

January 17, 2008

Dear Hope School District Parents and Guardians,

Happy New Year! I certainly wish this message to you was more positive. However, it is important to keep communication flowing especially in the challenging economic times before us.

The governor declared a fiscal emergency on Thursday, January 10. This announcement is for this fiscal year and for the upcoming year. The reasons given for the state's financial problems are the massive fires last summer, the slow down in the housing industry (resulting from the mortgage crisis) and the decline of revenues that were expected from Indian Gaming. The problem is due to a lack of revenue and a volatile system for funding public education and other public agencies. The governor outlined a plan of proposed cuts, including K-12 education funding to help close the budget gap. The magnitude of these cuts is massive and requires action on the part of school districts this year and next. School districts will have 4 billion less dollars for the next school year.

The legislature has been called into session and now has 45 days to come to some agreement and generate a plan for the adjustment of this deficit. As the legislature struggles to remedy the shortfall for this year, schools will be required to make plans for the worst and hope for the best. We will do our best to keep our community informed as we know the information from Sacramento. So what does this mean for our schools?

At the present time, Hope School District anticipates cuts of at least \$50,000.00 through the remainder of the 2007-08. The preliminary amount for reduction next year is \$150,000.00. In other words, 2007-08 reductions figure to be about \$60.00 per student.

These are a few of the proposals from the State as we know them now:  
School districts will not receive a COLA (cost of living adjustment) for next year  
The base revenue limit (our basic funding) will be reduced  
Class size reduction money will be reduced (money we get for classes with 20 students)

These proposals coupled with our declining enrollment may result in possible program reductions beginning this year and carrying on into the next. We will be considering budget reductions across the board and, in an effort to be pro-active, we have instituted a district and school site spending freeze effective immediately. As we consider reductions, the desire would be to keep reductions as far away from the classroom as possible; however, in a district as small as ours, that may not be possible.

To sum up, we may be forced to make preliminary decisions prior to knowing the exact effect of the legislature and governor's decision. This could create hardship and concern for everyone in our district. I urge you to contact your assemblyman, Pedro Nava (101

W. Anapamu #A, Santa Barbara, 93101), to express your concern about the impacts this crisis will have on the children and staff in our district.

I welcome your comments and suggestions.

Very sincerely,

Gerrie Fausett  
Superintendent