

BUDGET BULLETIN NO. 17

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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.

State Treasurer, Bill Lockyer, Calls State Budget a “Train Wreck” and Added, “It’s Going to Get Worse.”

In the midst of determining cuts for 2010-11 amounting to \$3.5 million for Ocean View, the likelihood that we will experience mid-year cuts to our current 2009-10 budget is solidifying. High unemployment and an overall sluggish economy have led to lower than expected revenues, according to state controller, John Chiang. “The state’s combined personal, corporate, and sales taxes fell more than \$1 billion below expectations for the first quarter of the year.” Particularly troublesome is that in September, revenues fell \$810 million below the forecast amount, mostly due to reduced personal income taxes.

In addition, many of the “after-the-budget” fixes to shore up state programs were short term solutions, and some of the budget adjustments that pulled from previously restricted accounts have been successfully challenged in court. Couple that with the one-time Federal Stimulus monies school districts received to help offset the state funding cuts this year, and it becomes clear why state treasurer, Bill Lockyer, at a recent conference on the fiscal health of California, called the budget a “train wreck” and added his belief that it will only get worse in the coming year. State officials estimate the budget shortfall at the end of this fiscal year (June 30, 2010) to be roughly \$7 billion, and several estimates have the budget gap ballooning to between \$10 billion and \$20 billion the next fiscal year.

Community Budget Meeting Gets the Word Out

On October 28, 2009, Ocean View hosted a well-attended Community Budget Meeting at Spring View Middle School to provide the most current budget information coming from Sacramento to our community. School Services of California, Inc., President and CEO Ron Bennett and Associate Vice President Terry Anderson, made a presentation and spent the evening answering questions from the public. We are committed to providing timely and accurate information and transparency in our decision-making process. We will continue to publish our regular Budget Bulletins, utilize our District website, and host several more community meetings throughout the year as an additional way to provide the latest budget details to our community.

What We Must Accomplish... NOW

Due in December to the Orange County Department of Education, the First Interim Report will be required to include options approved by the Board of Trustees that further reduce our expenditures by \$3.5 million based on the expected cuts to our 2010-2011 revenue. Ocean View School District must be able to demonstrate our ability to meet our financial obligations. To identify additional reductions, Administration has been meeting with the Fiscal Planning Team (FPT) and the Community Budget Advisory Committee (CBAC). This year’s reductions will be even more difficult because we have already cut our “nice-tos” and “want-tos” and are now having to look at the “must-haves” we previously identified for our Core Program. We do not have the luxury of time – we must make difficult decisions to remain solvent. Some districts in California are receiving “qualified” or “negative” certification. As a result of those certifications, those districts will now begin a process of restrictive oversight and loss of control.

We have been successful to date because of our quick action and most importantly, the strength of the Ocean View team. We all feel the pride of working in an outstanding school and in an academically and fiscally recognized District. This year will be difficult, but I am confident we will weather the reductions we must make specifically because of our collective dedication. Our focus remains as it has been since the beginning of this fiscal crisis:

- We will maintain our Core Program to ensure high student achievement
- We will minimize the impact on staff
- Our decision-making process will be transparent, informative, and inclusive
- We will maintain a balanced budget and remain fiscally solvent

Look for future Budget Bulletins and visit our District website for the latest information on the effect the state budget crisis is having on the Ocean View School District.