

# BUDGET BULLETIN NO. 15

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Don't forget to visit our District website for updated budget information, especially over the summer recess:  
[www.ovsd.org](http://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.

## Additional \$6 Million Cut For OVSD Expected = 20% Over Two Years

Governor Schwarzenegger and lawmakers are now facing the arduous task of closing a state budget gap of more than \$24 billion after ballot measures aimed at bolstering the states finances were soundly defeated by voters Tuesday.

A severe downturn in state revenue reflects a staggering statistic: Personal income in California has shrunk for the first time since 1938. With double-digit unemployment, home foreclosures and reduced consumer spending, revenue streams for California have been catastrophically reduced. In his budget recommendation last week, the Governor said 5,000 layoff notices would be sent to state employees, and spending cuts could fall hard on education. This is devastating news for districts across the state who have already weathered Draconian cuts to their funding.

### What About Ocean View?

Presently, we have a balanced budget. Our Fiscal Planning Team (FPT) and Community Budget Advisory Committee (CBAC) identified modifications and reductions, and we reduced our District budget by another \$5.2 million over last year's cut of \$4.2 million. The reductions were approved by our Board of Trustees and we met our budgetary requirements for our Second Interim Report in March. However, with the failure of the propositions in Tuesday's Special Election, we are anticipating another \$6 million cut in funding. **This amounts to an over 20% cut in funding in a three-year period (\$15.4 million).** This is a historic time in California's history. The decisions we make now to address these cuts will define how we deliver a high-quality educational program for years to come.

### Remodeling vs. Restructuring

The Ocean View School District's mission is to provide our students with a high-quality educational program which meets their individual intellectual, social, emotional, and physical needs. Our challenge is how to fulfill that promise while facing a 20% reduction to our funding within a three-year period.

Our focus will now be on a process of "remodeling" our programs versus restructuring. Just like a home remodeling project, you make choices based on your budget. You may want granite counters, stainless steel appliances, and hardwood floors. And you may know exactly what kind of cooking you would do in a kitchen like that. However, if you don't have the money, you think, "I can cook just as well with tile counters, and my food is just as cold in the refrigerator I already have."

For these reasons, it will be necessary to revisit the list of budget adjustments that were identified by the FPT and CBAC, as well as evaluate the effectiveness of programs and their impact on student achievement. We will continue meeting with our FPT and CBAC members as we move forward identifying reductions to our programs.

### FAQs

As we move forward, I want to share with you some Frequently Asked Questions regarding the impact to Ocean View:

#### ***How does the result of the May Special Election effect Ocean View?***

We anticipate an additional cut for the 2009-2010 school year of \$6 million (\$2 million additional mid-year cuts for 2008-2009 and \$4 million for 2009-2010). We have already eliminated the "nice-to-haves" and "want-to-haves" identified by the FPT and CBAC. So now we must look at structural changes, permanent staff positions, and program effectiveness to balance our budget.

#### ***How much Federal Stimulus money will Ocean View receive and how will this help resolve our budget issues?***

We will be receiving approximately \$3.7 from the Federal Stimulus Package. Some of the funds are restricted for Special Education (IDEA) and Title I programs. The money we receive is one-time money and it should be noted that this amount of additional funding closely corresponds to the amount the state is cutting from our budget for the 2009-2010 fiscal year. This money means we won't have to make further cuts for this year. However, we will have to adjust our expenses next

year to reflect any cuts made by Sacramento in the upcoming May Revise and the 2009-2010 state budget. **In short, it provides the funds to delay for one year additional cuts to staff and programs.**

***How has flexibility of categorical funds helped Ocean View?***

We only have limited flexibility allowing us to “sweep” some categorical monies into our general fund. Full flexibility would have provided more options for use and in turn save more jobs. Any additional cuts we could have made in categorical programs would have effected our core program and our student’s academic success.

***What staffing reductions have and will be made to reduce Ocean View’s expenditures (which are 88% personnel)?***

Facing a 20% reduction in revenue, we have had to remodel some programs to save costs. For next year, we have increased K-3 class sizes by four students while staying within the new guidelines established by the state for Class Size Reduction (CSR) funding. This change will result in 37 less teaching positions. We are also modifying our 6th grade program and moving to self-contained classes. This change will result in six less teaching positions. We noticed 71.6 temporary teachers and at this time we anticipate only seven openings for next year.

***Will Ocean View reduce the number of school days for 2009-2010 as opined by both federal and state leaders?***

While some money would be saved through a shortened school year, it would reduce our instructional days for students. We will look for other ways to balance our budget rather than through cutting student instructional time.

***Who is involved in making decisions for budget reductions?***

The Board of Trustees have final authority for all reductions. The process we use involves a Fiscal Planning Team which includes members of both employee groups; the Community Budget Advisory Committee, comprised of members from the community who serve as an advisory directly to the Board; and District management. All recommendations come to the Superintendent who makes recommendations to the Board using the input from those key stakeholders.