

**ELK GROVE UNIFIED
SCHOOL DISTRICT**

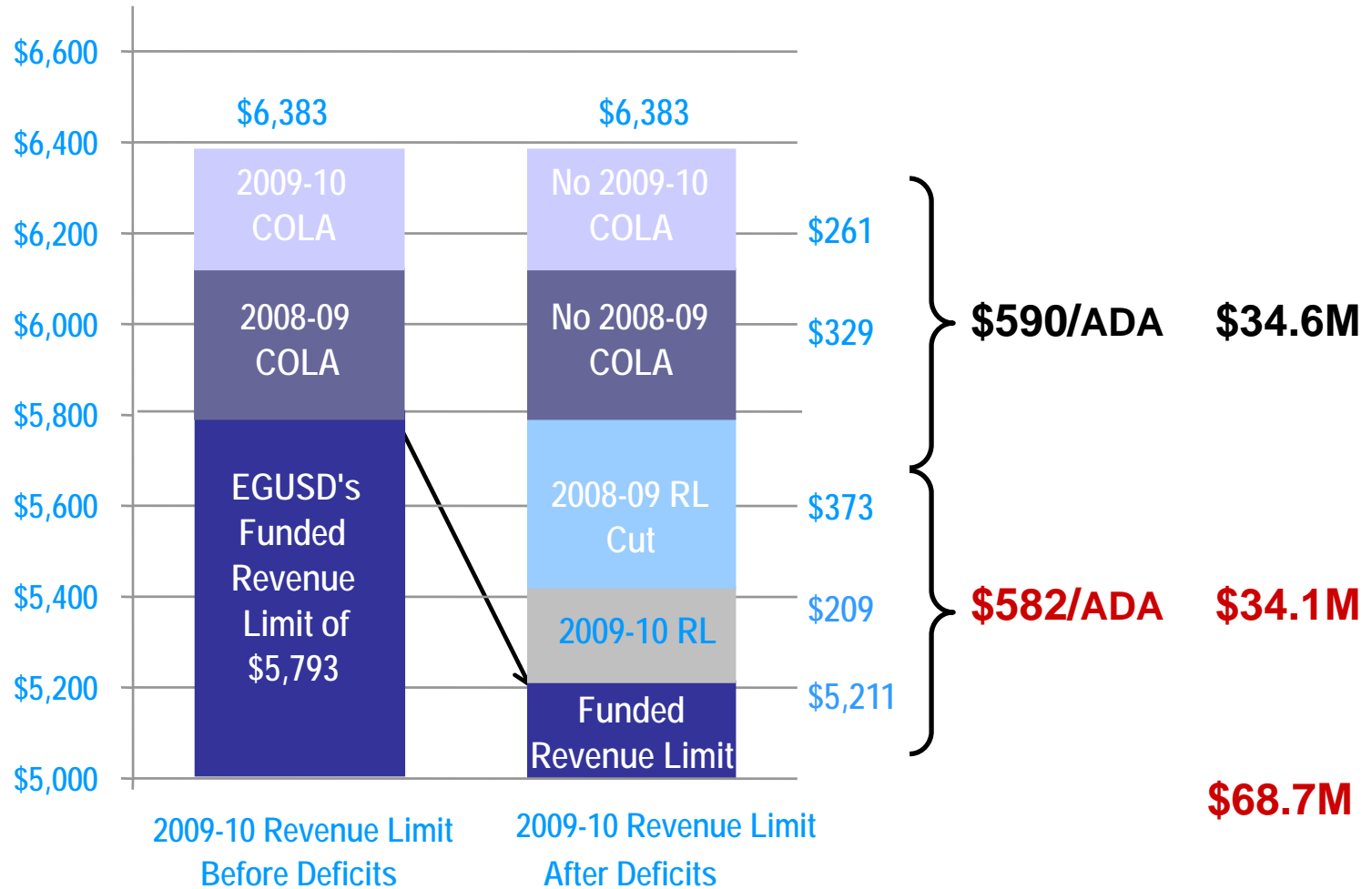
**Presented to the
Board of Education
October 20, 2009**



BUDGET REDUCTION UPDATE



EGUSD Revenue Limit per ADA (Revised)



* Does not include \$0.8 million on-going loss of Transportation Funding



EGUSD BUDGET REDUCTIONS

UNRESTRICTED – APPROVED 2008/09 REDUCTIONS

- 2008/09 Adopted Reductions (*May 08*) \$10.3 m
 - On-going - 78.00 FTE
- 2008/09 Mid-year Reductions (*April 09*) \$10.1 m
 - One-time (*One-time 2007/08 Flexibility Carryover*)

2008-09

Total Reductions \$20.4 m

(On-Going & One-Time)



EGUSD BUDGET REDUCTIONS

UNRESTRICTED – APPROVED 2009/10 REDUCTIONS

- 2009/10 Adopted Reductions (*April 09*) \$19.8 m
 - One-time (*One-time 2008/09 Flexibility Carryover*)
 - On-going - 24.90 FTE

 - 2009/10 Adopted Reductions (*June 09*) \$4.4 m
 - On-going – 0.00 FTE
-
- \$24.2 m**

Total Already Approved \$44.6 m

2008-09 – 2009-10



What Might Help?

- Enrollment up approximately 350 PreK-12 students - \$1.7 million - cost of staff (\$0.8 million)
- Possibility of additional one-time ARRA Stimulus at \$32/ADA - \$1.9 million
- 12 elementary YRE to Traditional - \$3.6 million
- Return NPS/NPA Students - \$1.1 million. These funds would be used to help sustain the programs.



State Revenues

- Department of Finance (DOF) –
September revenues short of projections
by \$810M
 - General Fund revenues are \$1.9B less than
budget YTD
- Personal income tax off by 16.5%
- Corporate tax was short by \$1B
- Non residential construction down 47%
from August 2008



State Unemployment

- Unemployment rate remains essentially unchanged at 12.2%
- Many economists predict this to be a “jobless recovery”
 - Will put a downward pressure on state tax revenues



Revised Multi-Year Budget Projections

MULTI-YEAR UNRESTRICTED WORKING BUDGET	2009-10	2010-11	2011-12
Revenues	\$372,049,382	\$372,939,742	\$380,664,721
Contributions/Transfers	(54,469,822)	(64,470,164)	(68,894,544)
Salaries/Benefits	(331,302,650)	(338,262,826)	(345,736,027)
Operating Expenses	* 5,863,133	(20,825,122)	(21,322,452)
Internal Charges/Credits	5,424,984	4,932,327	4,994,479
Surplus/(Deficit)	(2,434,973)	(45,686,043)	(50,293,823)
Beginning Fund Balance	13,278,262	8,075,893	(37,610,150)
Reserves	(10,013,184)	(8,534,428)	(7,086,266)
Designated Reserves	(2,767,396)		
Fund 17	2,464,933	2,564,933	2,664,933
Undesignated Balance	\$527,642	(\$43,579,645)	(\$92,325,306)

* Includes Federal SFSF Funding (\$20.9m) and IDEA Funding (\$5.5m)



Cost-Saving Measures That Require Negotiations

Year	Options for Cost-Saving
2009-10	<ul style="list-style-type: none">• 2-Day Furlough
2010-11	<ul style="list-style-type: none">• 5-Day Furlough• Freeze Steps and Columns• Cease Lottery Check One Year