

FOLSOM CORDOVA UNIFIED SCHOOL DISTRICT  
BUDGET COMMUNICATION COMMITTEE – 2009-2010

MINUTES

JANUARY 11, 2010

The Budget Communication Committee met at 3:30 p.m. on Monday, January 11, 2010, in the outside conference room at the FCUSD District Office. In attendance were: Debbie Bettencourt, Marty Baumann, and Cathy Runnels; Joan Jarman, representing FCLA; John Kenney, representing CSEA, and Dave Werra and Bob Schlegel, representing FCEA. Carol Campbell served as recorder.

Ms. Bettencourt briefly went through her handout which included *Revenue Limit Funding*, *Multi Year Projections*, and *Ongoing Revenue/Ongoing Expenses*. Points were:

Revenue Limit Funding

- ❖ Although expenses have increased, the 2009/10 funding was \$833/student less than in 2007/08—a reduction of \$15.

Multi Year Projections

- ❖ District in “Qualified” financial status
  - Means additional reporting and oversight
- ❖ Based on assumptions, such as:
  - No growth in enrollment and possible decline
  - No State COLA
  - No State cuts
  - Identify one-time federal revenue
  - Identify one-time categorical transfers
  - Include step and column for 10/11 and 11/12
  - No furlough days in 10/11 or 11/12
  - State restores \$250/ADA cut
  - Receive second half of federal IDEA funds

Ongoing Revenue/Ongoing Expenses

– Revenue Available This Year (excluding restricted categoricals)

- ❖ \$121,130,357 million
  - Less general and categorical stimulus monies (-\$7,544,736), and adding in \$2,275,955 (final installment of ARRA stimulus IDEA 10/11) and, hopefully, \$4,000,000 restoration of State ADA (\$250 cut from 09/10)
  - \$119,861,556 available revenue

### Ongoing Revenue/Ongoing Expenses

– Current Year Expenditures (including special ed, special ed transportation, CDS, continuation ed, but excluding other restricted categoricals, carryover amounts/entitlements)

- ❖ \$126,859,314, plus assumed end to furlough days (\$1,875,000) and cost of step/column (\$1,784,854)
- ❖ Ongoing costs for 2010/11 = \$130,519,168
- ❖ Compared to ongoing revenue, leaves a shortfall for 2010/11 of \$10,657,612

Ms. Bettencourt anticipates that the amount of the step & column may come down a bit when numbers are run in the District's software system. However, with the Governor's proposal, the District shortfall will be higher than \$10.6 million.

A summary of the Governor's Budget Proposal for 2010/11 and presented earlier this week, was then reviewed by Ms. Bettencourt. She referred to items of specific interest to the District, as follows:

- ❖ Higher education (UC and CSU) will receive backfill for federal stimulus monies, and the colleges will also impose fee increases mid-year.
- ❖ Full funding under Prop 98 guarantee, with moderate increases year over year from 2008/09 to 2010-11, but reducing by approximately 10% the funding for administration, overhead and other non-instruction related spending by school districts to offset increases in workload. This would apply to anything not directly related to the classroom.
- ❖ We are over-appropriated under Prop 98 from 2008/09. The state will recalculate and push the overage into 2009/10. Instead of starting the Maintenance of Effort payment in 2011/12, the state will push it out into 2012/13. In the meantime, they have cut \$3 to 4 million more this year.
- ❖ Proposal to change state law (Ed Code) to offer what amounts to "rolling lay offs" for certificated employees and the flexibility to rehire teachers based on skill and subject matter without regard to seniority.
- ❖ Flexibility to reduce instructional calendar up to five days through 2012/13.
- ❖ Restoration of the one-time cut to categorical funds.
- ❖ An increase of \$65 million for ongoing costs of mandated behavioral assessments and intervention plans. (\$10/student for FCUSD)
- ❖ Suspension of all K-14 education mandates, with the exception of costs related to interdistrict and intradistrict transfers and the California High School Exit Exam. Those are to be fully funded.
- ❖ School District Administrative Costs reduced by \$1.2 billion. This would apply to anything outside the classroom.
- ❖ Consolidation of County Offices of Education.
- ❖ Allow school districts to contract out to achieve cost reductions.

Ms. Bettencourt referenced School Services of California's *Fiscal Report* dated January 15, 2010. According to that report:

- ❖ For 2010/11, the COLA is projected at a negative 0.38% which represents an decrease in ADA amounting to \$24 per student in unified school districts. Ms. Bettencourt indicated that this is a very large decrease in revenue to our district.

All in all, Ms. Bettencourt reported, the Governor found a way to take all but \$25 of the proposed backfill. Under the Governor's proposal, the new target for cuts for 2010/11 would climb to as high as \$15 million.

Ms. Bettencourt shared a "draft" copy of the Superintendent's suggestions for cuts to be considered for 2010/11 and briefly went over the items. That list is not complete yet and doesn't reach the \$15 million. Cabinet will continue working on it

Lay off information is tentatively scheduled to go to the Board of Education on February 25. Ms. Bettencourt explained that the date is a little earlier than in previous years because there are issues, and the District wants to get on the hearing list for the Administrative Law Judge.

The meeting adjourned at 4:45 p.m.