

2012-13 Financial Outlook – *Problems & Solutions*



February 14, 2012

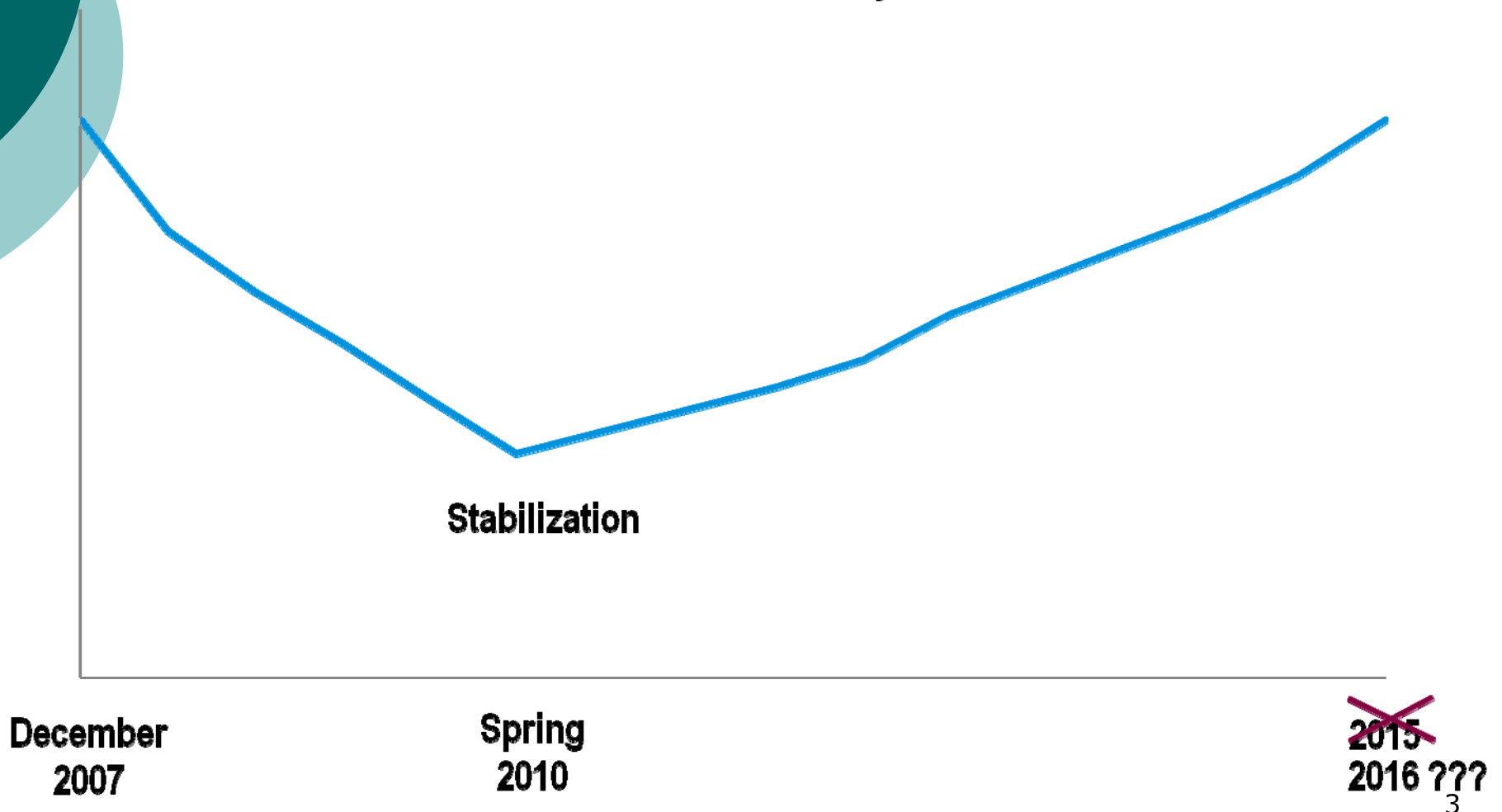
- Review Reasons for Cuts
 - Governor's January Budget
- Mid Year Trigger
- 2012-13
 - Causes of Imbalance Continue
 - January Budget
 - Mid Year Trigger
 - Proposed Solutions
- Recommendation & Closing

