

BUDGET BULLETIN NO. 10

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Alan Rasmussen, Ed.D.
Superintendent

The state budget for 2008-09 is now 79 days past due and includes a proposal to cut public education funding.

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

New School Year, Same Budget Crisis

As this new school year begins, the State of California is teetering on a pledged Governor-vetoed budget after an already historic stalemate, the longest in California's history. The state's constitution requires a budget be in place by July 1, now 79 days late. During this time, Governor Schwarzenegger and Republicans and Democrats in the Legislature have been at odds over what to do about a \$15 billion deficit, the product of spending formulas that have outpaced revenues.

The impact of the stalemate, and pledged forthcoming veto, has forced school districts throughout the state to make major cuts to programs and staffing. Ocean View schools opened their doors to students on September 3, with reductions to part-time school custodian positions and three administrative positions, as well as utilizing one-time funds. As determined by last year's Fiscal Planning Team (FPT), these reductions were identified as having the least impact to our Core Educational Program. These reductions have allowed Ocean View to remain financially solvent as we wait for passage of the budget and much needed income from the state.

"Pushes the Problem into Next Year"

Governor Schwarzenegger's frustration has been expressed in his statements that the budget sent to him only "pushes the problem to next year" and believes "the budget that they passed [early this morning] takes our problems and makes them worse." He has threatened to veto every bill before him (in the hundreds) until he receives a budget that addresses his concerns. Whether the Governor vetoes the budget or not, what has been proposed by the legislature does not contain any long-term solutions for the state's budget dilemma. Unfortunately, the components of this budget provides essentially flat funding for schools and does not address the unfunded 5.66% statutory cost-of-living adjustment (COLA) owed to schools. Because the state's long-term budget problems remain unresolved, the state budget concerns will definitely carry over into the 2009-10, and most likely 2010-11 state budgets. Further, the budget also provides additional savings provisions along with the ability for the Governor to make mid-year cuts (subject to voter approval) without approval of the legislature.

With an uncertain future, our District administration continues to monitor this budget crisis through attending meetings held by the state and county, reviewing the latest news reported by the Legislative Analyst, and developing a budget based on the best assumptions possible. For Ocean View, this means we will continue to conserve funds, monitor expenditures, maximize our financial resources, and protect our reserves to best weather this on-going financial storm.

While we hope for the best, unfortunately, we must plan for the worst. Continued outreach to state legislators via letters and phone calls remains critical. We all must make an effort to communicate to them expectations that education funding be foremost on their mind as they continue to shape their budgetary decisions now and for the future.