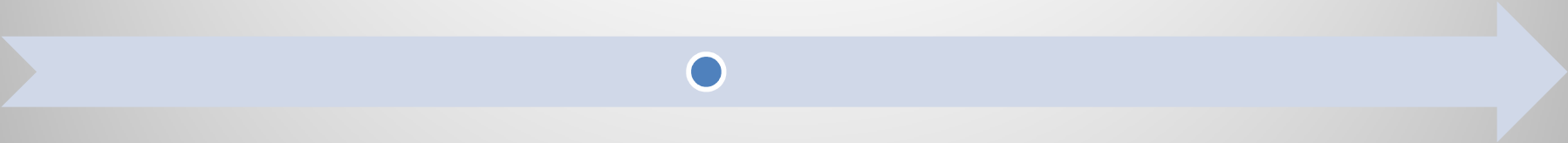


PAJARO VALLEY UNIFIED
THIRD INTERIM REPORT
And
State of the State and District
May 27, 2009

08-09 Estimated Actual Summary at 5-27-09

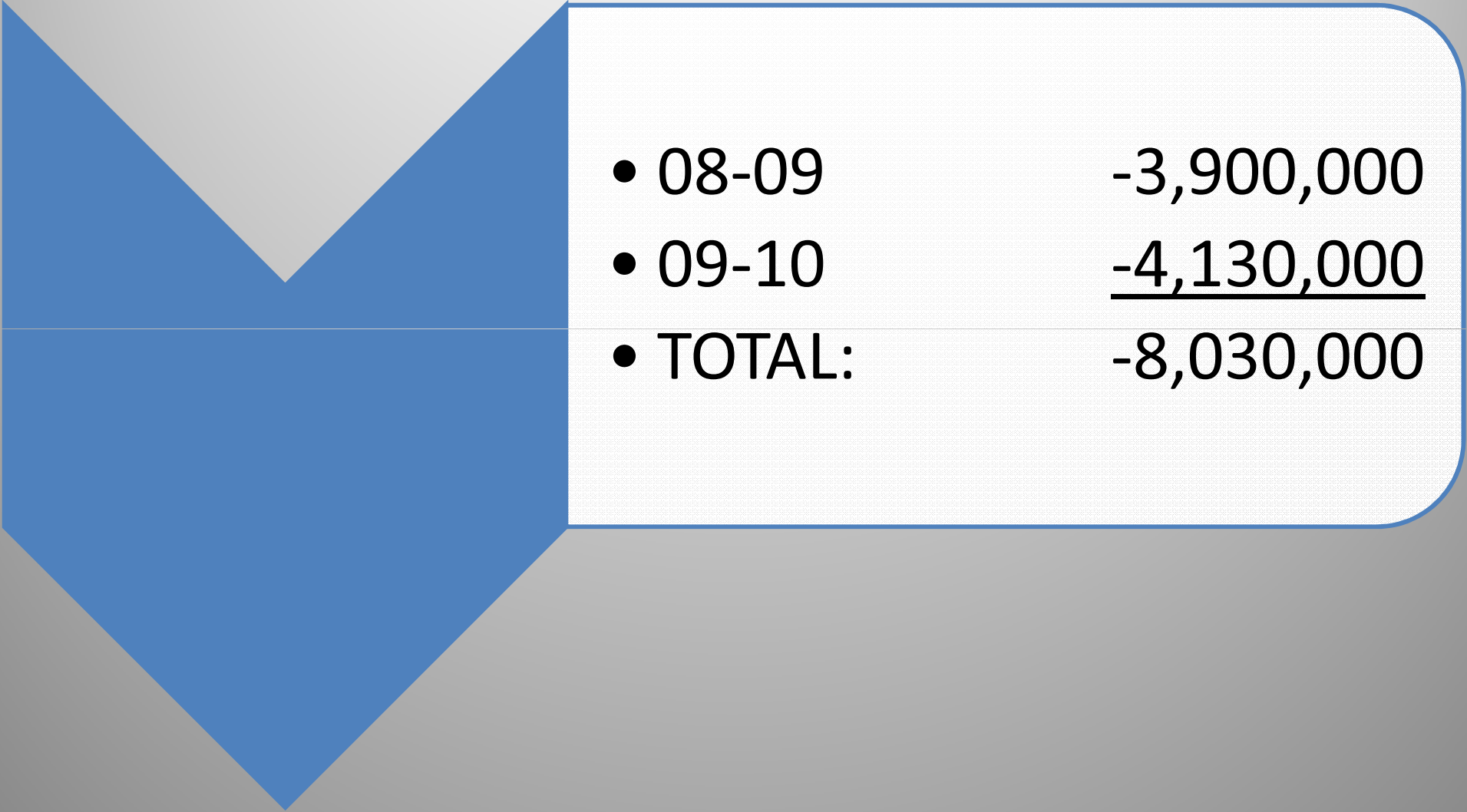
Beginning Balance	16,653,200
Audit Adjustment	0
Revenues	173,394,549
Expenditures	175,457,846
Increase (Decrease)	(2,063,296)
Ending Balance	14,589,904
Revolving Cash/Rest Bal	9,326,169
3% Reserve	5,263,735
Unapprop Reserve	We are using \$400K from swept carryover to balance

