

CASTRO VALLEY UNIFIED SCHOOL DISTRICT

Budget Forum – Questions and Answers

The following questions were submitted at one or more of the budget meetings on September 24 & 30, 2009. The questions have been edited into a standard format while retaining the intent of the question. The answers reflect both the response provided at the meetings plus additional pertinent information. Making decisions between equally valuable programs will be one of the greatest challenges in balancing the 2010-2011 budget. The value of any program is based on the perception of each individual and his or her relationship to the program. There will be no easy answers in balancing the budget this year.

As noted at the Budget Meetings, the budget numbers from the state constantly change. In fact, the week after the Public Forum, the state announced that its revenue for the first quarter was \$1 billion below projection and that the state budget could end up \$7.5 billion below projection by June. There has been no discussion regarding the impact of the projected deficits on the K-12 education budget. Once again, it will be a wait-and-see game as the state budget numbers change.

PROGRAM ISSUES

1. Could you explain the K-3 class size costs, penalties, etc?

- The district receives \$1,071 per student for each Kindergarten through 3rd grade student in a class with an average size of 20.44 or less under the Class Size Reduction (CSR) program. The state has recently adopted a graduated penalty schedule (below) for districts facing the necessity to increase class sizes. Prior to the graduated schedule, school districts lost 100% of CSR funding when the average class size exceeded 21.9.

Class-Size Reduction Graduated Penalties	
Class Size	2008-09 to 2012-13
Up to 20.44	No penalty
20.45 to 21.44	5% penalty
21.45 to 22.44	10% penalty
22.45 to 22.94	15% penalty
22.95 to 24.94	20% penalty
24.95 or more	30% penalty

- Last spring when the district was considering budget cuts, the graduated CSR penalties were not in effect. At that time, increasing class size to 24:1 saved approximately \$300,000. Under the new graduated penalties, the saving could be approximately \$500,000.
2. **Comment: If class size increases due to budget issues, the district should try keeping K and 1st as low as possible.**
- While the penalties for class size have been reduced, the Ed Code still requires the district to implement CSR in the following order: 1st, 2nd, and then either K or 3rd.
3. **Other districts are considering dropping advanced/honors classes and Advanced Placement (AP) classes. Is the district considering dropping AP Chemistry, AP Physics, and/or AP Anatomy and Physiology?**
- The district and schools determine which classes to offer based on student enrollment in a course and the availability of a teacher. AP classes play an important role in a student's admission to a high quality college or university, and can reduce the cost of a college education if a student earns college credit for an AP course.

- Dropping AP and advanced/honors classes may not reduce staffing since the students would enroll in another class that requires staffing.
- A possible savings would be the cost of textbooks and other instructional materials, but the academic opportunities available to students would be reduced.
- The decision to add or drop AP and advanced/honors classes is considered in terms of the overall academic program, staffing, and program costs.
- At the present time, new AP classes will not be added due to the startup costs of textbooks, instructional materials, and professional development.

4. What are the odds that the district will keep the science specialist program in 4th & 5th grade next year? Will preps/prep teachers be a possible reduction?

- I am not a betting person, but in order to have a fair and open discussion of the budget options, everything needs to be on the table for the initial discussions.
- The Board will make the final decisions regarding the budget and the Board has the right to take any item off the budget reduction list at any time.
- Currently, the 4th & 5th grade science program serves two purposes: (1) to educate and enrich students' science experience and (2) to provide one of the prep periods for upper elementary teachers. Both of these services will be taken into consideration as part of the budget discussion. The science program has been a very valuable program, the bond paid for science rooms at the elementary schools, and elementary science scores on STAR have been increasing. These factors will be taken into consideration as the Board makes budget decisions.
- Staffing at all levels will be considered as part of the budget discussions.

5. Could STAR testing be cancelled to save money?

- The STAR assessment system is operated at a state level by the California Department of Education (CDE) and is part of the educational accountability requirements of the federal government under the No Child Left Behind (NCLB) legislation. The district is legally mandated to follow the assessment requirements mandated by the CDE and the federal government.
- The district is partially reimbursed by the state for the STAR assessment materials costs.
- The CDE has eliminated the 4th grade writing prompt as a means to save money.
- The STAR assessments provide valuable student achievement information for staff, parents, and students. The STAR results are also a measure of how well a school is meeting academic needs of students.
- The value of the assessments far outweighs the minimal savings we would incur by eliminating the tests. Regardless, the tests are mandated by the state and federal government, and will continue to be administered to all public school students in the State of California.

6. Why is the District still piloting English-language Arts (ELA) materials? Will there be any money to purchase new textbooks/instructional materials?

