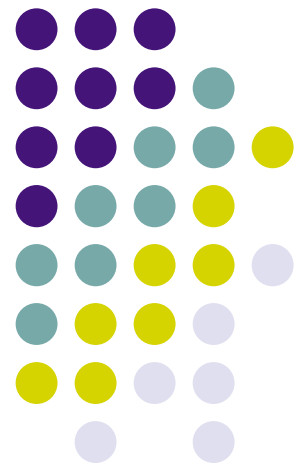


# Board Meeting 2/2/10

# Budget



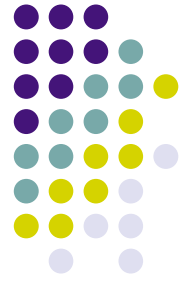
# Outlook for education: Prospects for 2010-11

(ACSA/SEAC/CSBA/TSS)



2010-11 outlook remains dim:

- ARRA money will run out
- ACSA survey indicates that 9 out of 10 Districts will expend over 95% of their one-time ARRA funds in 2009-10
- State budget challenges likely translate into another no-COLA year (Governor proposes negative COLA)
- The state has limited options for Proposition 98 – the easy ones have been used up
- 2010-11 likely to be a year of reckoning for most Districts
- **Bottom line: Hard decisions regarding class sizes, programs, and personnel become reality**



# Previous Reductions

- 07/08      \$525,000
- 08/09      \$2,050,000
- 09/10      \$2,770,000

# Reductions 07/08



- Library Techs reduction in hours
- Health Techs reduction in hours
- One principal's secretary eliminated
- School site secretaries reduction of days
- Attendance clerk at PHS reduction of hours
- Finance clerk at PHS reduction of days
- 4 Special Ed Aides eliminated
- 1 Opportunity Aide eliminated
- 1 ILC Clerk eliminated
- 1 Groundskeeper eliminated
- 3 Music Aides eliminated
- 4 Custodians eliminated
- Reduction in District vehicles and usage



# Reductions 08/09

- 9<sup>th</sup> Grade CSR eliminated
- Opportunity Class closure
- 10% reduction in transportation – consolidation of routes
- Painter's contract days reduced
- 1 Preschool teacher eliminated
- 2 Assistant Principals eliminated (brought back 1 FTE in 09-10)
- Prevention coordinator support position reduced
- Certificated Supplementary schedule reductions
- Paradise Charter Network closed
- Straight Intervention Aides eliminated
- Maintenance worker reduction in days worked
- Music Aides eliminated (1 later brought back)
- .5 Secretary for Prevention Coordinator eliminated
- # of Teachers reduced to match declining enrollment

# Reductions 09/10



- 2 Counselors eliminated
- P.E Specialists eliminated
- 6 Site Secretaries eliminated
- 1 Attendance Clerk at PHS eliminated
- Psychologists reduction in days worked
- Arts and Music extra duty eliminated
- GATE program closed
- CSR change to 2<sup>nd</sup> and 3<sup>rd</sup> grades
- Site discretionary funds reduced
- 3 Custodians eliminated
- 3 Staff development days for certificated eliminated
- BCOE contract for IT service terminated
- # of Teachers reduced to match declining enrollment
- Director of Transportation eliminated
- .5 Secretary for ILC eliminated
- Asst. Superintendent of Human Resources eliminated
- Title 1 teaching staff reduced

# Outlook for education: Cash Flow



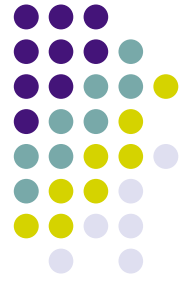
- Not only must school districts balance their budgets, they must have enough cash to cover their costs as income from the state is deferred and delayed.



# *SSE*

# *Reports*

# Multi Year Budget Requirement



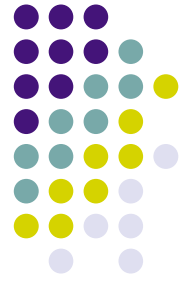
- 3 year budget
  - Required for a positive certification
  - Responsible planning and solvency
- 4 year budget
  - Responsible planning and solvency

# Assumptions for Multi-Year Projections (MYP)



The methodology:

- Maintain the income and expense amounts and then show changes in coming years when known.
- Include changes to income such as COLA's, changes to the revenue limit and reductions due to declining enrollment.
- Include changes to expenditures such as step and column costs, retirements & reduction of teaching staff due to declining enrollment.
- There are no hidden assumptions on future costs or state reductions.

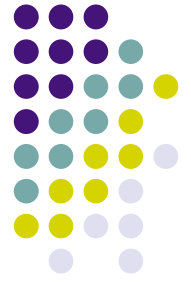


# The Ongoing Structural Deficit

2010-2011

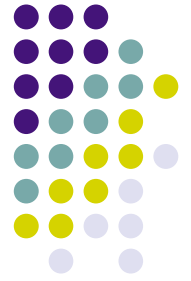
● Income	\$17,176,421
● Expense	\$20,411,235
● Net Loss	(\$3,234,814)

# Multi Year Budget-3 Scenarios



	2010-11	2011-12	2012-13	2013-14
<b>1 No Reductions in 10-11</b>				
Excess Spending	(3,235,000)	(3,159,000)	(3,087,000)	(3,013,000)
Extra Beg. Balance above Reserves	1,515,960			
Received MAA Funding	1,300,000			
Extra (Shortfall)	(419,040)	(3,159,000)	(3,087,000)	(3,013,000)
			Accumulated Debt	(20,340,160)

# Multi Year Budget-3 Scenarios



	2010-11	2011-12	2012-13	2013-14
<b>2 Progressive Reductions starting with \$1 million</b>				
Excess Spending	(3,235,000)	(3,159,000)	(3,087,000)	(3,013,000)
Extra Beg. Balance above Reserves	1,515,960			
Received MAA Funding	719,040	580,960		
Ongoing Reductions	1,000,000	1,000,000	1,250,000	1,500,000
Additional Reductions per year		250,000	250,000	250,000
Extra (Shortfall)	0	(1,328,040)	(1,587,000)	(1,263,000)
			Accumulated Debt	(8,421,120)

# Multi Year Budget-3 Scenarios



	2010-11	2011-12	2012-13	2013-14
<b>3 Progressive Reductions starting with \$2 million</b>				
Excess Spending	(3,235,000)	(3,159,000)	(3,087,000)	(3,013,000)
Extra Beg. Balance above Reserves	1,515,960	280,960		
Received MAA Funding		628,040	587,000	84,960
Ongoing Reductions	2,000,000	2,000,000	2,250,000	2,500,000
Additional Reductions per year	0	250,000	250,000	250,000
Extra (Shortfall)	280,960	0	0	(178,040)

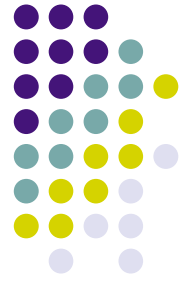
# How does PUSD make further reductions?



- If the state remains stable, without further cuts to income, a reduction of \$2,000,000 in 2010-11 and an additional \$250,000 for the following three years will reduce the excess spending to less than \$200,000 in 2013-14
- If the state passes on further reductions, PUSD will have to make difficult decisions with even deeper reductions to programs.
- To balance future budgets, income must match expenses.

# Reducing employment costs: Options

(ACSA/SEAC/CSBA/TSS)



The most common statewide options to reducing employment costs:

- Furloughs and salary reductions
- Reducing the school year
- Eliminating programs – counseling, K-3 CSR, transportation, janitorial
- Cost containment for health/welfare benefits
- Freezing step and column