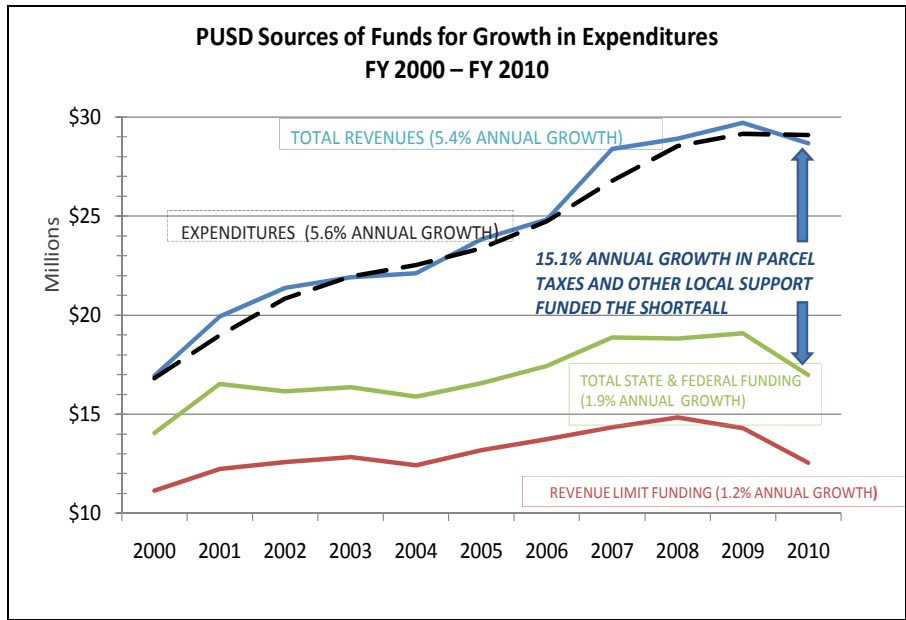


# PIEDMONT UNIFIED SCHOOL DISTRICT | Budget Outlook 2010

**Our History:** Over the past decade, the Piedmont Unified School District has provided a comprehensive K-12 educational program to over 2,500 students every year. To provide this program, PUSD has attracted and retained over 300 experienced full and part-time teachers, administrators, and support staff with competitive compensation and relevant professional training. In this time period, student enrollment and employee staffing have remained relatively flat, and there have been minimal increases in State and Federal funding. The local community, through parcel taxes and private donations, has contributed the necessary resources to fully fund public education for Piedmont's children.



Source: Parcel Tax Citizens Advisory Committee PowerPoint Presentation – Board of Education Meeting - 9/16/10

**A New Reality:** Times have changed, and we face a sobering new reality. In the wake of the current economic crisis, both the public and private sectors need to make tough choices in order to live within lesser means. The State of California now faces a \$19 billion deficit. In Piedmont, this translates to:

### A Cumulative Estimated Shortfall of \$5 Million for 2011/12 and 2012/13

Components of Shortfall	2011-12	2012-13	2-Year Impact
Emergency Parcel Tax Expires		(\$1,000,000)	\$1,000,000
Step & Column Increases	\$300,000	\$600,000	\$900,000
Health Benefits	\$400,000	\$850,000	\$1,250,000
OPEB Benefits Growth	\$45,000	\$55,000	\$100,000
Furlough Day Program Expires	\$450,000	\$450,000	\$900,000
Statutory Growth - Employees	\$25,000	\$50,000	\$75,000
Operational Expense Growth	\$150,000	\$250,000	\$400,000
Loss of One-time 2010-11 Private Funds	\$550,000		\$550,000
<b>Total Projected Shortfall:</b>			<b>\$5,175,000</b>

Source: PUSD Staff Report – Board of Education Meeting - 9/16/10

District and community leaders acknowledge that given the magnitude of the State budget deficit and local projected shortfall, we can no longer fundraise or parcel tax our way out of the current crisis. A dependence on one-time funding must give way to more sustainable long-term solutions, developed as a community of parents, community members, staff, and students.

The financial burden will need to be shared by everyone. One source alone cannot shoulder the \$5 million shortfall.



2500 students (\$2,000/student)



4000 parcels (\$1,250/parcel)



325 employees (\$15,000/employee)



63 FTE (\$80,000/employee)

Source: PUSD PowerPoint Presentation - Budget Advisory Committee Meeting - 9/23/10

**Options to Consider:** A combination of actions will need to be taken to address the shortfall. Because approximately 90% of PUSD's \$29 million budget is for employee salary and benefits, a number of options listed below need to be negotiated with employee groups this year. All employee contracts expire on June 30, 2011 at the end of this fiscal year.

Description	2011-12	2012-13	Cumulative Impact
Increase Core Parcel Tax Maximum 5%	\$400,000	\$800,000	\$1,200,000
Freeze Step & Column Increases *	\$300,000	\$600,000	\$900,000
Maintain Health Benefits Cost at 2010-11 *	\$400,000	\$850,000	\$1,250,000
OPEB Benefits - Future Liability *	\$45,000	\$55,000	\$100,000
Continue Furlough Day Program *	\$450,000	\$450,000	\$900,000
Statutory Growth - Employees			minimal
Operational Expense – Reduce 10%	\$15,000	\$25,000	\$40,000
Roll Back Salary Schedules e.g., 5% *	\$1,000,000	\$1,000,000	\$2,000,000
Change Program Delivery (perm/ongoing)	\$750,000	\$750,000	\$1,500,000
<b>Sub-total:</b>			<b>\$7,890,000</b>
*Needs to be negotiated			
Consequence of Not Resolving Budget Issues: Lay-off 25 to 30 Employees	\$1,400,000	\$3,600,000	\$5,000,000

Source: PUSD Staff Report – Board of Education Meeting - 9/16/10

**What's Ahead?** Discussions are taking place at both Board and school site meetings. Key dates include:

Sep 16	Board Meeting – Budget Workshop	Oct 8	PMS Parents Club Meeting
Sep 23	BAC Meeting – Discuss Budget Options	Oct 13	Board Meeting – Contract Openers
Sep 29	Board Meeting – Contract Openers	Oct 19	MHS Parents Club Meeting
Oct 4	Beach Parent Organization Meeting	Dec 2	BAC Meeting – Review 1 <sup>st</sup> Interim
Oct 5	Havens, Wildwood, PHS Parents Club Meetings	Dec 8	Board Meeting – 1 <sup>st</sup> Interim

**Public Input:** The Board welcomes public input at regular and special meetings of the Board, or via e-mail to:

Roy Tolles, President [Rtolles@piedmont.k12.ca.us](mailto:Rtolles@piedmont.k12.ca.us)  
 Rick Raushenbush, VP [Rraushenbush@piedmont.k12.ca.us](mailto:Rraushenbush@piedmont.k12.ca.us)  
 Ray Gadbois, Member [Rgadbois@piedmont.k12.ca.us](mailto:Rgadbois@piedmont.k12.ca.us)  
 Martha Jones, Member [Mjones@piedmont.k12.ca.us](mailto:Mjones@piedmont.k12.ca.us)  
 June Monach, Member [Jmonach@piedmont.k12.ca.us](mailto:Jmonach@piedmont.k12.ca.us)

If you send an e-mail, please copy Superintendent Constance Hubbard at: [Chubbard@piedmont.k12.ca.us](mailto:Chubbard@piedmont.k12.ca.us)

Last Revised – 9/27/10