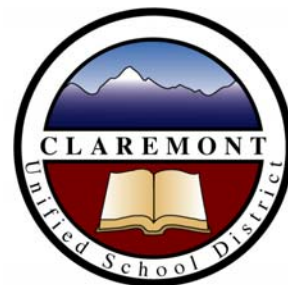


Superintendent's State of the District Budget Report



DATE: January 1, 2009

Governor Schwarzenegger released an overview of his budget proposals for 2009/10 on December 31, 2008. This overview had several unique concepts that will be fleshed out in detail with the full report during the second week of January.

The specific changes to Education include the following:

2008/09 Budget changes

- *Eliminate the 0.68% COLA
- *Reduce revenue limit by at least \$2 billion (\$300-350 per ADA)
- *Transfer any categorical allocations received to general fund for any purpose up to the amount of the district's reductions
- *Reduce required contribution into restricted routine maintenance to 1%
- *Eliminate Deferred Maintenance matching requirements
- *Reduce reserve for economic uncertainty in half –for CUSD from 3% to 1.5%
- *Multi-year deferral of \$2.6 billion in school district revenue limit and K-3 Class Reduction funding from April, 2009 until July, 2009.

2009/10 Budget changes

- *Not fund 5.02% statutory COLA
- *\$83.2 million increase for
Adult Education, Child Nutrition, Charter School, K-3 Class Size Reduction, Teacher Credentialing Block Grant
- *\$35.5 million increase for Deferred Maintenance
- * Eliminate High Priority Schools Grants
- * \$65 million increase to fund Special Education Behavior Intervention plans
- * Elimination of all mandates except those fully funded and only 3 will be funded: interdistrict and intradistrict transfers; CAHSEE; State Special Schools instructional costs
- *Relief from the statutory obligation to have 180 days of instruction- can offer only 175 but must be negotiated with unions
- *Permanent flexibility – “allow schools complete and permanent flexibility with respect to categorical funding.”

While this is only an overview of the proposed budget, it is anticipated that when the detail is released later this month there will be more information to be shared.

A handwritten signature in black ink, appearing to read "DC".

David Cash, Ed.D.
Superintendent