

Superintendent's State of the District Budget Report



DATE: February 5, 2009

Superintendent's Budget Report February 5, 2009 Board of Education meeting.

While we continue to wait for the State legislature and governor to come to an agreement regarding the budget adjustments to the 2008/09 year, we are also now responding to an additionally unique situation regarding our annual reporting process called the Second Interim. We recently received notice from the Los Angeles County Office of Education that despite requiring districts for many, many years to utilize the Governor's proposals for both the Second Interim report and the 2009-10 budget, we are not to do so this year.

While in most years, this may mean that our budget reports might be more realistic, for this year it simply requires the creation of multiple budget scenarios. It is also less likely that what is produced will ultimately be usable by the District, resulting in a budget that will have to be completely redone. Frustrating would be the softest word to use in a situation like this.

While the Governor has proposed flexibility in the use of categorical funds, and has proposed reductions in mandated reserves and the elimination of mandates, no districts in Los Angeles County will be able to utilize flexibility for budgeting planning only as a potential option. Instead we are being required to simply eliminate from our budget for the remainder of the 2008-09 year and for the 2009-10 and for the 2010-11 year.

As a result, we will be bringing to the Board as a recommendation, the elimination of eight to ten job titles with the potential elimination of 15-20 employees. Many of the job titles are held by only one individual. We are working with each individual at this time to inform them of the current plan and to discuss any of their rights pursuant to law and their contract. This will be brought forward to the Board for action at the February 19, 2009 board meeting.

In addition, at the March 5, 2009 meeting, we will bring to the Board as a recommendation, the non-re-election of all K-6 temporary and probationary certificated staff. This recommendation will be made in order to provide the Board with the potential flexibility regarding staffing should that become available through the state budgeting decisions. As the Board is well aware, decisions regarding the non re-election of certificated staff must be made prior to the March 15th statutory deadline.

Finally, we are in the midst of determining how much money we have been able to set aside from unallocated unrestricted funds as well as from restricted funds. Our belief is that we should be able to weather any potential mid-year cuts based on what we know at this time but as we all know, things are changing each day.

Many have inquired about how the potential federal stimulus legislation might affect Claremont. While the amount of potential revenue for the 2009 and 2010 years is significant for the state as a whole. The amount that might trickle down to CUSD is estimated to be an increase of less than \$1 million and it would be restricted to federal programs that are not being cut already. In other words, Title 1 and Special Education, programs that are important in meeting the needs of students would receive additional funding for those two years. Currently, there is no mechanism that would allow any of the potential new revenue to be spent in the general fund. Importantly, the stimulus package is only for two years and is not an ongoing increase in funding for those two programs.

This week the Legislative Analyst Office identified almost \$4.5 billion in potential K-12 education cuts. The LAO has released its analysis of the Governor's proposal long before traditionally doing so and instead of simply analyzing the proposal is submitting it's own solutions to the state's fiscal crisis. Here are some of the salient ideas:

- * Preserve the revenue limit
- * Group the existing 42 K-12 categorical programs into three block grants - with broad flexibility within each of the clusters:
 - Instructional Support Block Grant
 - At Risk Students
 - Special Education
- * Within each of these three clusters, the \$4.5 billion in cuts would be made

The State of California is in uncharted waters. Never has K-12 education been under such a significant fiscal attack. I am confident that this Board will lead the District through these rough seas and that we will maintain our focus on the children in our community. It is hoped that no individual will utilize this time to attempt to undo the new programs and practices that have been created these past several years. This Board has worked hard in the past several years to bring Claremont's educational programs into the 21st century. Finding support for individual students whether they are under achieving, achieving at level or achieving above level has been an important part of that work. Quite frankly, Claremont remains behind many school districts in curriculum, instruction, assessment and technology integration. It is not the time to try and pick off programs such as AVID or IB or Honors courses or eliminate the planning process at Claremont High School. Nor is it a time to eliminate electives, the Panther Team or AVID at El Roble. Nor is it a time to eliminate a growing instrumental music program in our elementary schools. If those programs were not needed, they would not exist. The elimination of these programs just puts our District further behind our neighboring districts. Additionally, while we are currently not experiencing declining enrollment like all surrounding districts, eliminating programs and practices that individualize student learning, like those mentioned above, would send the wrong message to families regarding our interest in meeting all students' needs.

I am happy to report that I have now spoken to staff at each of the school sites and all of the District departments regarding the budget crisis. In addition, I have spoken to many parent groups at schools and will continue to be out speaking to our community. Once the state reaches a budget deal, I have a letter ready to send to our community to fully inform again what the budget crisis is and how our District intends to respond. I am scheduling meetings with students at each of our secondary schools to receive their ideas on how best to cut costs. I look forward to sharing with you what I learn. Finally, we expect that our labor organizations will also come forward with cost sharing ideas as we move forward in negotiations.

Earlier today, the democratic leader in the Senate announced that both sides of the Legislature will vote the week of February 9 on a Budget package. The budget package is expected to provide a solution to the almost \$42 billion projected 18 month Budget shortfall for the current year and the 2009-10 fiscal year budget.



David Cash, Ed.D.
Superintendent