

YUCAIPA-CALIMESA JOINT UNIFIED SCHOOL DISTRICT

"To Make a Difference in the Life of Each Child"



December 15, 2009

Dear Yucaipa-Calimesa Joint Unified School District Community:

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As you are aware, the District has been faced with budget cuts since the 2007-2008 school year. These cuts have been imposed on us as a result of the economic downturn and the State's budget decisions regarding public education. Although the federal stimulus funds prevented some cuts and allowed the District to maintain a positive cash flow to meet payroll and other monthly expenses, the stimulus funds were one-time dollars that must be spent by September 30, 2011.

The chart below illustrates the extent of the cuts that the District has suffered over the last two years.



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

Summary of Budget Problems

| | Cuts to State Revenue Limit | Cuts to State Categorical Programs | Increases to District Expenditures | Total |
|---------|-----------------------------|------------------------------------|------------------------------------|-------------|
| 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 |

Cuts Applied by the State

- 18.355 deficit to Revenue Limit
- 20% cut to Transportation
- 19.8% cut to Categorical programs

Summary of Budget Solutions

- Flex & Sweep of Categorical Funds
- Concessions from Bargaining Units
- Early Retirement Incentives
- Use of Reserve (one-time solution)
- Reduce Site/Dept Allocations
- Hiring Freeze, staff reconfiguration
- Used Federal Stimulus Money

In 2010-2011, the District is faced with a list of problems that complicate the economic forecast for California. For example, enrollment has dropped since Inland Leaders Charter School was established. Bargaining units agreed to furlough days for the 2009-2010 school year only. Health and Welfare costs will increase beginning in January followed by another increase in July. In addition, there are more State cuts that have an impact on the District budget.

2010-11 Budget Scenario

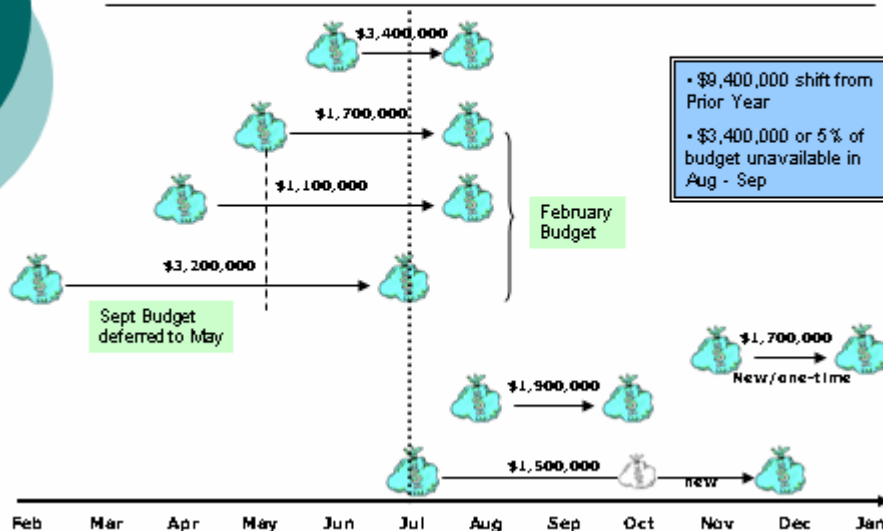
| Problems | | Additional State Cuts | ????? |
|-----------------------------|-------------|-----------------------------------|--------------------|
| Enrollment Trend (1.7% dec) | \$830,000 | Decrease in Lottery | \$45,000 |
| Repeal Furloughs | \$290,000 | Step/Column Adv. | \$740,000 |
| Assume 5%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

| Solutions (one-time) | | | |
|----------------------|-------------|---------------|--------------------|
| Federal Stimulus | \$1,300,000 | | |
| | | Total: | \$1,300,000 |

Balance of \$3,700,000

The next chart illustrates the issues with State deferrals, which are the equivalent of IOU's made to school districts. These deferrals have complicated the budget woes since they have caused cash flow issues.

