


<h2>Fiscal Justification for Layoff Notices</h2> <hr/>	
	<p>Presentation to the Board of Trustees Brett McFadden Chief Business Officer February 16, 2011</p>
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<h2>What we will cover tonight</h2> <hr/>	
<ul style="list-style-type: none"><input type="checkbox"/> Updated Multi-year fiscal projections – using two scenarios<input type="checkbox"/> Analysis and methodology<input type="checkbox"/> Questions and comments	

Recap of the situation

- The district's 2011-12 budget is predicated on the outcome of a June 7th statewide special election
- Two fiscal scenarios facing the district – neither is good
- District has cut over \$14 million the past three years
- Very few non-negotiable items remain available

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Scenario one MYP

Governor's budget with taxes extended, all Fed Ed Job \$ added (\$3.3m),
 and with \$3m in ongoing reductions

	2011-12	2012-13	2013-14
Beginning Balance	24.5	22.2	13.2
Revenues	159.7	161.3	164.0
Expenditures	162.0	170.3	174.6
Increase (Decrease)	(2.3)	(9.0)	(10.6)
Ending Balance	22.2	13.2	2.6
Cash/Stores and Restricted Reserve	1.1	1.1	1.1
3% Reserve	4.9	5.1	5.2
Unappropriated Reserve	16.2	7.0	(3.7)

in millions and rounded

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Scenario two MYP			
Governor's budget with taxes NOT extended, all Fed Ed Jobs \$ added (\$3.3m), and ongoing expenditures reduced by \$3 million			
	2011-12	2012-13	2013-14
Beginning Balance	24.5	17.0	8.1
Revenues	153.8	161.3	163.9
Expenditures	161.3	170.2	174.6
Increase (Decrease)	(7.5)	(8.9)	(10.7)
Ending Balance	17.0	8.1	(2.6)
Cash/Stores and Restricted Reserve	1.1	1.1	1.1
3% Reserve	4.9	5.1	5.2
Unappropriated Reserve	11.0	1.9	(8.9)

in millions and rounded

- ### Fixed costs increasing, but no COLA
- Fixed costs continue to increase but the district has had no COLA since 07-08
 - Step and column salary movement (1.5% to 2.5% of GF per year)
 - Employee Health and Welfare Benefits (budgeted at 10% per year)
 - Health care costs are up over 200% since 97-98
 - Operating costs are increasing – gas, books, supplies, services, etc.
 - Fixed costs are eating into the district's reserves – absent corrective action

Need for maximum flexibility

- We have no way of predicting the outcome of the June 7th election
- Board needs maximum fiscal flexibility to deal with both scenarios
- The board will once again need to consider issuing March 15 layoff notices to certificated staff and classified (45-day) notices
 - NOTE: The statutory layoff procedures have not been waived
- The board will have to consider additional reductions regardless of the fiscal scenario we end up with

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Methodology for recommended layoffs

- Protect critical instructional programs, services, and personnel
- Keep program infrastructure for eventual restoration
- Focus on student and staff safety
- Maintain current maintenance and operations levels
- Ensure continued compliance with state and federal regulations/statutes

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