Federal Stimulus



SFSF (onetime)	\$4,653,783
IDEA (onetime)	4,175,946
Title I (onetime)	<u>2,579,383</u>
Total:	\$11,409,112
Applied For:	
Food Service:	537,000

Estimated State Reductions per May Revise



• 08-09	-3,900,000
• 09-10	<u>-4,130,000</u>
• TOTAL:	-8,030,000

BALANCING

May Revise

08-09 -3,900,000

09-10 -4,130,000

Total **-8,030,000**

SFSF (onetime) 4,653,783

50% of IDEA (onetime) 1,828,000

Balance: **-1,548,217**

Possible 08-09 end. balance sweep: 2,000,000

Balance Forward: **451,783**

10-11 (must reduce expense) -4,500,000

What do we know or think we know

- Thursday, May 28th the CA State Department of Finance will weigh in on the May Revise
- The State has a significant cash flow problem
- The State cannot issue anymore RAWS due to credit issues
- The State is attempting to borrow from Cities and Counties
- The State must balance its budget by June 30th to be able to borrow elsewhere

What do we know or think we know

- The state must balance its budget and present by June 30th in order to reduce prop 98 funding for 2008-2009 (propose: 08-09 \$1.6 B, 09-10: \$4.8 B)
- Districts have preliminary numbers for the reductions but it is not clear whether it is Revenue Limit or Categorical. But all the categorical has been moved to unrestricted anyway so may be a mute subject

What do we know or think we know

- Areas of discussion at State Level
 - Suspension of Collective Bargaining agreements for 1-2 years (no detail on process)
 - Could enable reduction in number of instructional days
 - Other:
 - Move other programs to Tier 3. Such as:
Class size reduction and EIA (LEP)

What do we know or think we know

- Legislative Analysts office proposes there is an additional \$3 Billion shortfall in 09-10 (currently \$21.3 B, likely will go to \$24.3 B)
- The State has significant financial issues not yet addressed in the 2010-2011 year
- The increases in taxes end in fiscal year 2011-2012 leaving a big hole in that year and beyond

