

***Budget Recommendations
2010-11
Legislative and Financial Update***

Board Of Education Overview

January 14, 2010

Legislative Council December Forecast

State Budget Projected Shortfall (Amounts in Millions)	FY 2009-10	FY2010-11	FY2011-12
June Forecast	-384.0	-873.1	-838.0
September Forecast	-560.7	-1,331.6	-1,641.0
December Forecast	-600.6	-1,498	-2,212.8
Change in Projected Shortfall From September to December	-39.9	-166.4	-571.8

Joint Budget Committee (JBC) 1/8/2010

Recommendation for FY 2009-10

- Require \$110 million rescission of SB 09-256 fiscal emergency restricted reserve
- Not provide funding of \$19.8 million to fully fund state-wide higher pupil count and at-risk students
- Total state-wide rescission of \$129.8 million or 2.3%
- Reduce state share \$67 million for 2009-10 due to increased local share

JBC 1/8/2010 Recommendation Impact on FY 2010-11

- \$443 million of total program reductions would still be needed for FY 2010-11 or 7.75% reduction to K-12
- Governor's November Tough Choices Shared Sacrifice Plan Included \$355 million reduction or 6.12%
- LPS potential loss of additional School Finance Act program revenues of at least \$1.5 million

Summary of FY 2010-11 JBC Recommendation Impact on Forecast (In Millions)

Revenue with 6.12% SFA* Reduction	\$ 123.7
Expenditures	<u>131.2</u>
Deficit Previously Forecasted	
FY 2010-11	(7.5)
Additional SFA* Reduction at 7.75%	<u>\$ (1.5)</u>
On-Going Deficit 2010-11 with 7.75% SFA* Reduction	<u>\$ (9.0)</u>

*School Finance Act (SFA)

Fiscal Year 2011-12 Implications

- Amendment 23 provisions sunset
- Referendum C sunsets
- No State Amendment 23 General Fund maintenance of effort (MOE) requirement
- American Recovery & Reinvestment Act (ARRA) state stabilization funding spent
- General Assembly could lower total K-12 SFA program funding more

Colorado 2009 Economic Indicators

- Retail Sales -11.1%
- Home Permits -53.1%
- Nonresidential Building -6.8%
- Inflation (.9)% and .6% 2010
- Colorado Unemployment 2009 7.3% could grow to 8.4%
- National unemployment 10% in November even with workers dropping out of workforce

Recovery?

- Recession appears to be over
- Recovery could be long and rocky
- Colorado economy is undergoing fundamental changes
- Less debt and consumption
- Construction depressed
- Employment still on negative trend

Supplemental Slides

Recommendations for School Year 2010-2011

Recommendation	Needs to be Negotiated	FTE Impact	Amount
Eliminate LPS Foundation subsidy	No	0.0	\$50,000
Eliminate HVAC technician position	No	1.0	\$70,000
Reduction of transportation fuel	No	0.0	\$76,000
Eliminate AVID program	No	0.25	\$84,000

Recommendations for School Year 2010-2011

(continued)

Recommendation	Needs to be Negotiated	FTE Impact	Amount
Eliminate General Fund support for coordinator of instruction and shift funding to Title II	No	1.0	\$100,000
Reduce administration at designated sites	No	2.0	\$100,000
Reduce Options/Pathways staffing	No	2.0	\$100,000
Eliminate computer/AV repair support position and related supplies	No	1.0	\$100,000

Recommendations for School Year 2010-2011

(continued)

Recommendation	Needs to be Negotiated	FTE Impact	Amount
Reduce professional technical training for staff by 25% and eliminate out of state travel	No	0.0	\$125,000
Reduce all supply & material budgets 10%	No	0.0	\$300,000
Reduce custodial support services <ul style="list-style-type: none"> ● Elementary – ¼ FTE ● Middle – ½ FTE ● High – ½ FTE 	No	7.5	\$310,000

Recommendations for School Year 2010-2011

(continued)

Recommendation	Needs to be Negotiated	FTE Impact	Amount
Eliminate staffing for International Baccalaureate program at Field and Newton	No	7.1	\$355,000
Reduce designated administrators' contract (8.5% - 25% salary reduction) and eliminate designated administrator and instructional support positions	No	4.0	\$380,000
Eliminate district supported portion of Dental Insurance	Yes	0.0	\$450,000

Recommendations for School Year 2010-2011

(continued)

Recommendation	Needs to be Negotiated	FTE Impact	Amount
Reduce instructional coaches (ICs) and literacy staff support to schools	No	14.0	\$700,000
Furlough all employees 3 days	Yes	0.0	\$1,300,000
Reduce weighted staffing formulas by 6.53% at all levels	No	58.0	\$2,900,000

Decision Time Line

- **December 10th Board of Education Meeting** – Budget Recommendation Report for the 2010-11 school year
- **January 14th Board of Education Meeting** – Financial Plan and Recommendations for 2010-11 school year discussion
- **January 21st Budget Workshop**
- **January 28th Board of Education Meeting** – Concluding conversation regarding financial plan and recommendations for 2010-2011 school year
- **January 29th General Assembly** – SFA 2009-10 “Restricted Fiscal Emergency Reserve” rescission decision deadline

Decision Time Line

(Continued)

- **March 10th Board of Education Meeting** – Discussion of public opinion survey results
- **April/May General Assembly** – Adopts School Finance Act for 2010-11
- **May 20th Completion of Employee Compensation Negotiations** (Tentative)
- **May 27th Board of Education Meeting** – Proposed 2010-11 Budget presented
- **June 24th Board of Education Meeting** – Adoption of 2010-11 Budget