

MIND THE GAP

Understanding MBUSD Budgetary Circumstances COULD YOU DO BUSINESS UNDER THESE CONDITIONS?

The State determines how much revenue MBUSD has to work with each school year.

The State finalizes the funds going to education when they pass the budget.

- An approved budget is legally required by June 15th.
- The 2008/09 budget wasn't passed until September.

Regardless of the State's action or inaction, the District must adopt an approved budget for next year by June 30th. This forces them to plan for the worst and hope for the best.

As required, MBUSD adopted a budget prior to June 30th for 2008/09 using preliminary information from the State. The State passed their 2008/09 budget in the fall without addressing the State's deficit. Now the legislators need to address the deficit and the unanticipated reduction in state revenues. The feedback from the State has been in such flux it has been a guessing game to forecast revenues.

In the latest budget proposal, the State is proposing a "Mid-Year Cut". The problem with that is:

- 85% of the District budget goes to teacher and staff salaries and benefits.
- Employment commitments are based on information received LAST May. Spending began July 1st. Since most of the year is over, and the majority of employees are on a year-to-year contract (aka: Certificated Employees), it is almost impossible to make cuts in the current year.

The State owes MBUSD money!

- State funding is received in intervals during the year.
- The current proposal is to defer part or all of the monies owed to schools as of February '09 to July '09.
- MBUSD must continue to pay its bills yet they are not being paid in a timely manner by the State.

The State is giving feedback for 2009/10.

- Cut almost 4 million dollars out of the budget.
- The State might remove some mandates, they might not.
- AND the District doesn't know if there are more cuts to come. Based on history, there will be more. So, once again they must plan for the worst, which in this case is really bad, and go down from there.

So we ask.....WHO COULD DO BUSINESS UNDER THESE CONDITIONS?

We are fortunate to have an Administration and a Board that is working as well as it is under the circumstances.