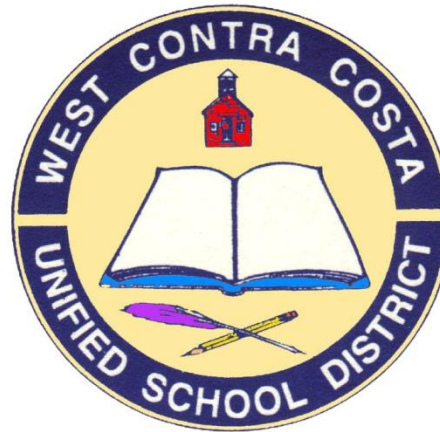


West Contra Costa Unified School District January 19, 2011



Governor's Budget Update

Governor's Budget

- No Mid-Year cuts for 2010-11
- Commitment to Education is stated
- Three major hurdles
 - Legislature must adopt cuts to programs such as health and social services – has been a problem before
 - Legislature must agree to place an extension of taxes on the June ballot
 - California taxpayers must agree to these taxes to preserve education

Governor's Budget

Best Case

- If the legislature adopts the cuts and the California taxpayers support the tax measure that is our “best case” scenario
- The District would still have to make some cuts, due to the expiration of the Federal Stimulus funds – but staff is working on minimizing cuts
- The District would be able to offer K-3 Class Size Reduction in the same manner as this year using the Ed. Jobs Federal Funds & Title I

Governor's Budget Worst Case

- If the legislature adopts the cuts and the California taxpayers do not support the tax measure that is our “worst case” scenario
- This would mean a cut of an estimated \$330 per pupil
- \$9 million loss to the District

Governor's Budget Much Worse

- If the legislature fails to adopt the cuts proposed AND the taxpayers do not support the tax measure – it could be much worse
- The loss of the tax measure \$9 million
- If the Legislature fails to make cuts in other State programs the impact is unknown
- Early estimates indicate \$16 million loss to our District

Governor's Budget

- The District must prepare for the worst case
 - This means layoffs pending the outcome of the June Statewide Election
- Timing of the ballot in June does not provide another layoff window if the tax measure fails

Multi Year Projection - First Interim Report

Unrestricted General Fund

First Interim Information

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Revenues	\$140,820	\$136,178	\$131,916
Expenses	138,116	138,862	139,226
Deficit Spending	2,704	(2,684)	(7,310)
Beginning Fund Balance	15,439	18,143	15,459
Ending Fund Balance	18,143	15,459	8,149
Required Reserve	8,678	7,880	7,785
Stores & Revolving Cash	300	300	300
Remaining Balance	\$9,165	\$7,279	\$ 64

Governor's Budget

- The worst case scenario causes an estimated deficit of \$11.6 million for 2011-12
- Use Title I to fund K-3 CSR at eligible schools
 - This could also help improve the deficit because some CSR revenues could still be claimed
- Use \$4.8 million of Ed Jobs funding to offset funding loss
- Will have to consider reduction of SRO contracts, Adult Education, BTSA Program, Summer School to make up the difference

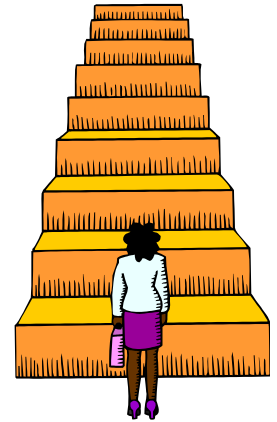
What about Funding Flexibility ?

- K-3 Class Size Reduction Penalty Flexibility
 - Expires June of 2012
 - Governor's Budget recommends a new sunset of June 2014
- Tier III Flexibility
 - Currently continues through 2012-13
 - We are using \$15.3 million in Tier III Flex
 - The loss of this Flexibility is now known as the "Funding Cliff"
 - Governor's Budget recommends extending flexibility through the 2014-15 school year

State Outlook

- 2010-11 funding is at 2004-05 levels
- The LAO's office estimates school districts "may" reach 2007-08 funding levels in 2014-15
- Every year the State fails to solve the problem the deficit increases and school district funding is in jeopardy

Next Steps



Community Budget Meetings

6:30 – 8:00 PM

Helms –January 24th

Hercules Middle High School –January 26th

Kennedy High School – January 27th

Program Planning – February 16 Board Meeting

Financial reports available on the web

<http://www.wccusd.net/>