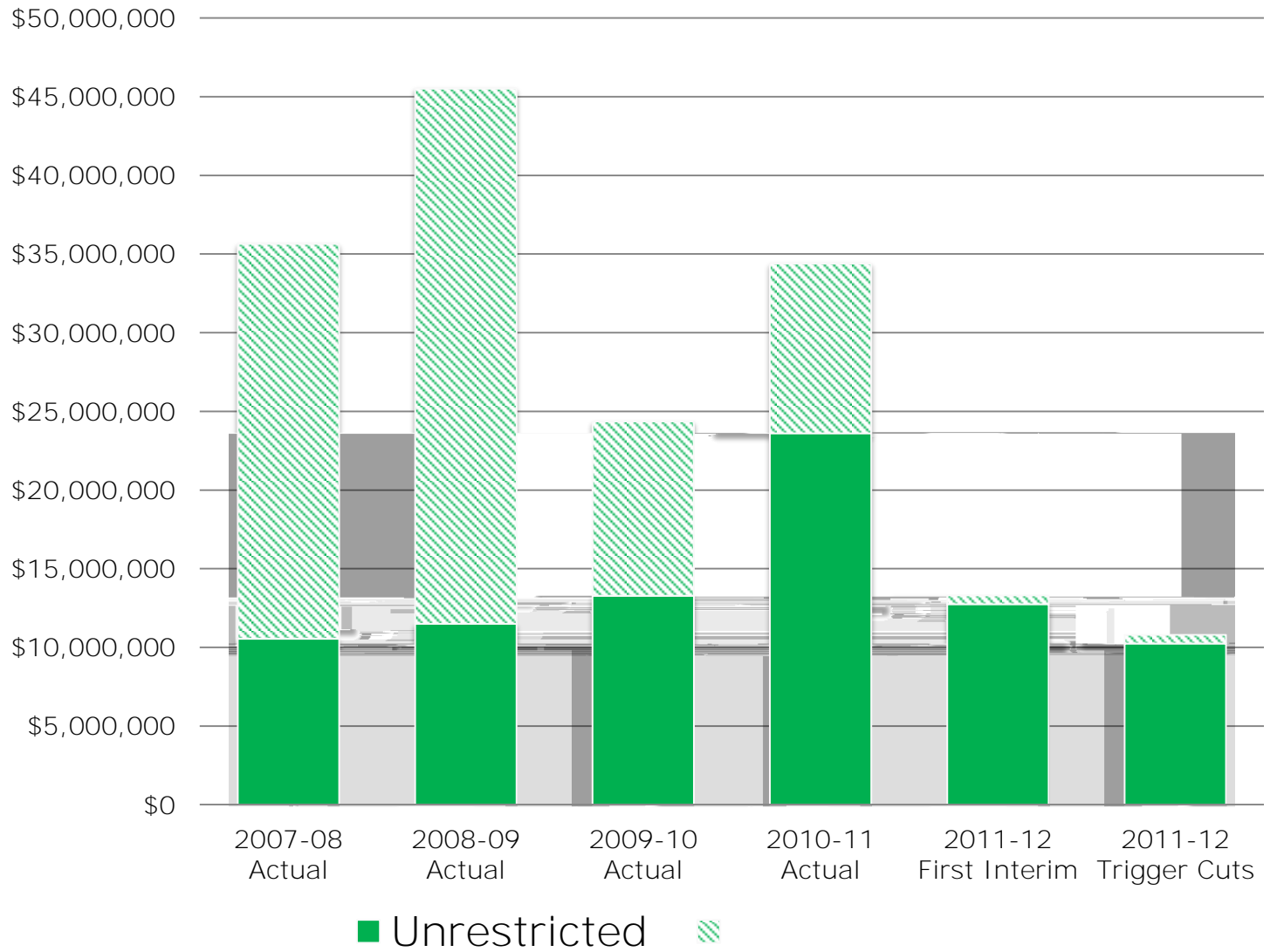




- First Interim Summary
- Trigger Cuts
- Deficit Spending
- Declining Fund Balance
- Cash Flow
- Fiscal Condition
- Time Line
- Next Steps



