

*Piedmont Unified
School District*

Budget Advisory Committee:
District Budget Discussion
September 23, 2010

Review of 9/16 Special Meeting

- To inform the community of the budget issues the District is facing
- To receive public input on priorities as the Board provides direction to staff for both the short-term and long-term budgeting process

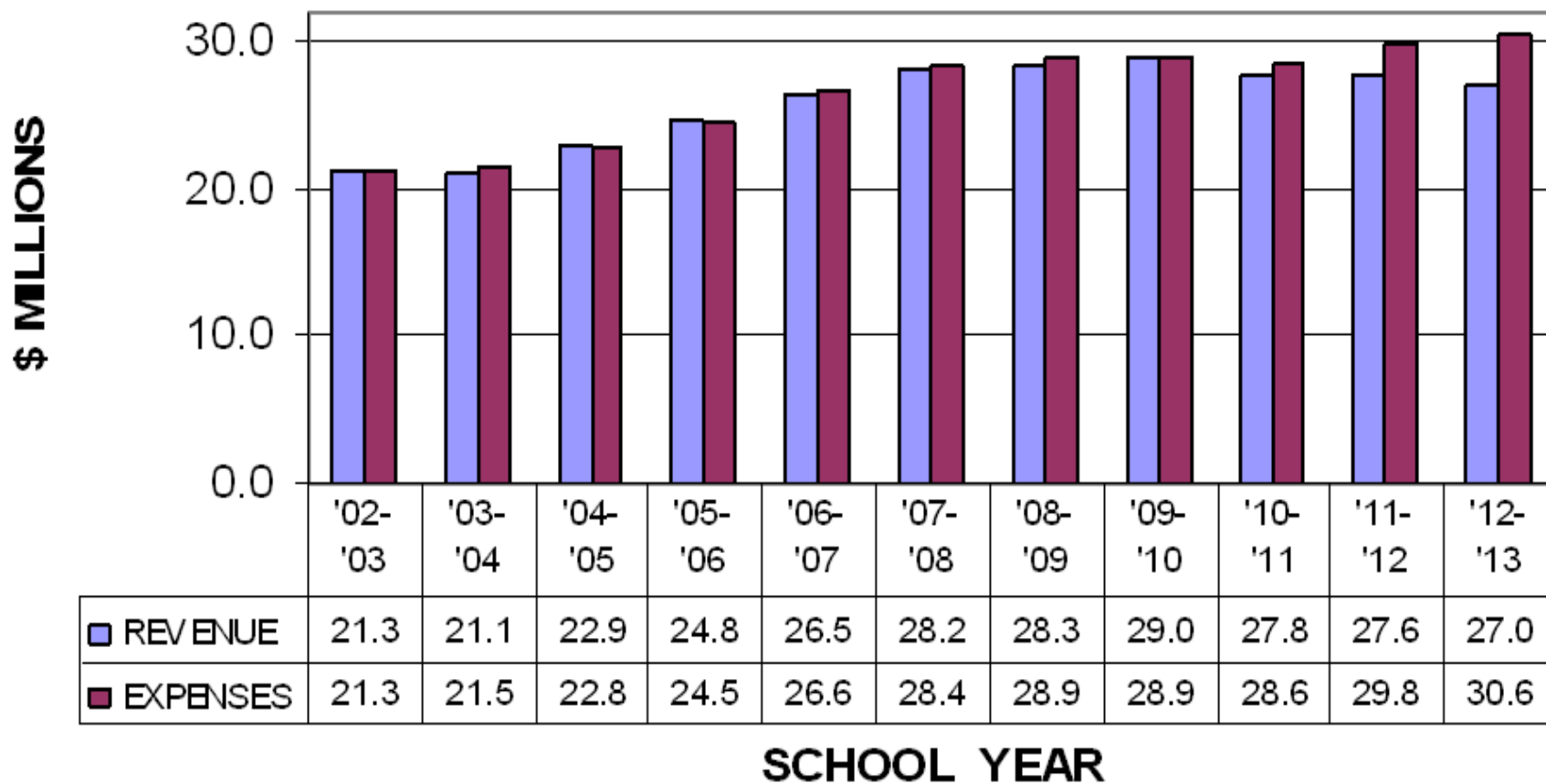
General Assumptions

- The funding model for public education in California is broken and is beyond the immediate control of local school districts
- The economic issues are larger than Piedmont
- Piedmont continues to value and support public education at an extraordinary level
- Maintaining quality & excellence is fundamental
- Changes in program delivery are inevitable
- PUSD's tradition of partnership supports the expectation that parents, community, staff, and students will work together on remedies and will require sacrifice by all

