

***The Budget Crisis – A District Perspective***  
***Scott A. Lantsberger, Assistant Superintendent of Business Services***

**How Our Finances Have Evolved**

Over the last two years our school District's funding from the State has been reduced by 6.2 million dollars. The current cost of living index is negative, and the revenue limit deficit factor for school districts across the State is 18.355%, the highest in State history. Simply put, for every dollar that the State has promised to provide school districts, districts only receive 0.82 cents. In this fiscal year alone, our District saw its revenue limit funding from the State reduced by 4.2 million dollars which represents an 11.25% budget cut. However, because of the conservative budgeting philosophy of our School Board, changes in law that gave flexibility to shift internal funds, stimulus money and prudent budgeting practices by staff which limited discretionary spending to essential items only, few student programs or employees have been affected. While other districts have been forced to increase class sizes, lay-off scores of teachers and decimate educational programs, we have been able to keep reductions to a minimum.....until now.

Although the District has done a commendable job in managing the crisis to this point and mitigating the impact to students, staff, and the community, we realize that the federal stimulus funding is not on-going and the flexibility provided by the State is a short-term solution to a long-term problem. Unfortunately, in the coming fiscal year, starting July 1, the outlook at the State, and for us, is worse than in the past. We will definitely need to make deeper cuts. To maintain fiscal solvency, we must reduced our expenditures by 2.9 million dollars.

The Governor's budget proposal, presented at the beginning of January, continues to underfund educational programs. In addition, the State continues to defer their payments to the District by 25%, providing the District with roughly 0.62 cents on the dollar and creating significant cash flow challenges to pay our bills and our employees.

**How the District Will Manage This Crisis**

All districts in California are required to establish a model that shows their County Offices of Education that they can maintain a balanced budget for the coming year and two years out. We also use such a model to keep the Board informed on budget issues and to anticipate our revenues, expenditures and potential deficits over a three year period. This model has been presented to the Budget Advisory Committee to seek recommendations to make the necessary budget reductions that will keep us a solvent and healthy District. The Advisory Committee has been working since early January; I applaud their work and willingness to consider painful but necessary reductions. Their suggestions for reduction, along with additional recommendations by the superintendent, will be presented as an information item to the Board of Education at its scheduled meeting on February 11<sup>th</sup>. In order to meet statutory time lines, a vote for action on budget cuts to take effect next school year will be needed at the regularly scheduled Board of Education meeting on February 25<sup>th</sup>. This list of suggested budget cuts by the Budget Advisory Committee can be reviewed on the District's website located at:

[http://www.wusd.k12.ca.us/Departments/Business\\_Services/bac.html](http://www.wusd.k12.ca.us/Departments/Business_Services/bac.html)

Please know that the District administration and the Board of Education are sadly aware that program reductions will have an impact on our employees and the community. The Board of Education will continue to consider the needs of our students as the top priority and will work to keep reductions away from the classroom as much as possible. We are a strong school community and by taking action now, we can continue to provide a quality educational program for our students and a healthy work place for our employees.

*If you would like to comment on the information included in this editorial, please contact the Business Services department at [business.services@wusd.k12.ca.us](mailto:business.services@wusd.k12.ca.us) or by calling 916-375-7604x1011.*