

Status of the 2009-2010 Budget & Budget Planning for 2010-2011



Castro Valley Unified School District

Community Forum – September 30, 2009

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Purpose of the Meeting

- Review the 2009-2010 budget
- Understand the factors impacting the 2010-2011 budget
- Review the Budget Development Timeline & Process
- Next Steps
- Questions, Answers & Comments (Cards)

What are the Questions?

- ❑ What does the budget look like this year?
- ❑ Will there be mid-year cuts or layoffs?
- ❑ What are the expectations or projections for next year?
- ❑ What programs and personnel could be reduced?

What are the Questions?

- ❑ What process will be used to develop the budget?
- ❑ How do I have input into the process?
- ❑ Where can I find additional information?
- ❑ How do I ask more questions?

What's Happened Since June?

- Staffing Reductions
 - (FTE and %)
- State Budget – Revised in July
- Enrollment on 9/22/09 = 8,923

Group	FTE Reduced	% Reduction
CVTA	20.4	-4.3%
CSEA	6.6	-3.1%
Mgmt	3.3	-6.7%

The 2008-2009 and 2009-10 “Moving Target” State Budgets

- ❑ The decline in the state and national economy has resulted in *unprecedented* reductions to public education.
- ❑ 2008-2009 and 2009-2010 budget years under continual cycle of change with growing deficits throughout the planning period.

Like Chasing A Rock Downhill

- Budget Act of 2008
 - Latest enacted in recent history
 - signed September 2008.
 - Lasted only 6 months before major revisions in February 2009.
- Budget Act of 2009
 - Earliest enacted in history
 - signed February 2009.
- Both 2008 and 2009 revised in July 2009.

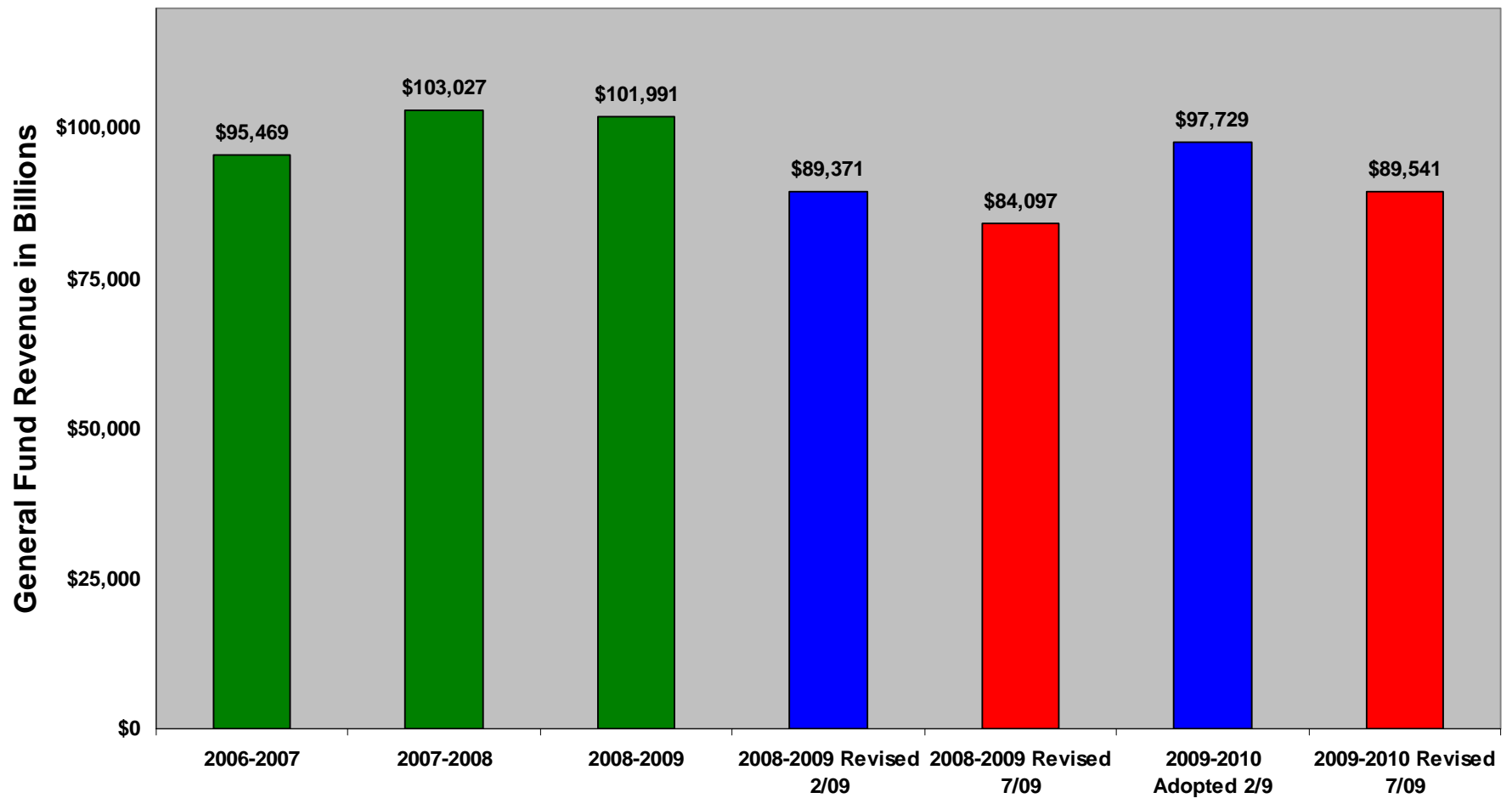
What Impact on California?

