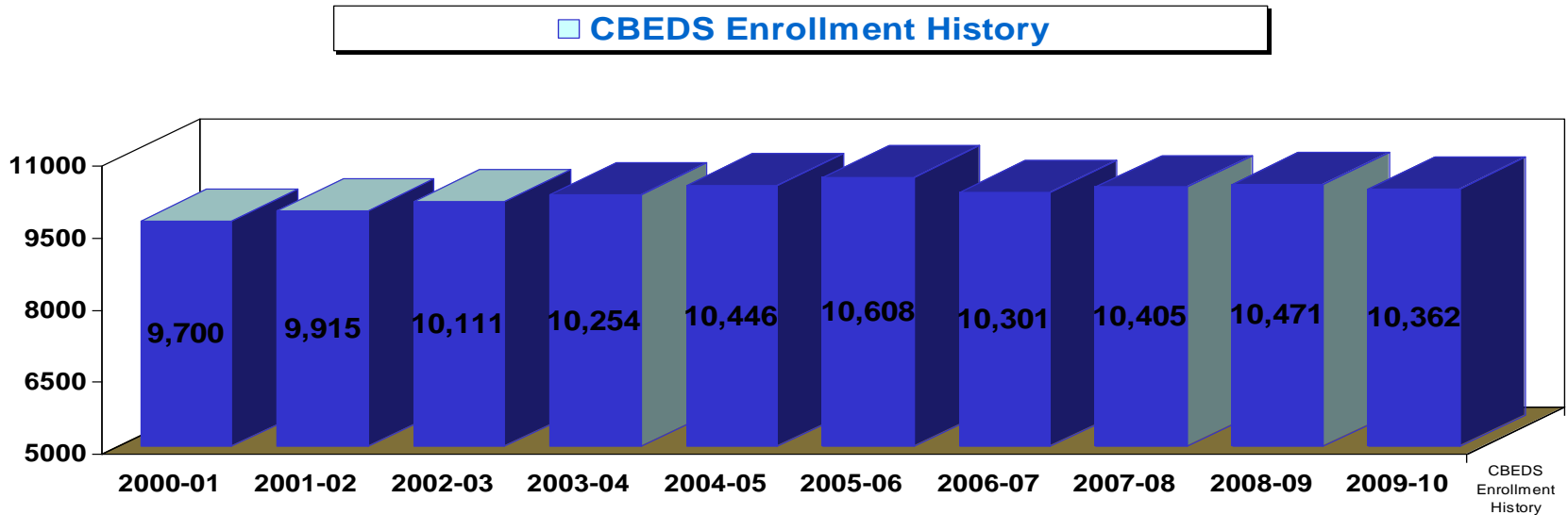


# El Monte Union High School District

## Enrollment History

Enrollment is the number of students actually enrolled in a school/program on a particular day regardless if the student was in attendance or not.

CBEDS is the statewide system of collecting enrollment and staffing data from all school districts on an “Information Day” each October.



