

BUDGET BULLETIN NO. 16

06.12.09
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 Superintendent

Don't forget to visit our District website for updated budget information, especially over the summer recess:
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.

Summer's Here But There's No Sunshine For School Funding

As Governor Schwarzenegger and the state legislature work to resolve the nearly \$24 billion budget deficit before the state runs out of cash in late July, the likelihood of another round of mid-year reductions and severe cuts for 2009-10 are solidifying. These reductions will be in addition to those that were implemented this past February. The size of these cuts are enormous, especially when factored into the total reductions we have incurred over the last two-year period.

The state's economic condition continues to worsen and statewide unemployment is now slightly above 11% with many regions experiencing levels not seen since the Great Depression. Some analysts predict state unemployment levels to continue to increase through 2009-10. Lower economic output results in lower tax revenue. Overall, state tax revenues are down more than 27% over a two-year period. California has not seen this degree of decline since the 1930s. Since Proposition 98 is directly linked to state economic performance, the Minimum Guarantee continues to decline. In addition, the state's cash condition is at emergency levels.

The Governor vowed on Wednesday, June 10, 2009, to let the government come to a "grinding halt" rather than agree to a high-interest loan to keep the state afloat if he and the Legislature do not close the \$24 billion budget gap in coming weeks. There is also a great deal of pressure to act by the end of the fiscal year in order to lower the Proposition 98 guarantee so that the 2009-10 fiscal year does not begin with a higher base.

Reports to the Board of Trustees and Community Budget Advisory Committee (CBAC)

District administration outlined to the Board of Trustees and the CBAC the impact of these further reductions to this year's budget. Included in the report was the latest news regarding the staggering reduction proposals for 2009-10 currently being debated in Sacramento. These proposals will most likely result in approximately \$6 million in additional cuts for Ocean View. The one-time Federal Stimulus money we have received will help us address the forthcoming additional cuts, however, that is one-time money that will not help us meet the ongoing reductions in state funding.

Budget Presentation

To the right is a slide shared with the Board of Trustees and CBAC during the last two weeks which provides an overview of the revenue and reductions made to balance our budget going into 2009-10. These numbers do not include recent estimates of additional cuts for 2009-10. The presentation also covered the severity of the reductions to Ocean View's budget over the last 15 months.

Running Start Slated for September

Beginning September, the CBAC and FPT will meet to identify cuts necessary to address the anticipated \$6 million shortfall going into 2010-11. As you know from our Budget Bulletins this year, we no longer have the luxury of choices; much has already been cut. We have already implemented reductions to our program "nice-tos" and "want-tos" and we are now at the precipice of our "must-haves" for our Core Program.

Revised Budget Adjustments, Modifications and Reductions



Revenue Adjustments

• For the 2008-09 school year, adjust Revenue Limit to reflect a decrease in the deficit factor	\$998,811
• For the 2009-10 school year, adjust Revenue Limit to reflect a decrease in the deficit factor	\$1,413,359
• Transfer lease funds to General Fund	\$500,000

Total Revenue Adjustments \$2,912,170

Reductions/Modifications

• Suspend Deferred Maintenance Match	\$422,000
• 6th Grade Self-Contained	\$400,000
• Eliminate Summer School Provide Supplemental Hours to After School Intervention Program	\$350,000
• Modify Class Size Reduction from 20:1 to 24:1	\$965,714
• Eliminate two TOSA Positions	\$210,183
• Eliminate Instructional Media Tech Position	\$16,679

Total Reductions/Modifications \$2,364,576

TOTAL \$5,276,746

Board approved May 19, 2009