

# San Marino Unified School District

## Board Presentation

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Presented by:

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# Follow-Up Review

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- Previous review of fiscal situation was in May 2007
- Current review is as of October 2008
- Review encompasses:
  - Review of District budget through October
  - Comparative analysis with other districts
  - Follow up on May 2007 recommendations
  - Consideration of State Budget impact

- **Determination of revenues is mostly state controlled**
  - **The District's enrollment and average daily attendance (ADA) are declining**
    - ◆ **And are expected to continue to decline in the future**
  - **Percentage of free and reduced-priced meals is relatively low compared to statewide average: 1% vs. 51%**
  - **Non-state revenues**
    - ◆ **Community involvement and support augments revenues significantly each year**





# District Expenditures

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- **Minor staffing reductions in recent years**
  - **Not sufficient to offset revenue losses due to declining enrollment**
- **Automatic increases due to step and column movement, health benefit premiums, energy costs, etc.**
- **Contributions to restricted programs on the rise**
- **Deficit spending is projected for current and future years**
- **Reserves are at risk – dipping below 3% requirement triggers outside intervention**
- **Cash flow is tougher to maintain**
- **More critical than ever to watch every dollar**



# State Budget Impact

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- **Special session to address state's fiscal crisis**
  - 45 days, else no other business
  - Midyear cuts on the table
- **Governor proposes to cut revenue limits**
  - And provide broad flexibility in the use of categorical funds
- **Democrats in Legislature propose to cut specific categorical programs**
- **When will we know?**

- **Identify and make reductions to stay solvent**
  - **Retain and increase reserves and cash flow**
- **Freeze expenditures where not mission critical**
  - **Including categorical funds**
  - **Including vacant positions**
- **Monitor State Budget events very closely**
- **Keep preparing multiyear financial scenarios and plan for the worst case**
  - **And hope for the best**





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**Thanks You!**