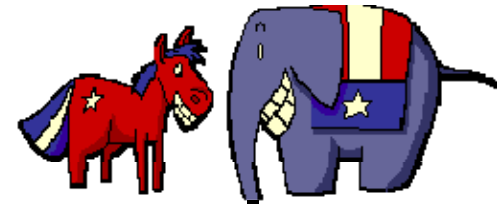


California State Budget Update 2010-11



Current Status: A Crisis of Governance



- \$19 billion budget gap
- 76 days past deadline
 - Inability to access short-term financing for cash flow needs
 - Lack of legal authority to make payments in the absence of a state budget
- Failure to address state's structural deficit



Scotts Valley Unified School District

- **Recession 08-09 through ?**

- Created a structural deficit

- Receiving less than 81% of core program revenue
- Receiving 75% of state categorical program revenues

- Limited mitigation

- CSR flexibility through 2011-12
- Other flexibility through 2012-13
- Federal stimulus through 2011-12 +



Recession: Revenue Impact

Fiscal Year 2009-10

Base Revenue Limit	\$ 16,143,188
Deficit Factor	81.645%
Funded Revenue Limit	\$ 13,180,106
Loss Due to Deficit	\$ (2,963,082)
Additional Revenue Limit reduction	\$ (640,179)
Total revenue limit reduction	\$ (3,603,261)

Federal Education Jobs Act

- Funds may be used for school level educational and related services:
 - Retain existing employees
 - Recall or rehire former employees
 - Hire New employees
- Funds must be spent by Sept 30, 2012
- Basis and timing of apportionments
 - ADA vs. Revenue Limit
 - Lack of state budget
- Current estimate for SVUSD \$482,863

Scotts Valley Unified School District

- **Other Issues**

- Maximum staffing ratios in place
 - Class size reduction flexibility
 - Contract language
 - Class size (revenue) penalties
- Higher federal academic proficiency standards
- Dramatic increase in Health Insurance premiums
 - Mitigation from reserves for 10-11 only



SVUSD Multi-year Projection

	2010-11 Projected	2011-12 Projected	2012-2013 Projected
Summary			
Revenues	\$ 15,483,214	\$ 15,480,329	\$ 15,259,017
Expenditures	\$ 16,892,877	\$ 16,892,705	\$ 17,448,205
NET INCREASE (DECREASE) IN FUND BALANCE	\$ (1,409,663)	\$ (1,412,376)	\$ (2,189,188)
Beginning Balance	\$ 3,343,358	\$ 1,933,695	\$ 521,319
Ending Balance	\$ 1,933,695	\$ 521,319	\$ (1,667,869)

Budget/Recession Solutions

- Revenue recovery (State Budget)
 - Risk Negative Certification
- Local Revenue Bridge (Parcel Tax)
 - For anticipated duration of recession
- Expenditure reductions (SVUSD Budget)
 - Required in absence of revenue solution
 - Must occur in 2011-12

\$950,000 in Cuts

- Elimination of Library Services
- Elimination of Music Program Grades 6-12
- Elimination of SVHS Career Center Services
- Fewer Counselors
- Fewer Custodians
- Reduction of Clerical Staff at Elementary Sites
- Reduction in District Office Accounting Staff
- Return to traditional middle school schedule, increasing staffing ratio
- Reducing the instructional year by 5 days (furlough)
- Reducing the non-instructional year by 5 days (furlough)