

First 5 Commission of San Diego: 10-Year Financial Plan

Item 02-8

**SCENARIO 2** - Reduced Admin/Eval expenses by 5% starting in FY 2009 / 10 & Reduced Program expenses starting in FY 2010 / 11 to zero-base plan

- \* Projects Prop 10 Revenue reduction due to SCHIP tax & Prop 1D (thru FY 2013 / 14 - if approved)
- \* Lowered Projected Rate of Inflation for Admin from 3.5% to 2.5% starting in FY 2010 / 11
- \* No State Match Revenues beginning FY 2009 / 10
- \* Eliminated Innovative Grants from Program expenses (\$1M) beginning FY 2009 / 10
- \* Program expenses adjusted for inflation from 3.5% to 2.5% per year starting in FY 2011 / 12
- \* Investment return at 4.15%

Dollars in Thousands

	2005/06 Actual per Oracle	2006/07 Actual per Oracle	2007/08 Actual per Oracle	(1) 2008/09	(2) 2009/10	(3) 2010/11	(4) 2011/12	(5) 2012/13	(6) 2013/14	(7) 2014/15	(8) 2015/16	(9) 2016/17	(10) 2017/18
<b>Beginning Fund Balance</b>	177,965.1	185,428.9	188,634.8	164,142.9	102,985.7	112,673.6	89,095.3	68,592.1	49,563.0	31,068.5	26,625.7	20,015.6	11,174.0
adj to beginning fund balance 7/1/05	56.0												
<b>Revenue</b>													
Prop 10 Allocations	37,626.4	38,322.2	37,203.2	37,176.0	15,463.7	14,270.8	13,167.0	12,118.0	11,119.8	26,707.2	25,511.4	24,361.2	23,251.8
School Readiness Match	1,505.3	2,253.9	3,912.0	2,927.0									
SD CARES Match	1,108.9	116.8	327.9	400.0									
Special Needs Demo Match	761.9	165.2	228.9	250.0									
Power of PreSchool Match	100.0	100.0	265.1	100.0									
The California Endowment				640.0	360.0								
<b>Subtotal Revenue</b>	<b>41,102.5</b>	<b>40,958.1</b>	<b>41,937.1</b>	<b>41,493.0</b>	<b>15,823.7</b>	<b>14,270.8</b>	<b>13,167.0</b>	<b>12,118.0</b>	<b>11,119.8</b>	<b>26,707.2</b>	<b>25,511.4</b>	<b>24,361.2</b>	<b>23,251.8</b>
Contribution from Sustainability Fund	0.0	0.0	0.0	69,612.8	0.0	28,603.9	24,200.7	21,875.6	20,551.4	5,732.1	7,715.1	9,672.2	11,608.7
<b>Total Revenue</b>	<b>41,102.5</b>	<b>40,958.1</b>	<b>41,937.1</b>	<b>111,105.8</b>	<b>15,823.7</b>	<b>42,874.7</b>	<b>37,367.7</b>	<b>33,993.6</b>	<b>31,671.2</b>	<b>32,439.3</b>	<b>33,226.5</b>	<b>34,033.4</b>	<b>34,860.5</b>
<b>Expenses</b>													
Projected Rate of Inflation	3.50%	3.50%	3.50%	3.50%	3.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Administration	2,052.2	2,212.8	2,937.9	4,018.3	3,747.9	3,987.7	4,087.4	4,189.6	4,294.3	4,401.7	4,511.7	4,624.5	4,740.1
Evaluation	712.8	779.5	1,028.9	2,721.7	0.0	1,180.6	1,116.5	950.0	950.0	950.0	950.0	950.0	950.0
Programs	30,263.1	34,696.7	26,613.4	74,983.7	7,445.6	24,540.0	25,153.5	25,782.3	26,426.9	27,087.6	27,764.8	28,458.9	29,170.3
Prior Commission Obligations					95.2	9,147.5	7,010.3	3,071.7					
School Readiness	3,081.2	7,500.2	6,095.4	11,709.1		4,018.9							
SD CARES	1,561.7	1,684.4	1,966.9	4,500.0									
Special Needs Demo Match	734.5	540.7	564.0	1,000.0									
Power of PreSchool	0.0	3,418.1	5,050.3	12,173.0									
<b>Total Expenses</b>	<b>38,405.5</b>	<b>50,832.4</b>	<b>44,256.8</b>	<b>111,105.8</b>	<b>11,288.7</b>	<b>42,874.7</b>	<b>37,367.7</b>	<b>33,993.6</b>	<b>31,671.2</b>	<b>32,439.3</b>	<b>33,226.5</b>	<b>34,033.4</b>	<b>34,860.5</b>
	2005/06 Actual per Oracle	2006/07 Actual per Oracle	2007/08 Actual per Oracle	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Contribution to Sustainability Fund	2,697.0	-9,874.3	-2,319.7	0.0	4,535.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
First 5 Fund Balance subtotal	180,718.1	175,554.6	186,315.1										
Interest Earnings (actual)	4,710.8	13,080.2	8,225.3										
<b>First 5 Fund Balance End of FY</b>	<b>185,428.9</b>	<b>188,634.8</b>	<b>194,540.4</b>										
Committed (Outside Reg Expenses per yr)	(64,949.2)	(46,387.0)	(30,397.5)										
Investible Fund Balance				164,142.9	107,520.7	112,673.6	89,095.3	68,592.1	49,563.0	31,068.5	26,625.7	20,015.6	11,174.0
Contribution to Operating Fund from Sustainability Fund				(69,612.8)	0.0	(28,603.9)	(24,200.7)	(21,875.6)	(20,551.4)	(5,732.1)	(7,715.1)	(9,672.2)	(11,608.7)
Interest Earnings (projected)				6,811.9	4,462.1	4,676.0	3,697.5	2,846.6	2,056.9	1,289.3	1,105.0	830.6	463.7
Additional interest earned				1,643.7	690.7	349.8							
<b>Investible Fund Balance</b>	<b>120,479.7</b>	<b>142,247.8</b>	<b>164,142.9</b>	<b>102,985.7</b>	<b>112,673.6</b>	<b>89,095.3</b>	<b>68,592.1</b>	<b>49,563.0</b>	<b>31,068.5</b>	<b>26,625.7</b>	<b>20,015.6</b>	<b>11,174.0</b>	<b>29.1</b>

First 5 Commission obligations: \$28,943,808 Encumbrances 6-30-08  
 \$1,453,711 School Readiness Phase 1 Roll over: \$2,907,422 total obligated, County is 50%  
 \$30,397,519 Total