



NEGOTIATIONS UPDATE



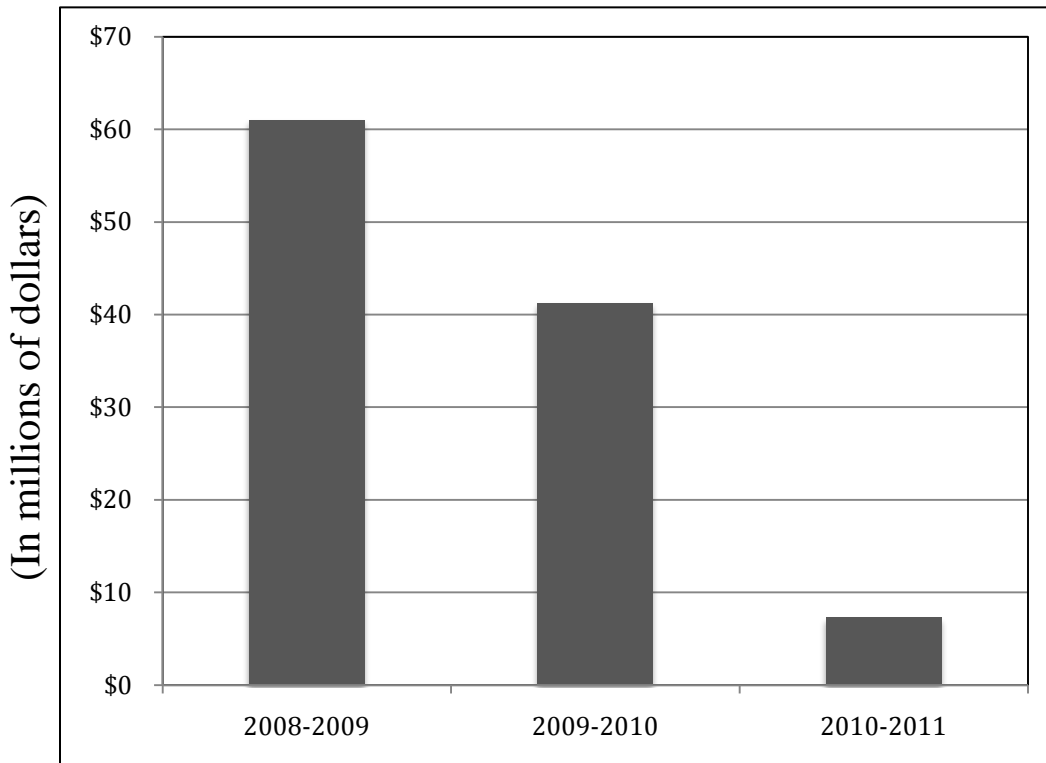
November 10, 2009

2009-2010 Negotiations

According to District calculations that have been verified by the Association, the GGUSD will definitely deficit spend over this year and next year due to the severe budget cuts to public education funding. This means that the District will be spending more than it is receiving in federal and state revenues. All current adjustments, cuts, like the increase to the staffing ration, and extra funding, including the American Recovery and Reinvestment Act (stimulus funds), are included in the graph.

These projections are based on current information. The reserve at the end of the year will be different, because it will be based on actual expenses as opposed to projections. The resulting reserve could be higher or lower based on further cuts to both expenses and funding. A mid-year cut to public education by our state legislature is still a distinct possibility. The District is also implementing many cost-saving measures to lower expenses. Reserves are one-time monies accrued during good economic times and are now being spent to cover the “gap” in the budget during these bad economic times. When depleted, they will not be available for future expenses.

Balance Projections 2008-2011 Unrestricted Funds



(includes required reserve and operating contingency)

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Health Benefits

As a cost-saving measure the District has proposed some changes to health benefits that will act as cost-shifting and cost-containment measures. In response, the GGEA Negotiations Team is researching health benefits comparability across the county, especially in the unified districts that are funded at a similar rate per student. The team has also met with a CTA Health Benefits Specialist for guidance. Currently GGEA members enjoy a comprehensive health benefits package with relatively low costs to the employee.

Sacramento

It is important to remember that neither GGUSD nor GGEA is responsible for the current financial crisis. The District has always operated in a fiscally conservative manner, and the Association has always been responsible in its proposals with regard to any financial impact. The blame lies squarely on the shoulders of Sacramento politicians. Public education funding has been cut about \$17 billion over the past two years, representing over 60% of the state budget cuts. These cuts fall squarely on the backs of our students and teachers. Public education funding has been cut disproportionately, as public schools represent only an estimated 40% of the entire state budget. Funding levels have been reduced to what we received before the 2005-2006 school year. These cuts have been dumped on the backs of local districts and associations with no viable solutions being offered by our elected officials. GGEA hopes that the recent formation of an Organizing Committee will help our voices be heard at the state and national level.

Looking Ahead

The two teams are continuing to meet on a regular basis and we will keep you updated as negotiations progress.



“Protect, Mitigate, and Restore”