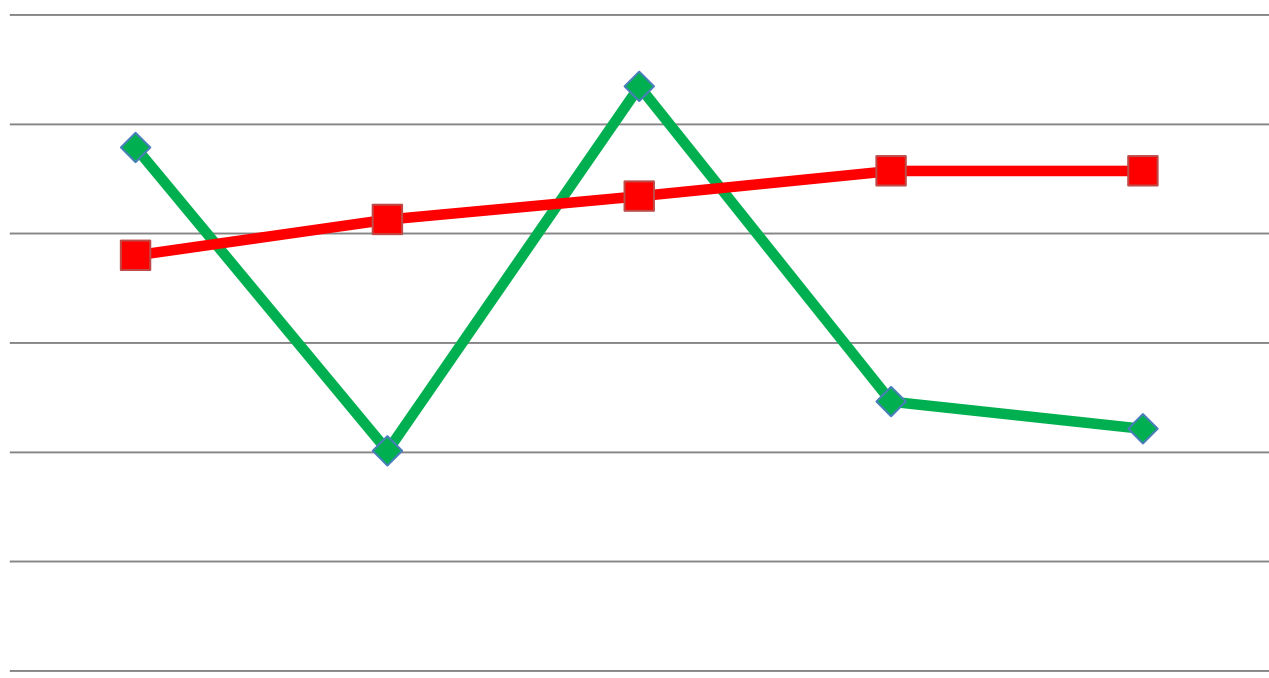




- Announced December 13
  - \$13 per ADA Reduction
    - \$13 \* 41,848 \$ .54 M
  - Transportation Revenue
    - 50% Reduction \$ 2.00 M

\$430,000,000  
\$420,000,000  
\$410,000,000  
\$400,000,000  
\$390,000,000  
\$380,000,000  
\$370,000,000

2008-09      2009-10



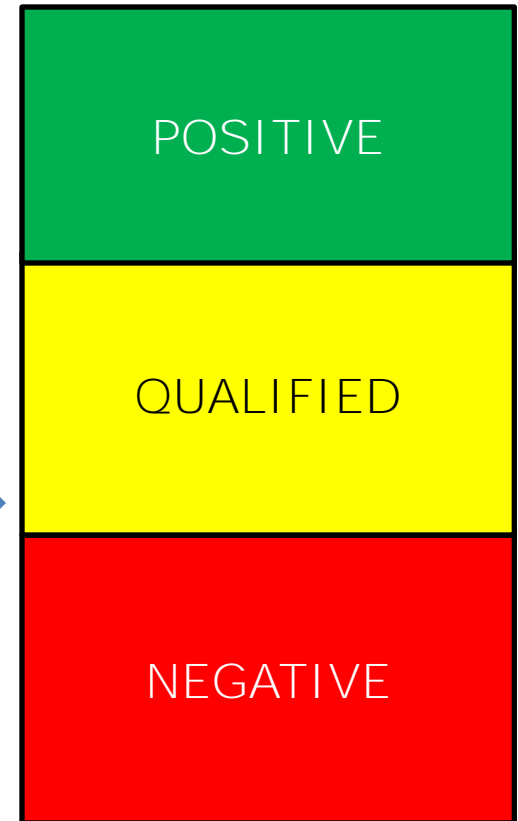
The state of California, in an effort to manage its own cash flow issues, has imposed numerous intra-year and inter-year deferrals of principal apportionment funding.

