State & District Budget Update

April 14, 2009

Jane A. Russo, Superintendent

Cathie Olsky, Ed.D, Deputy Superintendent
Ron Murrey, Associate Superintendent, Business Services
Kelvin Tsunezumi, Executive Director, Fiscal Services
Tony Wold, Ed.D., Director, Program Quality Analysis

- Defined revenue & expenditure priorities for the 2009-10 school year

- Discussed parameters for a site standardized staffing model & other priorities reflecting State and Federal funding scenarios

- Outline options for CSR class sizes based on projected funding

- Identified critical funding and program need talking points for the Board, District, Parents and other Stakeholders to present to the Governor and State Legislators

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April 28th Board meeting

- Bring back additional budget funding including worst case scenarios

- Reach agreements on staffing standards

- Address site equity funding

- Continue update on Federal stimulus package

- Update communication and action plan

- Present for approval a resolution addressing the May 19th election

The State's budget revision information will not be available until mid June, at the earliest

- Actions that need to occur:
  - Staff reductions notices will need to be sent out
    - Classified Staff - noticed by May 1st
    - Certificated Staff - final notice by May 15th

  - Third Interim Fiscal Report presented to the Board on May 26th

  - Adoption of 2009-10 Budget by June 30th

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Budget Timeline

Date	Activity
April 28	Addt'l Budget scenarios & addt'l details related to site standardized staffing presented to Board (per Board request)
April 28	Board Agreement on: (1) Site standardized staffing, (2) Use of all "Other Funds" and GF reserves to balance cuts, (3) Use remaining Tier III categorical funds, (4) Maximize use of Federal on-going categorical funds, (5) Continue to pursue negotiation savings & (6) CSR
May 19	Date of Special Election (Propositions 1A – 1F)
May 26	3rd Interim Report presented for Board approval
June 8	Governor releases details pertaining to May / June Revise
June 9 (?)	OCDE releases 2009-10 Budget guidelines
June 9 – June 13	Budget development of 2009-10 Budget (utilizing OCDE & Board direction)
June 13	Sunshine proposed 2009-10 Budget
Week of June 15th (?)	Special Budget Study Session
June 23	2009-10 Budget presented for Board approval

Conflicting information about the Federal Stimulus Package

- Any funds provided may be offset by State funding reductions
    - "It will help support cash flow at the state level rather than coming to the school districts. If you were expecting the federal stimulus money would come down to all the school districts, that's not likely the case."
        Joel Montero, CEO of Fiscal Crisis & Management Assistance Team (FCMAT) (February 2009)

    - The Legislative Analyst's Office (LAO) recommends that the Legislature "hold back" Federal Stimulus funds for State Budget needs (March 13, 2009)

- "In our opinion, it is still too early to incorporate any of the above federal funding into a LEA's (i.e. district's) budget."

  (School Services of California; March 31, 2009)

- *"We have begun to scope out potential options for different solutions (utilizing Federal Stimulus dollars) if we need them."*

  (H.D. Palmer, spokesman for Gov. Arnold Schwarzenegger's finance department.)

- *"The Governor has some flexibility in the timing of the release of funds. Funds must be 'obligated' by Sept. 30, 2011."*

  (U.S. Department of Education Guidance; April 2009)

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Actions Taken

- Continued to explain budget cuts to Legislators

- Continue working with other Districts & Educational advocates

- Requested immediate direct release of Fed funds

- Requested legislation to move the May 15th notification back to late June

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Actions required to do

- Board Resolution on Propositions

- Request flexibility for State Tier I & II funding and all Federal funds

- Letter writing campaign to Legislators