Deferrals - State IOUs Tightens Cash



The District must work to balance the budget for the next three years, beginning in 2010-2011, in order to maintain a qualified or positive certification from the San Bernardino County Superintendent of Schools. Failure would mean a possible take-over by the County or State, whose only goal would be to restore a balanced budget.

Facing a \$3,700,000 deficit in 2010-2011, the Board took action on Tuesday, December 8 to make the necessary cuts. In January, when the Governor releases his 2010 budget proposal, K-12 school districts may be faced with further cuts. The budget reduction action includes cuts that the Board can make unilaterally. It is my hope and request that employee groups and the District work together to mitigate the deep cuts that must be made. Many of the budget cut suggestions that PTA, CSEA, and YCMT presented at the December 8 Board meeting have been adopted either last year or during the current year.

The budget reduction chart is attached for your information. **Please note that the Board took action on the left column only.** Items listed in the right column are subject to negotiations and were included for information purposes. The Board action will result in significant layoffs unless negotiations result in concessions from bargaining units. I am pleased to report that the Yucaipa-Calimesa Management Team voluntarily agreed to a five-day furlough for the 2010-2011 school year. This group includes all administrators, classified managers, and classified confidential employees.

You may wish to voice your concerns over school budgets to state officials. Attached are useful links to various officials. Absent any relief at the State level, the District will be forced to implement these unprecedented cuts.

California has never before witnessed such devastating economic news. If we continue to work together for solutions as we have in the past, I am confident that we will be able to weather the storm.

Respectfully,

Sherry Kendrick, Ed.D.
District Superintendent

Attachments:

2010-2011 Budget Reductions
Links to State Officials

2010 – 2011 BUDGET REDUCTIONS

| Ref. | <u>Recommendation</u> | <u>Savings</u> | | Ref. | <u>Subject to Negotiation</u> | <u>Savings</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 Admin reduction | \$258,000 | | P2 | Implement limit to dist contribution to HW | |
| | 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 | | | | | |
| I | Hiring Freeze | | | S | Salary Roll-back (1%) | \$395,000 |
| J | <i>Deplete Reserve for OPEB</i> | <i>\$570,000</i> | | T | 175 instructional year | \$1,100,000 |
| K | <i>Use Balance of Text Book Reserves</i> | <i>\$300,000</i> | | U | Eliminate or Reduce Teacher Prep Time | \$1,100,000 |
| | Total: | \$4,013,500 | | | | |
| | Total A - I | \$3,143,500 | | | | |

H, I, P1, and P2 do not have fixed amounts associated with the items. These are to be determined.

J and K were not included in the Board motion, and are not part of the approved cuts.

L - U in the right column are subject to negotiations, and are not included in the approved cuts.

Would you like to voice your concerns over school budgets to state officials?

Here are some useful links for you:

Governor Arnold Schwarzenegger (R-CA) Website: gov.ca.gov

Sacramento Office:

California 95814

Phone: (916) 445-2841

Fax: (916) 445-4633

Los Angeles Office:

300 South Spring Street, Suite 167

Los Angeles, California 90013

Phone: (213) 897-0322

Fax: (213) 897-0319

Sen. Robert Dutton Website: www.senate.ca.gov/dutton

Sacramento Office:

5094 State Capitol,

California 95814

Phone: (916) 651-4031

Fax: (916) 327-2272

Rancho Cucamonga Office: ([more district offices](#))

8577 Haven Avenue, Suite 210

Rancho Cucamonga, California 91730

Phone: (909) 466-4180

Fax: (909) 466-4185

Asm. Paul Cook (R-CA 65th District)

Website: republican.assembly.ca.gov/member/65/

Sacramento Office:

5164 State Capitol,

California 94249-0065

Phone: (916) 319-2065

Fax: (916) 319-2165

Yucaipa Office: ([more district offices](#))

34932 Yucaipa Boulevard

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