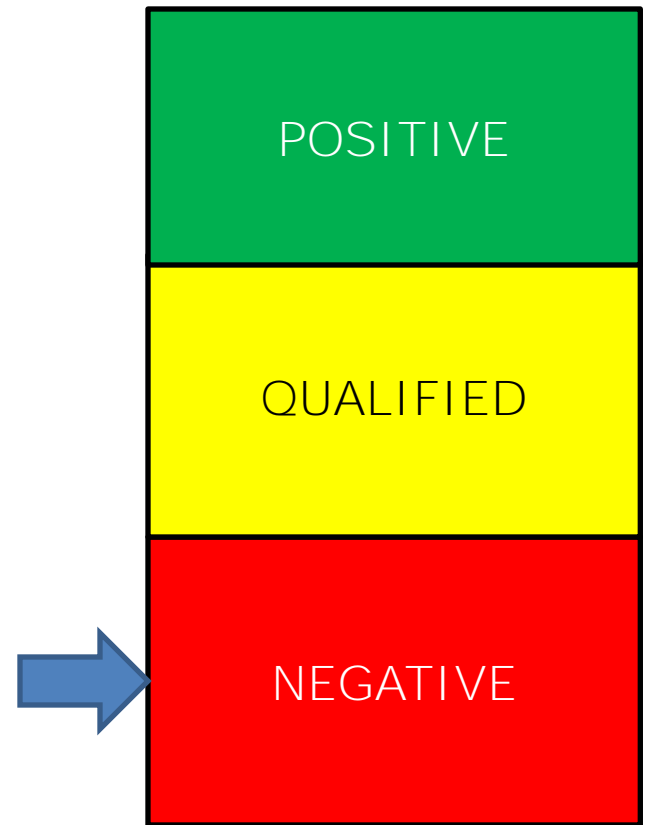




- The state's 2011-12 budget defers an additional \$2.1 billion in apportionments to schools.
- The district needs other sources of cash,

SCUSD is certifying the 2011-12 First Interim as , with the understanding of the fiduciary responsibility to maintain fiscal solvency for the current or two subsequent years.





- Revenue Reduction
  - Reduction in 475 average daily attendance/enrollment decline \$ 2.48 M
  - Special Education \$ .86 M
    - Declining enrollment
    - Charters pulled out of Special Education Local Plan Area
  - Use of one-time funds to balance 2011-12 from fund balance \$ 10.31 M

- Expenditure Increases
  - Step/Column/Attrition \$ 2.50 M
  - Estimated 10% increase on Health & Welfare benefits \$ 6.04 M
  - Furlough/Salary reduction agreements end June 2012 \$ 3.07 M

- Revenue Decrease \$ 13.65 M
- Expenditure Increase \$ 11.61 M
- 2011-12 Trigger Cuts \$ 2.54 M

(Amount of budget shortfall may change throughout the budget process. There are still many unknowns such as the governor's January budget projection, utility increases and other potential cost increases.)

Dec. 2011

Jan. 2012

Feb. 2012

Mar. 2012

12-14-2011  
First Interim  
Financial  
Report Action

01-12-2012  
Phase One  
Budget  
Reductions  
Conference

01-19-2012  
Phase One  
Budget  
Reductions  
Action

02-02-2012  
Certificated  
Notices (PKS)  
and Classified  
Notices  
Conference

02-16-2012  
Certificated  
and Classified  
Notices Action

Phase Two  
Budget  
Reductions  
Conference

03-01-2012  
Phase Two  
Budget  
Reductions  
Action

03-15-2012  
Second  
Interim  
Financial  
Report  
Conference/  
Action



- Meet with bargaining unit partners on solutions
  - Meetings scheduled to begin in January
- Continue to closely monitor cash situation
- Provide information to Board and stakeholders
  - Community budget information meetings
- Continue to monitor state budget updates