



ESCONDIDO UNION SCHOOL DISTRICT

**Budget Communications
Committee**

February 17, 2010



PRELIMINARY EUSD BUDGET REDUCTIONS

- # BUDGET REDUCTIONS WILL BE NECESSARY IN 2010-11
 - # EXHAUSTION OF ONE-TIME FEDERAL DOLLARS (FUNDING “CLIFF”) IS CRITICAL TO OUR CURRENT POSITION
 - # THE DISTRICT’S CONTINUED DECLINING ENROLLMENT MEANS THAT WE CAN NOT “GROW” OUR WAY OUT OF THE PROBLEM
 - # SINCE THE ECONOMY IS CLEARLY NOT RECOVERING QUICKLY, WE NEED TO POSITION THE DISTRICT FOR A LONG HARD CLIMB BACK
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PRELIMINARY EUSD BUDGET REDUCTIONS

- # THE DISTRICT IS PROPOSING A PRELIMINARY REDUCTION AMOUNT OF ABOUT \$13.5 MILLION
 - # GIVEN THE SIGNIFICANT RISKS TO THE BUDGET, THIS AMOUNT COULD GO HIGHER
 - # WHILE WE'RE HOPEFUL THIS WILL NOT BE THE CASE, WE ESTIMATE THAT A "WORST CASE" STATE SCENARIO COULD REQUIRE REDUCTIONS AS HIGH AS \$17 MILLION
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EUSD - ESTIMATED PRELIMINARY REDUCTIONS NEEDED

Revenue Reductions:

Federal Stimulus Funding (ARRA):

State Fiscal Stabilization Funding (SFSF)	(\$6,041,639)
Title I ARRA	(\$2,276,053)
Special Education IDEA ARRA	(\$4,179,574)
McKinney Vento Homeless ARRA	(\$84,306)
Less estimated ARRA carryover	\$3,071,639
Net ARRA Reduction ("Funding Cliff")	(\$9,509,933)
Federal Title I, Reading First	(\$1,001,876)
Total Federal Revenue Reduction	(\$10,511,809)

State Revenues:	
Revenue Limit (\$191/Student)	(\$250,000)
Other completed programs	(\$323,377)
Estimated Negative COLA state programs	(\$543,474)
Local Revenues:	
Lower estimated interest earned	(\$200,000)
New Redevelopment Funds (includes C/O)	\$1,553,000
Total Initial Revenue Reductions	(\$10,275,660)
Anticipated Cost increases	
Step/Column - eligible employees	(\$1,950,000)
Restore 2.5% Restricted Maintenance	(\$500,000)
Worker's Compensation Rate Increase	(\$250,000)
Normal increase - General Fund support	(\$300,000)
Normal increase - fixed - utilities, etc.	(\$300,000)
Preliminary Total of Reductions Needed	(\$13,575,660)

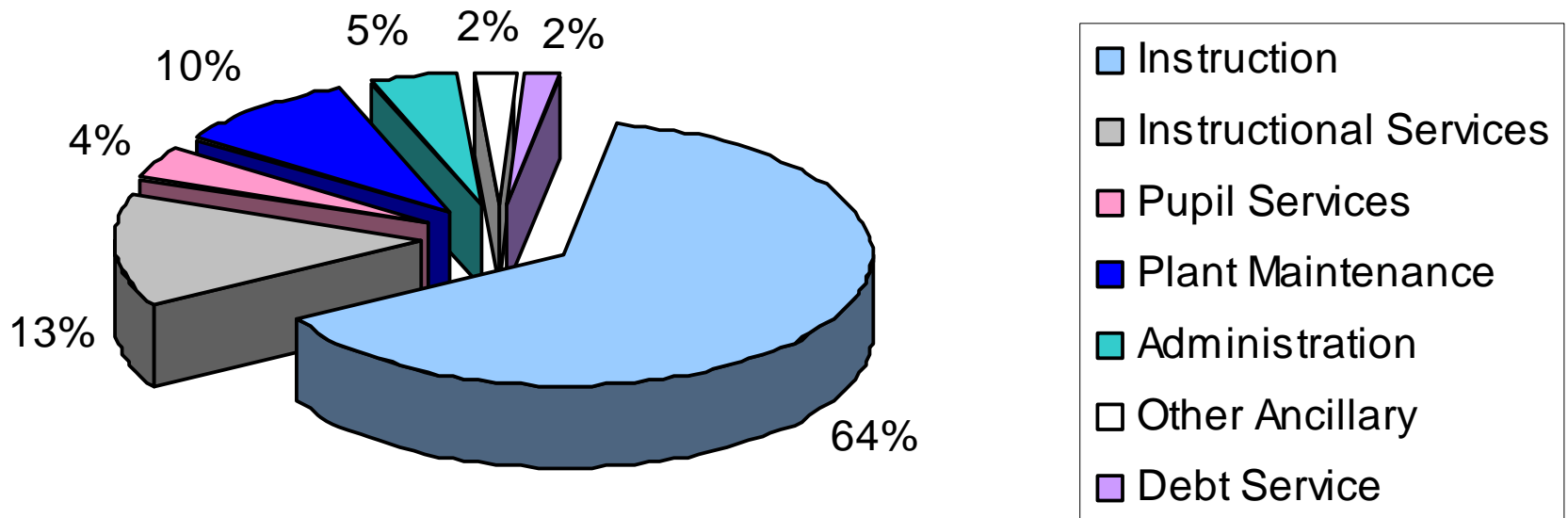
Preliminary Total of Reductions Needed	(\$13,575,660)
Additional Risks to Budget:	
Revenue Limit Cut (\$250 vs. \$191/student);	(\$1,019,846)
Governor's Federal Revenue plan falls short, and Proposition 98 is reduced further:	
Example: Federal government provides only \$4.5 billion of the requested \$6.9 billion - this could reduce Proposition 98 guarantee by \$960 million - or about \$163 per student	
	(\$2,836,169)
Additional Reductions Could be Needed	(\$17,431,675)
NOTE: School Services of California estimates that if the federal government does not provide all \$6.9 billion, the risk to education may range \$175 - \$300 per student in 2010-11	