Causes of Imbalance

- Enrollment Trend *(1% = \$300,000)*
- Medical Premium *(1% = \$67,000)*
- Salary Advancements *(\$400,000/yr)*
- *Expiration of Concessions (\$935,000)*
- *Exhaustion of Jobs Bill (\$740,000)*
- State Cuts

Recovery Takes a Long Time

The Economic Cycle



Governor's Proposed 2012-13 Budget

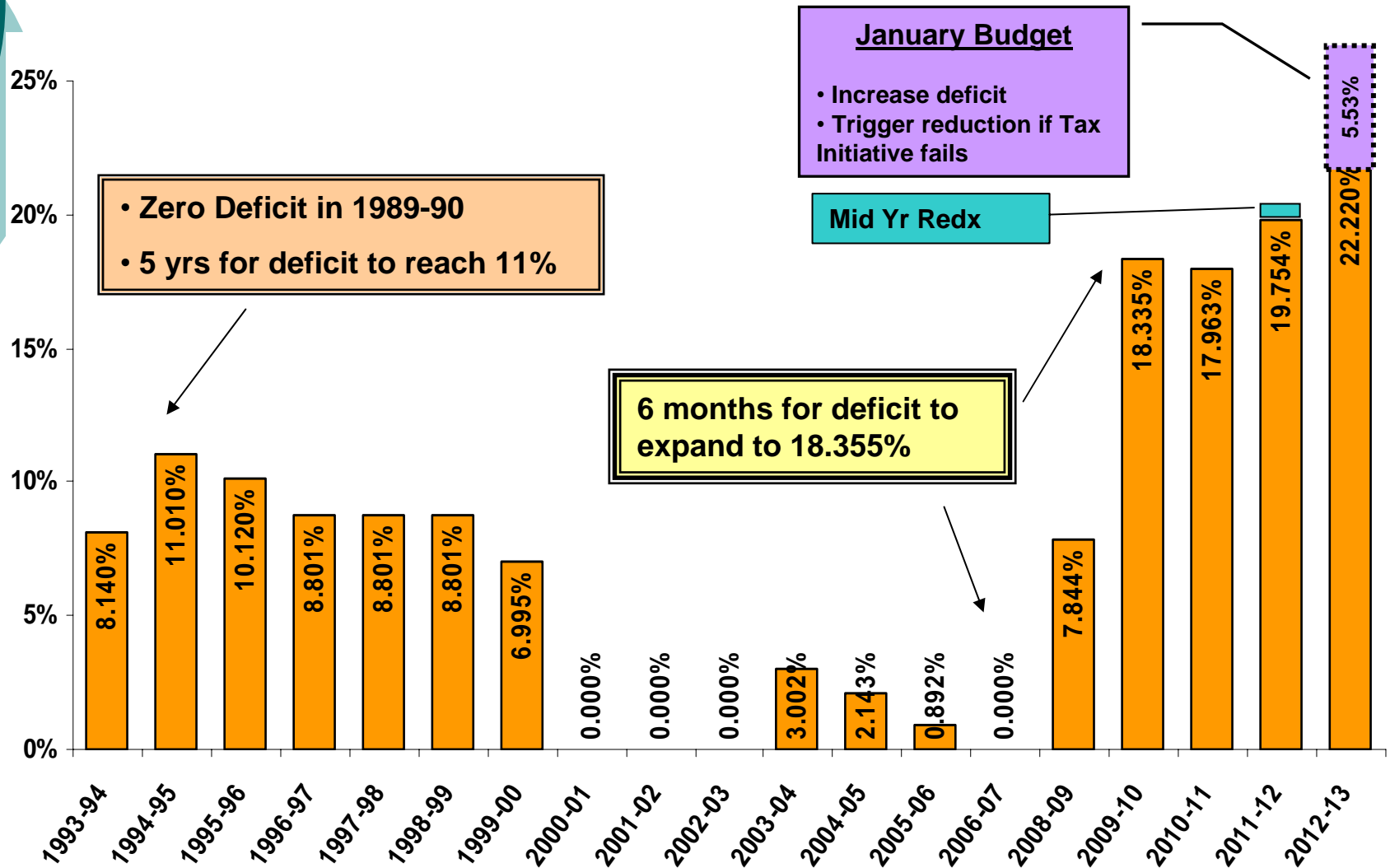
\$9.2B State Deficit

- Tax initiative for Nov 2012 to generate \$6.9B
- Eliminate transportation apportionment
- Increase deficit & eliminate statutory COLA of 3.17%
- "Buy down" \$2.4B deferrals

- If initiative fails:
 - \$2.4B or \$370/ADA additional cut to K-12
 - Reverse buy down of deferrals

