

Poway Unified School District

Donald A. Phillips, Ed. D., Superintendent

Dated: November 11, 2009

RE: Important PUSD Budget Information

Dear Parents,

As you know by now, the deep nationwide economic recession has affected California more than most other states and has had a dramatic negative impact upon funding for kindergarten through 12th grade education. Additionally, though state revenues for the Poway Unified School District have declined in recent years, the needs of our students and our commitment to ensure their college readiness remain high. Our students' education must remain our highest priority – whether a first grader learning to read, or a senior in high school in advanced placement courses.

For the 2008-09 and the current 2009-10 school years, Poway Unified has been faced with budget shortfalls totaling approximately \$48 million. To keep our district fiscally solvent, we have made spending reductions totaling over \$22 million, resulting in deep cuts to personnel and programs. In addition to these spending reductions, we have applied one-time federal stimulus funds to balance the general fund, implemented state-approved flexibility transfers of categorical funding, and utilized voluntary salary rollbacks of 2.7% from most district staff members to address the remaining \$26 million budget shortfall. These strategies have allowed us to minimize class size increases through the retention of teaching positions, maintain programs for students, and retain many support staff positions.

Looking ahead, Poway Unified is anticipating a budget shortfall of approximately \$17 million for the 2010-11 school year. This is based upon the optimistic assumption of no new cuts to K-12 education at the state level. While no such cuts have been announced by the state, it is likely they will occur, given that the state tax revenues are already falling \$5 to 7\$ billion behind the updated projections for the current fiscal year. This \$17 million in possible cuts also assumes the District will not receive a second allocation of federal stimulus dollars, which could be as much as \$2 million (in one-time funds).

The Governor will release his state budget proposal in January 2010, after which we will be able to refine our projections of future funding and the scope and parameters of our budget challenge. We will begin the process of building our 2010-11 budget in late January and early February and continue working on this challenge through June 2010. We find ourselves having fewer and fewer options for reductions that will not impact the services our teachers and support staff provide to students. Our programs for students and the staffing levels that have survived the last two years of cuts are the highest priorities in the budget. In effect, we will need to choose among many undesirable options to meet our financial obligations.

Preserving a strong educational program with our shrinking resources continues to be the first commitment of the Board of Education. I know our entire staff will continue to provide the best education possible for students within these constraints.

We will keep you updated as we learn more from the state and as options are explored to close the budget gap.

Sincerely,
Donald A. Phillips, Ed. D
Superintendent