



ORANGE UNIFIED SCHOOL DISTRICT

Education Center

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January 23, 2009

To: Orange Unified School District Staff

From: Renae Dreier, Ed.D., Superintendent of Schools *RDR*

Re: Budget Crisis Communication

We have been reading about the decline of the economy and its impact on California school budgets for months. Public school employees, parents and community members are concerned about how the state's budget crisis will affect schools now and in the coming years. The purpose of this memo, and others to follow, is to provide you with up-to-date information about Orange Unified School District's budget situation.

By now, the state's predicted revenue shortfall has risen to \$41.6 billion through June 2010. The legislature is currently in its second special session and there is no resolution in sight at this time. School districts have been advised by School Services of California to plan for the 2009-2010 budget using the Governor's January budget proposal. Based on what we know at this time, OUSD's estimated impact will be a shortfall of at least \$10.2 million for next year in addition to \$8.6 million in midyear budget cuts for the current year. If the Governor is successful in reducing the school year by five days, the District will have to cut an additional \$4.3 million for next year.

We have already taken a number of steps to prepare for this crisis. The Fiscal Crisis and Management Assistance Team (FCMAT) was brought in to provide the District with a fiscal health analysis which will be delivered to the District in March. There is a hiring freeze and categorical spending freeze in place. Out-of-state travel was cut and in-state travel and conferences significantly reduced. Administrators have been asked to scrutinize their budgets for any cost savings and efficiencies.

Good communication is always important for a healthy organization. At times such as these, communication is essential. Over the next few days a number of documents will be posted on the District website at www.orangeusd.k12.ca.us/budget/budget_update.asp to provide you and our community with answers to questions about how OUSD will be dealing with this situation. Frequently Asked Questions will be updated regularly and employee suggestions for budget reductions will be included. Please remember that these are suggestions and no decisions have been made. My staff and I have been carefully studying the state budget crisis over the past months. We will be developing potential budget reductions utilizing some of the suggestions. Those reductions will be presented to the Board for review during work study sessions and board meetings. Please take time to review the website regularly to check for newly posted information.

Thank you for your patience, your thoughts, and all that you do on behalf of the children of our community.