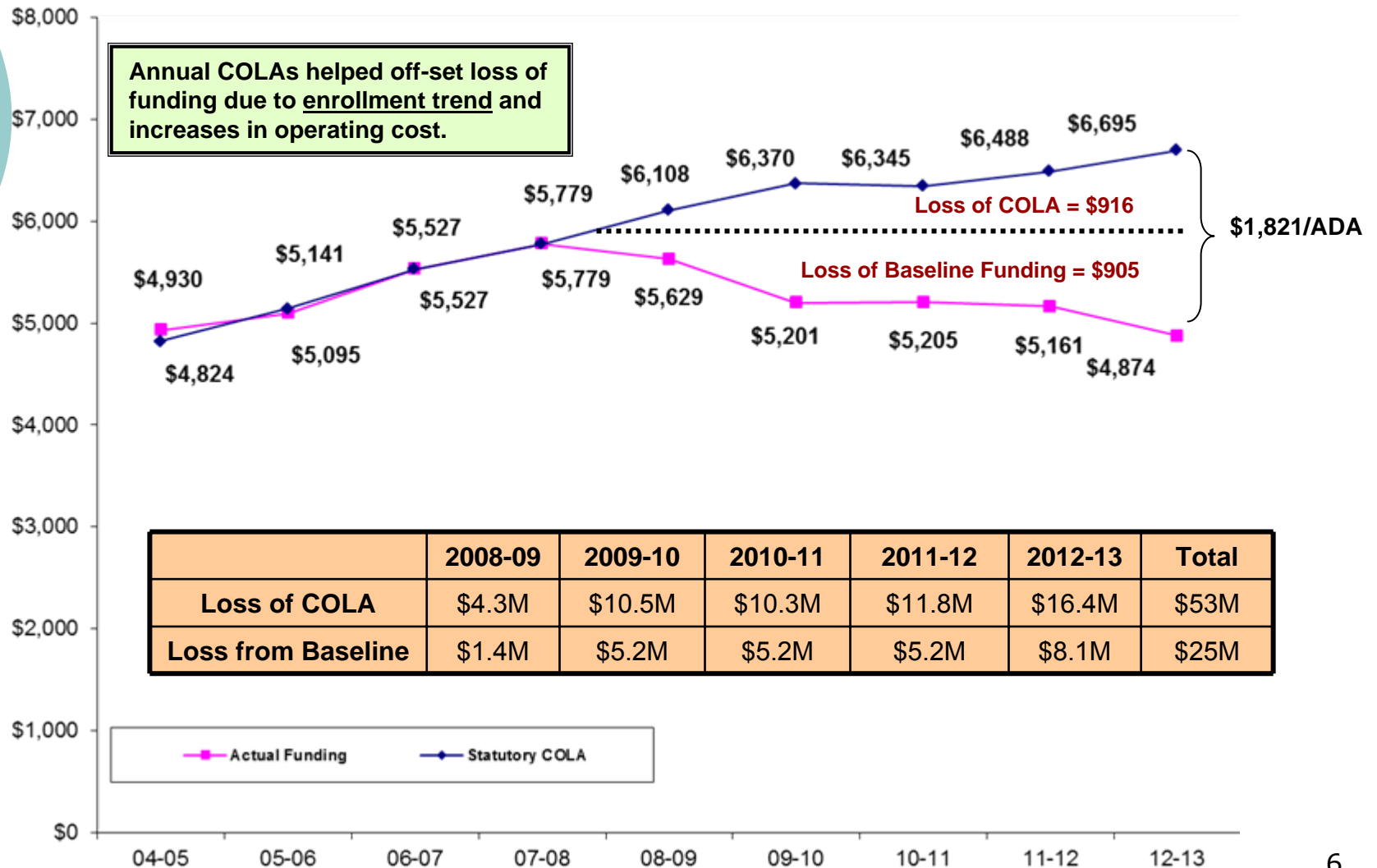
Revenue Limit Deficit Factors

78¢ on the Dollar



Cuts to Revenue Limit

Per ADA Funding



Difficult Solutions

Review of Reductions Implemented

- Tier III Transfers
- Elimination of Programs or Services:
 - GATE
 - Transportation
 - Crossing Guards
- **Closed Schools**
- Furloughs & RIFs
- One-time Sources
 - Reserve
 - Federal Stimulus
 - Maintenance
 - Tier III Ending Balance
 - Jobs Bill
- Stopped Contributions to Maintenance
- Reduction of Services
 - K-3 CSR
 - Summer School
 - Adult Education
 - SRO
 - Library
 - Counseling
 - Instructional Year
 - Computer Technicians
- Reduced Site and Department Budgets
- Forego Improvements
 - Technology
 - New Textbooks
 - Infrastructure

\$21,000,000 in on-going and one-time solutions

Current Year Trigger & Solutions

Dollar further reduced to 78¢

- Reduce Revenue Limit(\$13/ADA): \$110,000
- Reduce Transportation Apportionment: \$270,000
- Total: \$380,000

Solutions	
Maintenance & Grounds	\$65,000
Information Technology	\$25,000
Superintendent & Board	\$6,700
Utilities	\$25,000
DEC Departments	\$53,000
Site	\$38,300
Crossing Guard (Reserve)	\$60,000
Turf/Track (Reserve)	\$100,000
Total:	\$373,000

2012-13 Imbalance

Assume Causes Continue

First phase	Enrollment Trend	(\$625,000)
	Step/Column Advancements	(\$410,000)