- The district is currently piloting ELA materials for grades K-8 to determine the series that the district will ultimately adopt on the normal state seven-year adoption cycle. Due to the current budgetary situation, the state has suspended the requirement to adopt instructional materials until the 2013-2014 school year.
- Despite the suspension of the state adoption cycle, the District must still legally comply with the *Williams Sufficiency Requirements*, which mandates that every student must have his or her own set of instructional materials. Some of the district's currently adopted materials are no longer available and the district might not be able to meet the *Williams Sufficiency Requirements* in future years which would require the purchase of instructional materials.

- The state continues to provide instructional materials funds (IMF), but at a reduced rate. Additionally, the state now allows the instructional material funds to be used for any “educational purpose” under Tier III funding options. Even in good budget years IMF funding does not fully cover the cost of purchasing instructional materials.
- Since instructional materials funding is now in Tier III, there will be a fair and open discussion regarding the decision to purchase new ELA as part of the overall discussion of budget reductions.
- The cost of the necessary professional development (e.g., training, planning time, implementation time) that accompanies any new adoption will also be part of the budget discussion.
- The state has suspended the adoption cycle only until 2013-2014, but the legal requirement to provide every student with instructional materials has not been suspended.

7. Comment: We should not adopt new books for five years.

- See the response to Question #6.

8. Can school year end up being shortened? If so, would teachers’ pay be adjusted accordingly?

- Both the school year calendar and the salary schedule are subject to collective bargaining with the teachers’ association, Castro Valley Teachers Association (CVTA).
- The 180-day school year is established by the Education Code. In theory, legislation could be passed to shorten the academic year from its current 180 days to a lower number of days. (Last year, the Governor supported legislation to shorten the academic year to 175 days.) The state cannot unilaterally impose a shorter year on a district or a reduction of salary since these changes are subject to collective bargaining.
- Since the collective bargaining agreement is signed for the 2009-2010 school year, both the district and CVTA would have to agree to re-open the collective bargaining agreement and agree to any changes.
- Any change to the academic calendar and salaries would have to be negotiated for the 2010-2011 academic year.
- Some districts are considering reducing the number of teacher work days or staff development days. (Teachers in Castro Valley teach 180 days and have 5 staff development/work days for a 185-day work year.) Again, any change is subject to negotiations.

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9. Will the District close any schools?

- Presently, there are no discussions to close a school. Closing a school normally requires a lead time of 12-18 months to logically go through all of the necessary discussion and steps to close.
- All of the K-5 schools are near or at capacity. Closing a school would more than likely require placing portable classrooms at sites, which would reduce playground space. The cost of the portables will offset some of the savings.
- A common assumption is that if a school were closed, it would be Palomares due to its small enrollment. However, the District researched closing Palomares a number of years ago and concluded that if the site were not used as a school, the land would revert to the previous owner.
- If the district were to stop taking inter-district transfers, enrollment would probably drop enough to close an elementary school, but the loss of revenue from the student enrollment may not equal the cost savings of closing a school. No discussion or study of closing a school has taken place at this time.

BUDGET ISSUES

10. **When the Board adopts the budget, it is required by law to maintain at least a 3% reserve. Where is \$2.1 million reserve in the \$76 million dollar budget?**
- The district is legally required to maintain at least a 3% reserve as well as show that it can balance the budget for the current and two future fiscal years.
 - The legally required reserve (i.e., Designated for Economic Uncertainties = \$2,297,425) is shown on page 20 of the "2009-2010 User Friendly Budget" on the District website, <http://www.cv.k12.ca.us/our-district/budget-updates/2009-10-adopted-user-friendly-budget>.
 - The table on page 20 shows both the restricted and unrestricted ending balances for the 2008-2009 fiscal year. After the district closed the books on the 2008-2009 fiscal year, the state reduced the 2008-2009 revenue limit by \$252 per student, which will be applied in 2009-2010.
11. **How much revenue does the District receive for inter-district transfer students?**
- The district receives the same amount of revenue, approximately \$5,000 per student for both resident and inter-district students.
 - The \$5,000 per student is approximately \$600 less per student than what the District received in the 2006-2007 fiscal year. While revenue has declined, operating expenses have increased.
 - The state makes no distinction between resident and inter-district students for funding purposes.
 - There are approximately 500 inter-district students in the district for the 2009-2010 school year. If all of these students were denied transfers, the district would lose approximately \$2,500,000 in state revenue, but the reduction of teachers would save approximately \$1,250,000 resulting in a net loss of \$1,250,000 to the district, which would lead to further program and personnel cuts.
12. **The State of California is delaying its payment to the district by four months, which equals \$12 million based on an average payment of \$3 million per month. Can the district bill the state for the interest or the added cost of borrowing the money?**
- No. The state is addressing its cash flow issues by passing the problem on to schools and other public agencies.
 - The district does not believe that it can defer payments, especially to employees, like the state can.
 - The district does not collect interest on the deferrals, unless a court orders the state to pay, and the district cannot bill the state for the cost of borrowing funds to meet its financial obligations.
13. **What will be the added cost of borrowing money to cover the district's cash flow issues?**
- The cost to borrow money to meet the district's cash flow is unknown at this time since the cost is determined by the short-term rates at the time the district borrows the funds. The district will do everything possible to minimize the cost of borrowing.
 - In the ideal situation, the interest the district earns on the borrowed funds will be equal to the cost of borrowing, since the district will not expend all of the borrowed funding at one time.
14. **The state is holding back school district revenue and most likely will earn some interest on the deferred revenue? Could that interest be given to the schools?**
- The state is using the deferrals to address its budgetary and cash flow issues. The state is probably not earning interest on the deferrals to school districts. Rather, the state is avoiding interest costs by not borrowing the money it needs to make the necessary payments to school districts.
 - The state is not likely to reimburse school districts for costs associated with the problems created by its deferrals.
15. **If the state allows the district to use transportation funds any way the district wants, would the district then eliminate or reduce bussing? Will bussing be on the chopping block again?**

