

Governor's 2011-12 Budget Proposal



Eva Rae Lueck

Chief Business and Financial Officer

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Governor's 2011-12 Budget Proposal



- *General Fund*
- *Special Education*
- *EEELP*



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Extends Flexibility Timeline



- *K-3 CSR Flexibility*

- *Positive Impact on Multi Year Plan*

2012-13 \$4.7 M

2013-14 \$4.7 M



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- Option 1 – Flat Funding (Best Case) – Impact on GUSD
Requires Legislative & Voter Support

\$18.32 Cut per ADA → \$460,000 (approx.)

- Option 2 – If Elections Fail – An Additional \$330 Reduction Per ADA in 2011-12 (\$348.32)

\$8.3 Million Reduction in Revenue

Plus

\$460,000 - \$18.32 Cut Per ADA

Total Impact - \$8.8 million cut



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Option 1

Multi Year Impact Analysis



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OPTION 1 OF GOVERNOR'S JANUARY BUDGET PROPOSAL - INCREASED DEFICIT FACTOR

Major Changes	2010-11	2011-12	2012-13	2013-14
First Interim Ending Balance Projection	\$ 39,509,651	\$ 37,945,876	\$ 21,300,266	\$ (9,405,699)
IMPACT OF THE GOVERNOR'S JANUARY BUDGET PROPOSAL - OPTION 1				
2011-12 Adjustments				
Adjust Revenue Limit - 1.67% COLA & Increase Deficit to 19.608%	\$ -	\$ (461,151)	\$ (456,296)	\$ (454,006)
2012-13 Adjustments				
Restore K-3 CSR Revenue For Change to 24.94:1 Class Size Ratio			\$ 1,440,664	
Restore Base K-3 CSR Revenue (Flexibility Extended)			\$ 3,302,395	
2013-14 Adjustments				
Restore K-3 CSR Revenue For Change to 24.94:1 Class Size Ratio				\$ 1,440,664
Restore Base K-3 CSR Revenue (Flexibility Extended)				\$ 3,302,395
Other - Special Education Adjustments	TBD	TBD	TBD	TBD
Current Year Impact	\$ -	\$ (461,151)	\$ 4,286,763	\$ 4,289,053
Cumulative Impact to Ending Balance	\$ -	\$ (461,151)	\$ 3,825,612	\$ 8,114,664
Option 1 Adjusted Ending Balance Projection	\$ 39,509,651	\$ 37,484,725	\$ 25,125,878	\$ (1,291,035)
Designated and Restricted Portion:				
Revolving Cash	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000
Stores	\$ 117,345	\$ 117,345	\$ 117,345	\$ 117,345
3% Mandated Reserve for Economic Uncertainties	\$ 6,593,116	\$ 6,448,295	\$ 6,580,914	\$ 6,811,087
Fund Balance Designation	\$ 10,555	\$ 10,555	\$ 10,555	\$ 10,555
Option 1 Adjusted Balance in Excess of 3% Reserve	<u>\$ 32,718,635</u>	<u>\$ 30,838,530</u>	<u>\$ 18,347,064</u>	<u>\$ (8,300,022)</u>



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Option 2

Multi Year Impact Analysis



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OPTION 2 OF GOVERNOR'S JANUARY BUDGET PROPOSAL - INCREASE DEFICIT FACTOR & ADDITIONAL CUT

Major Changes	2010-11	2011-12	2012-13	2013-14 *
First Interim Ending Balance Projection	\$ 39,509,651	\$ 37,945,876	\$ 21,300,266	\$ (9,405,699)
IMPACT OF THE GOVERNOR'S JANUARY BUDGET PROPOSAL - OPTION 2				
2011-12 Adjustments				
Adjust Revenue Limit - 1.67% COLA & Increase Deficit to 19.608%	\$ -	\$ (461,151)	\$ (456,296)	\$ (454,006)
Additional Cut of \$330 per ADA		\$ (8,306,760)	\$ (8,219,310)	\$ (8,178,060)
2012-13 Adjustments				
Restore K-3 CSR Revenue For Change to 24.94:1 Class Size Ratio			\$ 1,440,664	
Restore Base K-3 CSR Revenue (Flexibility Extended)			\$ 3,302,395	
2013-14 Adjustments				
Restore K-3 CSR Revenue For Change to 24.94:1 Class Size Ratio				\$ 1,440,664
Restore Base K-3 CSR Revenue (Flexibility Extended)				\$ 3,302,395
Other - Special Education Adjustments	TBD	TBD	TBD	TBD
Current Year Impact	\$ -	\$ (8,767,911)	\$ (3,932,547)	\$ (3,889,007)
Cumulative Impact to Ending Balance	\$ -	\$ (8,767,911)	\$ (12,700,458)	\$ (16,589,466)
Option 2 Adjusted Ending Balance Projection	\$ 39,509,651	\$ 29,177,965	\$ 8,599,808	\$ (25,995,165)
Designated and Restricted Portion:				
Revolving Cash	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000
Stores	\$ 117,345	\$ 117,345	\$ 117,345	\$ 117,345
3% Mandated Reserve for Economic Uncertainties	\$ 6,593,116	\$ 6,448,295	\$ 6,580,914	\$ 6,811,087
Fund Balance Designation	\$ 10,555	\$ 10,555	\$ 10,555	\$ 10,555
Option 2 Adjusted Balance in Excess of 3% Reserve	\$ 32,718,635	\$ 22,531,770	\$ 1,820,994	\$ (33,004,152)

