

Portola Valley School District

**Projected Budget Shortfall
for the 2010-11
School Year**

Overview

- For the 2010-11 school year a budget shortfall of over \$500,000 is projected. The primary reason for the shortfall is the reduction in State and Federal revenue.

Known Revenue Reductions

- The State of California as part of the 08-09 and 09-10 budget legislation has already reduced 10-11 funding by \$246,881.

 - Federal stimulus funding of \$126,746 disappears at the end of the current school year.

 - Result = \$373,627 reduction of funds that paid for on-going K-8 program costs**
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Anticipated Revenue Reductions

- Included in the Governor's January budget update was a \$250 per student reduction in funding for 2010-11 in addition to previously legislated reductions. This equates to \$174,500 for PVSD.

 - Running total: \$548,127**
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To Make Matters Worse...

- Local property tax revenue growth which historically has averaged over 5% annually is projected to be **flat** per the County Assessor.
 - Such growth has helped to offset State and Federal funding reductions in the past and to cover increased District contractual cost obligation
 - 1% tax revenue growth = \$78,000
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Parcel Tax 2.0

- The problem is \$550,000
 - The District has reduced over \$1,000,000 in non-instructional costs over the past two years
 - There is little room for additional cuts in non-instructional areas
 - An additional parcel tax of \$268 would solve the problem. Not likely per survey data....
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Parcel Tax 2.0

- A new \$168 parcel tax will generate \$345,240 in new revenue. The problem is reduced to \$202,887

 - A new \$178 parcel tax will generate \$365,790 in new revenue. The problem is reduced to \$182,337

 - A new \$188 parcel tax will generate \$386,340. The problem is reduced to \$161,787
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