

FY 13 Amended Budget

Board of Education
October 24, 2012

Our FY 13 Budget needs to be amended

Additional appropriation required to implement recently-approved CTU contract

\$103 million in added FY 13 costs covered by mix of increased revenues and cuts

Budget remains balanced, but still uses all reserves

Challenges for FY 14 remain

FY13 Budget Amended to Implement CTU Contract

Budget approved August 24, 2012 included funds for all concluded union agreements

New CTU contract adds \$103M to that budget in increased compensation

Amended budget released October 5 and budget website updated with full details

Public hearings held October 16; additional hearings November 5 to ensure full participation

Amended budget reviewed with Board today, with approval proposed at November 14 meeting

Added expense primarily for

How will we cover the new costs?

Improve Food Service revenue and expenses (\$11 million)

More aggressive Procurement target (\$10 million)

Delay or cancel filling vacant, non-teaching positions (\$ 8 million)

Further trim other budget items (\$4 million)

Capitalize interest on Aug 2012 bonds (\$13 million)

Sell surplus properties (\$15 million)

Refinance bonds maturing 2013 and 2014 (\$42 million)



FY 14 Budget Still Poses Significant Challenges

\$1 Billion deficit projected

Pension cost increase of \$338 million is a significant driver of the deficit

Reform of pension system essential prior to July 1, 2013