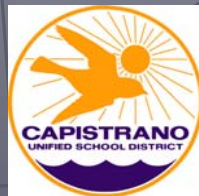


# 2011-2012 Fiscal Year Budget Discussion

May 25, 2011



Information Based on the  
Governor's May Budget Revision

# 2011-2012 Gov.'s January Proposal

Two budget options presented for education

Option I – Tax Extensions

-\$19/ADA

Option II – No Tax Extension

-\$348/ADA

Estimated CUSD Shortfall

\$21.1m

Notes:

- Includes \$5.6 county mental health program costs as a one-time expense.
- \$21.1 million provides virtually no cushion or margin beyond the 2% required reserve.
- 2% Required Reserve = \$7.5 m



# Items Included in 2011-2012 Projections

<u>One-time Revenue Sources</u>		<u>Millions</u>
Federal Job Fund		\$9.6
SFSF – Final Amount		\$2.6
Mandate Reimbursement		\$1.7
Deferred Maintenance Balance		\$3.0
<u>Enrollment Revenue Losses</u>		
Enrollment Decline	(-500)	(\$2.4)
Charter School	(-550)	(\$2.7)



# Governor's May Revision

- ▶ Proposes Flat Funding
  - Same Funding Level as 2010-2011
  - Acknowledges COLA - Deficits by Same Amount
  - K-12 Revenue Limit Deficit 19.754%
  - Net RL Change from 2010-2011  $\pm 0.0\%$
- ▶ Increase to CUSD from January = \$17.2m
- ▶ Categorical Flexibility Extended 2 Years
- ▶ Funds County Mental Health Services
  - Will funding cover costs?



# 2011-2012 Bottom Line

3 <sup>rd</sup> Interim Projected Shortfall	(\$21.1)
May Revise Increase	<u>\$17.2</u>
Revised Shortfall	(\$3.9)
Deferred Maintenance	<u>(\$3.0)</u>
Estimated Shortfall 2011-2012	(\$6.9m)*

\*Multiple factors will affect this amount, including but not limited to:

County mental health costs vs. actual funding.

Compilation of budget.

Actual charter school in-district enrollment loss.

2010-2012 general fund ending balance.

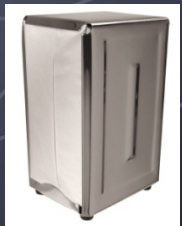


# 2010-2011 General Fund\*

## Budget at a Glance

Certificated Salaries	\$	191.0	} 84.3%
Classified Salaries		55.3	
Employee Benefits		76.3	
Books and Supplies		14.6	
Services, Other		34.6	
Capital Outlay		00.1	
Other Outgo		11.5	
Direct Support/Indirect Costs		<u>(0.6)</u>	
Total	\$	382.8m	

\* As of 3<sup>rd</sup> interim, restricted + unrestricted.



# Prior Year Reductions

2006-2007 & 2007-2008	\$	10.5
2008-2009		20.5
2009-2010 April		25.6
2009-2010 September		7.8
2010-2011		34.9
2010-2011 Restoration		<u>(8.2)</u>
Total	\$	91.1m



# 2011-2012 Reduction Options

## ▶ Salaries & Benefits

- 1% Salary Decrease = \$2.7 m

## ▶ Increase Class Size in Grades 4-12

- Increase by 1 = \$3.6 m

## ▶ Furlough Days

- 1 Furlough Day = \$1.3 m

## ▶ Combination





# Next Steps



Negotiations	May/June
School Services Workshop	May 24
Budget Update to Board	May 25
Draft Budget Presentation	June 13
Budget Hearing/Adoption	June 29
State Budget Adoption	"On-time"
District Budget Revision	+45 days

# Questions



# Thank You!