

Budget Notebook



Chronicling California's developing budget and its impact on IUSD

Superintendent's Update: The misconceptions and facts about the Governor's proposal to cut education funding

BY SUPERINTENDENT GWEN E. GROSS, Ph.D.

As the state grapples with a \$16 billion budget deficit that threatens to short-change the Irvine Unified School District by millions of dollars, I think it's important to address two common misconceptions.

Misconception No. 1: *This fiscal crisis will not affect Irvine.*

Despite our history of diligent financial planning, the state's shortfall is too large not to impact our schools. The most recent numbers show IUSD will have to bridge a gap of \$12.5 million as a result of the Governor's spending proposal for the fiscal year that begins July 1. That kind of savings can only be realized by taking drastic steps, such as increasing class sizes or scaling back many of the programs and services that contribute so greatly to our world-class schools.

Misconception No. 2: *The Governor and our state legislators will find the money somewhere.*

While it's true we have a long way to go before a final state budget is adopted, the experts agree that California has run out of ways to borrow or transfer money as a means of solving – or even concealing – this shortfall. And, unlike the federal government, our state is not allowed to spend more than it collects in revenue.

That leaves only two options for Sacramento –

generate more revenue through fees or taxes, or slash critical funding for public services, including our schools.

How you can help

Suffice to say, the struggling housing market and

other factors have led to a dire economic outlook in California, and there's simply no way to sugarcoat the inevitability of cuts here in Irvine and elsewhere across the state. However, there is still time to minimize these cuts by sharing our concerns with area legislators, and by financially supporting the Irvine Public Schools Foundation. IPSF, which raises money for IUSD and runs many

of our most innovative programs, will play an even bigger role this year as we strive to maintain the quality of our schools in spite of the projected drop in funding.

While we vow to fight for our students, however, it is worth noting that IUSD and other school districts are legally mandated to plan under the assumption that the Governor's January proposal – which threatens to slash education funding by 10 percent – will become a reality for 2008-09.

Under this plan, IUSD's loss of revenue would

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equal approximately \$18.5 million. However, our actual shortfall amounts to \$12.5 million after subtracting self-contained categorical programs, which receive specially earmarked dollars. (As these dollars are reduced, the programs tied to them are reduced accordingly.)

So, IUSD's magic number moving forward is \$12.5 million. This is a daunting figure, without question.

How will we bridge the gap?

Our district has already initiated the painful process of identifying potential areas of reduction while exploring possible new sources of revenue. We have also learned from previous shortfalls that it is critical to maintain flexibility while we wait for the state to develop its budget.

To that end, our district recently began informing temporary certificated employees that they will be released at the end of the current school year. This action in no way represents a final decision regarding specific program cuts or staffing allocations for 2008-09; rather, the release of teachers on temporary assignments is a yearly practice in IUSD, as it is in most districts. Last year, the majority of these teachers were quickly rehired. This year, we'll have to wait a little longer to make that call. Ultimately, enrollment figures and staff retirements will help determine the percentage of temps who will return for 2008-09.

We hope to rehire as many of our outstanding temporary teachers as possible, as this group includes some of the brightest young educators in our ranks. We are also hopeful that the freeze implemented this year on all non-essential expenditures will amount to enough savings to help cushion the blow in 2008-09. However, the magnitude of the state's current fiscal crisis is unprecedented, and some big decisions lie ahead.

As part of our continuing efforts to be diligent and proactive in our planning, IUSD has altered its budget calendar so that a preliminary cut list will be made public at the Board of Education meeting on Tuesday, March 18. One week later, our Board will take part in

a public study session to further discuss the proposed reductions. Finally, on April 15, the Board is scheduled to take action.

Once again, the state won't reveal new budgetary information until May, and lawmakers aren't likely to pass a budget until August or September at the earliest. Yet school districts have very strict deadlines leading up to June 30, when our budgets must be filed. Admittedly, the state's budgeting process is flawed and illogical, forcing educators to make decisions without knowing exactly how much money will be available. But those are the rules by which we must play, and with that in mind, here is our revised timeline:

DATE	ACTION
March 15	Districts across the state must notify certificated staff members if their positions may be eliminated. As part of its annual process, IUSD has already begun the process of informing temporary certificated employees that they will be released at the end of this fiscal year. Tenured and probationary teachers will not receive notices.
March 18	The Board of Education will discuss a preliminary list of potential budget cuts. (7 p.m., District Office)
March 25	The Board of Education will take part in a Study Session to further 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 Governor is scheduled to release his "May Revise," considered the next milestone for new fiscal information from the state.
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)

More information

As I've said, there is no better time to support the Irvine Public Schools Foundation, which exists solely to support our children through fundraising and innovative programs. To learn how you can help, go to www.ipsf.net.

And for more information about the state's fiscal crisis and its impact on public education, check out The Education Coalition's website at www.protectourstudents.org.