Short-Term Budget Assumptions

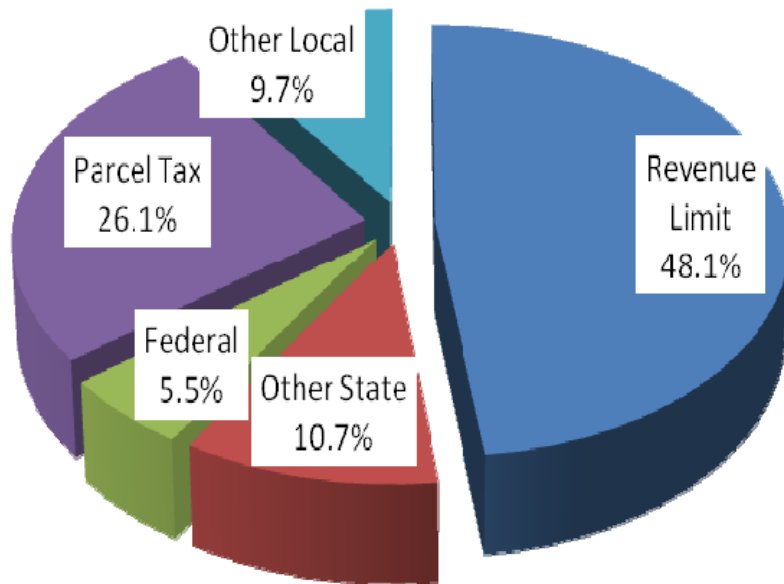
- Short-term as defined is the current year and subsequent two years (2010 – 2013)
- The current estimate of the “gap” between revenue and expenditures is \$5 Million over 2011-12 and 2012-13
- We cannot wait for State & Federal decisions to plan

