



GOVERNING BOARD AGENDA ITEM
AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10

DATE OF MEETING: **March 8, 2011**

TITLE: **Consideration of Strategies to Inform Community Members of Dire Budget Cuts**

BACKGROUND: Over the course of the last several years, Amphitheater Public Schools has lost millions of dollars in financial support normally received from the State of Arizona. Amphi is not alone in this respect, of course. The cost to public education across the state in recent years is in the billions, substantially diminishing the services and programs available to students and their families. Collectively, the scale of these cuts to educational programs is staggering. And yet, basic information (and, consequently, public awareness and understanding) about this reality is often lacking.

Compounding the outright lack of information and its impact upon public understanding is the misunderstanding and – arguably – misinformation that exists. For example, after the most recent cuts for the current fiscal year were made this past summer, some speaking about the cuts described them as “minor” or approximated the reductions as being “in the neighborhood” of 2%.

Public confusion also exists following passage of Proposition 100 in May 2010. Many people misunderstand the impact of the ballot measure, with some believing that passage of the measure completely prevented budget cuts.

Amphitheater's reality (a reality shared by many other districts) does not bear out these misunderstandings. During this fiscal year, even after passage of Prop 100, the District experienced the budget reductions shown in the following table – resulting in lost funds far exceeding 2% of the District's budget.

Budget Cut	Amphi Impact
80% cut to soft capital	\$ 2,827,568
All Day K funding loss	\$ 2,629,290
Building Renewal	\$ 2,180,897
Grant Reductions	\$ 942,000
Career Ladder Cut	\$ 325,408
Reduced 301	\$ 1,934,000
Total Reductions	\$ 10,839,163

If these figures for the current fiscal year were not daunting enough in their effect, it is important to remember that the state budget remains in a deficit position. Originally estimated at \$850 million, the latest estimate places the deficit (and the additional cuts required to balance the budget) at \$530 dollars. Eventually, one might assume all these cuts will actually be “in the neighborhood” of real money.

It is also important to remember that while the need to make the additional budget reductions for this fiscal year has been known since May of 2010, no action has yet been taken by the legislature to effect the necessary reductions. And now, with less than 4 months remaining in the fiscal year, more than half-a-billion dollars must be trimmed -- from somewhere. The Governor's budget revisions for the current year propose the following "somewheres" affecting schools:

- "Rolling over" another \$245 million of the state's revenue distributions to public schools. This will mean that approximately 25% of the state's total funding being will be delayed, requiring schools to borrow the funds and incur debt and interest expenses.
- Taking \$101 million of the federal EduJobs Bill funding away from schools to "backfill" a state-funding cut to schools in the same amount.

So, the economic picture for this year's education budget is bleak. And, perhaps, many already understand that fact. But, the import of this year's situation is justifiably amplified when recent budget history is recalled as well.

In 2009-2010 (last fiscal year), as Governing Board members will recall, budget reductions totaling \$7,846,333 were made to implement budget cuts imposed by the legislature that year. And in the year preceding last, 2008-2009, the district lost \$4,314,921 to legislative budget cuts and saw the legislature take the district's cash reserves -- funds on hand which would have normally been credited to our taxpayers in 2009-2010.

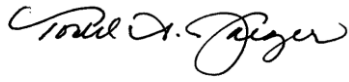
The cumulative effect of these recurring budget cuts, balance sweeps, and delayed funding payments has been to force programmatic cuts in our District. While the District fought to keep these cuts away from classrooms as long as possible, the cuts made this year ultimately forced reductions in teaching and other positions that have begun impacting our students.

While the basic economic realities of the state's budget cannot be denied, bizarre legislation (such as bills which would operate to allow taxpayers unlimited tax credits for contributions to private school tuition organizations) would seem to belie that any budget crisis exists at all.

Fundamentally, however, the greater concern may be the confusion, misunderstanding and lack of understanding that exists regarding the very real basis for the impacts we have experienced and will likely continue to experience in our classrooms.

This item is presented, therefore, to facilitate discussion with the Governing Board regarding the dire financial conditions which the District faces and how to better inform district constituents about those conditions.

RECOMMENDATION: This item is presented for Board discussion and direction. No action is required at this time.



Todd A. Jaeger, Associate to the Superintendent

Date: March 2, 2011



Vicki Balentine, Ph.D., Superintendent

3.2.11; 2:45 p.m.