# El Monte Union High School District

## Enrollment Projections

---

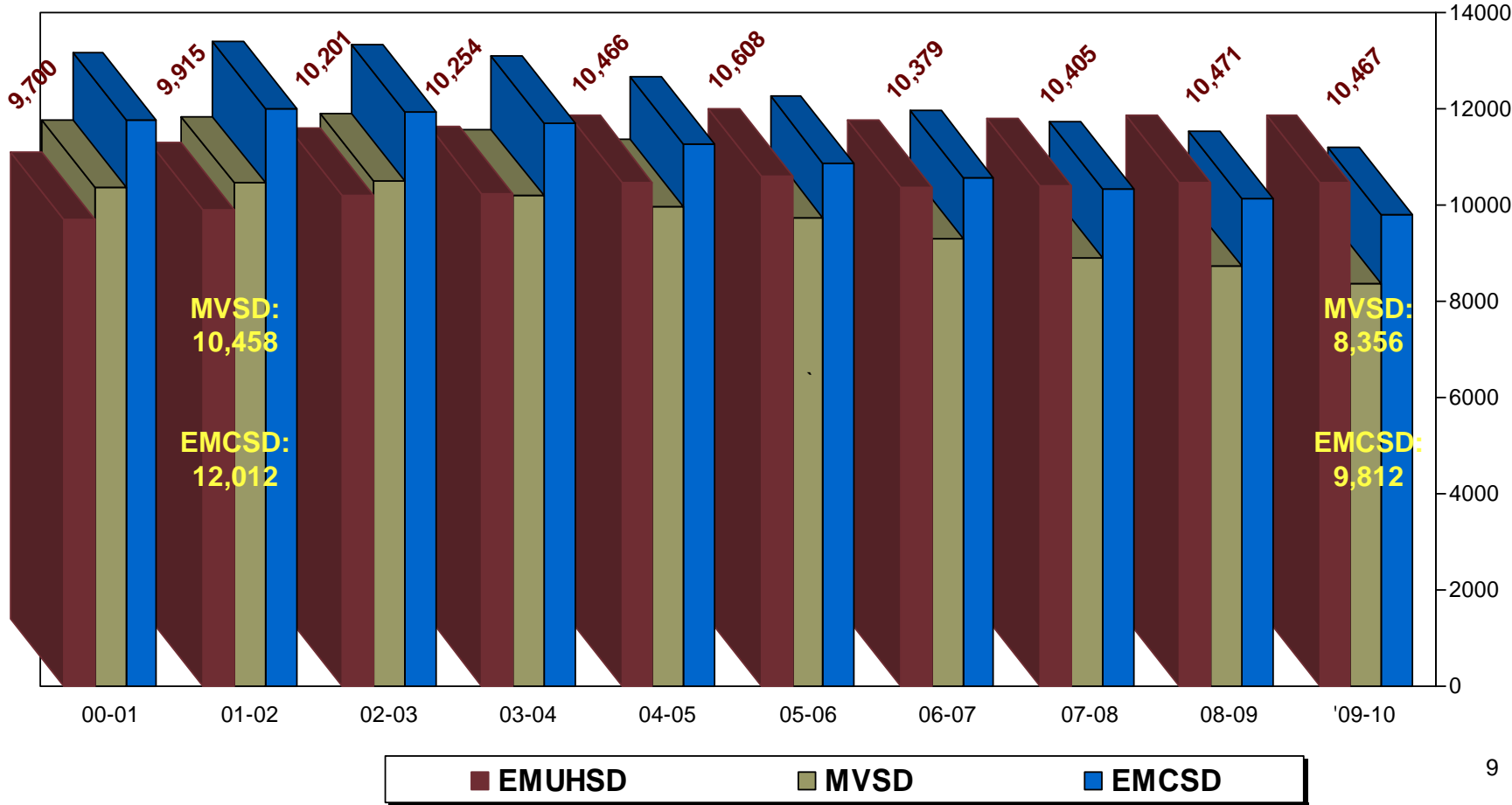
In order to determine projected enrollment a district must look at a variety of factors. These factors include:

- ▶ The enrollment of feeder districts and or surrounding area/neighborhood districts
- ▶ Enrollment trends throughout the state
- ▶ Population increases and decreases due to growth and migration into and out of the state and local areas
- ▶ Economic stability of the state and local areas
- ▶ Cost of housing in the local area.

Taking this information into account for the El Monte Union High School District we used the following information in calculating our projected enrollment:

- ✚ Our two largest feeder districts, Mountain View School District and El Monte City School District, have experienced declining enrollment for the past 5 years (3% - 4% per year).
- ✚ School districts in the State of California are still facing declining enrollment and more are expected to see declines in the next few years.
- ✚ A 1% decline in our District enrollment is reflected in the projections for the 2011-2012 and the 2012-2013 school years.

