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Superintendent: Bryce Sumnick Board of Trustees: Gina Feiner Rick McCallum Sharon Sagar Jeanne Thompson Don Wilson

December 9, 2008

Dear Ross Valley School District Parents and Community Members,

The budget crisis in the state is unprecedented. The state faces an \$11.2 billion deficit this year, increasing to \$28 billion by June 2010. The legislators have been battling to find a solution, but can not agree on a plan to reduce expenditures and increase revenues. The Governor declared a fiscal crisis on December 1, calling the legislature into special session to resolve the budget deficit. The longer it takes to reach consensus, the worse the economic situation becomes. The Governor now predicts that the state will run out of money by the end of February if nothing is done to remedy the situation.

Among the Governor's recommended budget cuts to education are a revenue limit reduction of \$3 billion, a zero Cost of Living Adjustment (COLA), and elimination of some categorical programs. In Ross Valley, the proposed revenue reduction is approximately \$300 per student, or \$550,000. We are not yet sure of the actual mid-year cuts, but we need to plan for the worst and hope for the best.

Fiscal advisors School Services of California predict a protracted budget problem, stretching into 2013-14. The state budget process needs to be overhauled for long-term fiscal health, but in the short-term, school districts will have to drastically cut spending and search for new sources of revenue. We need to conserve cash in the current year to be better prepared for the reductions that will occur.

In order to be fiscally prudent while maintaining high quality programs for our students, we are implementing the following cost saving measures in the district for the remainder of 2008-2009. We will use good judgment and common sense as we consider the following savings on a case-by-case basis.

1. Encourage maximum attendance for students. Each day is \$45.00 of added revenue for the district, even if students attend for only part of the day. We do not want students to come to school sick, but if they can attend, it will increase the district's income.
2. Freeze on hiring for open positions.
3. Freeze on purchase orders. Essential items only.
4. Review open purchase orders.
5. Review conference requests, and other travel, professional development expenses. Consider reserving funds for 2009-2010 school year.
6. Eliminate district-provided special supplies for meetings, e.g. food.
7. Encourage all students to pick up their lunches. If they do not, we lose revenue.
8. Conserve energy spending; lights off, computers off when you leave the room. Keep heat at or below 68 degrees; limit use of AC.

I would appreciate any additional suggestions you have for cost saving measures in the current year. Feel free to forward your thoughts to me.

As we look to 2009-2010 and the following year, we will be working with the Budget Advisory Committee with input from site staffs and the parent community to identify reductions. Everything is on the table and will be considered.

We will maintain the guiding principle of providing the best possible education for our students while being mindful of our responsibility to remain fiscally solvent.

These are serious financial times. I am confident that, working together, we will meet the challenge.

Sincerely,

Bryce Sumnick