

2010-2011 FIRST INTERIM REPORT

Presented to the Board of Education
December 9, 2010

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Impact of October State Budget

- ▣ Ongoing \$250 per student restored
- ▣ \$25 negative COLA restored
- ▣ Total increase of \$275 per student generates about \$8.5 million per year
- ▣ Overall funding increase in 10-11 is \$10 million
 - State Budget \$8.5 million
 - Student Growth \$1.5 million

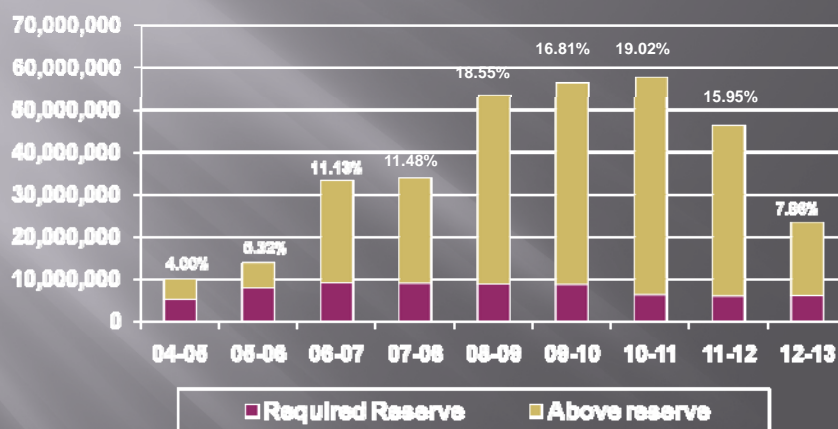
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First Interim Assumptions

- ❑ No COLA in 11-12 / lower COLA in 12-13
- ❑ State revenue increase is ongoing
 - With the higher revenue assumption in place, the multi year projection was calculated with 5 day furlough restored next year
- ❑ No mandated cost revenue assumed - not budgeted until it is received
- ❑ \$6 million salaries moved to Jobs Bill in 11-12
- ❑ Higher class sizes remain
- ❑ Relaxed CSR penalties eliminated in 12-13

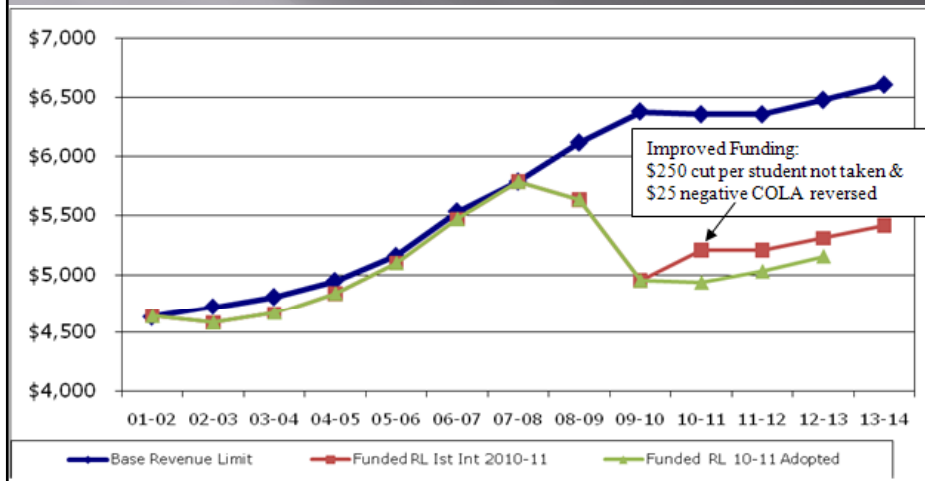
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Reserves: Fund 171



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Revenue Limit Per ADA



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Deficit Spending: September to October State Budget

- + Fund 031
 - + 2009-10 = \$16.9 million
 - + 2010-11 = ~~\$16.7~~ million \$7.5
 - + 2011-12 = ~~\$17.9~~ million \$8.4
 - + 2012-13 = ~~\$17.1~~ million \$19.4
- + Fund 032
 - + 2011-12 = ~~\$1.7~~ million \$3.5
 - + 2012-13 = ~~\$1.2~~ million \$3.5

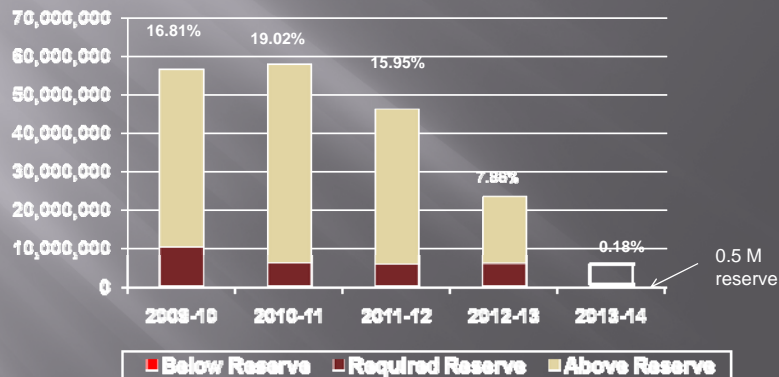
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2013-14 with Current Assumptions

