

Konocti Unified approves \$27.2 million budget

Contributed by Elizabeth Larson
Tuesday, 30 June 2009

LOWER LAKE ‐ With Gov. Arnold Schwarzenegger issuing ominous warnings hours before that he intended to veto any budget that increases taxes or takes a “piecemeal” approach to solving the state's budget crisis, Konocti Unified School District trustees spent Monday evening hammering out a final budget for the 2009-10 fiscal year.

After three hours and 15 minutes of discussion, which included going through a list of contingency items and making choices to reach an additional \$1.9 million in savings, the board voted unanimously to accept the proposed budget.

For board members and district administrators, the challenges were many ‐ chiefly, that funds for education are dwindling.

The district's 2009-10 budget is \$27.2 million, down 3.4 percent from the \$28.1 million budgeted for the previous budget year.

But they were also tasked with accepting the district's budget when the state budget ‐ on which so much depends for local school districts ‐ isn't itself in a final form, and doesn't appear to be nearing finality for some time.

Although the state Legislature is due to present a budget document Tuesday, Schwarzenegger was adamant that any budget that didn't have the state living within its means would die on his desk.

“We do not have time for any more floor drills or partial solutions,” he said in a Monday statement. “It's time for the legislature to send me a budget that solves our entire deficit without raising taxes.”

But districts must have their budgets done in time for the beginning of the new fiscal year, which arrives this Wednesday, July 1.

“We need to adopt a budget tonight even though we don't have very good role models at the state,” said Laurie Altic, Konocti Unified's business manager.

The half-inch-thick budget document that Altic presented to the district board was the results of months of work and weeks of fine tuning, with new information coming in daily ‐ even hourly, she said.

What board members had before them Monday represented the information they had as of Saturday night, when Altic finished recalculations based on a packet of information from the state that was delivered last Thursday.

“It has been the most difficult budget year that I've ever faced,” she said.

Altic said she kept the district's goals ‐ established at Jan. 24 workshop ‐ on the wall in her office as she crafted the document. Those goals include intervention, safety, class size reduction and classroom personnel.

Board members emphasized Monday that they wanted to keep cuts as far away from classrooms as possible.

The budget they accepted is based on the governor's May revise. Board Clerk Anita Gordon asked if that was the worst case scenario.

“Absolutely,” replied Superintendent Dr. Bill MacDougall.

Under the governor's May revise, the district is looking at a 65-percent reduction ‐ or \$568,000 ‐ in home to school transportation funds. If the Legislature's current proposal were to survive the threatened veto, close to \$300,000 would be added back to those funds, Altic said.

Legislative proposals for schools also include a five-day reduction to the school year and suspending the California High School Exit Exam, which students must pass before graduating. . The district's projected deficit spending in the 2009-10 fiscal year “is the most pronounced suffered by the district,” with expenditures and transfers exceeding income by \$1.4 million, Altic wrote in the introduction to the budget.

Konocti Unified is getting some help from Stabilization and and Special Education funding supplied through the federal stimulus, Altic explained.

Those funds are included in the \$2.9 million positive ending balance for 2008-09, which will be carried forward to balance the coming year's budget, projected to have an ending balance of \$1.5 million ‐ most of which will be stimulus money, according to Altic's budget analysis.

Altic said the state also requires the district to keep a 3-percent “reserve for economic uncertainty” ‐ which in this case totals approximately \$832,495.

Under the Legislature's proposed budget, school districts would be able to operate with only a 1-percent reserve for the 2009-10 and 2010-11 budget years.

However, Altic emphasized to the board that once that money is spent, it's gone, and the state will require them to provide a strategy for recovering that 3-percent reserve. If no new revenues are coming into the district, Altic said it would require further cuts ahead to rebuild the fund.

That money, she added, also serves as an important cushion for the district.

The silver lining for the district is that they've been able to hire back all but two of the 53 teachers who received layoff notices in March, said MacDougall. They also have given notices of release to eight administrators, and hired back seven.

In addition, MacDougall said they realized a savings of \$522,000 with the closure of Oak Hill Middle School, approved by the board in March.

On Monday at 4 p.m., the portable buildings that housed Highlands High School at the district offices left to be transported to the district's elementary schools, where MacDougall said they'll be used to work with children with greater educational needs.

Meantime, Highlands High School will be moved to Oak Hill, where a number of other alternative education and social programs will be housed, MacDougall said.

Board members requested that MacDougall place a discussion on an upcoming meeting agenda to look at consolidation. Trustees Gordon, Hank Montgomery and Carolynn Jarrett all said that they've been talking about service consolidations for a long time, and the time has come to do something.

Jarrett also questioned why consolidation didn't play a bigger part in the budget itself.

They're planning to have a discussion and direct MacDougall to bring back recommendations at a later date.

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