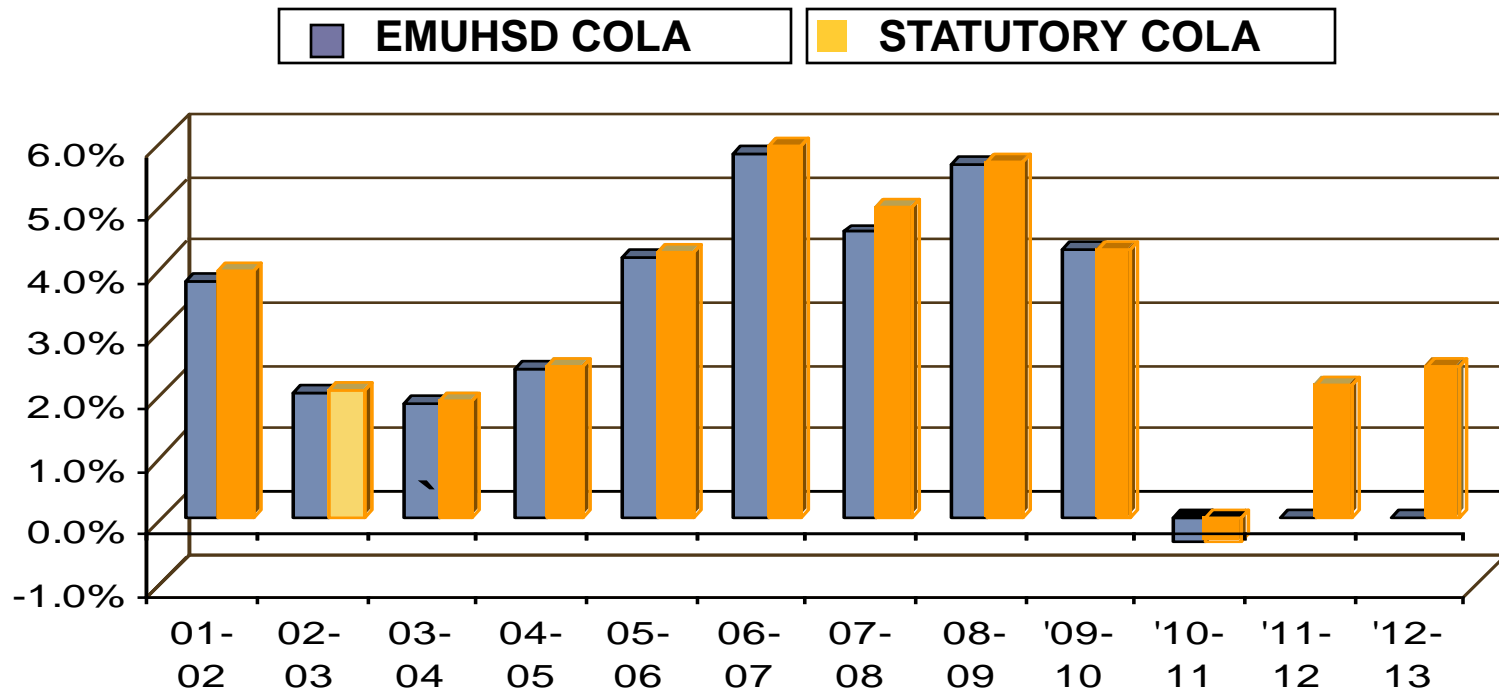
# El Monte Union High School District Comparison of Declining Enrollment



# El Monte Union High School District

## COLA - Cost of Living Adjustment

This is the annual increase to the base revenue limits and/or statutorily identified categorical programs. This amount is tied to the “Implicit Price Deflator” for State and Local governments. (ED-CODE 42238.1)



# El Monte Union High School District

## REVENUE LIMIT

(Information is based upon the statewide average)

Statewide					
	2008-2009 Actual	2009-2010 Estimated Actual	2010-2011 Budget	2011-2012 Projected	2011-2012 Projected
<b>Statutory COLA*</b>	5.66%	4.25%	-0.39%	2.10%	2.40%
<b>Revenue Limit Deficit</b>	-11.428%	-18.355%	-18.355%	-18.355%	-18.355%
El Monte Union High School District					
<b>Deficited BRL per ADA</b>	\$ 6,318	\$6,068	\$6,045	\$6,045	\$6,045

\* Statutory COLA is the average cost of living allocation of all districts in California.

