

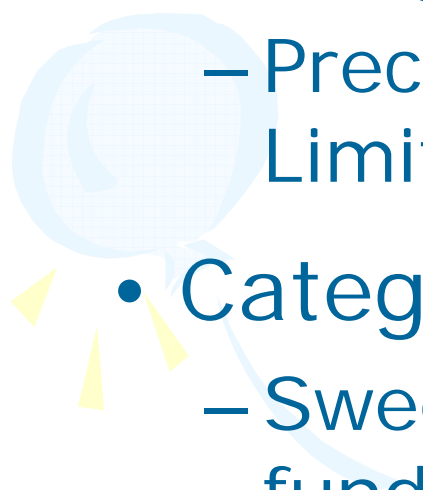

The background features several large, overlapping, semi-transparent swirls in shades of purple, green, and blue. Interspersed among these swirls are numerous small, yellow, starburst-shaped triangles pointing in various directions.

California State Budget Revision

Educational Funding Highlights



Re-benching Proposition 98

- Revenue Limit
 - Budget revisions occurred after June 30
 - Precluded revising 08-09 Revenue Limits
 - Categorical Programs
 - Sweep of \$1.6 billion in “unallocated” funds retroactive to 08-09
 - “Allocation” = cash payments to districts
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Revenue Limit Changes

May Revise	08-09	09-10	July Budget	08-09	09-10
Deficit Factor 1	.94643	.90785	Deficit Factor 1	.94643	.90785
Deficit Factor 2	.93585	.90359	Deficit Factor 2	.97372	.89932
Total Deficit	11.428%	17.967%	Total Deficit	7.844%	18.355%



Categorical Sweep

- Unallocated Categorical funds taken in 2008-09 will be backfilled in 2009-10
 - Funds for this backfill will come from an across the board reduction to 2009-10 revenue limits
 - \$254 per 2008-09 ADA (\$634,241)
 - One-Time adjustment in 2009-10
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Scotts Valley Unified School District General Fund Multi-Year Projection

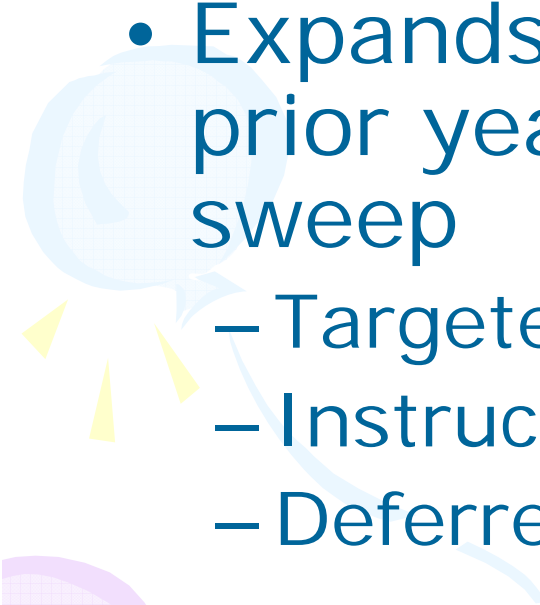
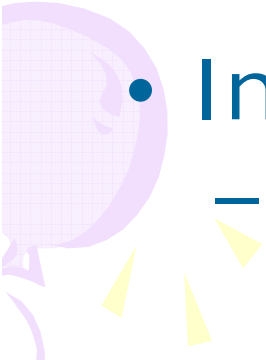
		<i>2009-10 Budget Adoption</i>				
		<i>General Fund</i>				
		2008-09	2009-10	2010-11	2011-12	
		Projected	Projected	Projected	Projected	<i>4 Year</i>
		Budget	Budget	Budget	Budget	<i>Total</i>
REVENUES						
1)	Revenue Limit Sources	13,757,712	13,074,455	12,938,018	13,097,716	52,867,901
	Revenue Limit (Revenue Limit COLA)	5.66%	4.25%	0.90%	2.40%	School Services
	Revenue Limit (Deficit Factor 1)	0.94643	0.90785	0.90785	0.90785	School Services
	Revenue Limit (Deficit Factor 2)	0.93585	0.90359	0.90359	0.90359	

Scotts Valley Unified School District General Fund Multi-Year Projection

		<i>2009-10 Budget Revision</i>					
		<i>General Fund</i>					
		2008-09	2009-10	2010-11	2011-12		
		Projected	Projected	Projected	Projected	<i>4 Year</i>	<i>4 Year</i>
		Budget	Budget	Budget	Budget	<i>Total</i>	<i>Change</i>
REVENUES							
1)	Revenue Limit Sources	14,322,092	12,403,265	12,876,821	13,035,765	52,637,943	(229,958)
	Revenue Limit (Revenue Limit COLA)	5.66%	4.25%	0.90%	2.40%	School Services	
	Revenue Limit (Deficit Factor 1)	0.94643	0.90785	0.90785	0.90785	School Services	
	Revenue Limit (Deficit Factor 2)	0.97372	0.89932	0.89932	0.89932		



Categorical Programs

- Home to School Transportation
 - reduced 20% (\$8,000)
 - Expands list of programs allowing prior year (2007-08) ending balance sweep
 - Targeted Instructional Improvement
 - Instructional Materials
 - Deferred Maintenance
 - Instructional Materials
 - adoptions delayed through 2012-13
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Cash Deferrals

- Delay district apportionments
 - % of April and May to August
 - % of October to December
 - % of November to January
 - What if a District runs out of cash?
 - Receivership is triggered
 - Necessitates a state loan
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Other Changes

- The ability to reduce the school year by 5 days
 - Each District must negotiate to implement
- Reduce routine restricted maintenance
 - Requirement reduced from 1% to zero
- Required reserve level reduced to 1/3
 - 1% vs. 3%
 - Implementation conflicts with cash deferrals
 - Must return to 3% by 2011-12
- Prohibits a district from receiving a qualified or negative certification *due to the loss of federal stimulus money*



What's Next?

- Current expectation is that the state budget will remain in balance for 4-6 months
 - Revenues continue to erode
 - Economy still sluggish
- Anticipate mid-year reductions
 - Fall?
 - January?