



February 9, 2010

Impact of Governor's Proposed 2010-11 Budget

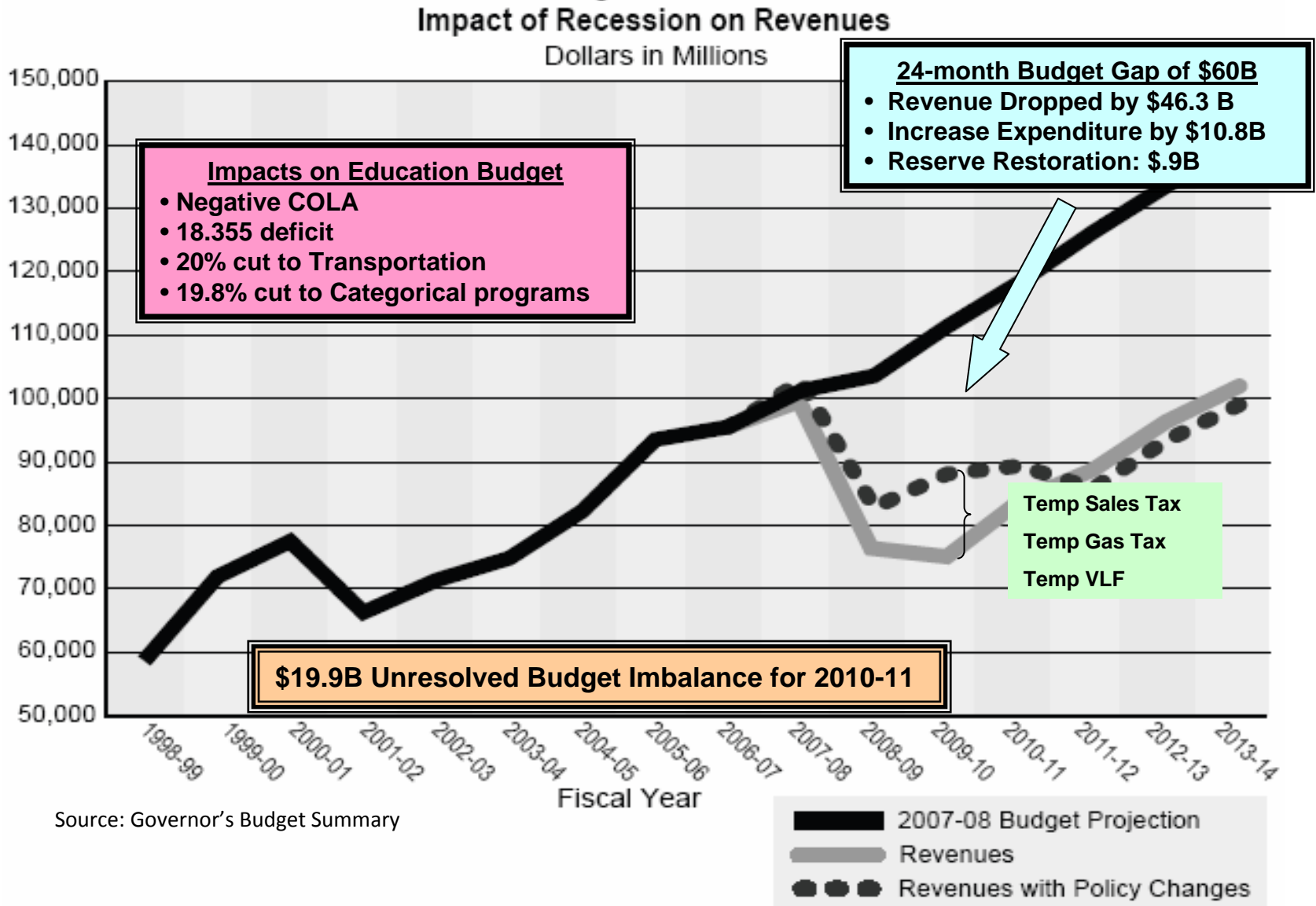
- Highlight Governor's January Budget
 - Impact on YCJUSD
- Review Previously Approved Reduction Measures
- Outlook for 2010-11
- Discuss New Levels of Budget Reductions
- Recommendation

Reduced Spending Power

A trip down 2000-01 Memory Lane

- \$1.57 for a gallon of gas
- .93¢ for a loaf of bread
- George W. Bush was elected 43rd President
- Gladiator was Best Picture
- Tiger Woods was at the Top of his Game
- Enrollment was on the Rise
- H/W Premium around \$5,800 per employee
- 10% “New Money”

