

The California Budget Crisis and its Impact on Larkspur School District

The State of California and Governor Schwarzenegger are now predicting an almost \$28 billion shortfall in revenue for the 2008-09 fiscal year. California's economy, mirroring the nation, is in crisis. The effect of this crisis on our public schools will be serious, if not devastating. Cuts will be difficult and deep.

Governor Schwarzenegger has proposed several solutions, including strategies for increasing revenue and budget reductions. A Special Session of the Legislature has convened to make the final recommendations. Among the Governor's recommended budget cuts to education are a \$3 billion revenue reduction, a zero Cost of Living Adjustment (COLA), and elimination of certain categorical programs. Categorical programs designate funds that can only be used for a specific purpose. Examples include GATE, Class Size Reduction, Instructional Materials, School Improvement Block Grant, etc.

In our District, the proposed revenue reductions alone translate to approximately \$300 per student or \$360K. Additional loss of state and federal COLA's on categorical programs could amount to another \$200K for the District. Thus, our District could face between \$400K and \$600K in cuts from the current year's \$12M budget. Estimates for 2009-10 are even bleaker.

Fiscal advisors, School Services of California, are predicting this crisis could impact school district budgets through 2013-14. Major long-term changes in the budgeting process in California need to be made. In the short term, districts have no choice but to drastically cut spending and reduce budgeted expenditures. Without specifics of the Legislators' Special Session and revised budget, districts are advised to create a contingency plan amounting to the level of anticipated cuts. Our District will implement School Services recommendations in our First Interim Budget Revisions. Our plan includes setting aside unspent categorical funds, instructional materials and supplies budgets, and reducing utility costs wherever possible. Spending on materials, extracurricular activities, professional development, and equipment will be frozen until specifics of the budget reductions are known. It is possible these dollars will be eliminated altogether, or that districts will be allowed to move restricted dollars into the General Fund to help offset revenue reductions. Depending on the severity of the reductions, we may be faced with deeper cuts than materials, supplies, services and contracts.

Budget development and advisory groups in the District have begun to meet. These include Administrative Council, Roundtable (representatives from all employee groups) and District Advisory Council (including parent members of School Site Councils, PTA's, CMLSF, site administrators, and teachers from each grade level). Trustees will continue discussing budget cuts at their scheduled meetings. It will be necessary to look at all available funds in the District to assist us in maintaining current programs and class sizes. Mid-year cuts will be made by the end of January. The Governor's 2009-10 budget proposals are unveiled mid-January. Budget development for 2009-10 begins shortly thereafter.

Collaboration with parents, staff and the community must focus on protecting our educational priorities. Decisions must be made that maintain small class size, student achievement, core curriculum, instructional programs, and safe, nurturing environments for our students.

What can we do?

- 1) Maintain strong and improved student attendance patterns. (A higher average daily attendance increases school funding).
- 2) Be efficient in the use of natural resources including paper and energy.

- 5) Be creative and frugal about our use of existing materials and instructional supplies.
- 6) Leverage and enhance revenue wherever possible.
- 7) Continue to partner and collaborate with community and parents to share resources and volunteers. Reduce duplication of effort.
- 8) Lobby and advocate at the state level. (For Governor Schwarzenegger – www.gov.ca.gov, for Assemblymember Jared Huffman - <http://democrats.assembly.ca.gov/members/a06>, and for Senator Migden - <http://dist03.casen.govoffice.com>).
- 9) Stay informed. For more information on the state budget crisis and its impact on schools you may visit <http://saveourschools.marinschools.org/> or <http://www.csba.org/NewsAndMedia/Publications/CASchoolNews/2008/November/ElectronicOnly/SpecialSessionAnalysis.aspx>

Now, more than ever, we must work together to protect our most valuable resource—our children. They deserve our greatest efforts to ensure strong educational programs, even in tough economic times. Comments, suggestions or input on the budget can be e-mailed to budget@larkspurschools.org. Thank you.