



# Major Decisions and Preliminary Budget

June 2, 2010

JUNE 2, 2010

# May Revision

The revised Budget gap is projected to be \$19.1 billion, slightly smaller than the \$19.9 billion gap in the January Budget

The Governor proposes to close this gap without raising taxes

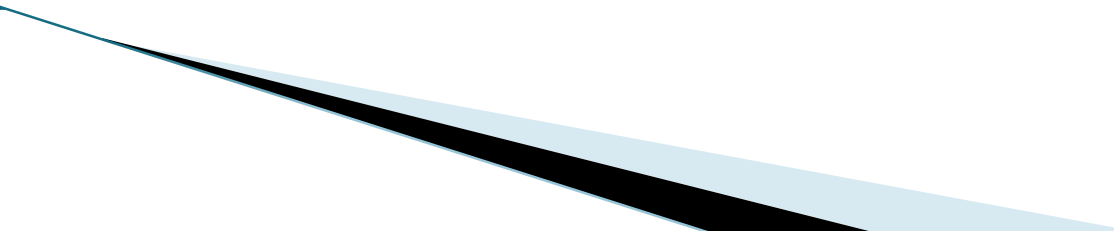
- \$12.4 billion in cuts
- \$3.4 billion in additional federal funds
- \$3.4 billion in borrowing fund shifts, asset sales, and surcharges

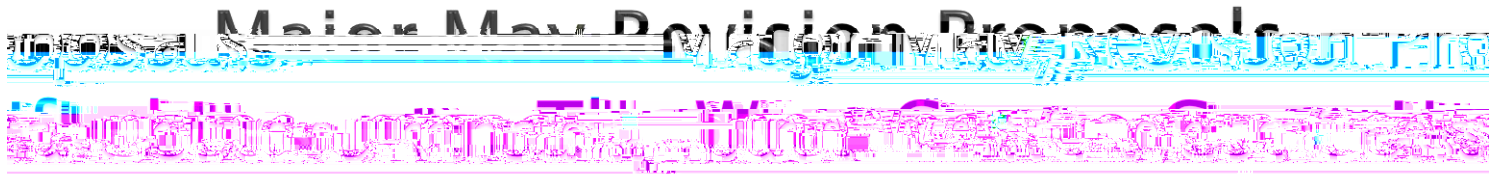
We expect the Legislature to have great difficulty voting for the choices before them

For the most part, the May Revision contains no further cuts to K-12 education

- Cuts proposed in January remain in place but a revision in how the cuts are calculated cost West Contra Costa an estimated \$1.2 million more in cuts
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## The May Revision, if enacted as proposed contains significant risks

- Court W\U`Yb[ Yg`Wci `X`YUg]`mWUi gY`~ ' `V]``]cb`hc`ÎZU``ci hĭž`fY-  
benching Proposition 98, elimination of CalWORKs, state worker  
pay cuts, health care reductions, and other cuts could face court  
challenges ĩ  
    This could mean as much as \$250 per pupil in lost funding  
    That amount would result in a loss of \$6.8 million for our district
  - Late Budget ĩ a late Budget would delay implementation of  
program reductions, resulting in the loss of budgeted savings
  - Economic and revenue risks ĩ the state and national economies
- 



Revision proposals, are truly cuts to County Services on which our community, students and families depend. The backlash of these cuts will be felt in schools.

- \$1.1 billion in savings from the elimination of CalWORKs, the cash and food stamp program for poor
- \$637 million in savings from cuts to the In-Home Support Services program for the disabled
- \$750 million in savings from Medi-Cal managed care program for low-income residents
- \$244 million in savings from transferring state prisoners to county jails
- \$602 million in savings from reduced county mental health services



2010-11 Budget relies on one time funding

- Federal Stimulus Funds (ARRA)

Title I ARRA Ì being used for K-3 CSR \$1.8 million

Special Ed ARRA Ì helping offset encroachment and staff funding \$1.4 million

SFSF Ì being used for K-3 CSR and staff funding \$1.2 million

Federal Stimulus funding runs out at the end of 2010-11

Title II Carry Over is also a one time source for K-3 CSR in 2010-11 \$1.3 million

K-3 Class Size Reduction Penalty Flexibility Expires June of 2012

Tier III Flexibility continues through 2012-13

- We are using \$14 million to fund regular programs using Tier III Flex



Budget must include a multi year projection

- Through 2012-13
- Complexities of State Flexibility and Tier III provisions will be reported in the District Budget Executive Summary



## Next Steps

Budget must be adopted by the district prior to June 30, 2010

- State Budget will most likely not be in place by then

Once the State Budget is adopted, the district makes adjustments to its budget within 45 days

Last year set the record, but this year the record could be broken