Boom & Bust Cycle



Governor's Proposed Solution to \$19.9B Budget Problem

- \$6.9B from the Feds
- \$3.9B Alternative Funds
- \$600M Fund Shifts
- \$8.5B Expenditure Reduction

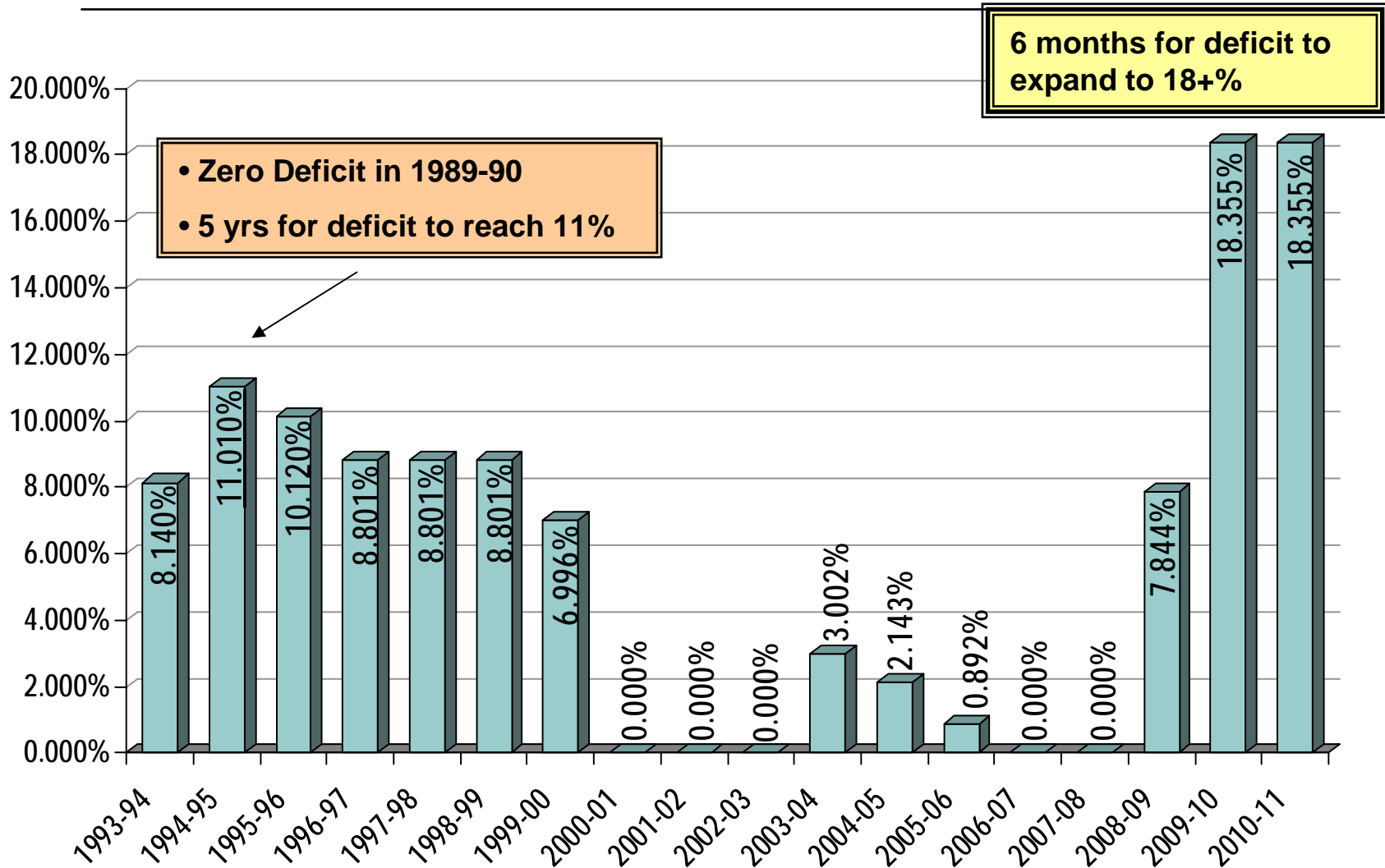
\$1.5B Reduction to Education Budget

- -.38% COLA (\$24/ADA)
- \$201/ADA Reduction



\$2,000,000 Additional On-Going Cuts to YCJUSD

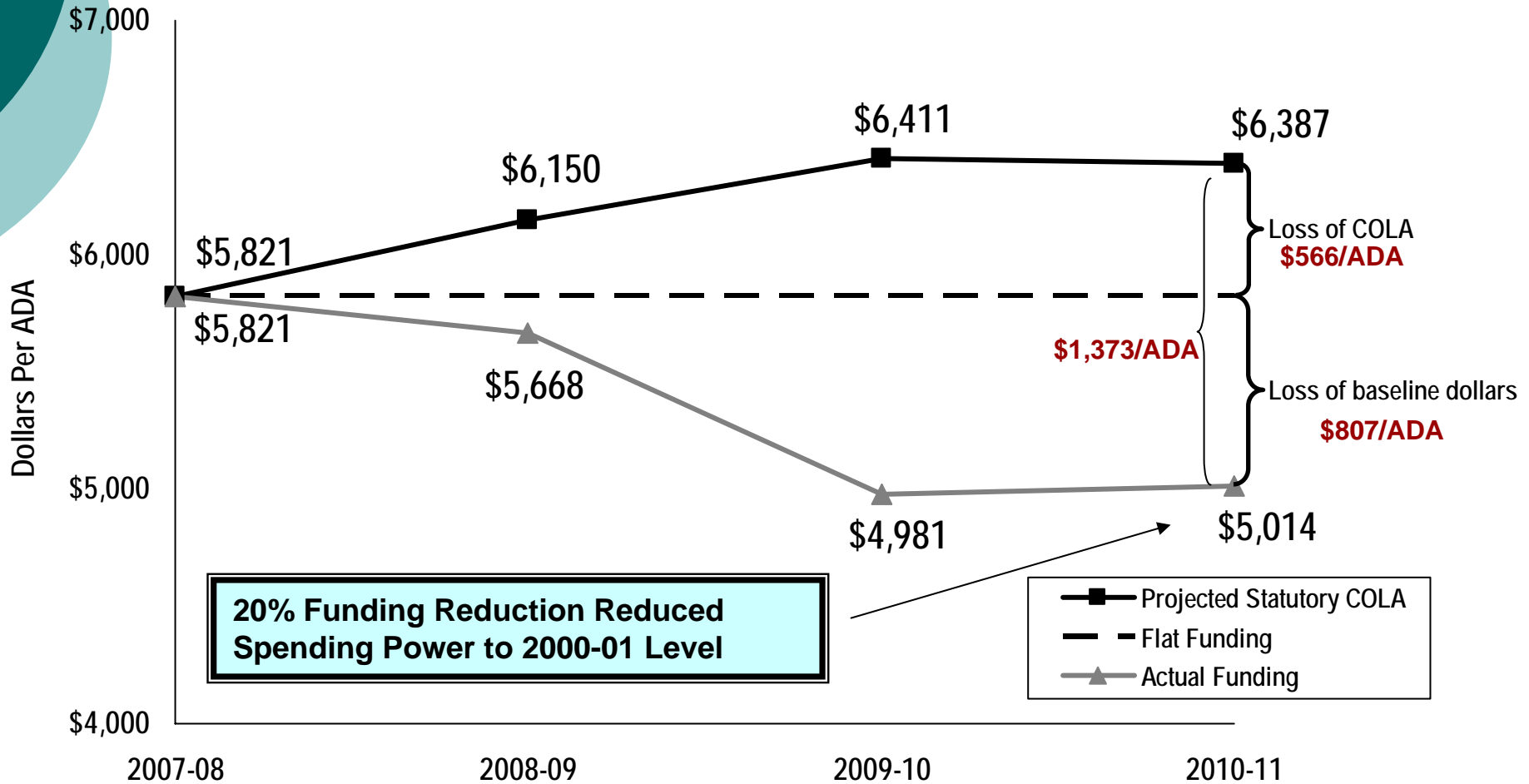
