



Governing Board Financial Workshop

FEBRUARY 6, 2014

We Can No Longer Afford the Cost of Our Success

- ▶ **Local Control Funding Formula (LCFF)** has changed everything
 - ▶ LCFF- first school funding change in **40 years**
 - ▶ Funding is weighted according to student demographics
 - ▶ LCFF guarantees that CUSD will remain **dead last** in per pupil funding as compared to other districts **for years to come**
 - ▶ Even with the Governor's recent prediction of a revenue increase, our district will receive far less than most other districts

LCFF Does Not Look to the Cuts of the Past as a Guide to Restoration

- ▶ LCFF extends the period of cuts for school districts through 2021
 - ▶ LCFF relies on the CA economy rising steadily over this 8 year period, something that has not occurred for decades
 - ▶ Districts like CUSD get less & recover very slowly from Recession cuts
 - ▶ Financial rescue is now further away due to adoption of LCFF
 - ▶ There are winners and losers with LCFF– **we are a loser district**

Structural Deficit Projections

	2013-14	2014-15	2015-16
LCFF revenue	\$ 19,026,420	\$ 20,501,318	\$ 20,868,114
LCFF increase over prior year		\$ 1,474,898	\$ 366,796
Impact Aid Revenue	\$ 1,300,000	\$ 1,500,000	\$ 1,500,000
Total Revenue	\$ 27,284,040	\$ 28,374,898	\$ 28,203,066
Base Expenses	\$ 30,351,000	\$ 30,340,290	\$ 30,801,290
Plus Supplemental LCFF revenue, which must be targeted expenses	\$ 69,518	\$ 166,958	\$ 187,168
Total Expenses	\$ 30,420,518	\$ 30,507,248	\$ 30,988,458
Structural Deficit	\$ (3,136,478)	\$ (2,132,350)	\$ (2,785,392)

Over 24 Employees May Be Given Layoff Notices After March 4th

Scholastic Athletics (partial services)	CoSA subsidy
Education subsidy	Professional Development
Assistant Principal	Elementary PE Staff
Elementary "ASE" teachers	Elementary "Specials" & STEAM activities
Management Clubs	Tech Resource Teachers
Shop services	Site-based curriculum development
Learning Teacher	Social/Emotional Counselor
Academy & other remediation services	Regional Occupation Program (ROP) in 15
Special Education Staff	Comp-time/overtime/consultants/travel

We Cannot “Cut” Our Way out of this Deficit

- ▶ The state has proven to be a **volatile partner**— we must **solve** this problem **locally** and **maintain control** over our schools
- ▶ **Now our task is to find new revenue**
- ▶ Smart, self-disciplined ballot measure will succeed
 - ▶ A bond needs 55% voter approval
 - ▶ A local bond means **local control**
 - ▶ June 3rd election allows us to maintain current programs/services

Next Steps for the Governing Board

- ▶ **Listen to experts** present at today's Financial Workshop
- ▶ Decide on the amount of such a bond
 - ▶ Status Quo or "Stability for our Ability to plan"
- ▶ Decide on the **length of authorization** for such a bond
- ▶ Consider **action** on the Bond Resolution at the February 18th meeting
- ▶ Consider **action** on Notice of Layoff at the March 4th meeting



Structural Deficit Assumptions

Assuming the 14-15 January Budget Proposal is enacted

Assumes SSC revenue projections for 14-15 and 15-16

Assumes stable Enrollment/ADA (3030 as of 2013-14)

Assumes Impact Aid revenue at Federal FY 2014 onward (no further sequestration)

Assumes no salary increases 2014-15 and 2015-16

Should match with Second Interim Multi-Year Projections

Assuming LCFF fully funded by 20-21, with 2% COLA

Would require 13 years of economic recovery--has not happened since the Civil War

Would require an extension of the sales and income tax provisions of Proposition 30