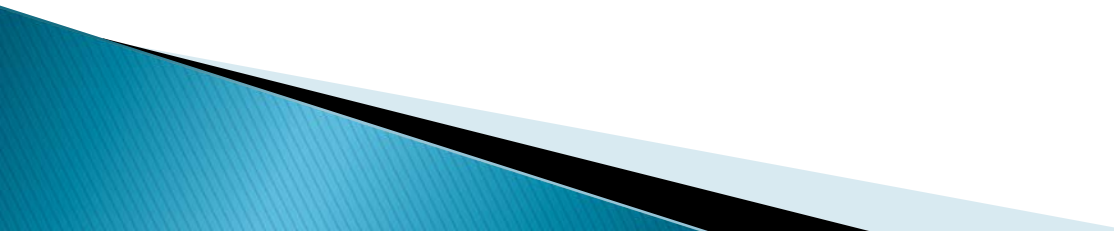


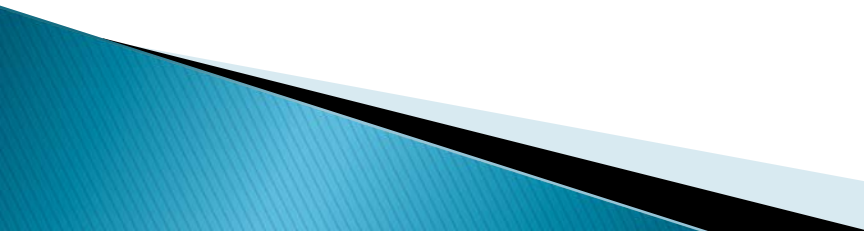
# Millbrae School District Budget Update

Linda C. Luna, Superintendent  
14 February 2011

# Sources of Information

- ▶ School Services of California
  - ▶ Fiscal Crisis and Management Assistance Team (FCMAT)
  - ▶ Office of Legislative Analyst
  - ▶ Department of Finance
  - ▶ Office of Management and Budget, UCLA
- 

# Budget Update: State

- ▶ \$25 billion deficit
  - ▶ Under the new Governor, the proposed solution to resolve the \$25 Billion:
    1. \$12.5 billion permanent reductions in state spending within the next 18 months.
    2. A five-year continuation of temporary taxes to resolve another \$12 billion.
- 

# Budget Update: Proposition 98

- ▶ Based on current law and economic *projections*:
  - \$2.3 Billion reduction to Education if the taxes are not extended.
  - Could Education be cut more than the \$2.3 Billion?

# Budget Update: Proposition 98

- ▶ Concerns of State's commitment in Proposition 98:
  - 2010–2011 Cash Deferrals
    - Over \$7 Billion
  - 2011–2012 Cash Deferrals
    - Proposed \$10 Billion

# Doing the Math

- Based on *projections* and “*what ifs*”:
  1. If the temporary tax extension passes, a projected deficit factor could result in a loss of about \$19 per student.
  2. If the temporary tax extension does not pass and Prop. 98 is reduced by \$2.3 Billion, the projected deficit factor could result in a loss of about \$330 per ADA + the \$19 per ADA above (\$349 per student.)

*However.* There could be additional reductions based on factors outside of the State’s Budget Plan.

# Doing the Math 'Guesstimates'

- ▶ 2240 projected enrollment
  1. If the temporary tax extension passes:
    - ❖ \$19 per student
    - ❖ \$42,560 reduction in the 2011–2012 district budget.
  2. If the temporary tax extension does not pass:
    - ❖ \$349 per student
    - ❖ \$781,760 reduction in the 2011–2012 district budget.

# Doomsday Plan from *Office of Legislative Analyst*

*(Sacramento Bee)*

- ▶ *Tax extensions fail*
- ▶ *Suspension of Proposition 98*
- ▶ *Elimination of Class Size Reduction*
- ▶ *Elimination of Kindergarten for children under 5 years old.*

\$4.55 billion reduction of funding to education

- ❖ \$760 per student
- ❖ \$1.7 million reduction in Millbrae's 2011–2012 budget.

# Next Steps

Prepare budgets for both possibilities.

- ❑ 2<sup>nd</sup> Interim Report
- ❑ Budget with temporary tax extension passing  
(reduction of \$19 per student.)
- ❑ Budget without the temporary tax extension  
(reduction of \$349 per student.)
- ❑ Budget personnel working with Superintendent to prepare data and information for the Board of Trustees to make a decision on reductions for the 2011–2012 budget.

# Next Steps

Prepare staffing projections for both possibilities

- Enrollment projections (trends).
- Confirm Seniority Lists.
- Staffing projections for each school by grade levels and sections relative to the instructional program.
- Prepare data and information for the Board of Trustees to make decisions on staffing projections for 2011–2012 relative to any budget reductions.
  - Resolution for reductions of Particular Kinds of Services.
  - Resolution for tie–breaking criteria.