# El Monte Union High School District

## Assumptions for Multi-Year Projections

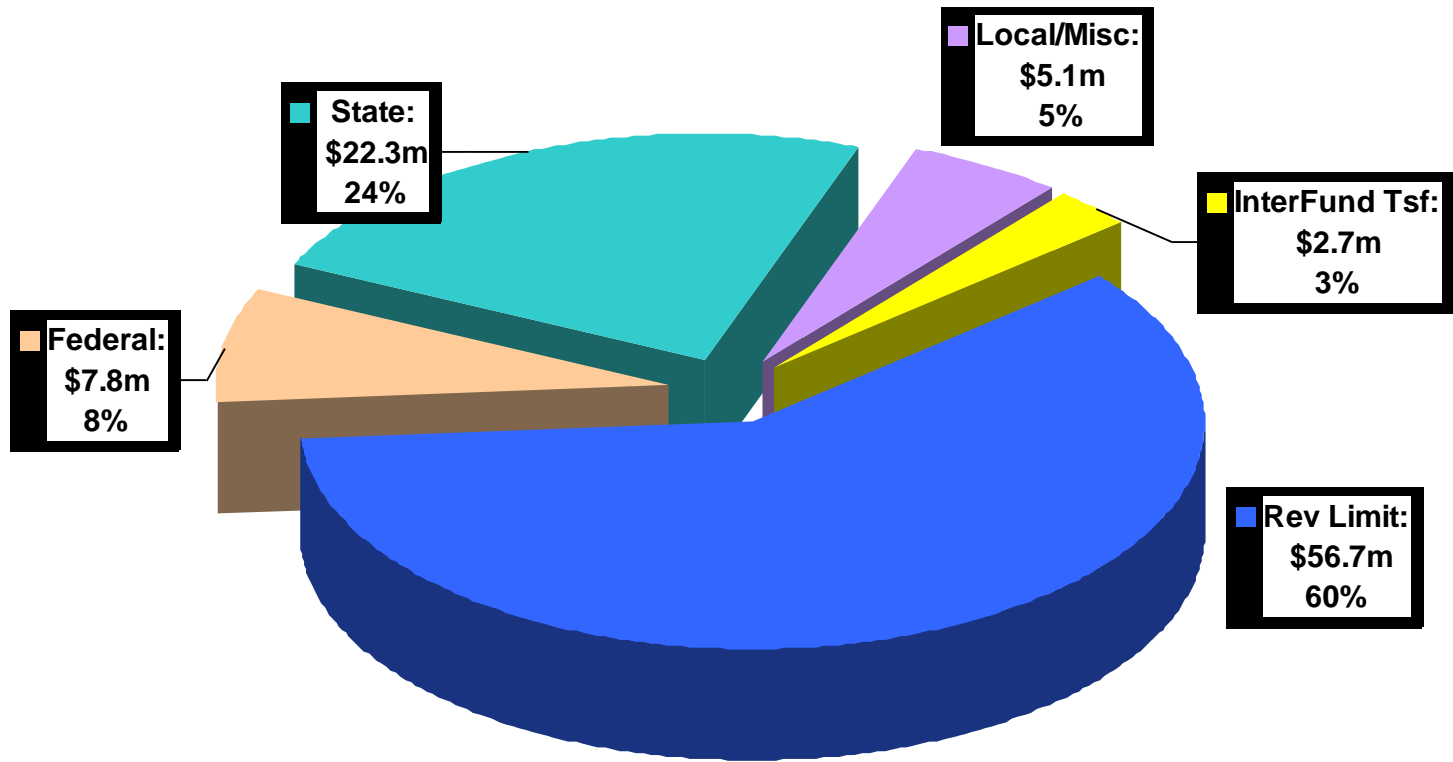
	<b>2009-10</b> Est. Actuals	<b>2010-11</b> Budget	<b>2011-12</b> Projected	<b>2012-13</b> Projected
<b>REVENUE LIMIT</b>				
Statutory COLA	4.25%	-0.39%	0%	0%
Revenue Limit Deficit	-18.355%	-18.355%	-18.355%	-18.355%
<b>SPECIAL EDUCATION AND CATEGORICAL PROGRAMS</b>				
Categorical COLA	-4.25%	-0.39%	0%	0%
Special Education Base Deficit	0.00%	-0.39%	0%	0%
<b>LOTTERY REVENUE PER ADA</b>				
Unrestricted	\$111.00	\$111.00	\$111.00	\$111.00
Restricted for Instr. Materials	\$ 14.50	\$ 14.50	\$ 14.50	\$ 14.50