PUSD Revenue Vs. Expenses

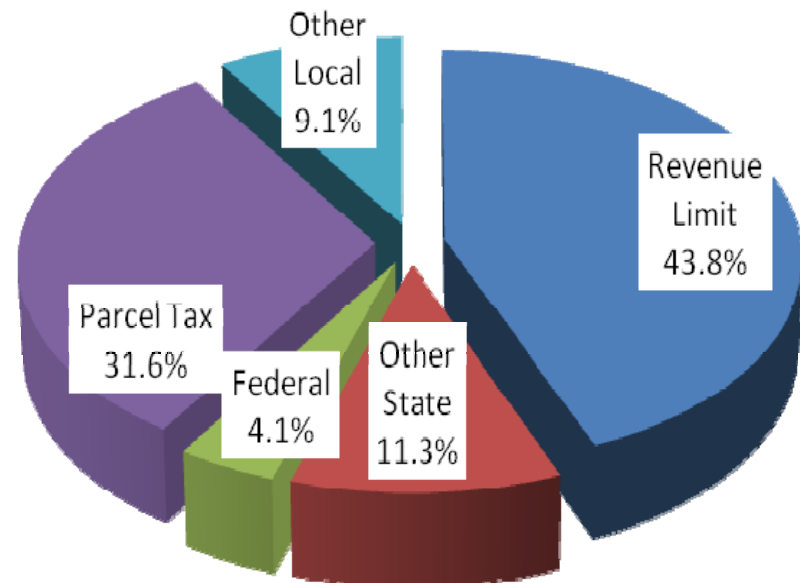


PUSD 2008/09 & 2009/10 Revenue

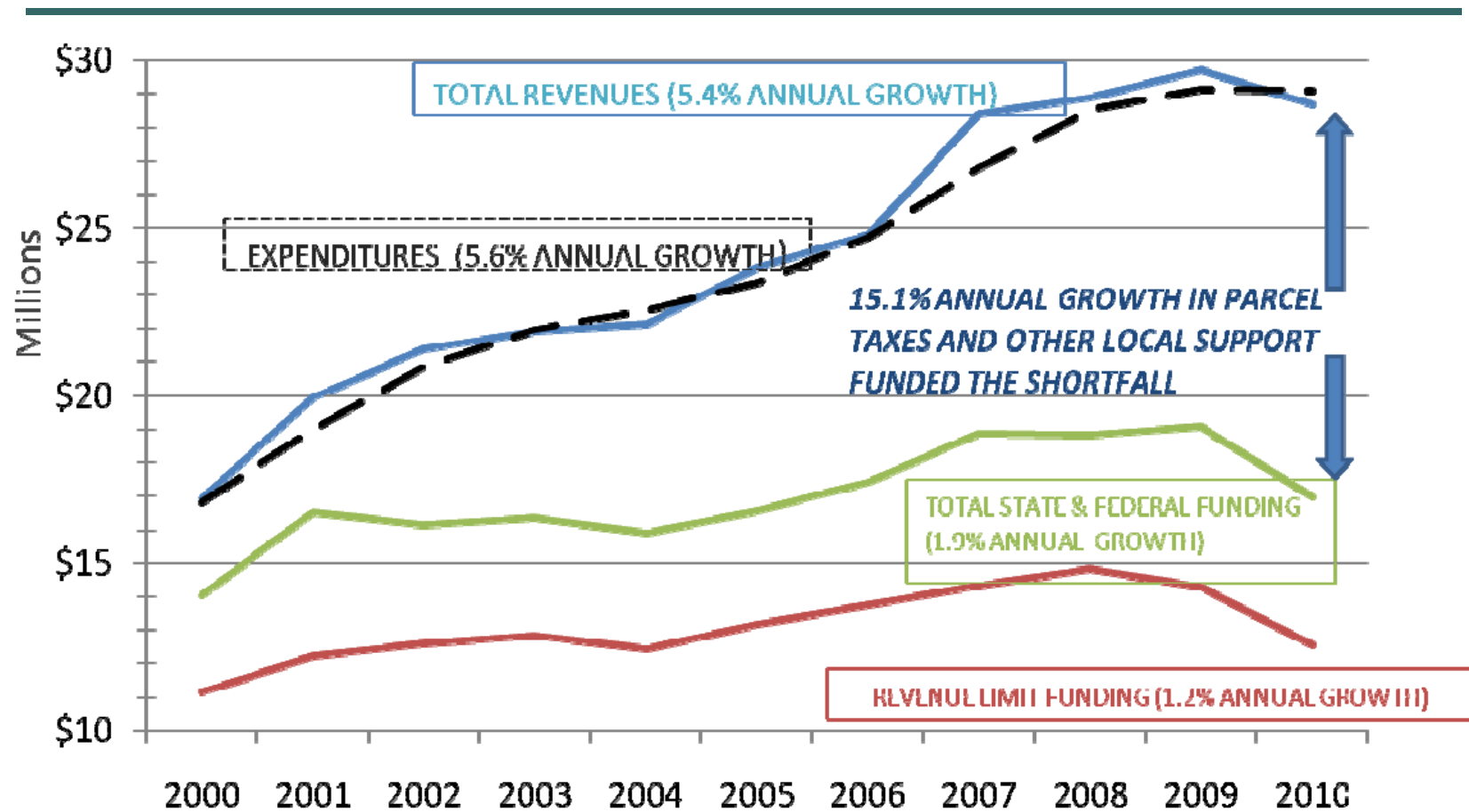
PUSD Revenue by Source
FY 2008-2009



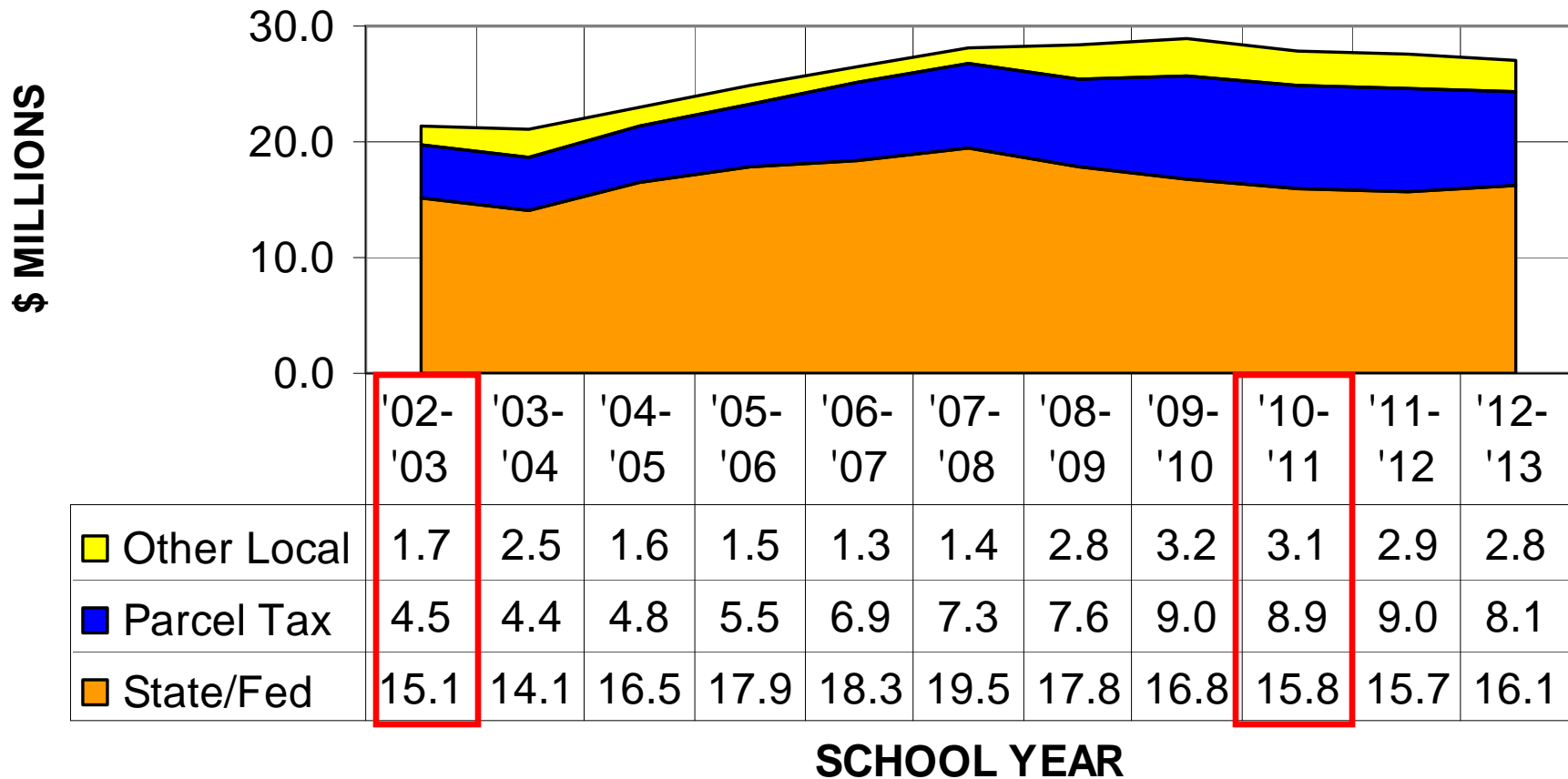
PUSD Revenue by Source
FY 2009 - 2010



PUSD Funding Sources : 2000- 2010



PUSD Funding Sources : 2000- 2010



The \$5M Budget Gap

DESCRIPTION	2011-12	2012-13	CUMULATIVE
Measure E 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
Expiration of Furlough Day Program	\$450,000	\$450,000	\$900,000
Statutory Growth -employee	\$25,000	\$50,000	\$75,000
Operational Expense	\$150,000	\$250,000	\$400,000
Loss of one-time funds from 2010-11	\$550,000		\$550,000
			\$5,175,000

Budget Options

DESCRIPTION	2011-12	2012-13	CUMULATIVE
Increase Measure B 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 -employee			
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/on-going)	\$750,000	\$750,000	\$1,500,000
			\$7,890,000
Consequence of Not Resolving Long-Term Budget Issues:			
Lay-off Employees	\$1,400,000	\$3,600,000	\$5,000,000

No single source for \$5M...



2500 students (\$2,000/student)

4000 parcels (\$1,250/parcel)



325 employees (\$15,000/employee)

63 fte (\$80,000/employee)



Options (cost over 2 years)

- **Increase core tax 5%:** (\$100 - \$300/parcel)
- **Furlough Days:** (3 days = \$1300/employee)
- **Furlough Days:** (3 days instruction/student)
- **Health Care:** (\$1.25M = \$3800/employee)

Options (cost over 2 years)

- **Revise Program Delivery: (\$1.5 Million)**
 - Increased class size
 - Support Services (K-12 library, K-12 counseling, K-5 reading/science/math resource, K-12 admin, K-5 instructional paraeducators)
 - Music/Art K-12
 - Extracurricular
 - Technology K-12

Loss of 6-12 employees; protects core program