

April 9, 2009

### **Board Study Session Update**

Last night the Board of Trustees held a Board Study Session to discuss the District's budget. Prior to the Board Study Session, Mr. Mike Casey, MCOE Consultant, and Tu My Vuong, Director of Fiscal Services met with several representatives from school sites to provide them with an update on the District's budget as well. The District will continue to keep employees informed, and we encourage your questions.

In addition to providing information during these challenging times, getting information to plan is critically important. I would like thank our employees who have submitted timely notification that they will retire at the end of the 2008-2009 school year. The information has assisted us in our plans for staffing in the 2009-2010 school year. As a result of these retirements, the implementation of hiring freezes (except mission critical positions), the reduction of expenditures, and the maximizing use of allowable categorical dollars, the Board took action to rescind the certificated layoff of 14.4 FTE at last night's Board Study Session.

There is still much work ahead of us. When the governor signed the February 2009 budget, school districts were given flexibility to use certain categorical funds to reduce projected deficits. The District's plan is to maximize categorical funds allowed under the State's Tiered Program to address our multi-year projected deficits which are as a result of the economy, the District's declining enrollment, and no COLA.

We have received preliminary information on the federal stimulus funds, the American Reinvestment and Recovery Act (ARRA). The Title 1 funds to be released are highly restricted and the same requirements under Title 1 still apply. The Special Education Funds (IDEA) may be 50% restricted and 50% flexible which may possibly be used to offset the special education encroachment on the general funds. However, further clarification as to what we can and cannot use the funds for is needed and will be forthcoming from the federal government. The third funding source under the ARRA is the Fiscal Stabilization Funds which there is limited information available at this time.

Details continue to emerge regarding funding. We can anticipate additional information regarding the State's budget plans pending the May Special Election and the May revision to the budget which will be announced in June.

Our continued efforts have resulted in progress in addressing our projected deficits. I am confident that our commitment to meet the challenges together will see us through these unprecedented times.

Lois J. Nash, Ed. D.  
Superintendent