



A Report from our *President*

February 22, 2010



Dianne GarciaStevens

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Unprecedented cuts to public education have caused financial stress to school districts throughout this state. Some of our neighboring districts have already addressed some tough decisions. In Whittier, furlough days and pay cuts were negotiated last year. In addition, Downey, Bellflower and El Monte sent out a combined 115 RIF notices.

If you have been reading the newspapers lately you are probably getting depressed with the financial outlook for all California schools. Federal stimulus money is running out which means districts are getting ready for layoffs and larger class sizes. Unfortunately, MUSD is facing a \$12 million budget crisis of its own this year, and financially, the next couple of years do not look any better, especially if the lawmakers continue to whack public education funding.

The month of February sent members of the Executive Committee, Bargaining Team, and our Executive Director to school sites throughout the district. Our goal was to hear your concerns and suggestions for our upcoming negotiations. Of course, along the way, we answered some challenging questions. Throughout this entire process there was an underlying denominator: **our members want to watch out for each other**. With the possibility of more involuntarily transfers and reassignments, the push for furlough days, or reduction in pay, the perfect storm has landed in MUSD.

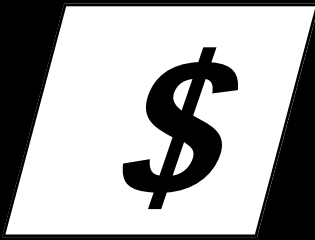
Is it in our best interest to begin negotiations now? I truly believe so. We need to move toward an agreement with the District that is in the best interest of our mem-

bers and protects our existing contract language. This whole process may sound straightforward but I believe this will be our most challenging negotiations.

I'm sure many of you are feeling stressed. Elementary, Middle, and High School members are cringing at the thought of increased class size while providing the same quality of instruction with more students and less support.

Let's direct our frustrations toward our state lawmakers. Join us on March 4th Start the Day for Our Students!

If we could only go back in time. Let's say around the year 1785. That was the year that Congress passed legislation on Land Ordinance. Under this legislation land was to be systemically surveyed into six mile square townships. Each township was subdivided into thirty six sections. The sixteenth section of each township was reserved for the maintenance of public education. This piece of legislation laid the ground work/funding for public education. Our founding fathers would be cringing over what has happened to their dream of a public education for all. Two hundred and twenty five years later are we ready to chuck it aside? I hope you're saying **NO**. **Let's stand UNITED for our Students. After all, Unity is Strength!**



February 22, 2010

Revenue & Expense

mta Report

The Revenue & Expense Committee was created in February 1995 to cooperatively examine the District's finances. The Committee is comprised of members each from MTA, CSEA, and MUSD.

MTA

- Lorraine Richards (MHS)
- Ryan Rice (SHS)
- Guillermo Sandoval (MOI)
- Julian De La Torre, alt. (EAI)

Kathy Schlotz (ex-officio)

REVENUE AND EXPENSE QUARTERLY REPORT

Revenues

The month of December 2009.....	\$29,262,373.76
The month of December 2008.....	\$25,520,175.11
Year to date this year	\$78,051,752.88
Year to date last year.....	\$94,907,075.46

Expenses

The month of December 2009.....	\$17,292,122.86
The month of December 2008.....	\$15,909,538.10
Year to date this year	\$64,395,210.83
Year to date last year.....	\$66,011,667.11

TOPICS OF INTEREST THIS QUARTER

Energy Savings Update - Derrick Williams: Cost avoidance is the dollars that MUSD avoided spending because an energy conservation plan was implemented. In other words, if we simply did nothing out-of-pocket utility expenses would have been more. To arrive at cost avoidance, MUSD first looks at what would have been spent before we had a program. That twelve month period of time is called the “baseline,” which is used as sort of a “yardstick” to determine how far we’ve come, and how much we have saved in utility costs. One of the most important concepts in energy management is that MUSD only gets credit for the efforts. Doing things such as cutting hours of usage, turning items off, adjusting thermostats, even changing rate schedules, allow us to avoid utility costs. MUSD has been successful in these and other areas. As our energy consumption goes down, so do our costs, which affect the bottom line. We used less, so we paid less, thus avoided cost.

December 2009 Cost Avoidance Summary

	Actual Cost	Cost Avoidance \$	Cost Avoidance %
Totals:	\$252,436.41	\$109,046.27	30.18%

Upcoming Forecast....Governor’s Budget 2010-11

The Governor’s proposed budget makes several adjustments to the Proposition 98 guarantee. These proposed adjustments begin with the 2008-09 year. Due to a decrease in the General Fund revenues, the 2008-09 guarantee shifted from a Test 3 to a Test 1 year, which results in an “over appropriation” of the Proposition 98 guarantee of approximately \$2.2 billion. The Proposition 98 funding level for 2008-09 was \$49 billion. The Governor now estimates the minimum guarantee for 2008-09 to be \$46.8 billion. Part of the “over appropriation” is proposed to go toward satisfying the outstanding maintenance factor. This change will **reduce** the amount of the minimum Proposition 98 Guarantee for 2009-10 and 2010-11. The Governor proposes to delay the “new” maintenance factor payment until 2012-13, which was scheduled to begin in 2010-2011 as part of the 2009 budget compromise. This proposed change, along with additional proposals, some of which include various tax reductions and shifts, will result in cuts of almost \$900 million for 2009-2010 and \$1.5 billion in 2010-11. This totals approximately \$2.4 billion in cuts for K-12.

Facilities Update – Don Yamagata: The District received three pricing proposals for the development of the Applied Technology Center (ATC), it was recommended to the Board to enter into a Lease/Leaseback agreement with the best priced company on December 17, 2009; the District reviewed seven bids received for Joe Gascon project, the lowest bid was taken to the Board on January 21, 2010 for award; Schurr High School pool project was out for bid in January 2010; and, the District needs to recruit Measure M Citizens Bond Oversight Committee (CBOC) members as soon as possible.