

CUSD Budget---“How did we get here?”

(there are many factors, these are the more significant ones)

Past Issues

- Over 20 years of declining enrollment, deficit spending, annual reductions necessary
- COVID funds provided temporary relief (2022-2023)
- COVID-era had negative impact on enrollment and ADA (average daily attendance)---impacting our funding
- Special Education costs have significantly increased over the last few years
- Operational costs have increased significantly over the last few years

2022/23

- Negotiated significant salary increases based upon budget data projections that turned out to be inaccurate
- Delayed laying off all staff funded using COVID funds (by one year) based upon budget data projections that turned out to be inaccurate
- Special Education and operational costs increased

2023/24

- Budget not approved in August---reductions made for 23/24 and 24/25 that created about 3.5 million in savings (and we were still short of our target), Budget approved in September
- Revenue decreased by almost \$1 million due to the State reducing the COLA for 24/25
- Revenue decreased by \$750,000 due to lower ADA
- Increasing costs in Special Education and district operations
- We currently project a \$4.5 million deficit and project to run out of cash in September (necessitating a loan from the State and a State/County Takeover of CUSD)

Actions to Address Budget Issues (2023/24-2024/25)

- **Staff Reductions**---reduction of Classified positions (12%), Certificated positions (18%) and Management positions (10%-15%)
- **Operations**---reductions of 10%-25% to site and department operational budgets
- **Spending/Hiring Freeze**---stopping any non-essential spending or hiring effective January, 2024

Actions Pending

- **School Closure**---closing a small elementary school
- **Transportation**---eliminating at least 50% of general education routes and all Athletic transportation