Revenue Limit Deficit Factors



Reductions to Revenue Limit

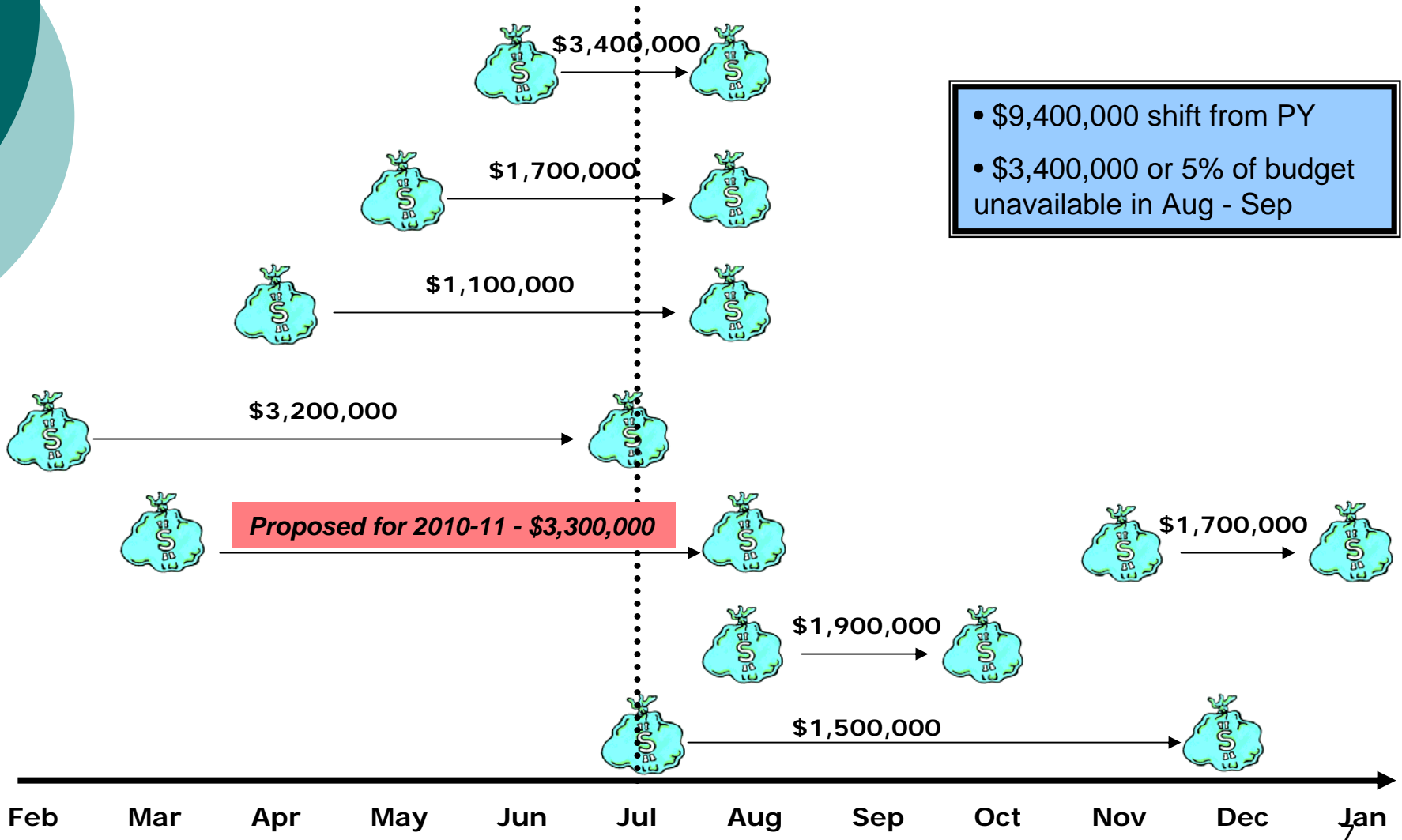
Projected vs. Actual Funding Per ADA

Average Unified District



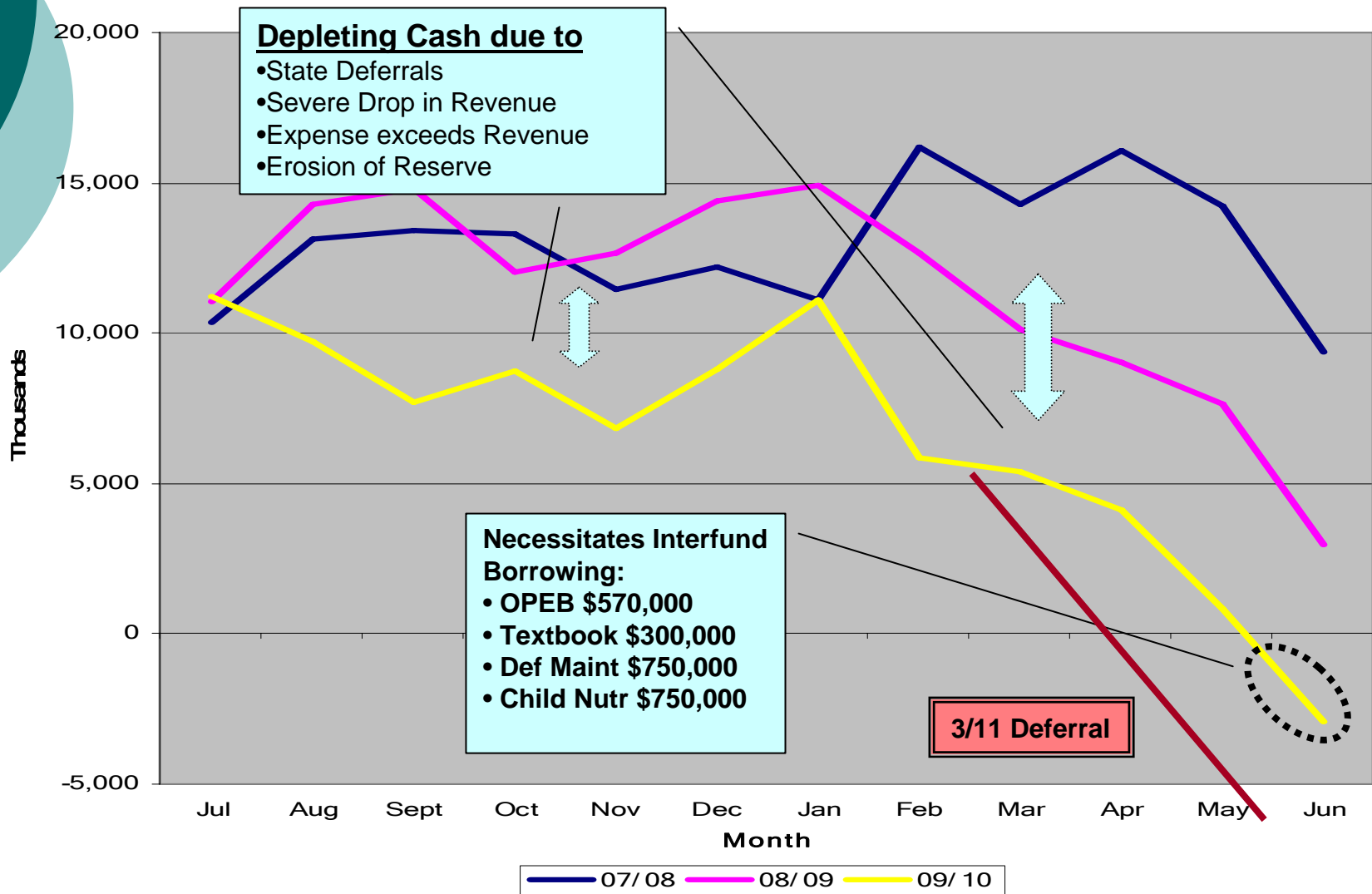
IOU

80¢ on the Dollar is Deferred



Cash Flow Profile

Critical Levels in May - August



Review Budget Reductions

in 2008-09 & 09-10: \$9,993,000

Summary of Two Year Problems

	<u>Revenue Limit</u>	<u>Cuts to Categorical</u>	<u>District</u>	<u>Total</u>
2008-09	\$2,312,000	\$792,000	\$507,000	\$3,611,000
2009-10	\$2,580,000	\$483,000	\$3,319,000	\$6,382,000

<u>On-going Solutions</u>				
			Misc Staffing Freeze	\$42,000
20% Reduction in Site Discretionary	\$120,000		Misc Admin Staff Reduction	\$60,000
Deferred Maintenance Match	\$350,000		Eliminated 3 rd SRO	\$130,000
Early Retirement (Net Gain)	\$230,000		Revised Subs Salary Schedule	\$75,000
EE Contr to Medical Prem (14 mos)	\$720,000		Home/Sch & Athl Transportation	\$425,000
Flex Transfer from Restricted	\$2,200,000		Eliminated Crossing Guards	\$97,000
Furloughs	\$290,000		YHS Coaching Stipends	\$40,000
Reconfigured DEC Staff	\$50,000		Total:	\$4,829,000

