

**ESCONDIDO UNION SCHOOL  
DISTRICT**

2010-11 BUDGET REDUCTION  
PROPOSAL  
FEBRUARY 25, 2010

**2010-11 REDUCTIONS NEEDED**

- DURING THE BUDGET PROCESS, WE WILL SHARE NEW INFORMATION AS IT BECOMES AVAILABLE
- AT THE 2-11-10 BOARD MEETING, WE RELEASED A PRELIMINARY REDUCTION FIGURE OF \$13.5 MILLION (AS A STARTING POINT, PENDING SEVERAL RISKS TO THE STATE BUDGET)
- WE DISCOVERED THAT NEXT YEAR'S REQUIRED FRINGE BENEFIT CONSORTIUM (FBC) PAYMENT OF \$1.5 MILLION AGAINST THE DISTRICT'S FUND DEFICIT WAS INADVERTANTLY LEFT OFF THE LIST

**2010-11 REDUCTIONS NEEDED**

- SINCE THE LAST MEETING, WE ALSO HAVE HAD NEW INFORMATION RELATED TO SBX3 56
  - THE STATE'S QEIA "FIX" FOR 2009-10
  - THE STATE HAS "SWEEPED UP" ABOUT \$659,000 OF STATE CATEGORICAL FUNDING
  - THEY HAVE REPLACED IT WITH FEDERAL STATE FISCAL STABILIZATION FUNDING (SFSF) ON A ONE-TIME BASIS
  - THIS HAS CHANGED THE LEVEL OF FEDERAL STIMULUS FUNDING - AND INCREASED THE LIKELIHOOD OF EXTRA CARRYOVER

**EUSD - REVISED PRELIMINARY REDUCTIONS NEEDED**

Revenue Reductions:	
Federal Stimulus Funding (ARRA):	
State Fiscal Stabilization Funding (SFSF)	(\$6,698,587)
Title I ARRA	(\$2,276,053)
Special Education IDEA ARRA	(\$4,179,574)
McKinney Vento Homeless ARRA	(\$84,306)
Less estimated ARRA carryover	\$4,130,000
Net ARRA Reduction ("Funding Cliff")	(\$9,108,520)
Federal Title I, Reading First	(\$1,001,876)
<b>Total Federal Revenue Reduction</b>	<b>(\$10,110,396)</b>

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<b>State Revenues:</b>	
Revenue Limit (\$191/Student)	(\$260,000)
Other completed programs	(\$349,416)
Estimated Negative COLA state programs	(\$220,000)
<b>Local Revenues:</b>	
Lower estimated interest earned	(\$160,000)
New Redevelopment Funds (includes C/O)	\$1,663,000
<b>Total Initial Revenue Reductions</b>	<b>(\$9,626,811)</b>
<b>Anticipated Cost Increases</b>	
Step/Column - eligible employees	(\$1,950,000)
Restore 2.5% Restricted Maintenance	(\$300,000)
FBC deficit payment (second installment)	(\$1,560,000)
Worker's Compensation Rate Increase	(\$260,000)
Normal increase - General Fund support	(\$300,000)
Normal increase - fixed - utilities, etc.	(\$300,000)
<b>Preliminary Total of Reductions Needed</b>	<b>(\$14,186,811)</b>

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<b>Additional Risks to Budget:</b>	
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)
<b>Estimated upper range of reductions needed if Proposition 98 is reduced further</b>	<b>(\$18,042,826)</b>
<b>NOTE: School Services of California estimates that if the federal government does not provide all \$6.9 billion, the risk to education may range from \$175 - \$300 per student.</b>	