## El Monte Union High School District Actual Funding Per ADA

	2009-10	2010-11
Prior Year Base Revenue Limit	\$7,132.80	\$ 7,432.80
COLA	<u>300.00</u>	<u>( 29.00)</u>
Base Revenue Limit	7,432.80	7,403.80
18.355% Deficit Applied	(1,364.29)	(1,358.97)
One Time Reduction	( 252.99)	-
Unallocated Reduction approx. 3.85% (per Dept. of Finance)	-	( 285.05)
<b>NET FUNDING / ADA</b>	<b>\$5,815.52</b>	<b>\$ 5,759.78</b>

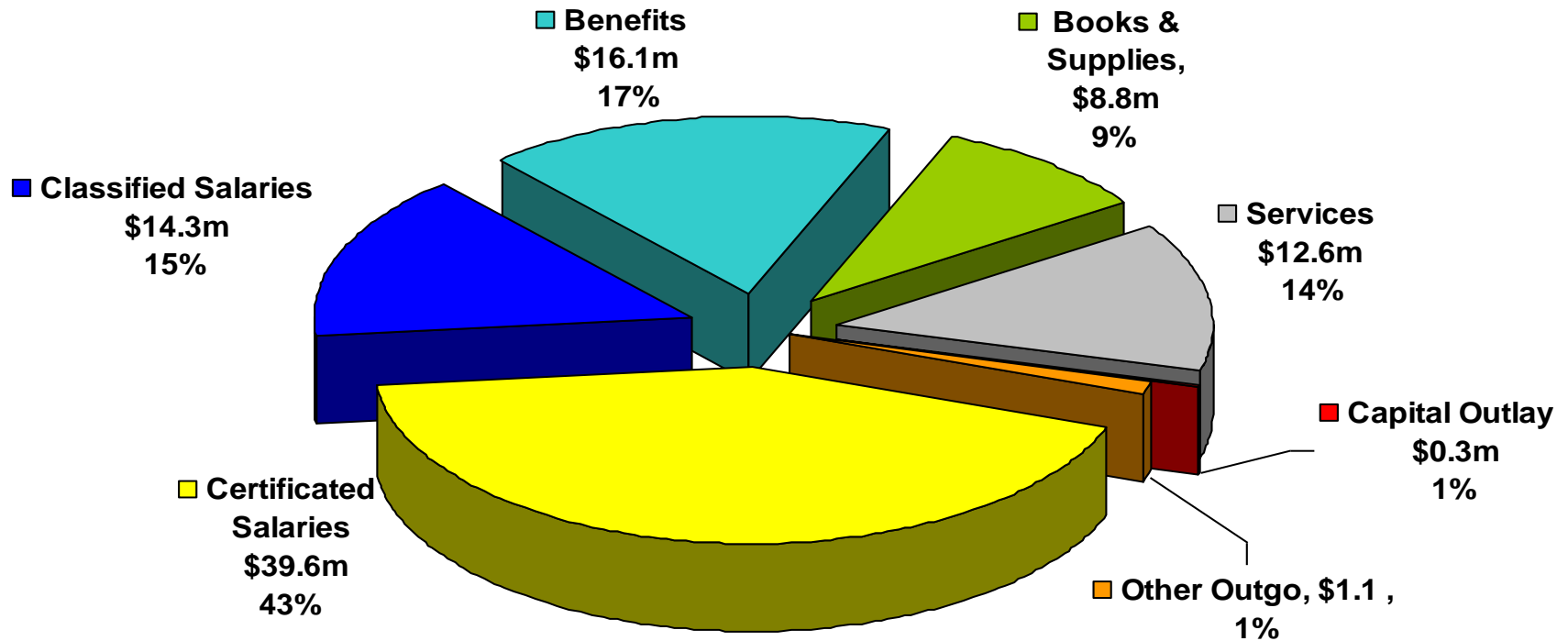
# El Monte Union High School District

## **GENERAL FUND: TOTAL REVENUES: \$ 94.6m**



# El Monte Union High School District

## GENERAL FUND: TOTAL EXPENDITURES: \$ 92.8m



■ Certified Salaries  
■ Books & Supplies  
■ Other Outgo

■ Classified Salaries  
■ Services and Other Operating Expenses  
■ Capital Outlay

