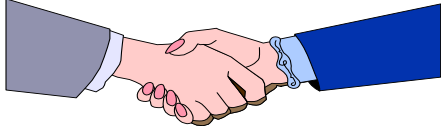




GARDEN GROVE EDUCATION ASSOCIATION  
**NEGOTIATIONS UPDATE**

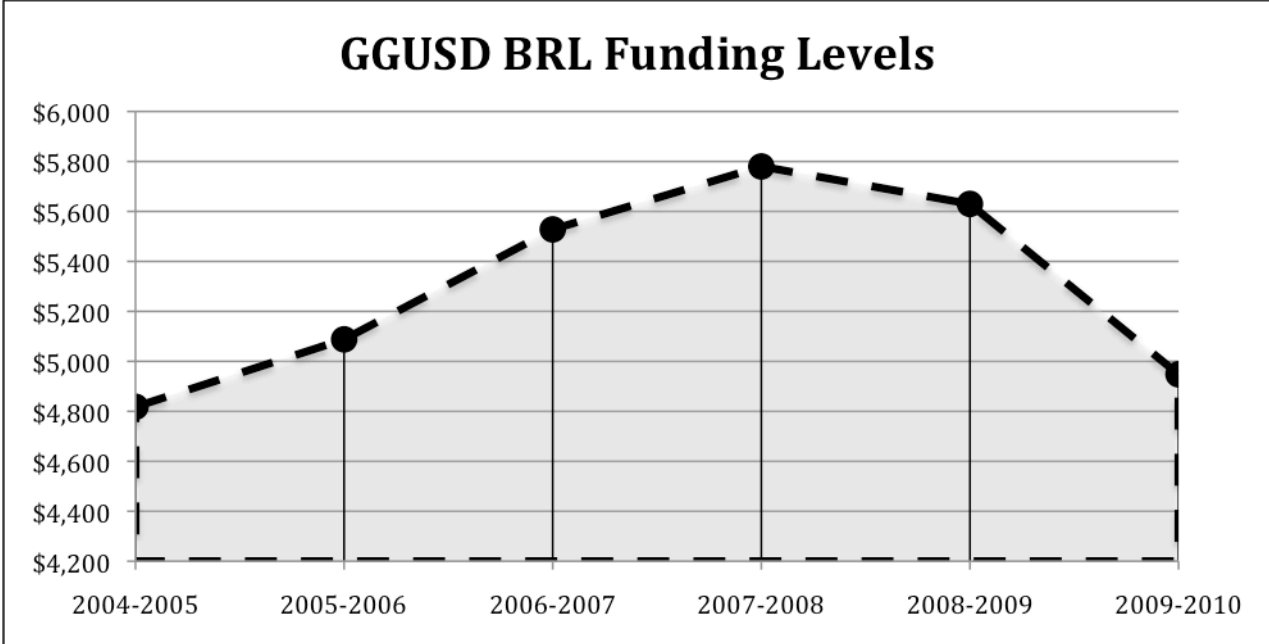


September 15, 2009

**Amended State Budget Passed This Summer**

**Positive:** An amended state budget was passed this summer by the state legislature. On a positive note, Proposition 98 was not suspended despite Governor Schwarzenegger’s proposal to do so. This means the District *should* get reimbursed the money being shorted this year sometime in the future. Also, the cuts made to public education were not as deep as some legislators proposed. This is not to say the amended budget is good, but it could have been worse.

**Negative:** Unfortunately there was more bad news contained in the budget than good. For the 2009-2010 school year, there will be a one-time deduction of \$250 per Average Daily Attendance (ADA) to the Base Revenue Limit (BRL). In addition, there will be a deficit factor of 18.355%. This means the District will only receive \$0.81 for every dollar they should receive. Essentially the funding for each student has dropped below \$5,000 per student, down from a total of \$5,780 just two years ago. The new funding is worse than what was received for the 2005-2006 school year, despite many increased costs since then like salary, health benefits, and general business costs.



## NEGOTIATIONS UPDATE (cont.)

There were several different provisions that were included in the amended budget that offer school districts some ways to help offset these cuts. First, the state instituted the reduced penalties for increasing class sizes in our primary classrooms. The District will utilize this flexibility as much as possible this year. An update on this flexibility has already been sent to all of the elementary schools. Secondly, the student year was reduced from 180 to 175. This allows for the *possibility* of five more furlough days, but does not mandate it. It would still be a locally bargained decision made through the negotiations process. In addition, the state allowed for transferring ending balances in certain categorical funds to be placed into the General Fund. The General Fund is the funding source for salary and health benefits. Finally, the state temporarily pulled the matching requirement for maintenance costs.

### **Where Are We Now?**

GGUSD estimates that this year's funding is about \$35 million less than last year, about \$87 million less than where we should be and from where the budget was planned. Some cuts have already been made, like increasing the staffing ratio, which will help cover the shortfall. The remaining gap has not been completely calculated yet and will be dependent on final student enrollment. This will also be assuming no further mid-year cuts, which is still a distinct possibility. There are a few options to fill this gap. First, we did receive Federal Stimulus Funds. Secondly, unrestricted reserves can be used. Our General Fund reserves actually grew some last year due to the District mid-year cuts and transferring of some categorical funds. It is important to remember that both of these options are one-time funding sources while the state budget cuts are to on-going funding sources. A last option is to negotiate cuts, both temporary and permanent, to things like programs, class sizes, health benefits, and salary.

### **Where Do Go From Here?**

On September 24<sup>th</sup>, GGEA representatives will attend a joint employee group meeting with the District to discuss in more detail the information above and to have an overview of our health care benefits/program. The day before, the GGEA Bargaining Team will be meeting with CTA Negotiations and Organization specialist Tim Hill to analyze the budget to verify District calculations and to strategize. The Association and District bargaining teams will then meet the following week for the first time this school year. More information will be given after negotiations have started and proposals are discussed.

### **Protect, Mitigate, and Restore**

As discussed in the welcome back letter, GGEA will work to Protect, Mitigate, and Restore this year. We will work to: protect our current programs, salary, and benefits, mitigate the cuts as much as possible so that they are not deeper than necessary, and restore the cuts that are made as soon as there is adequate funding.

*If you have any questions, please contact Chris Francis at [cfrancis@ggea.org](mailto:cfrancis@ggea.org) or (714) 638-7480.*