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Special Education



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Potential Special Education Funding Changes

- ◆ **Projected 2010-11 Cost of Governor's Veto of AB 3532 Mental Health Services**

- Residential - \$900,000 to \$1.4 million cost annually
- Outpatient - \$500,000 to \$1 million cost annually

- ◆ **Special Disabilities Adjustment (SDA) Funding – Eliminated 2011-12**

- \$370,000 to \$450,000 reduction annually

- ◆ **Additional Federal Funding – 2011-12**

- \$3.39 increase per ADA = \$85,000

Only Positive
Item

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Potential Special Education Funding Changes



- **Mental Health Services Funding Cut**
- **Elimination of SDA Funding**
- **Additional Federal Funding**

\$1.7 million to \$2.8 million Cut



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Reduction Target to Obtain 3% Reserve

Fiscal Year		Option 1	Option 2
Year 1	2011-12	0	0
Year 2	2012-13	0	0
Year 3	2013-14	\$(8.30) m	\$(33.0) m

Reduction Target With Special Education

\$(10.60) m	\$(35.30) m
to	to
\$(11.80) m	\$(36.50) m

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Early Education and
Extended Learning
Programs (EEELP)



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Impact on the Department of Developmental Services

A proposed decrease of \$716 million in 2011-2012 for all direct service child care programs

Accomplished by:

- Eliminating State subsidized services for 11 and 12 yr olds
- Reducing family eligibility by changing the cut off from 75% to 60% of the State Median Income
- Cutting State subsidized preschool programs by 36%
- Reducing the level of State subsidies across the board



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Early Education and Extended Learning Programs (EEELP)

- **Currently 57 teachers and 179 educational assistants provide services to 2,484 students daily at 27 schools from 6:30am-6:00pm**
- **Services include:**
 - State subsidized preschool – full day (149 students)
 - State subsidized preschool – half day (214 students)
 - State subsidized school age child care (414 students)
 - Self supporting preschool – full/half day (6 students)
 - Self supporting school age child care (619 students)
 - After School Education and Safety Program – ASES (843 students)
 - Recreational Afterschool Program – RAP (231 students)
 - Infant Toddler Program @ Daily High School (8 babies)



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Impact on Early Education and Extended Learning Programs (EEELP) - State Subsidized Programs

- **Elimination of 11-12 year olds**
 - ✖ **Approximately 69 students annually**
- **Decreasing the family eligibility cut off from 75% to 60% of the State median income**
 - ✖ **Approximately 145 students annually**
- **Decreasing preschool funding by 36%**
 - ✖ **Approximately 131 students annually**
- **345 students would no longer have State subsidized child care and preschool services Districtwide**



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Impact on Early Education and Extended Learning Programs (EEELP)

- **School Age Programs (K-6)**
 - ✘ Approximately 214 students affected by proposed cuts
 - ✘ Represents 48% of the School Age State Subsidized Budget
 - ✘ A loss of approximately \$973,506
- **Decreasing preschool funding**
 - ✘ Approximately 131 students affected by proposed cuts
 - ✘ Represents 36% of the preschool funding
 - ✘ A loss of approximately \$639,975
- **Projected loss to the District of \$1,613,481**



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Second Year of Cuts to EEELP

- In past years State subsidized child care programs were expected to keep 3-4 months of funding in reserve accounts
- In October, 2010 Governor Schwarzenegger changed the allowed reserves to be no greater than 5% of total allocations for State subsidized programs and decreased this year's allocation by any amount in reserve accounts greater than the 5% limit
- For GUSD this resulted in a loss of \$603,482
- EEELP reserve accounts now only have \$190,292 for both school age and preschool programs
- The two year total loss of EEELP funding for GUSD with the proposed State budget would be \$2,216,963



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ITEMS WITH A CRITICAL IMPACT

Next



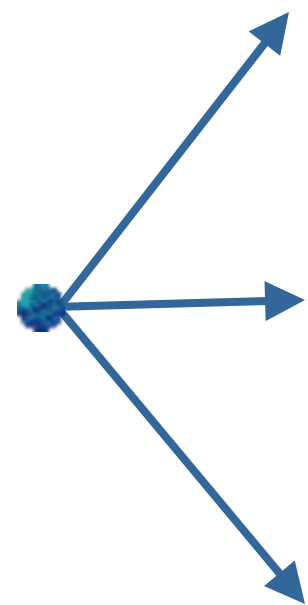
- **April - Measure S Election**
- **June – Governor's Proposed Election to Extend Taxes**



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Fundamental Building Blocks to Support Instructional Program (December 14 Discussion)

GOAL



No Additional Layoffs to the Base Staffing – This does not include Categorical Programs (SBCP, Federal Programs, EEELP, etc.)

Reduce/Eliminate Furlough Days in Future Years

Maintain K-3 Staffing at 24 Students Per Class



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Superintendent's Recommendation

**Maintain Reductions Implemented Last Year Until
More Information is Available**



Staffing – No Change Except Categorical programs



Tier III – Utilization for Base Programs Continues



**Summer School – Utilize Glendale Educational
Foundation as Provider**

- **Option – Reduced Fee for Low-Income Students**