- In an effort to provide school districts with flexibility with how they deal with the budget crisis, the state has given districts full discretion regarding the use of some categorical programs, including transportation. This flexibility is often referred to as "Tier III flexibility."
- The district has not yet made a decision on how it will use funding that was formerly restricted for transportation.

16. Why is the District no longer considering a parcel tax?

- The Board of Education has not discussed a parcel tax since the superintendent started on July 1, 2009.
- No decision has been made to hold or not hold a parcel. The article in the *Forum* indicating that the district was considering a parcel tax in November 2009 was incorrect and later corrected.
- The earliest date the district could hold a parcel tax election is March 2010, which would require a Board resolution by the first week of December 2009. December is too early for a decision since the district has not conducted a poll to determine the level of community support. Additionally, there is not a campaign committee in place to conduct an election campaign.
- After the March election date, June 2010 is the next logical date since it is a general election, which is the least costly election for the district. (The district pays for the cost of the election, but not the campaign.), although there are mail only elections in April and May.
- June 2010 is the last election that would generate revenue for the 2010-2011 fiscal year.
- Note: If the district decided to place a parcel on the March or June ballot, the district would still have to proceed with layoffs due to the March 15th deadline and the time it takes to prepare the legal documents for a Particular Kind of Service (PKS) layoff. The layoffs could also be rescinded later if a parcel tax is passed.

17. Could the district migrate computer operating systems from MS Windows to Linux to reduce basic software costs?

- The Linux operating system does cost less than MS Windows; however, numerous applications that are used by our schools are not available in open source format (e.g., Linux).
- The district uses Linux in limited server applications and will continue to evaluate open source options.

18. What role do you see the various foundations that are raising funds playing? Do you anticipate that they can make a difference in the district decision making? Do you see local fundraising efforts (e.g. CVEF, CVAF, SOSCVI) having any significant impact on revenues?

- The district is blessed to have parent and community organizations dedicated to supporting the education of our students. These groups include the Castro Valley Educational Foundation (CVEF), the Castro Valley Arts Foundation (CVAF), the Castro Valley Sports Foundation (CVSF), the Castro Valley Music Parents Society (CVMPS), and Save Our Schools Castro Valley! (SOSCVI).
- While these organizations raise funds to support programs, students, and staff, they are not currently raising the amount of money needed to offset the reduction of state funding (\$4.1 million in 2009-2010 and \$3.1 million projected in 2010-2011). Their support helps, but it does not come close to covering the reduction of state funding.
- Funding from these foundations and organizations do help support programs in ways the District's general fund cannot.

19. Why should I donate to one of the foundations instead of my local parent club where I could have more say about how the funds are spent?

- Parent clubs play an important role in supporting site specific programs. However, parent clubs cannot fund district-wide programs that have been eliminated in budget cuts. A good example is the 4th grade instrumental music which was cut last spring. No one school can re-instate the program unless the program is re-instated across the district. A foundation could provide the approximately \$80,000-90,000 needed for this program, but an individual parent club is not likely to fund a district-wide program.

PERSONNEL ISSUES

20. Why has the district created new positions at the District Office, like the literacy person/coach? Is this position necessary? Why are there new positions in these times?