- ❑ California state budget action had to address a two-year budget gap of \$63 billion.
- ❑ Public schools and colleges cut by nearly \$18 billion!
- ❑ Categorical programs have either been eliminated entirely or reduced by approximately 20%.

Prop 98 Funding

- ❑ 40% of the state budget
- ❑ State revenue has fallen from \$102.1B to \$89.5B
- ❑ State has applied a deficit to the education budget
- ❑ Technically, the state is “fully funding” K-14 education.

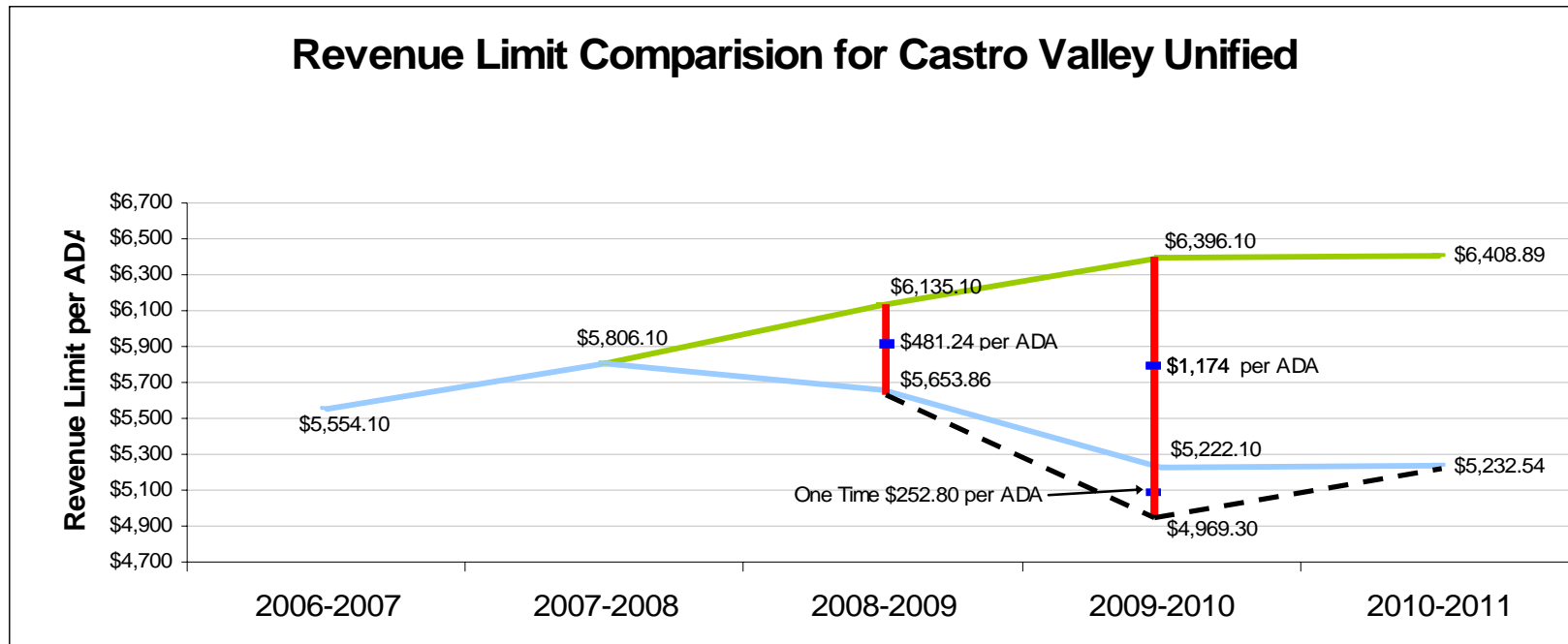
Shifts in State Revenue



What Impact on CVUSD?

- CVUSD now receives **\$600** per student less for core programs (Revenue Limit) than it did in 2007.
- CVUSD now receives **\$1174** per student less than the statutory level of funding
 - over **\$10 million** in lost spending power!

Revenue Limit Funding Plummets



- Our basic per student revenues have declined approximately \$600 per student since 2008.
- The decline is approx \$1,174 below the statutory level that is adjusted for inflation.
- Further reduced by \$252 due to late state budget revisions.

Impact on Castro Valley USD

- ▣ Mid-year (2008-2009) funding cuts drew down reserves.
- ▣ On-going funding cuts forced budget reductions of \$4.1 million for 2009-2010.

Impact on Castro Valley USD

- Forecast additional imbalance of \$3.1 million in 2010-2011
 - One-time Federal Stimulus may provide temporary relief – but imbalance will continue.
- Foundations are attempting to support programs and offset cuts.

California in 2009-2010

- Projecting no mid-year cuts due to the federal *Maintenance of Effort* requirement for the stimulus funds
 - Could change
- There could be more deferrals or other fiscal shifts based on state revenue.
 - Cash flow issue for the District

California in 2009-2010

- Governor's January Budget will be critical in terms of planning, but it is not final.
- The May Revise will be key point, but it is not final.
- It's an election year.

Process for Moving Forward

- Continue to monitor state financial situation.
- Develop 2010-2011 budget options
 - All Hands and Community meetings
 - Prepare options by Winter Break
 - Be ready for Governor's January Budget and May Revise
 - Continue to adjust – it's a moving target



Questions, Answers & Comments

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