- 2013-14
 - Estimated combined deficit spending = \$23 million,
 - Beginning reserve = \$23.3 million
 - Ending reserve = \$0.5 million = 0.18%
 - Minimum reserve required = \$6 million
 - Gap = \$5.5 million

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Reserve Trend for 2013-14 With Current Assumptions



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Realities of October State Budget

LAO Projection of General Fund Condition if No Corrective Actions Are Taken

(In Millions)

	2009-10	2010-11	2011-12
Prior-year fund balance	(5,375)	(5,371)	(4,592)
Revenues and transfers	87,041	93,284	83,530
Expenditures	87,037	92,505	102,756
Ending fund balance	(5,371)	(4,592)	(23,818)
Encumbrances	1,537	1,537	1,537
Reserve	(6,908)	(6,129)	(25,355)

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2010-2011 October State Budget

- ❑ The state budget adopted in October is not sustainable
- ❑ Waiting for governor's budget in January
- ❑ Mid year cuts are possible
- ❑ \$275 per student cut is likely, and could be \$500 ongoing
- ❑ Cut of \$2,083 per student would be needed to close half the state's \$25 Billion spending gap

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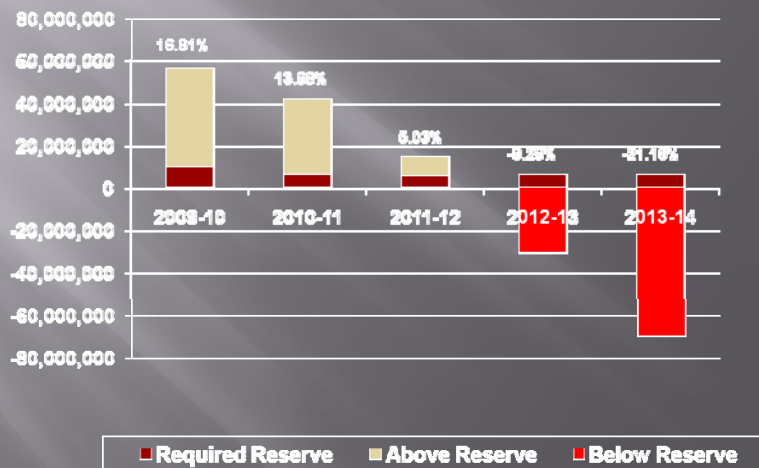
Possible Impact on SJUSD

	2010-11	2011-12	Cumulative
Change assuming 50% of \$6 billion	\$500.00	\$500.00	
Change assuming 50% of \$13 billion		\$1,083.33	
Change assuming 50% of \$25 billion		\$2,083.33	

(In Millions)	2010-11	2011-12	2012-13
1st Interim Projected Ending Balance	57.8	46.2	23.3
Mid-year cut	(16.0)	(32.0)	(48.0)
	41.8	14.2	(24.7)
Minimum reserve 2%			6.0
Shortfall two years out			(30.7)
Ongoing cuts required in 2011-12			(15.4)

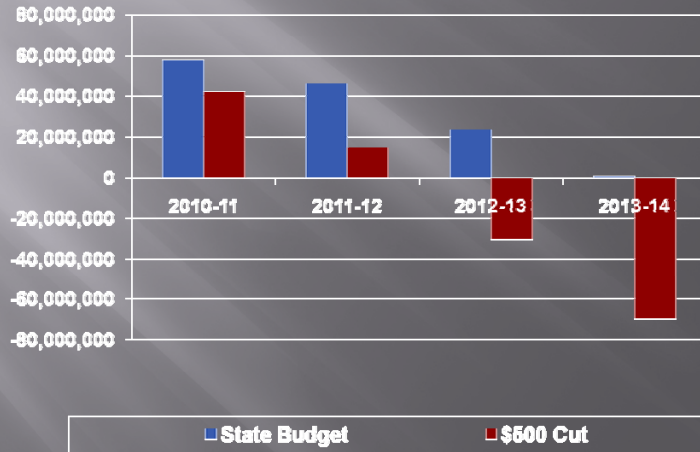
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Multi Year Projection with \$500 Per Student Ongoing Cut



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Reserve Projection: Current State Budget versus \$500 Per Student Ongoing Cut



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What Costs \$15.4 Million

- 16 school days
- 207 Teachers (12.9% of total)
- 8.26% of salary (all units all funds)
- 330 Custodians (we have 118)
- 125 Principals (we have 41)
- 206 Nurses and Counselors (we have 83)

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