- There are no new positions at the district level for the 2009-2010 fiscal year. The District eliminated the following positions:
 - .50 FTE position in elementary curriculum
 - .50 FTE in secondary curriculum
 - .25 FTE TVTIP Coordinator
 - .50 FTE elementary principal position
 - 1.0 FTE Child Nutritional Services Manager
 - 1.0 FTE Facilities Manager
- The Title I, Part A funds made available under the ARRA federal stimulus funding are meant to “provide an unprecedented opportunity for educators to implement innovative strategies to improve education for academically at-risk students and to close the achievement gap in Title I schools while stimulating the economy.” In Castro Valley, the Title I funds were used to create and implement a Response to Intervention (RTI) structure. Each of the Title I schools (i.e., Castro Valley Elementary, Marshall, Stanton) has a full-time RTI specialist that is working with staff to provide intervention for K-5 students.
- The ARRA funding included funding for IDEA (special education) that was used to create one-year, part-time positions at each of the six non-Title I elementary schools to help staff setup an RTI structure for grades K-2. The funds are one-time funds that have accountability requirements that include the creation of systems and structures to ultimately reduce the number of students entering special education by using universal screening, early identification, and intervention for those students who have difficulties with literacy skills.
- The federal stimulus money has allowed the district to provide interventions for students district-wide. Given that the district eliminated the Reading Specialist positions for this fiscal year, the stimulus money has allowed the creation of programs that fall within the guidelines of the ARRA funding and allow the district to temporarily maintain teacher positions.

21. If temporary teachers “are not hired back,” will they appear in proposed budget cuts in the future?

- Since temporary teachers are teachers who are replacing a teacher on leave (e.g., maternity, medical) or, in some cases, categorically funded positions, they are automatically released each year and do not show as a layoff, which is called a Particular Kind of Service (PKS) layoff.
- Positions, not people, are listed on the budget reduction list (e.g., three English teachers, one music teacher). If the permanent position is eliminated, and the position is held by a temporary teacher, the temporary teacher would not be listed as a PKS layoff. The reductions would be addressed by releasing, or not rehiring, a temporary teacher.
- The same rationale holds for temporary positions funded by categorical programs.

22. **Could the district institute a graduated furlough plan to reduce layoffs, particularly of teachers, similar to that of University of California?**
- The district can explore the possibility of a graduated furlough and salary reductions. However, this type of plan must be negotiated with the bargaining units (CVTA and CSEA). A vote of the membership would be required for any type of reduction.
23. **Could there be a better use of parent volunteers at the high school? It seems that a lot of adults I know want to volunteer, but don't know how. What prevents use of parents as volunteers in the CVHS library, café, student union, classrooms, maintenance, landscaping, supervision, etc.? There are thousands of CVHS parents. A few hours from each parent who could volunteer would make a huge difference.**
- If a classified or certificated position is eliminated due to a layoff, neither the work nor the position can be replaced by volunteers or individuals in another collective bargaining unit based on the Labor Code, the Education Code, the collective bargaining agreements, and case law.
 - Parent volunteers are still welcome to assist staff in the same manner that they had prior to reductions.
 - At CVHS, parents should contact the parent club or school office regarding opportunities to volunteer.
24. **How will employees be paid during the months the state does not pay the district?**
- There will be no change in how employees are paid. The District cannot issue IOUs like the State of California.
 - The District will borrow funds to address the cash flow issue.

PUBLIC FORUMS/INPUT/FEEDBACK

25. **Why did the District not use phone messaging to inform parents of this meeting?**
- Information regarding the Public Forum was distributed to each school which posted it on a bulletin board and/or included it in parent newsletter. The Superintendent's Newsletter also contained information about the Public Forum and both the *Daily Review* and the *Forum* carried stories. Community organizations also distributed information to their members.
 - I prefer to reserve the use of the auto-dialer for emergency usage and not use it for routine information.
 - I will look at ways to better promote the meetings in the future. (Note: The next Public Forum is tentatively scheduled for the week of November 16. Please check the District web page for details.)
26. **How do I give the district feedback on which programs I value the most? How should we gather information from parents at individual schools regarding which programs parents value? Are there district-wide ways to gather information?**
- There will be additional Public Forums to solicit input from parents and staff. The next one is tentatively scheduled for the week of November.
 - The superintendent and a Board member will be visiting each parent club by the end of January. Parents can provide input at those meetings.
 - The superintendent and one Board member meet monthly with the parent club and foundation presidents. Provide these individuals with input to bring to the meetings.
 - The District administration will develop proposals for the Board of Education to consider at Board meetings and study sessions.
 - Email ideas to the superintendent at jnegri@cv.k12.ca.us.

27. Why do you think there are so few people present at this forum (evening of September 30)?
How can we encourage more people to attend the forums?

- The Board and district staff did an excellent job last spring explaining the budget cuts that were made.
- There has been no significant change to the budget since last spring. The state budget situation is relatively calm compared to last spring and summer. There is not a sense of urgency or anxiety at this time.
- No specific programs have been identified as possible budget cuts.
- As the district develops more specific proposals for budget cuts, people will attend the meetings.
- Information regarding the Public Forums will be more widely distributed. (Sign up for the Superintendent's Newsletter to keep informed.)

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These answers have been provided by

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based on information currently available.

Continue to check the District website, www.cv.k12.ca.us
and subscribe to the Superintendent's Newsletter for updated information.