

Friday, February 6, 2004

Yesterday I met with several parents for coffee and listened to their desire to know just what could they do to help with the schools' budget situation. I believe that parents are the most important partners the school district has in every aspect of the education of their students. In the course of the discussion I discovered that many are frustrated that they could not get answers to basic questions that have been raised at the public meetings. At the meetings the board does not interact with the public, just listens. I also realize that there are some items that are misunderstood. So here is my own list of "frequently asked questions/ comments". I have only addressed items that can have factual answers. This reflects the knowledge that I have from studying the problem closely over the last few years – it is colored by my experience and it may not be perfectly accurate in every detail. I hope that someone with new eyes to look at the problem may be able to suggest a solution that is workable. It is tearing me up emotionally to have to vote to make such horrific cuts to our already stripped budget.

Question/Comment. We need to make budget cuts of \$2.5 million this year, \$6.7 million the next, and \$10.5 million the following year. It just gets worse each year. Why bother to make the cuts.

Response. If we don't make the budget cuts of \$2.5 million for the 04/05 budget year, then the budget deficit continues on as stated above. The above projection assumes the district never enacts any budget cuts or takes any corrective action to control any rising costs as the fiscal advisor is telling us we must. These numbers came from the first interim report in December to answer the Alameda County Office of Education's requirement to forecast our budget three years to show whether or not we will be able to meet our budget obligations in the future. If we do make the \$2.5 million budget cuts this year, then the effect is to reduce the reserve's shortfall in the following years as follows (using budget numbers current as of Jan 14 – budget numbers change as funds flow in and out and updated information is entered):

04/05 the shortfall is erased, albeit with truly awful impact on the classroom
05/06 the shortfall drops from the first interim projection of \$6.7 down to \$1.7 million
06/07 the shortfall drops from the first interim projection of \$10.5 down to \$3 million

Making the deep budget cuts now dramatically improves the budget picture down the road. There are other items affecting the budget that could also improve the budget picture in future years. I hope that the public will unite to support a parcel tax that could take effect for the 05/06 school year. Contact Philomena Rambo (p.rambo@comcast.net) for more information on the parcel tax. I hope that the equalization funds that the governor has promised us do actually materialize this year-it would be an additional \$300,000 or so to the Livermore schools budget for the coming year. I hope the state's economy will continue to improve and that schools will be funded at the full Prop 98 level in future years. Additionally there are other variables that I will discuss at the end of this letter.

Question/Comment. Sell district property to solve the budget problem.

Response. Any proceeds that the district would realize from the sale of any property it owns would have to go into the capital facilities fund. Those moneys are not available to the general fund to pay salaries, or operating costs. They could not be used to keep a school open because the cost of keeping a school open is the cost of the salaries of the principal, secretary, and custodian and also utility bills and other operating costs. These funds may only be used to improve the state of facilities; for example, you could integrate improved technology into an existing building or you could build a new building or buy a new site. It is the general fund that we need to improve. Our contractual obligations to our employees are rising without our revenues rising to match; we have to prepare our budget assuming no cost of living increase from the state to the district's revenues.

Question/Comment. Other districts don't have the steep health care costs/increases. The district should look into better plans.

Response. This is a negotiated item. The district has put up a summary of where negotiations stand as of February 3 on its website. Last year a Health Care Cost Containment Committee made up of several unions' members and district administrators looked over several options without finding an improved alternative plan to agree upon.

Question/Comment. The city should help fund the school district. Schools are important to everyone in town.

Response. They already do. Over a million dollars annually in the schools' budget is relieved by the city. For example, they provide crossing guards, SRO's (police officer support at the high schools and middle schools), and fund most of the community liaison position. LARPD now takes care of the district's fields and lawns, reducing our gardening costs. Both the city and LARPD have worked very hard with the school district to find ways to help the schools, and I believe they want to continue to find more ways. Some of the obstacles to their being able to help are that there are very restrictive laws governing school finance that must be accommodated. Also, of course, these two entities have both had their budgets reduced by the State of CA to pay for schools already. From LARPD's website I quote:

“What is ERAF (Education Revenue Augmentation Fund)?

