

BALDY VIEW ROP BUDGET UPDATE

November 30, 2010

After much analysis of the 2010-11 fiscal budget, the good news is, as of this time there are no further cuts to education as a whole and specifically to Baldy View ROP. The bad news is there is no COLA or any other increases for ROPs in the 2010-11 budget.

The current budget status:

- The Legislative Analysts Office (LAO) has issued a report indicating a \$5-6 billion dollar deficit for the remainder of the 2010-11 year. This will be compounded by an additional \$20 billion dollar deficit in 2011-12.
- In the recently signed budget, the Governor and the legislature approved the increase in deferral payments to schools. The deferrals will be paid at a later time in the current or subsequent fiscal year. The number of deferrals will increase from:
 - Four in 2009-10, amounting to \$1.3 million to Baldy View ROP
 - Nine in 2010-11 and/or deferred until 2011-12, equaling over \$2 million dollars.

An example of the impact is the fact that for the first quarter of this year, Baldy View generated in excess of \$1 million dollars in expenses. Baldy View has not received any payments from the state due to the budget impasse. This required Baldy View to utilize reserve funding to simply meet our operation obligations for the first quarter of this year.

- The suspension of Proposition 98, the guaranteed minimum requirement for education funding, allows the Governor and legislature to reduce school funding even further.

Baldy View ROP has taken proactive measures to ensure we have a solid financial footing as the state faces these unprecedented fiscal challenges. As

always, you are encouraged to submit your cost saving or revenue generating ideas.

We will make every effort to preserve the quality programs and personnel of Baldy View ROP.