



El Monte Union High School District

EVERY STUDENT, EVERY MINUTE, EVERY DAY

Dear El Monte Union Parents, Guardians, Employees, and Community Members:

In El Monte, in our state, and across our country, people are struggling to cope with the ongoing economic crisis. Like all of you, our school District faces severe financial challenges as a result of this economic downturn. I am providing you with an update on our 2011-2012 projected budget.

To begin, we are fortunate that we have planned ahead, been conservative fiscally, and have been proactive in putting things in place to avoid layoffs and furlough days. That said, California's economic condition remains unstable, and predictions range from 3-5 years for a complete recovery. Our state is currently facing a \$25+ billion deficit. Governor Brown proposes to close the deficit via a combination of budget cuts (about \$12 billion) and tax extensions that would raise close to \$14 billion. The legislature is soon scheduled to vote on whether to place these temporary tax extensions on the June ballot.

If legislators do not place these tax extensions on the ballot, or if voters do not approve the extensions, public education will lose, at minimum, an additional \$2.3 billion. This would equate to additional cuts to our District alone of at least \$3.5 million annually. This would be on top of the \$1.4 million we must already cut due to the past four years of State funding reductions. Since 2007-2008, the El Monte Union High School District has already cut \$8.8 million. To date, we have dealt with the \$8.8 million in lost revenues by reducing our expenditures via hiring freezes, early retirement incentives, reductions in purchases of new textbooks, transportation, summer school, maintenance and operations, supplies, and some employee layoffs (2008-2009).

To avoid layoffs and furlough days, we have been utilizing reserves and one-time federal stimulus dollars to fill the gaps left by state funding cuts. As a result, our District will not have reserves above the State-required 3% after 2012-2013. Like you, we are also experiencing cost increases due to higher consumer prices (electricity, gasoline, etc.). We also face further losses in State funding due to declining student enrollment.

If the tax extension fails to materialize, we must cut a minimum of \$3.5 million more from our budget. If it does pass, we still must cut a minimum of \$1.4 million. To be fiscally responsible, we must plan for the worst case scenario. With over 80% of our budget allocated to personnel costs, we may be forced to look at layoffs for the 2012-2013 school year.

These are not easy things to contemplate. Although the financial outlook is bleak, our dedicated Board members and employees continue their focus and dedication on student success. Our latest student achievement data prove this to be true. During the past five years, our high schools have placed in the top six in Academic Performance Index growth as compared to 72 high schools in this area. Although we have been forced into substantial budget cuts since 2007, our District and students have risen to the occasion. Our schools continue to grow and improve, and our students benefit from a highly competent, dedicated, and collegial team of classified and certificated staff members. Our staff is passionate about preparing our growth for a bright future, and student achievement remains our highest priority. Although we have the personnel, systems, and structures in place to sustain our upward trend of academic improvements and success, we will, however, need sufficient resources to sustain these efforts over the long term. Further state funding cuts will jeopardize this work. The future of our District, public education, students, society, and community are now in the hands of our public representatives in Sacramento, and those citizens who seek to make their views known to them.

We will continue to provide you with more updates and news as this situation unfolds in our State's capitol.

Nick Salerno

Superintendent

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