

OSD Presents a Balanced 2010-2011 School Budget – An Uncertain and Distorted Future for California Public Schools Finance Remains

July 12, 2010

In Early June 2010 California Superintendent of Public Instruction Jack O'Connell released the results of a statewide survey of local educational agencies (LEAs) to find out how state budget cuts to public education are affecting them. O'Connell held a news conference in the Natomas Unified School District (in Sacramento County) where all eight elementary school libraries were shut down to close a budget gap.

“The survey results make clear that school administrators are making heartrending decisions to balance their dwindling budgets while trying valiantly to keep students’ best interests in mind,” said O'Connell. “Sixty-five percent of districts that responded to this survey made cuts to building and school grounds maintenance, fifty-eight percent cut funding for instructional materials, and fifty-eight percent reduced funding for district administration. Forty percent of respondents have reduced the number of teachers; reduced or eliminated summer school; increased class sizes; and cut art and music classes, closed libraries, eliminated school nurse positions, and canceled sports programs.”

O'Connell added “These deep cuts to our schools were made even though the American Recovery and Reinvestment Act (ARRA) provided critical funds to save education jobs last year. These ARRA funds are now running out, and our state budget picture continues to look bleak. In the Governor’s May Revise, he proposes another \$1.5 billion in general-purpose funding cuts that will exacerbate the current annihilation of services to students. Our public education system is in crisis. These cuts hurt students and hurt California’s future economic viability.”

For the budget years 2008-2009 and 2009-2010 the Oxnard School District (OSD) had to cut \$18.0 million from its operating budget. In addition, OSD had to slash its budget by over \$12.5 million in order to present a balanced budget to the Board for the 2010-2011 budget year. Over these three fiscal years OSD has lost in excess of \$30.0 million in budget revenues.

In preparation for this 2010-2011 budget year OSD held several town hall meetings with various stakeholder groups, employee groups, and various levels of management as part of a public process inviting input and suggestions from a broad cross-section of the OSD community and staff in order to solicit their ideas for budget improvements.

OSD Administration worked through many tough budget sessions with the Budget Advisory Committee (BAC) to find and develop creative solutions to address the 2010-2011 precipitous budget shortfall due to the flagging strength and continued declining performance of California’s economy. Also, OSD held many productive formal discussions exploring budget solutions with our employee representative groups OEA (Oxnard Educators Association), CSEA (California School Employees Association), and OSSA (Oxnard Supportive Services Association), who share an interest in the success of this educational institution. The essential theme of these discussions was “how to achieve a balanced 2010-2011 budget while minimizing the impact on OSD academic goals and objectives in light of state budget cuts to public education”.

Oxnard Board of Trustees directives to district staff during the budget development process was to maintain our strong academic program, avoid furlough days, pay cuts and layoffs in the District's efforts to file a balanced 2010-2011 budget with a "Positive Certification" in accordance with AB1200 and AB 2756.

Some of the strategies that were used to achieve a balanced 2010-2011 budget without layoffs or reductions in workforce are listed below:

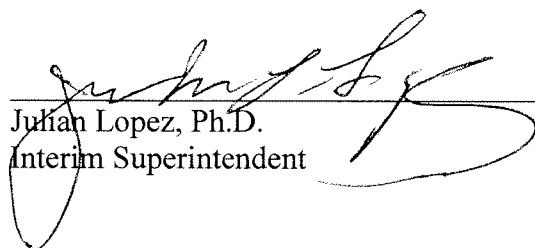
- Implemented a Board-approved District-sponsored early retirement program for which 63 employees applied. Only forty two (42) employees were eligible to participate in the program having met all the Board approved eligibility requirements; eliminated funded vacancies;
- Extended Class Size as allowed by contract; this does not affect the QEIA (Quality Education Investment Act) schools;
- Reduced the legally required 3% Reserve by 1% as allowed by current law ABx3 4 Flexibility Option; the Reserve will have to be restored to 3% in 2011- 2012;
- Maximized the use of the State's Flexibility Option by transferring financial resources from the Restricted to Unrestricted budget to increase the district's working capital.

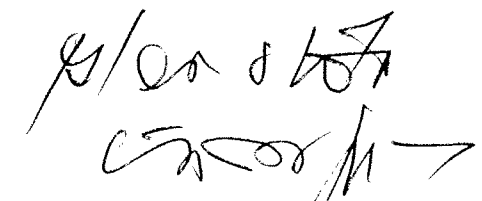
A complete and detailed list of 2010-11 budget improvements is available on the OSD website at www.oxnardsd.org/education/dept/deptinfo.php?sectiondetailid=1663.

It is important to note that at the time of writing this letter to the Oxnard community, the State of California had not yet adopted the 2010-2011 Education Budget. The State's delay in adopting its budget has happened in previous years; however, this puts our District in a position of indeterminacy because any further deterioration in state revenues will quite likely result in the District having to face further budget reductions, the magnitude of which is uncertain at this time. In other words, any proposed further cuts to California education will have catastrophic consequences for schools and students. Our forecast is that 2011-2012 will be another difficult budget year.

The Administration will continue to update the community on further developments.

Sincerely,


Julian Lopez, Ph.D.
Interim Superintendent


Glenston Thompson
Assistant Superintendent
Business & Fiscal Services