■ Benefits

# El Monte Union High School District

## GENERAL FUND

<b>PROJECTED ENDING FUND BALANCE</b>		
Beginning Fund Balance		\$ 14.1 million
Total Revenues/Transfer In	\$ 94.6 million	
Total Expenditures	( 92.8 million)	
Transfer to Adult Education	( 10.9 million)	
Deficit		(9.1 million)
Ending Fund Balance, 2010-11		\$ 5.0 million
<b>Fund Balance Designation</b>		
Reserve for Econ. Uncertainties (3%)	3.1 million	
Reserve for Stores/ Revolving Cash	0.2 million	
Undesignated	1.7 million	
Ending Fund Balance, 2010-11		\$ 5.0 million

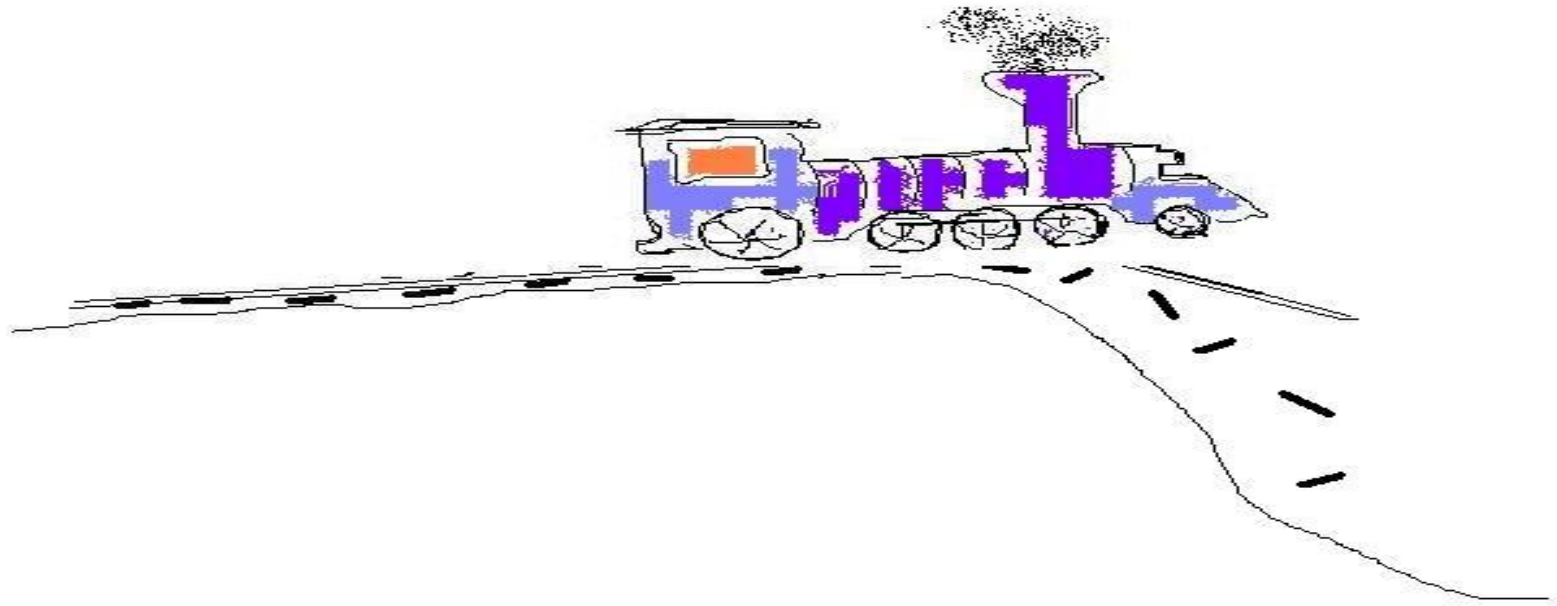
# El Monte Union High School District

## GENERAL FUND

<b>MYP - Ending Fund Balance</b>			
	Proposed 2010-2011	Projected 2011-2012	Projected 2012-2013
Beginning Fund Balance	\$ 14.1 m	\$ 5.0 m	\$ 4.1 m
Total Revenues/Contribution	94.6 m	92.5 m	91.5 m
Total Expenditures	( 92.8 m)	( 82.5 m)	( 81.7 m)
Transfer Out to Adult Ed	( 10.9 m)	(10.9 m)	(10.9 m)
<b>Ending Fund Balance</b>	<b>\$ 5.0 m</b>	<b>\$ 4.1 m</b>	<b>\$ 3.0 m</b>
<b>Fund Balance Designation</b>			
Reserve for Econ. Uncertainties (3%)	3.1 m	2.8 m	2.8 m
Reserve for Stores/ Revolving Cash	0.2 m	0.2 m	0.2 m
Undesignated	1.7 m	1.1 m	-----
<b>Ending Fund Balance</b>	<b>\$ 5.0 m</b>	<b>\$ 4.1m</b>	<b>\$ 3.0 m</b>