	Jobs Bill	(\$740,000)
	Sunset of Employee Concession	(\$940,000)
	Miscellaneous Savings/Cost Avoided	\$306,000
	Reduce 3% Reserve for Economic Uncertainty	\$143,000
	Turf & Track Reserve	\$160,000
	Infrastructure Reserve	\$575,000
	Subtotal:	(\$1,526,000)
Second phase	Governor's January Budget	
	Elimination of COLA (3.17%)	(\$650,000)
	Elimination of Transportation Apportionment	(\$550,000)
	Total:	(\$2,726,000)
	Mid-Year Trigger if Tax Initiative Fails (\$370/ADA)	(\$3,200,000)
Potential Cut: \$6,000,000		

Solutions – First Phase

2012-13 Imbalance

<u>Solutions if Initiative Passes:</u>	<u>Non-Negotiable</u>	<u>Negotiable</u>
CSR 30:1 (CECA @ 25:1)	\$1,350,000	
1% CSEA		\$51,000
1% YCEA		\$247,000
1% YCMT		\$42,000
1 Day Furlough – CSEA		\$31,000
1 Day Furlough – YCEA		\$141,000
1 Day Furlough – YCMT		\$20,000
10% Reduction to Site & Department Discretionary	\$125,000	
Special Education - Budget Reduction	\$585,000	
Additional layoff due to enrollment trend	\$500,000	
Total	\$2,560,000	

- Approve First Phase budget reduction measure.
- Develop contingency plan for Second Phase.

How Does YCJUSD Advance When It Is Being Guttled?

- Improve Student Performance
 - Core Standards
- Improve Competitive Edge
- Fix & Maintain Aging Infrastructure
- Stabilize Enrollment
- Balance Budget & Borrow Money