

# Castro Valley Unified School District



## Budget Update May 20, 2009

**Introduction/Background.** For two years, the State has faced a deteriorating economy and an increasingly uncertain future. For Castro Valley the situation was difficult but manageable. By the fall of 2008 the global and national economies began to impact California's financial outlook even further. In January the Governor proposed major budget cuts. The fluid nature of the State budget crisis was further underscored with the passage in late February of a State budget to address a \$42 billion shortfall.

Three months later and the situation has deteriorated further. With the failure of the May 19<sup>th</sup> ballot measures the Governor now projects an **additional shortfall of \$21 billion.**

At the State level, the immediate impact on education is to drive California even lower in per student funding compared to other states. With the passage of the new State budget California will drop from 47<sup>th</sup> to 50<sup>th</sup> in the nation in per student funding!

**First Round Decisions for Castro Valley** - At the local level, the State budget means that Castro Valley was faced with a mid-year cut for this year and an on-going cut starting July 1<sup>st</sup>.

- Current School Year (2008-2009) – Approved by School Board on February 12<sup>th</sup>
  - Use one-time District reserves to offset a mid-year reduction in State funding of \$3.1 million
- Next School Year (2009-2010) – Approved by School Board on February 26<sup>th</sup>
  - Make permanent expense reductions of \$4.4 million to address additional, on-going reductions in State funding (includes eliminating 40.5 positions)
  - While all cuts will impact students, the goal has been to keep the cuts as far away from the classroom as possible

### **Major Aspects of Budget Reductions for 2009-2010**

- Key Areas to be Fully Eliminated
  - Reading Specialists (elementary)
  - 9<sup>th</sup> Grade Class Size Reduction (CVHS)
  - Seven-period day (CVHS)
- Key Areas to be Reduced – Lower level of service
  - Athletics (all levels) (50% cut; sustain through voluntary donations)
  - Counselors (secondary) (34% cut)
  - Custodians (all levels) (15% cut)
  - Home-to-School Transportation (10% cut and 15% increase in fees)
  - Librarians (secondary) (33% cut)
  - Music (25% cut; sustain through donations)

**Longer-Term Actions underway or being considered**

- Direct community support through local foundations, parent clubs, boosters, and Save Our Schools Castro Valley!
- Negotiate salary reductions in order to offset all or part of budget reductions
- Pursue a parcel tax to support/reinstate specified areas (e.g., athletics, music)

**Next Wave of Threats to State Funding . . . Another \$21 B shortfall**

- Impact to public education still to be determined . . . we may not know until fall
- Additional cuts to Castro Valley could readily exceed \$5.0 million
  - Federal Stimulus funding helps . . . but doesn't solve the problem!
  - Federal funds available to help address the shortfall = \$2.3 million
- Updated Approach to 2009-2010 Budget
  - Build all February 26<sup>th</sup> cuts into budget (minor variations only)
  - Maximize current year-end reserves to soften blow for next year
  - Await the results of . . .
    - Governor's June 8<sup>th</sup> budget revise
    - Another round of budget battles in Sacramento
  - Start planning for additional program and staffing reductions

**Bottom Line**

**We face a huge uphill battle . . . The State budget crisis is far from over**

**We need you to be aware and find ways to help**

***As a community Castro Valley can and must work together to minimize the impact on our students!***

***Contact your legislators!***

***Support our local benefactors!***

***Castro Valley Arts Foundation***

***Castro Valley Educational Foundation***

***Castro Valley Sports Foundation***

***Music Parents Society***

***Save Our Schools Castro Valley!***

***School PTAs/Parent Clubs/Boosters***

For further updates and information, please access the School District's website page on the State Budget Crisis at [www.cv.k12.ca.us/budget](http://www.cv.k12.ca.us/budget).