

BUDGET BULLETIN NO. 20

03.24.11
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Acting Superintendent

Don't forget to visit our District website for updated budget information:
www.ovsd.org

To keep our parents and community informed regarding the status of the state budget and its impact to our District, we will be issuing regular Budget Bulletins.

To Quote Carly Simon, "Anticipation, It's Making Us Wait."

Team Ocean View

These are stressful times and we all are feeling the sting of the recession and the uncertainty of last-minute state funding, but we all understand this: Ocean View's funding is not secure for 2011-12 and we may once again face significant challenges to maintain our core program and minimize the impact to staff.

Deficit Spending = Spending More Than We Get

To limit the impact of the last four years of cuts, we've tapped into our emergency reserves to maintain our programs and minimize cuts to staff. Going into next year, we will have used up our savings (emergency reserves) and won't be able to continue to deficit spend.

How Do We Balance Our Budget While Protecting Our Staffing and Programs?

That is *the* budget dilemma. Without knowing what our funding will be, we must keep in mind that:

- Income is decreasing while expenses are increasing
- Federal stimulus dollars are no longer coming in to offset cuts
- Savings will be gone next year and won't be able to help us mitigate ongoing reduced funding
- Operating expenditures (such as gas, water, electricity) continue to increase

Two Plans With One Focus

Due to the uncertainty surrounding the election and funding outcomes at the state level, districts throughout California have been advised to develop budgets based on two scenarios – one assuming passage of the tax extensions and the other assuming defeat of the tax extension proposal and the additional loss of funding to schools of about \$330 per student. The most current developments seem to indicate that the tax extension special election is not likely to be held and if held, is questionable to be passed by voters. Therefore, we must be prepared for the worst case scenario.

We Are Required By Law

Without any adjustments, next year our emergency reserves savings (emergency reserves) will be exhausted. We will have to address a \$7 million dollar shortfall in the 2012-13 fiscal year. If we address some of our expenditures next year, the impact on the 2012-13 shortfall will be reduced. We are required by law (AB1200) to do a 3-year budget projection demonstrating solvency through 2012-13.

2009-10 Beginning Balance \$12,752,929	→	2012-13 Est. Beginning Balance \$3,494,942
No Tax Extensions for 2011-12	→	Funding \$68,771,310 Expenditures \$75,605,466
2011-12 Emergency Reserve \$6,501,125	→	2011-12 Deficit Spending \$6,834,156

*Source: 2nd Interim Report
March 15, 2011

Working Together: 2011-2012 Tentative Calendar Agreement

Acknowledging how important early planning is for parents and staff, the teams reached a tentative agreement on the 2011-12 calendar. Our recent negotiations session with OVTA exemplified the commitment OVSD and OVTA have to the fiscal health of our District. Awaiting Board approval, parents and staff will be able to plan for the start of school, winter and spring recesses, and parent conferences. It's important to remember that depending on state funding which is still unresolved, adjustments could be made regarding the number of student and teaching days.