What to expect from the County Office of Education

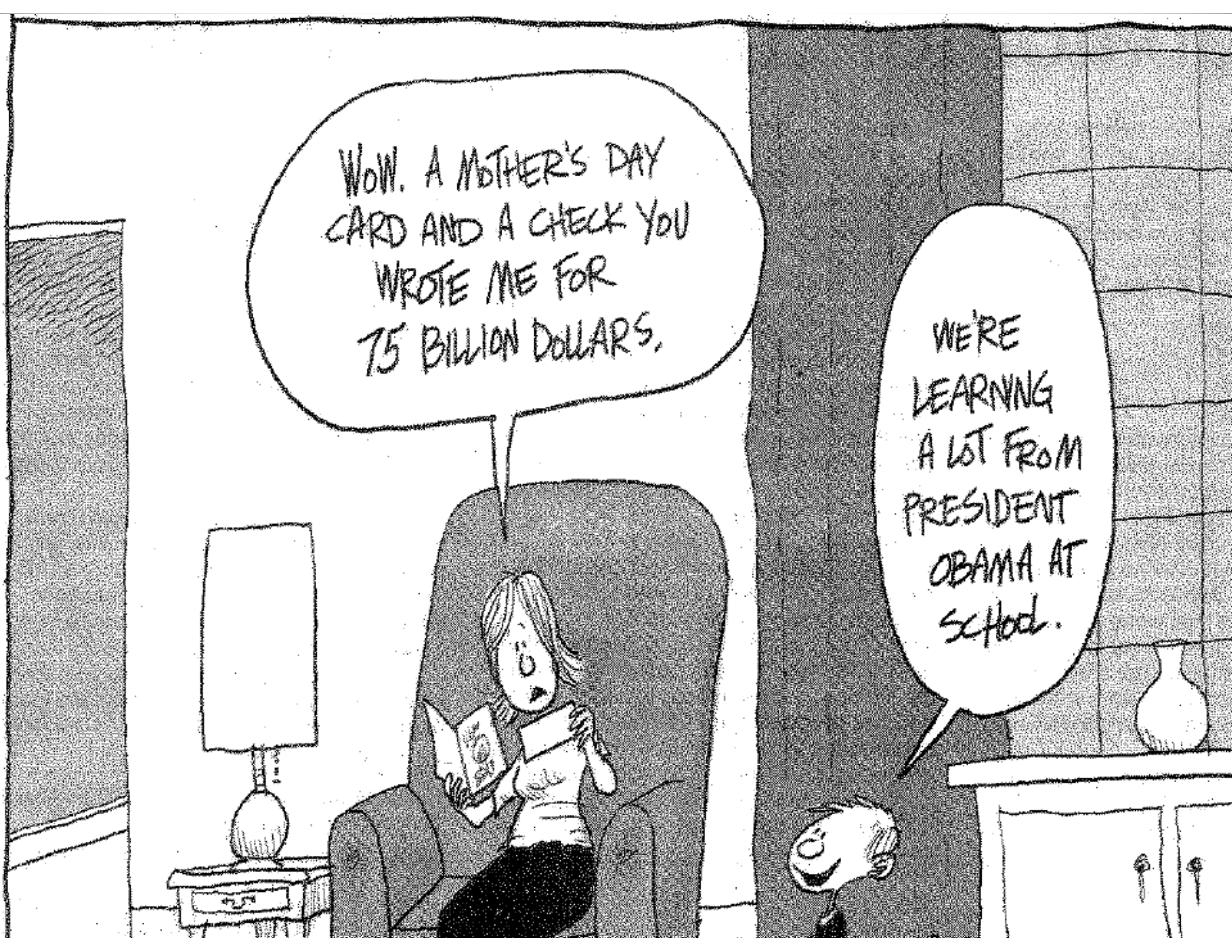
- If the State approves their budget by June 30, 2009 the district will be required to follow the 45 day revision rule.
- The State's goal is to take money in 08-09 so they are focused on having a revised budget by June 30
- This means district will have to submit to the COE a budget revision by August 15th

What to expect from the County Office of Education

- The budget revision must include the Fiscal Stability Plan the district will use to balance its budget
- If possible the County may give the district until September 8th to have the final plan
- The County must file notice with the State by October 2009 regarding their opinion on the districts ability to meet the Financial obligations of the district for the three years

How much over the Years

• 03-04	\$8,400,000
• 04-05	5,300,000
• 07-08	8,000,000
• 08-09	14,000,000
• 09-10/10-11	<u>4,500,000</u>
TOTAL:	<i>\$40,200,000</i>



WOW. A MOTHER'S DAY
CARD AND A CHECK YOU
WROTE ME FOR
75 BILLION DOLLARS.

WE'RE
LEARNING
A LOT FROM
PRESIDENT
OBAMA AT
SCHOOL.