Beginning in 1992 the State of California began taking money from local districts, such as LARPD, to patch a deficit in its own budget. The state continues to do this today, despite the fact that it has been solvent for many years. (Despite its name, ERAF has nothing to do with money going to schools.) To date, LARPD has lost \$33.9 million (one-half of it's property taxes) in this manner. This affects every area of LARPD's operation.”

Of course the state of CA is not solvent today, which is a great deal of the problem for the school district.

Question/Comment. The district should just go bankrupt. The state would take over and do a better job. The union contracts would be null and void.

Response. In Oakland, the state has taken over the school district.

“The State Administrator may encourage all members of the school community to accept a fair share of the burden of the district's fiscal recovery.”

For a complete review of the roles and responsibilities of all the stakeholders (the Superintendent of Public Instruction Reassuming the Powers of the Board, the State Administrator, the Trustee, Alameda county office of Education, the State Controller, and the costs to the Oakland school district) visit the link

<http://www.alameda-coe.k12.ca.us/apps/page.asp?Q=1035>

Question/Comment. Cut administrators and management first.

Response. We have made steep reductions in management. The fiscal advisor, Jim O'Connor, assigned to us by the Alameda County Office of Education has said that we have cut management too deeply already in our desire to protect the classroom.

Question/Comment. The budget shortfall of \$2.5 million works out to \$180 a student. The district should just charge everyone \$180.

Response. The district is not allowed to charge tuition. Public education is free. Last year the Livermore Valley Education Foundation (LVEF) worked very hard on its “Dollar a Day” campaign (asking parents to donate \$180) and raised \$370,000. I am told 800 parents wrote checks of \$180 each, along with other parents donating other amounts. Businesses also made donations, as did representatives of every stakeholder group in the district: teachers, classified employees, administrators and board members. The district gratefully accepts donations. We cannot however count them in our budget until received.

Question/Comment. The school Board should fix the funding inequity problem, (equalization).

Response. The school board has no power over equalization. This is an issue for the state at large. Please visit LLEG's website: www.lleg.org

Question/Comment. Freeze pay to employees across the board.

Response: This is a negotiated item. Please refer to the negotiations update on the district's web page.

Question/comment. A parcel tax will not find favor if it is used to pay administrative costs.

Response. The parcel tax will be specifically targeted to the classroom and no administrators will receive salary increases as a result. Livermore would never approve a parcel tax unless this is so. The ballot language is the district's promise to the community

about how the money would be used, and a citizen oversight committee is very likely to be part of that promise.

Question/comment. The superintendent's salary is too high.

Response. The superintendent and the deputy superintendent each voluntarily donated 3% of their salaries back to the district this year. Board members receive a stipend of \$400 per month. All have donated to LVEF's dollar a day campaign.

Question/comment. The No Child left Behind act gives parents the right to move their child from a low performing school to a higher performing school.

Response. The district has no low performing schools per the No Child left Behind Act. Other current law does require that the district give parents the choice to attend a school other than their neighborhood school if spots are available. This is called open enrollment. All of our schools are open enrollment schools, and parents are able to sign up during open enrollment each spring for the opportunity for their child to attend a school outside their neighborhood if space is available.

Extra discussion:

Every year, school districts must plan their budgets without knowing what revenues they will receive from the state of CA until far after the time at which they are legally required to submit a budget. All certificated employees (teachers and administrators) must be notified by March 15 if their jobs are at jeopardy (hence the process we are now engaged in.) However, the deadline for acting on the budget cuts – following through with the layoffs – is not until May. By May we will know a little more about the state's budget crisis – did the governor's \$15 billion bond measure find favor? Will schools receive a COLA? Has some community group (I know they are working very hard) succeeded in raising money to save school programs? Will the governor and the legislature agree to shift categorical funds to the general fund? What will the fiscal Advisor and the County office of education require of the district? These are all unanswered questions.

If you've read this far and you'd like me to address more basic information items, please let me know. I appreciate how much each of you cares about Livermore students' education.

Rebecca Hudson