



Roseville Joint Union High School District
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TONY MONETTI, SUPERINTENDENT

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TO: RJUHSD Community
DATE: March 5, 2008
SUBJECT: **STATE OF THE BUDGET**

I know many of you are following the situation with the State budget and are probably wondering what it means to the Roseville Joint Union High School District (RJUHSD). Here is what we know about the State budget and its impact on our district.

In January the Governor proposed reductions to the education budget for both the current year and next year. For the current school year, Prop 98, education's primary funding mechanism, is over-funded. Prop 98 funding was based on anticipated revenues that are now significantly lower than projected. To resolve the difference, the governor has proposed and the legislature has approved a .5% mid-year cut. It is believed that this reduction can be funded from unspent state dollars and will not result in a direct impact on our district's current year budget.

Of more concern is the governor's proposal for the 08-09 school year:

- Suspend Prop 98
 - Not fund the statutory 4.94% COLA
 - Further reduce our funding per student by \$160.00
 - Reduce State categorical program funding by 6.5%
- **What does this mean for RJUHSD?** We do not need to trim the current year district budget by the \$288,000 (.5%) we originally anticipated. This amount can be applied to future year savings. If nothing changes in the Governor's proposed cuts, next year's (08-09) budget must be reduced by \$5,500,000. This district has always maintained a prudent reserve for "rainy days." The magnitude of these proposed cuts are far beyond the capacity of our available reserves. A large part of the reserve is restricted to special accounts and the portion that is available will help, but once it is spent, it is gone. Reserves can account for approximately \$2.2 million of the total reduction for next year and the remaining \$3.3 million will come from budget reductions.
 - **Will the governor's proposal happen as stated?** Maybe yes, maybe no. It is too early to tell how the politics will play out. The Legislative Analyst's Office (LAO) recently offered an alternative proposal that would significantly reduce cuts in school spending. However, the LAO operates in an advisory role and the Governor's proposal still stands. Do we have to include the governor's numbers in our budget? Yes. Could it change for the better or worse in the next months? Yes. We will know more as the State budget process progresses and the Governor issues his "May revise", an adjusted proposal for state funding.
 - **Where are we with our budget planning right now?** We are not issuing budget related layoff notices to any staff. We will account for any necessary staff reductions through attrition or absorption into preplanned positions. We are in the process of identifying reductions in our budget that will be applied over the next three years, the term we must address for a positive County certification. No definitive decisions on specific reductions have been made at this point. We continue to investigate and adjust our projections as new information becomes available.

This is a great district with great people! We've been through tough budget years before, and though the proposed budget is the harshest we've seen, we will get through this one. As the economy and housing market improves, so will our financial situation. Our people are our greatest resource! As we move through the months ahead, difficult decisions will be made. We will do everything we can to minimize the impact on our students and staff.

Sincerely,

Tony Monetti

Superintendent, RJUHSD