

WEEKLY BUDGET UPDATE
March 20, 2009

In an effort to keep you informed of the current and on-going budget developments in the state and how they will impact Baldy View ROP, we will be sending weekly emails to staff.

Listed below is an overview of events that have transpired to this point.

February 14, 2009, 12:28 p.m. – Email notification from California Association of Regional Occupational Centers and Programs (CAROCP) legislative advocate that ROCPs are to be included in categorical flexibility provision and will take an approximately 15% budget cut for 2008-09 fiscal year.

February 15, 2009, 5:01 p.m. – Email notification from the CAROCP President that “complete” flexibility to use categorical funds (including ROCP funds) for any educational purpose is not permanent but applies from 2008-09 through 2012-13.

February 15, 2009, 8:57 p.m. – Email notification from CAROCP legislative advocate that ROPs will receive an additional budget cut of 4.2% for the 2009-10 fiscal year bringing the total reduction for the year to 19.2%.

February 18, 2009, 6:00 p.m. – Email notification from CAROCP President with the proposed categorical flexibility bill language from the budget package.

February 19, 2009 – State budget approved.

February 24, 2009 – Jose Castro attends emergency meeting in Sacramento with CAROCP board to discuss approved budget cuts to CAROCP. Informed of the following:

- County offices of education and school districts have access to the restricted balances in most categorical programs, including ROCPs.
- School districts and county office of education governing boards are allowed to use most categorical funding, including ROCP funding, to be used for “any educational purpose,” effective for the 2008-09 through 2012-13 fiscal years.
- Across-the-board cuts to most categorical programs, including ROCPs, in the current year of 15.4% up from 15% that was communicated to us on February 14.
- For the 2009-10 fiscal year, a 5.88% budget cut. This is on top of the 15.4% cut in 2008-09, for a total of a 21.28% reduction from 2009-2013.

February 26, 2009, 2:34 p.m. – Finance Update email notification from CAROCP legislative advocate. Items included in update:

- School district and county office of education boards of education may use up to 100 percent of the balances, as of June 30, 2008, of restricted reserve accounts in their general fund, excluding restricted reserves committed for capital outlay. This authorization applies to ROCP balances. The authorization is available to governing boards in both 2008-09 and 2009-10, but applies only to the balances as of June 30, 2008.

- Imposed mid-year cuts on most categorical education programs, including ROCPs. The actual cut is defined as that necessary to obtain a statewide total of \$943,773,000 in state savings through across-the-board pro-rata cuts to all the impacted programs. Initial bill analysis on the floors of the Assembly and Senate reported the cut was approximately 15%. On February 26, 2009, the Department of Finance has now released the revised numbers and the figure is 15.38%. ROCPs were directed to use this figure to calculate the impact of the mid-year cut.
- ROCPs were advised to take action on their current year budgets, and plan their budgets for next year, based on the information provided above. That means to use a 15.38% reduction for 2008-09 and an additional reduction of 5.88% in 2009-10. These reductions have been enacted and now represent “current law”.

March 6, 2009 – Received an email informing us the Department of Education and Department of Finance had changed the base funding year from 2008-09 to 2007-08. This will reduce the funding level for years 2009-10, 2010-11, 2011-12, and 2012-13; completely changing our budget numbers and preliminary budget plans to address the imposed deficit.

March 9, 2009 – Fiscal update was provided to all Baldy View ROP staff.

March 16-17, 2009 – Attended CAROCP Legislative Forum in Sacramento to meet with area legislators to inform them of impact to ROCPs based on budget reductions and present case for restoration of ROCP funding.

At the meeting it was communicated that the state is now expecting an additional \$8-14 billion shortfall. The CAROCP legislative advocate informed us that due to the increased shortfall that the federal money may be used to backfill future cuts instead of using it for this year.

In closing it is important to note the following significant factor that will impact the final budget:

- Dr. Glen W. Thomas, Secretary of Education, stated that unfortunately the certainty of the budget would not be known until after the May 19 special election and the May 26 Governor’s revise.

We hope this budget update provides you with insight as to the multiple budget summaries and analysis that we continue to have to work through in an effort to develop a budget plan.

We will continue to keep you updated weekly on other budget developments and look forward to your involvement in the process at all levels. Please feel free to contact members of the management team if you have further questions.

Let me once again reassure you that we will do all that is possible to preserve the quality programs and personnel of Baldy View ROP.