

Budget Notebook



Chronicling California's developing budget and its impact on IUSD

Superintendent's Update: State's worsening fiscal crisis threatens to strip IUSD of \$18.5 million in 2008-09

BY GWEN E. GROSS

California's schools received some bad news in January, when Governor Schwarzenegger declared a fiscal emergency and released a 2008-09 budget proposal that threatened to strip public education of \$4.8 billion.

More than six weeks later, the economic forecast has not improved. If anything, the storm seems to be worsening.

Brought on by slumping tax revenues and soaring energy costs, the projected \$14.5 billion state shortfall has ballooned to around \$16 billion, and that's left schools bracing for a big hit in 2008-09. Policymakers are already talking about suspending Proposition 98, a voter-backed initiative that establishes a baseline for education funding.

Some of this may sound familiar. Due to fluctuations in the state economy, school districts seem to face the threat of deep cuts every decade or so. In some instances, the state has followed through with drastic reductions. Other times, lawmakers have put a Band-Aid on budgetary problems through borrowing and clever bookkeeping maneuvers.

But, by all accounts, circumstances are different this time around. This year's gap between revenues and expenditures is wider than ever, and the experts say California has no more accounting tricks up its sleeve. That translates into major challenges for schools in the Golden State.

What does this mean for Irvine?

Though the Governor's proposed spending plan will likely undergo many changes before an actual budget is adopted this summer, IUSD and other dis-

tricts are bound by deadlines that force us to make cuts very soon. In fact, we are required to finalize our budgets by June 30 – which will be weeks or months before a state budget is adopted.

We remain hopeful that the Governor and the Legislature will prioritize spending in 2008-09, opting not to balance the budget on the backs of students who did nothing to cause this deficit. For the time being, however, we must operate under the assumption that the Governor's proposal to strip \$4.8 billion from education will become a reality. And it very well may be.

<i>To put this in perspective, cutting \$4.8 billion from the state's public schools is the equivalent of...</i>	
Statewide	Irvine Unified School District
<ul style="list-style-type: none"> • Cutting an average of \$7.76 million per district 	<ul style="list-style-type: none"> • Stripping IUSD of \$18.5 million, or about \$800 per student
<ul style="list-style-type: none"> • Shutting down every school across the state for nearly one month 	<ul style="list-style-type: none"> • Having 19 fewer days of school
<ul style="list-style-type: none"> • Laying off more than 107,000 teachers 	<ul style="list-style-type: none"> • Laying off more than 200 teachers
<ul style="list-style-type: none"> • Increasing class sizes statewide by as much as 35 percent 	<ul style="list-style-type: none"> • Increasing class sizes by 14 in grades four through 12

The bulleted points above are ***not*** proposals, of course. They simply illustrate the magnitude of the

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problem, similar to statistics that divide the national debt by the number of U.S. families. But, as you can see, we're talking about taking big money away in a state that already ranks a meager 46th out of 50 in per-pupil spending, according to *Education Week* magazine.

What happens next?

Just as other districts are developing cut lists, IUSD must now identify \$18.5 million worth of spending reductions for the fiscal year that begins July 1. This will be a long and collaborative process, involving input from staff and the community, with our elected Board of Education setting priorities.

The next 120 days will feature a flurry of meetings and deadlines, leading up to June 30, when IUSD must have a new budget in place. Here's a preview of what's to come:

Date	Action
March 15	Districts across the state must notify certificated staff members if their positions may be eliminated.
March 18	Our Board of Education is scheduled to approve IUSD's second interim financial report, certifying the district's financial health.
March 25	The Board of Education will take part in a Study Session to review potential cuts (4-6 p.m., District Office).
April 15	The Board of Education will likely take action on proposed cuts (7 p.m., District Office).
May 15	The next milestone for new fiscal information from the state, as the Governor is scheduled to release his "May Revise."
June 9	The Board of Education is scheduled to take part in another study session to review updated budget information (4 p.m., District Office).
June 24	The Board of Education will likely adopt a budget on this date. (7 p.m., District Office)
June 30	IUSD's budget must be submitted to the Orange County Department of Education by this date.

Are there any options besides cuts?

With a state deficit so large, cuts in Irvine and elsewhere in California are an unfortunate certainty. That said, no stone will be left unturned in the pursuit of potential savings and new revenue. With the help

of our community, this district will thoroughly examine the expenditure profiles of all departments and sites and set priorities based on a comprehensive analysis of each program's overall impact and our long-term goals. As always, our Board of Education will serve as the ultimate decision-making body.

What you can do

The state's financial outlook may look bleak, but there's still much you can do to help. For starters, I encourage you to attend district meetings, strike up conversations with fellow community members and offer input on the issues that matter to you. If you believe the state should protect education funding for 2008-09 and beyond, contact your local Legislators and let them know how you feel. (For more information, check out The Education Coalition's website at www.protectourstudents.org and click on "Learn how you can help!")

Irvine Public Schools Foundation

Above all, there is no better time to support the Irvine Public Schools Foundation, which raises money to enhance our schools and operates many of IUSD's outstanding programs. IPSF recently hired an experienced and dynamic leader in Jerry Mandel, who served as president of the Orange County Performing Arts Center for nearly 10 years. Prior to that, he was a senior administrator in higher education for more than two decades, serving as vice chancellor for university advancement at UC Irvine, vice president for university relations and development at California State University, Long Beach, and dean of the arts at San Diego State University.

IPSF exists solely to support our kids, and now is the ideal time to support this worthwhile organization. For more information, go to www.ipsf.net.

Unless the state's revenues rebound faster than anticipated, IUSD and other school districts are likely to be impacted by this fiscal crisis through 2008-09 and 2009-10. The next 12 to 24 months will be tough, but that doesn't mean we will lose focus or abandon our responsibility to provide the highest quality educational experience we can envision.

Now and forever, we are fortunate to have teachers, staff, students, parents and community supporters who are committed to promoting and nurturing our world-class schools.