POSSIBLE BUDGET SOLUTIONS THAT COULD BE CONSIDERED

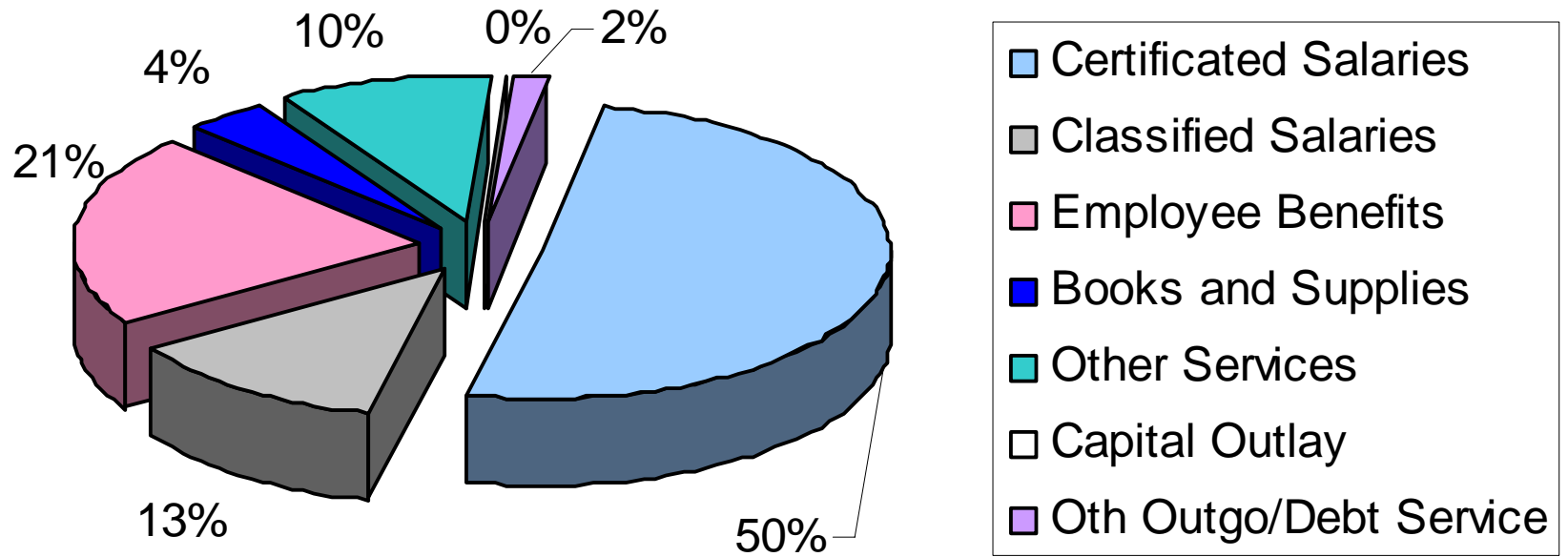
	Estimated Potential Savings
Per single work day reduction - all employees - (Unrestricted and Restricted General Fund only)	* \$497,792
Freeze employee step/column	\$1,950,000
1% Rollback of all Salary Schedules - all employees - (Unrestricted and Restricted General Fund only)	* \$995,101
K-3 Class Size Reduction Program to 30:1 - Net of Revenue Reduction	\$2,500,000

*** Note that if the K-3 Class Size Reduction Program were to be reduced to 30:1, the work year reduction and rollback of salary schedules would be affected**

2008-09 GENERAL FUND EXPENDITURES BY FUNCTION



2008-09 GENERAL FUND EXPENDITURES BY MAJOR OBJECT



Reduction Plan Development

- # Striking a balance between instructional and support program needs and employees' needs
 - # Priority setting requires “either/or” decisions and making choices
 - # Dollar volume of reductions needed requires that everything is “on the table” for consideration
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Plan Development Worksheets

