



Special Board of Trustees Meeting

June 19, 2009

Budget Timeline 2008 / 2009

May 19, 2009
Special Election

June 8, 2009
May Revise

Prop 1A: "Rainy Day"

1B: Maint. Factor

\$9.3 B - 2011/12

(Both Must Pass!)

1C: Lottery -

\$5 billion

2008/09 - 2010/11

1D: Raid Revenue

Child Health

\$608 m

1E: Raid Revenue

Mental Health

\$227 m

No Leg Plan If
Elections Fails

Note: Budget act
assumes all pass

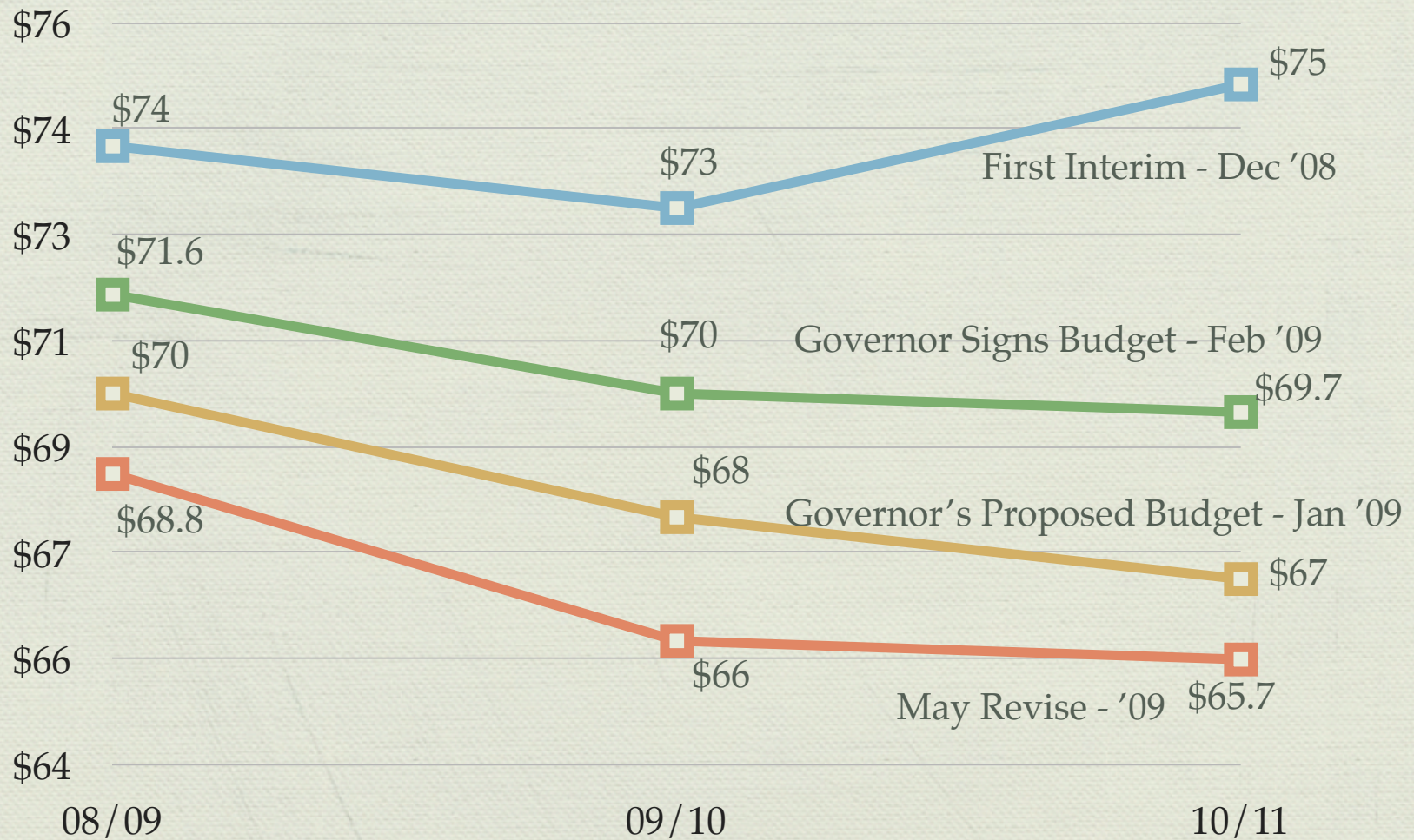
Projected

- Projected \$14 Billion Deficit
- 40% = \$ 6 Billion Belongs to Education
- Fed Funds = \$5 Billion for Education ;
Net to Local Schools: Still Questionable
- LAO Recommends Fed \$ to Support
Lower Minimum for Prop 98
- If \$6 billion Deficit = \$967 / ADA x 13,211
(FSD) or \$12.8 million cut in 2009/10
- Will State Cut State Categoricals?
- Will State Deficit B.R.L.?
- Recommend Cutting @ \$8.8 million
Level for 2009/10

Actual

- \$24.1 Billion State Deficit
- \$3.7 Million of Additional Cuts to FSD
- 17.9% Deficit to Base Revenue Limit 2009/10
- \$6,201.24 - Statutory Base Revenue Limit
- 1st Interim (October 2008)
- \$5,022.26 - Funded Base Revenue Limit - June '09
- \$11,705,028 - Total in Base Revenue Limit Lost
From 2007/08 Level
- State Categoricals Cut 19.84% in 2008/09 and
2009/10 (\$1.4 million)

