



Coronado USD Budget Facts 2014

The Great Recession Led Directly to a Dramatic Cut in State Funding to Local Schools:

- ◆ Funding to CUSD in 2012-13 was cut \$2.1 M relative to 07-08. CUSD also has experienced \$3.2M in new, added costs since 07-08 for health insurance, utilities, etc.
- ◆ This is a \$5.3M net loss per year, or about \$1,760 per student.
- ◆ In 2008-09 the CUSD Governing Board predicted correctly that the Great Recession would last five years. The Board devised a five-year plan to ease through the tough economic times by severely **cutting expenses, raising class sizes, and using reserves** to cover shortfalls. See the reverse side for a list of cuts.
- ◆ Two one-time sources of Federal government funds (ARRA) and two threatened state cuts that didn't materialize played a major role during the recession.
- ◆ ***We face a structural operating deficit of at least \$2.5M per year***, a gap that will finish off CUSD's 2012-13 year-end \$4.6M reserves by the spring of 2015.

The New State Local Control Funding Formula (LCFF) Changes the Game:

- ◆ Now, just as the State finally inches toward economic recovery, the LCFF undercuts CUSD's access to restored funding. Instead of rapidly restoring state cuts, LCFF **extends the period of cuts** for school districts through 2021.
- ◆ The new supplemental money is earmarked for students who are English Language Learners and/or economically disadvantaged, of which **CUSD has a very small percentage**. More money or "concentration" funding is provided to districts that have larger percentages of these students.
- ◆ LCFF relies on the CA economy rising steadily over this 8 year period, something that has **not occurred for over 40 years**.
- ◆ LCFF guarantees that CA schools, in particular Coronado Unified schools, will remain **dead last in per pupil funding** as compared to other states for years to come.

The Latest Budget Impact on CUSD:

- ◆ CUSD should receive \$6,225/ADA in 2013-14, an increase of \$247/ADA from the previous year.
- ◆ CUSD is now 11th of 12 unified districts— Carlsbad USD is at the bottom with \$6,168/ADA.
- ◆ San Diego Unified receives \$7,300/ADA this year— over **\$1000/ADA more** than us!
- ◆ In January 2014, Gov. Brown provided a budget outline for 14-15. It's still just a draft- the Legislative will not vote on it until summer – but it is how all districts plan. It appears the State will provide \$1.4M in additional annual funding. With the additional \$200K recently announced for Federal Impact Aid, our projected **ongoing structural deficit of approximately \$2.5M**.
- ◆ SD Unified gains even more next year with Brown's plan— their ADA **increases to \$1200 or more!**

The Bottom Line:

- ◆ Districts like CUSD will **get less and recover very slowly** from Great Recession cuts. Others like San Diego Unified will get more money and recover more quickly.
- ◆ **New Reality:** Financial rescue from the Great Recession is now further away due to adoption of LCFF. CUSD is out of "short-term" options for filling the gap.
- ◆ This new reality hurts CUSD in two ways:
 1. We need to quickly cut our most precious programs, or cut school day hours, or further increase class sizes, or somehow **find another revenue source**.
 2. If we resolve this staggering problem strictly by program and staff cuts, nearby school districts will soon be **superior to us** in salaries for high quality teachers, creating a risk of degrading CUSD's educational programs by **not being competitive** with personnel.