

# BUDGET WATCH



*Following California's Budget Crisis and its Impact on Upland's Schools*

## Faced with a shortfall of over \$12 million, UUSD begins budget discussions for 2010-2012

BY SUPERINTENDENT GARY RUTHERFORD, ED.D.


Amid the busy holiday season and as families prepare for a new year, the subject of school finance is likely to be low on your list of priorities.

Yet a number of statutory deadlines require the Upland Unified School District to make some major decisions no later than February, so it's important to share where we stand as an organization.

Based on projections from our Business Services staff, UUSD faces a shortfall of about \$12 million for the fiscal years of 2010-11 and 2011-12 due to cuts in funding and our escalating costs. As of today, the 2009-10 school year budget has been rolled back to 2005-06 funding levels. And the cuts are likely to continue. California's Legislative Analyst has identified a State revenue gap of more than \$20 billion over the next 18 months, and policymakers have not ruled out more mid-year cuts to public education.

Though our district continues to fare better than most of its counterparts throughout California, today's fiscal challenges are the greatest we have faced together. And while we have survived the last two years through deep spending cuts, the use of our reserve funds, and other one-time funding sources, we have no choice but to further reduce our ongoing spending decisions to address a structural deficit.

On November 17, our Board of Education received a very preliminary list

 <b>BUDGET TIMELINE</b> <i>A look at what's to come in 2010</i>	
<b>January</b>	Governor Schwarzenegger is scheduled to release his proposed California State Budget for the upcoming fiscal year.
<b>January 12, 26</b> <b>February 9, 23</b>	The UUSD Board of Education will convene its regular public meetings to continue charting a course through the state fiscal crisis. All sessions start at 7 p.m., please check the district website at <a href="http://www.upland.k12.ca.us">www.upland.k12.ca.us</a> to confirm exact meeting locations.
<b>January 21</b>	The public is invited to a Town Hall Forum to discuss the budget. The first forum will be held at Upland Junior High school at 7 p.m.
<b>February 1</b>	The public is invited to a Town Hall Forum to discuss the budget. The second forum will be at Pioneer Junior High school at 7 p.m.
<b>March 15</b>	All certificated teachers must be notified if the possibility exists that they will not be employed the following year.
<b>May 15</b>	The Governor will release his "May Revise," which updates his spending plan based on the most current fiscal developments.
<b>June 30</b>	The UUSD Board of Education must finalize all budget adjustments and adopt a final spending plan for 2010-11 and the next two fiscal years. Though the State shares this deadline, lawmakers rarely meet it. As a result, school districts are generally forced to file a spending plan based upon limited information and conservative projections.
<b>July 1</b>	The 2010-11 fiscal year begins.

of budget reductions for 2010-11. Among the grim considerations were class size increases at all grade levels, a reduction in work days for employees, further cuts at the district office level, reduced spending for sports, music and physical education programs, as well as savings garnered through a voluntary retirement incentive program.

Once again, we will be seeking community input as the district final-

izes a list of budget actions that will very likely be adopted by the board in February. However, we also realize that this deficit is too large to be solved by program cuts alone. The district must therefore work with its representative groups to seek negotiated solutions, such as a decrease in work days and/or salary rollback, to achieve a balanced budget.

You can be assured that this is not a consideration we take lightly.

UUSD's employees are its most valuable asset. They are the main reason our schools are lauded throughout the Inland Empire, attracting so many students and families to our City. Yet the economic realities are unbending: When revenue has increased in the past, we have done our best to boost salaries to attract and retain highly qualified employees at every level. With an unprecedented drop in funding, we must look at all ways to reduce our spending profile in order to weather this storm and sustain our essential programs and services.

This school year, UUSD employees "stepped up" and contributed more than \$1.4 million through a temporary increase in class size at grades 4-12, changes to the health benefits program, and a loss of two paid work days for the year. Unfortunately, these actions appear to be just the beginning as we continue to respond to crippling cuts in state funding.

### **Other opportunities to save**

As the decision-making process moves forward, UUSD will continue to explore all opportunities to generate savings and add revenue.

In February 2008, our community passed Measure K, a general obligation bond that will invest more than \$100 million over the next 25 years to bring 21st century learning environments to each of the district's fourteen schools. By the end of this summer, nearly 2/3 of our classrooms will be equipped with interactive white boards, solar tubes that bring natural daylight into classes, LCD projectors, as well as document cameras, new furnishings and fiber optic lines. Solar energy panels and heightened security measures help to contain costs, with anticipated savings of hundreds of thousands of dollars over the next 10 years.

One of the silver linings found in this fiscal downturn is a highly competitive climate for bidding and awarding construction contracts. Our dollar is going much further than projected, allowing the district to accelerate the construction timeline to equip our teachers and students with valuable teaching and learning resources at a time when we need them the most. To learn more about Measure K, visit the district web site at [www.upland.k12.ca.us](http://www.upland.k12.ca.us).

An innovative attendance recovery program at our junior high and high school campuses allows students who have missed school to attend instructional sessions on Saturday to receive standards-based instruction, while also generating state income that would have gone unclaimed. The district plans to recover \$200,000 annually in this win-win endeavor.

The district has also aggressively sought out grant resources to support innovative and worthwhile projects. The district will receive \$3 million in matching funds to build a much-needed gymnasium and classroom building at Upland High School. In addition, millions of dollars have been awarded through competitive grant applications for initiatives such as: Early Intervention for School Success to ensure a positive start for the district's youngest learners; Project Impact to expand professional development for Algebra I success; Health/Science program for secondary students interested in health-related career pathways and; Project Lead the Way to provide rigorous and relevant science and engineering courses at our secondary schools.

### **Determining our future**

As earlier mentioned, the district faces some major obstacles in the coming months, but perhaps the

toughest job will be to make sure that the *main thing stays the main thing* in Upland Schools. And our "main thing" is to sustain our district's vision, ensuring that each student will acquire and apply knowledge at a high level. UUSD has survived, and even thrived, through past fiscal downturns - and we will chart a safe course through this challenge as well.

The compass that guides the district's decision-making can be found in the Strategic Plan for Student Achievement. This blueprint for success, revised and updated by the Board each school year, can also be found by visiting the district web site.

### **Seeking public input**

There is much more to be discussed, of course, and we want to hear your ideas as we continue this process. Members of the public and staff are invited to send all questions, opinions and suggestions via email to: [budget@upland.k12.ca.us](mailto:budget@upland.k12.ca.us). Your message will receive a prompt reply, and each exchange will be shared with the Board of Education on a weekly basis. You are also invited to attend the Town Hall meetings or public board sessions that are listed on the front page of this newsletter.

If there is a glimmer of hope, it is that experts are predicting the state will experience a modest rebound within three years. In the meantime, our schools must continue to provide a safe haven where students can learn, grow, achieve and establish lifelong habits of the mind and heart.

These are extraordinary times with many challenges and distractions. Yet, it's important to remember that these are only temporary obstacles. What remains constant is our community's collective belief in the value of education and our resolve to do what's right for all students.