Unrestricted Revenue Limit Changes



Budget Proposals 2009 / 10

◆ Budget Adjustments

<u>2008 / 09</u>	<u>2009 / 10</u>
\$8.1 million	\$13.5 million
\ /	
\$21.6 million	

◆ Cuts

◆ Cost Shifts

◆ Sweeps

◆ Federal \$

FSD Budget Impacts

◆ 2008 / 2009

- ◆ \$8.1 Million in Cuts, Cost Shifts and Reductions
- ◆ Since the May 19 Election, There Has Been a Reduction in Revenue in Approximately \$3.7 million and the State Now Has a \$24+ Billion Deficit
- ◆ Since 07 / 08, FSD Has Lost \$11.7 Million in Revenue Limit \$
- ◆ Cash Flow Issues (State Deferrals)
- ◆ TRANs to Make Payroll

◆ 2009 / 2010

- ◆ Additional \$13.5 Million in Cuts and Reductions

Impacts of Lost Revenue

- ◆ BTSA and GATE Reduced to .5 FTE
- ◆ Cost Shifting to Categoricals
- ◆ Sweeping Ending Balances, Carryovers Unrestricted and Restricted, **EXCEPT...**

EIA	Beckman Science Grant
School Foundations	Phelps Grant
Maple HPSG	Friday Night Live
IB Program	School Site Donations
Donations	Fine Arts Donations
Foundations	Laptop Program Revenue and Technology
PTA	Certificated Personnel Sub Calling

- ◆ Categoricals Reduced 19.84% Over Two Years
- ◆ Maintenance Cut by 40% (Including Deferred Maintenance)

Impacts of Lost Revenue

◆ Contributions From Other Funds:

- ◆ Child Development Services

- ◆ Nutrition Services

- ◆ Text Book Money

- ◆ OPEB

◆ 81 Dependents Dropped in Health Benefit Audit

◆ Cleaning Classrooms Every Third Night

Impacts of Lost Revenue

- ◆ Position Reductions and/or Eliminations
 - ◆ Certificated - 115 teachers; Teachers on Assignment, Counselors, Program Specialists, Elementary Music Teachers
 - ◆ Classified - 83 employees (Instructional Aides, Clerical Assistants, Skilled Trade Positions, Maintenance Workers)
 - ◆ Loss of Student Programs/ Financial Support
 - ◆ Extended Year/Summer School
 - ◆ Elementary Music
 - ◆ Student Art Programs
- 30% Reduction

Impacts of Lost Revenue

- ◆ Class Size Reduction Impacted with Larger Class Sizes
- ◆ Fund Raising Requirements
 - ◆ All the Arts for All The Kids
 - ◆ Elementary Music
 - ◆ IB
 - ◆ Laptop
- ◆ With the Exception of Special Education, Which is Mandated by Law, Home to School Transportation Eliminated or Reduced to Three Routes

A Look at Programs for 2009 / 10

- ◆ CSR Retained at 24:1 (Priority #2 - BAC)
 - ◆ Without a Revenue Infusion, 30:1 in 2010 / 11
- ◆ Media Clerks at 2 Hours (Priority #1 - BAC)
 - ◆ Additional Money Needed in 2010 / 11 to Retain
- ◆ All the Arts / Elementary Music Reduced by 30% (Priority #4 - BAC)
 - ◆ May Be Eliminated in 2010 / 11 if State Funding Goes Away

A Look at Programs for 2009 / 10

- ◆ BTSA and GATE Reduced to .5 FTE Each (Priorities #10 and #11 - BAC)
- ◆ Three Counselors Will Be Retained (Priority #13 - BAC)
- ◆ K-6 Assistant Principals Maintained (Priority #13 - BAC)
 - ◆ Support for Largest Schools and Program Improvement Sites
- ◆ Multi-age Program Expanded at Rolling Hills (Priority #14 - BAC)

A Look at Programs for 2009 / 10

- ◆ Extended Day Kinder at Hermosa Drive and Title I Schools
- ◆ Home to School Transportation - Three Routes to Protect Attendance (Priority #19 - BAC)

The Use of Federal Stimulus \$

<u>Category</u>	<u>Amount Spent</u> <u>2009/10</u>	<u>Amount Spent</u> <u>2010/11</u>	<u>Total</u>
<u>Title I</u>	\$971,396	\$0	\$971,396
<u>IDEA</u>	\$1,424,304	\$1,424,304	\$2,848,607
<u>Stabilization</u> <u>(Unrestricted)</u>	\$3,381,243	\$0	\$3,381,243
<u>Total</u>	\$5,776,943	\$1,424,304	\$7,201,246

A Look Ahead

- ◆ We will be presenting our proposed 2009/10 budget for your consideration on June 30, 2009 against the background of the following:
 - ◆ The legislative conference committee has recommended a deferral of \$1.7 billion in revenue to schools from 2009/10 to 2010/11. If approved, this would amount to an additional cut of \$288/ADA in 2010/11.
 - ◆ The current legislative proposals are not taking into account a \$3 billion shortfall in revenue projected in 2008/09.
 - ◆ Remember, all federal stimulus funds are one time revenues.

A Look Ahead

- ◆ UCLA's Anderson School of Economics predicts California's tax revenues and government employment opportunities will be suppressed through the 2010/11 fiscal year.
- ◆ UCLA also predicts the state unemployment rate will peak at 12.1% in the final quarter of 2010.
- ◆ State is projected to be out of cash by July 28, 2009, unless a new budget bill is approved and signed.
- ◆ The question remains when will this be?

Stayed Tuned...