# Fiscal Crisis: November 2008 - February 2009

---



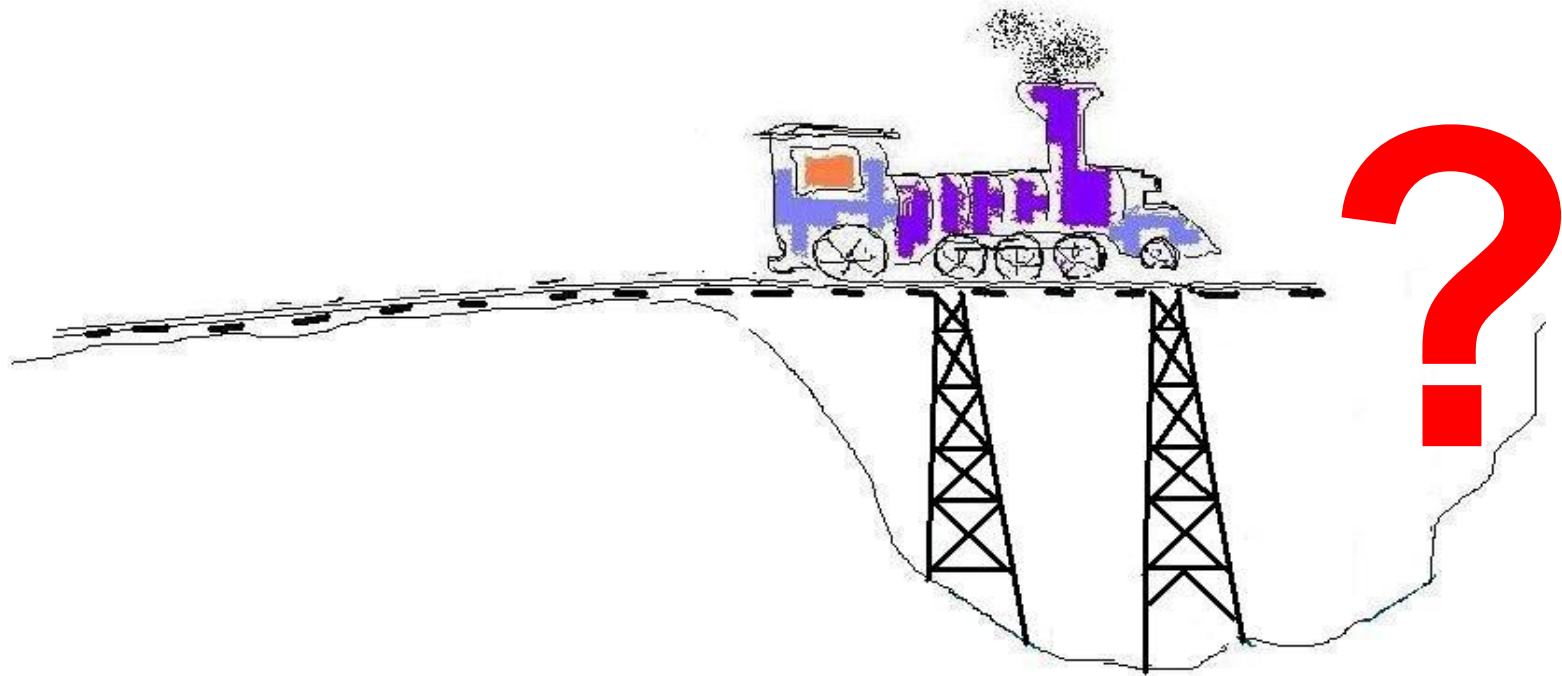
**2007**

**2008**

**2009**

**2010**

# The Role of Flexibility and Federal Stimulus Funds



**2007**

**2008**

**2009**

**2010**

**2011**

**2012**

Flexibility authorized from 2008-2013