

Walnut Valley Educators Association

Representative Council Meeting

March 16th, 2011

State Budget Update

The California State Legislature has tentatively scheduled to take a vote today on Governor Brown's budget proposal. The proposal to finalize the budget prior to March 10th has come and gone. Negotiations continue but the timeline is fast approaching to take the budget to the people. The outcome is certain, more cuts to education with or without the passage of the tax extensions. Without the passage many experts in the field of school finances foresee the potential suspension of Proposition 98 and or a modified school year. With a five year extension we are down \$19 dollars per ADA (14,515) or \$276,000, without a five year extension our revenue loss would be \$19 + \$330 = \$349 per ADA (14,515) or \$5,065,735.

2011-2012 Impact to WVEA Members

First let's take a deep breath and focus on what we currently know;

1. Back in December 2010, WVEA and its members finalized an amendment to the April MOU dealing with furlough days for the 2010-2011 school year.
2. The December 2010 MOU eliminated the 5 furlough days for 2010-2011 and proposed a viable alternative for the 4 furlough days in the 2011-2012 school year.
3. WVEA and its members have continued to work with the WVUSD in a collaborative fashion in addressing the State of California's failure to adequately fund its constitutional mandate on education.
4. Language has been developed in the December 2010 to address the 4 furlough days in the 2011-2012 school year. WVEA is well aware that an additional furlough day may be added if the FBRL decreases by \$25 or one additional furlough day may be decreased by one day if the extension is granted.
5. We know that the WVUSD will be hiring (2) positions that were eliminated as a result of the D.O's contribution to the budget reduction process.
6. We know that the D.O.C. law suit legal fees will exceed \$100,000.
7. We know that the Superintendent debacle will impact the district general fund to the tune of \$275,000.

8. Back in December 2010, the association identified the additional revenues that the WVUSD had received at the May 2010 governors revision, again in the modified Educational budget for the deficient reduction of September 2010 and the Federal Jobs bill August 2010. (see worksheet)
9. We are also aware of WVUSD's decision not to RIF teachers for the 2011-2012 school year.
10. We have lost 17 FTE's from 2009-10 to 2010-11.
11. Our last COLA 3.2% to the salary schedule was applied in the 2007-2008 school year.

Let's hold that deep breath and focus on the things that we don't know;

12. We don't know if the legislature will place the tax extension on the June ballot.
13. If the election does take place, will the voters approve the 5 year extension?
14. If the voters don't approve the extension, how will the district deal with the \$5 million dollar deficient?
15. Will the MOU's be honored as written or do we spend thousands of dollars in legal fees.
16. What state budget adjustments will have to be instituted to cover the state's deficient?

Many tough choices lie ahead for this representative body. We can return to the 2009-10 years and quarrel as to who works harder, or who has the tougher job, or you have more time than I, etc, etc. I feel the bigger question is going to be economical survival, working conditions and change. As a divided body, survival is marginal and as a united body we have input into our destiny. Please communicate with your members at your site and give them the most accurate information (not opinion) available from our rep meetings. Things will change fast and furious over the next 5 months, so please listen, ask and verify information prior to talking with your site members. You will need to have contact with your site members over the summer, so please make plans prior to your summer departure on how you will contact them.

New Revenues beyond June 2010 adopted budget

Closing balance over projection**	\$396,404
Increase Enrollment**	\$340,428
Certificated Early Retirement Savings (over projections)**	\$478,328
Federal Education Jobs Act.....	\$2,838,987
Additional SFSF (Stimulus).....	\$202,000
Deficit reduction \$271/ADA** ?????????????????????????????????? ??	<u>\$3,912,792</u>
Total	\$8,168,939
Deficit reduction (Questionable)	<u>-\$3,912,792</u>
	\$4,256,147

** Would be applicable to the fair share formula

Furlough Day Reduction Calculations

Assumptions

Cost of one furlough day for WVEA bargaining unit members.....	\$286,480
Percent of WVEA furlough day to total furlough savings.....	76.69%
Cost of one furlough day for all WVUSD employees	\$373,512
Federal Jobs Bill (one time money (9/30/2012)	\$2,838,987
Percent of Federal Jobs Bill .7669 x \$2,838,987	\$2,177,219
Revenues beyond the June 2010 adopted budget.....	\$8,168,939*

*As described in the proposal

Cost

Cost associated with the furlough reduction in the 2010-2011

School year: $\$286,480 \times 5 \text{ days} = \$1,432,400$

2 days buy back @ $\$286,480 = \$572,960$

3 days @ $\$286,480 = \underline{\$859,440}$

Total cash outlay to purchase 5 furlough days..... $\$1,432,400$

Cost associated with the furlough reduction in the 2011-2012

School year: $\$286,480 \times 3 \text{ days} = \$859,440$

Deficit reduction (clause 1a-\$25) $\$286,480 \times 1 \text{ day} = \$286,480$

Total cost of Proposal

8 furlough days @ $286,480 = \$2,291,840$

Percent of Federal Jobs Bill = $\$2,177,219$

$-\$114,621^*$

The above data is based on the information supplied by the WVUSD as of December 2010 and the first interim report dated December 10th, 2010.