



## Mid-Year Cuts Happen to Public Education!

### *Trigger is pulled...*

Mid-year budget cuts have been made to all school districts in California. Governor Jerry Brown announced on December 13th that all tiered cuts adopted in the 2011 Budget Act will be enacted.

You will recall back when the state budget was adopted last June 2011, it was done so with the hope that the state would bring in up to \$4 billion more than most forecasters thought. Because of this overly optimistic projection, "trigger language" was incorporated in the event these extra monies failed to materialize. If state revenues are not as strong as expected, automatic spending reductions would be "triggered."

The Department of Finance says California is \$2.2 billion less than projected. This shortfall in state revenues was not enough to stave off the "trigger cuts" that would impact public education. As a result, all school districts will see their budgets reduced by \$13 per student. In addition, transportation funding will be reduced by 50%.

The following shows how the mid-year "trigger cuts" will negatively impact Cypress School District:

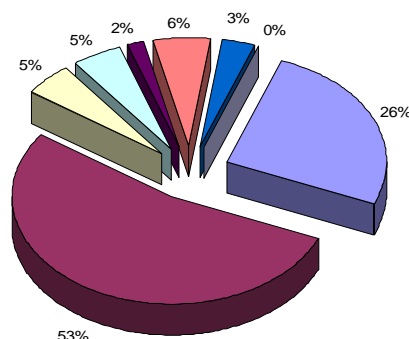
Revenue Limit Reduction (\$13 reduction per ADA)	Transportation Reduction (by 50%)	Total Projected Trigger Amount	If... Alternative Trigger Amount
- \$ 49,792	- \$ 114,529	- \$ 164,321	- \$ 210,658 *

\* Possible alternative trigger reduction scenario has been made where transportation cuts are converted to a minus \$42 per ADA Revenue Limit cut.

For the 2011-12 school year, the Board of Trustees has established a contingency plan which has assigned monies within the budget's fund balance to absorb this mid-year cut. However, the state of California still faces a budget problem for 2012-13. Governor Brown has made it clear that the mid-year cuts are only the beginning. More cuts will be forthcoming when the Governor presents his annual budget proposal. He will emphasize another round of mid-year "trigger cuts" dependent on the passage of his ballot measure in November 2012, which he hopes will raise more than \$7 billion in additional revenues (through temporary tax increases).

## QUICK FACTS . . . Did you Know?

### CYPRESS SCHOOL DISTRICT UNRESTRICTED GENERAL FUND 2011-12 REVENUES



State Apportionment	\$ 5,811,705.00	26%
Taxes	\$ 11,974,889.00	53%
Class Size Reduction	\$ 1,131,896.00	5%
All Other State Revenues	\$ 1,094,213.00	5%
Lottery	\$ 425,130.00	2%
Redevelopment Funds	\$ 1,267,601.00	6%
All Other Leases/Foundation	\$ 740,568.00	3%
Interest	\$ 30,000.00	0%
<b>Total Revenue</b>	<b>\$ 22,476,002.00</b>	

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### District Mission Statement

"The mission of the Cypress School District is to provide a school-community environment which promotes the development of each child's maximum potential by providing a quality staff, low class sizes based on financial conditions, well maintained and safe campuses, opportunities for parent involvement, a focus on high scholastic standards and positive self-esteem."

### Have questions???

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