<u>One-time Solutions</u>				
			Federal Stimulus Money	\$1,600,000
Reduced Site Discretionary by 10%	\$54,000		IDEA Stimulus Money	\$750,000
Swept Rest Balance	\$300,000		Reduced Reserve to 1%	\$1,450,000
Reduced Reserve	\$990,000		Total:	\$5,144,000

2010-11 Budget Scenario

A look at Next Year

<u>Problems</u>		<i>Additional State Cuts</i>	<i>\$2,000,000</i>
Enrollment Trend (-1.7%)	\$830,000	Decrease in Lottery	\$45,000
Repeal Furloughs	\$290,000	Step/Column Adv.	\$740,000
Assume 5% increase in H/W	\$500,000	Transportation Increase	\$25,000
Decrease in Interest Yield	\$200,000	Other increases (utilities, serv)	\$100,000
Decrease in CSR Apport.	\$250,000	Improve Reserve to 2%	\$750,000
Unresolved One-time Solutions	\$1,344,000	Total	\$5,074,000

\$7,074,000

<u>Solutions (one-time)</u>			
Federal Stimulus	\$1,300,000		
		Total:	\$1,300,000

Balance of ~~\$3,700,000~~

\$5,700,000

Budget Reduction for 2010-11

Approved on December 8, 2009

Ref No.	<u>Approved on December 8, 2009</u>		Ref No.	<u>Subject to Negotiation</u>	
A	Keep 5 day furlough Cert & Class Mgt	\$90,000	L	Keep 1 day furlough CSEA	\$30,000
B	Keep 1 day furlough Classified Conf	\$3,500	M	Keep 1 day furlough YCEA	\$170,000
C	Add 4 day furlough Classified Conf	\$14,000	N	Add 4 day furlough CSEA	\$120,000
D	Reduce Cert Adm & Class Mgt	\$310,000	O	Add 4 day furlough YCEA	\$680,000
E	Other Classified Layoffs	\$430,000	P1	Increase Employee Contribution to HW	
F	Combine YHS9 with YHS		P2	Implement limit to dist contribution to HW	
	Admin reduction	\$258,000			
	Classified reduction	\$528,000	Q	Increase Adult to Student Ratio in Elementary P.E.	\$100,000
	Transportation reduction	\$10,000			
G	Increase K-3 class size to 30:1	\$1,500,000	R	Step & Column Freeze	\$740,000
H	Utility Reduction		S	Salary Roll-back (1%)	\$395,000
I	Hiring Freeze		T	175 instructional year	\$1,100,000
			U	Eliminate or Reduce Teacher Prep Time	\$1,100,000
	Total:	\$3,143,000		Total:	

Proposed Budget Reductions for 2010-11

*Remedy Additional **\$2,500,000** Budget Gap*

\$2,500,000 Additional Budget Reduction

- \$2,000,000 Additional State Cuts
- \$500,000 Previous Imbalance

<u>Ref #</u>	<u>Description</u>	<u>Amount</u>
a	School Library Improvement Block Grant	\$350,000
b	Adjust CSR Savings	\$350,000
c	Additional Classified Lay-offs	\$695,000
d	Over Staffing at MS	\$385,000
e	Over Staffing at HS (9-12)	\$231,000
f	Additional Management Reduction	\$225,000
g	Reduction to Transportation Services	\$250,000
	Total:	\$2,486,000

Summary --- Calibration of Expense

Spending Power Retro to 2000-01 Levels

- Reduction in Revenues Faster than Ability to Reduce Expense
 - Enrollment Trend
 - Drastic State Cuts - 20¢ on the dollar
 - \$6,200,000 combined Reduction in State Allocation over 2008-10
 - **Another \$2,000,000 Proposed Reduction for 2010-11**
- Rising Expenditures
 - Rising Health & Welfare Benefit Cost
 - Step/Column & Range/Step Advancements
- Reserve down to 1.3%
 - Required Restoration to 3% by 2011-12
 - Qualified Financial Reports
- Cash Level Critical
 - \$9,400,000 District Allocations Delayed into Next FY
 - Require Borrowing
- More Bad News for 2010-11
 - Governor's Assumptions are Unrealistic
 - Anticipate Double Digit increase in H/W Premium

Recommendation: Approve \$2,486,000 Budget Reduction for 2010-11