



Cupertino Union School District

Superintendent Phil Quon
Board of Education Anjali Kausar
Ben Liao
Josephine Lucey
Gary McCue
Phyllis Vogel

10301 Vista Drive • Cupertino, California 95014-2091 • (408) 252-3000 • Fax (408) 253-8119

January 15, 2010

Dear Members of the CFSCPTA Board:

Thank you for taking the time to express your concerns surrounding the budget reduction action taken at the Board of Education meeting on Monday, January 11, 2010. I appreciate the support and partnership that your organization provides in ensuring that the students in the Cupertino Union School District have every opportunity to succeed.

As you requested, I would like to inform you about the rationale for the budget cut list recently adopted by the Board of Education. The Board of Education and District administration have been working diligently to protect instructional programs and address the massive funding cuts and reductions in our revenues for the past 24 months. These proactive steps include District Office reductions (\$2.66 million annual savings), energy management program (\$0.60 million annual savings), and enhancing revenues in the form of our recently passed parcel tax (\$4 million annual revenue). Up until this year, we have been able to protect our instructional programs, while still acting in a fiscally responsible manner. Unfortunately, the state budget situation continues to deteriorate and the magnitude of the funding reductions will now necessitate district reductions that will more directly impact our instructional programs.

The elimination of Class Size Reduction is one of the only items that is large enough to sufficiently reduce our budget gap, given all options currently available to the District. One point of clarification is that the items listed in the proposed budget reduction presentation were listed in order of magnitude and not priority. Please know that the decision to eliminate the Class Size Reduction program was not made lightly. The increase in class size impacts not only our students, but also our certificated employees in the form of layoffs. However, the district has the legal responsibility to submit a balanced budget each year. The approval of the budget reduction list enables the Cupertino Union School District to meet legally required timelines, provide employee notice, and maintain the flexibility to balance the district budget. The approved budget reduction list allows us to move forward but is not irrevocable and can be refined should our funding situation improve.

Regarding other budget reduction options, the fact remains that the Board of Education cannot unilaterally implement budget reduction items which are subject to the negotiation process. These items include staff furlough days and/or employee salary reductions. Please know that throughout our budget development process, the District has maintained an open dialogue with all our employee organizations regarding the magnitude of our budget problem and possible collaborative solutions. Be assured that we will continue to do so.

We have just become aware that the \$5 million budget action implemented by the Board of Education on Monday, January 11, 2010, has become complicated by the Governor's 2010-2011 budget proposal. On the surface, the Governor's proposal claims to protect education by fully funding Proposition 98 and next year's COLA, two factors that determine our district's funding, but deeper analysis of the proposal shows otherwise. In reality, the Proposition 98 funding level has been benchmarked lower, so that the Governor's office can show that it is "fully funded" next year and the COLA is actually a negative 0.38%, revised downward from the original projection of a positive 0.5%. The effect for us is an additional on-going revenue loss of \$3.8 million beginning next year. **The net result is that the magnitude of our total budget problem has now increased to \$8.8 million next year.** Keep in mind that this is the Governor's budget proposal and the State Legislature still needs to approve the final budget, but the state revenue forecast is not encouraging. **As a result, the District and the employee organizations have agreed to meet to jointly work on how we are going to resolve the additional \$3.8 million in reductions.** We will continue to make every effort to keep our staff, parents, and community informed.

In closing, I hope you agree with me that Governor's budget proposal essentially adds insult to injury and presents us with an unacceptable budget scenario. I will be asking our community to work together and let our local legislators and the Governor know that we cannot accept any more cuts and to truly increase education funding. I would like to invite you to join us in this advocacy effort. I will keep you posted regarding this endeavor and as other budget information becomes available.

Sincerely,

A handwritten signature in black ink that reads "Phil Quon". The signature is written in a cursive, flowing style.

Phil Quon
Superintendent