

*Academic, Personal and Social Success  
for Each and Every Student*

# East Side Union High School District Newsletter

Issue: 02

December 21, 2012



Dear Friends of ESUHSD,

In an effort to improve our communication with all stakeholders, I will be sending out monthly or bimonthly newsletters updating you on all of the outstanding activities and successes in our district. I hope you enjoy this issue and please share it with anyone else who is interested in hearing the great things that are happening in our organization.

## Happenings in East Side

### Letter to the Community -

On Friday, December 14, a senseless and horrific tragedy took place at Newtown, Connecticut. [Attached](#) is the letter that I sent on the same day to the community in response to this event.

### East Side Union High School District -

We have just completed the redesign of the District's [website](#). The focus of the new website will be to serve the needs of parents, students, and the community. The new site is a work in progress and will be updated when we return in the new year.

### Strategic Planning: Community Conversations -

We are beginning to embark on developing a new strategic plan. My first priority is to complete online climate surveys which will take place in January and to hold community conversations at each of our comprehensive high schools. I will be inviting our feeder schools to these community conversations discussing questions like, What do we do well as an organization? What areas do we need to improve as an organization? and what skills do we want our students to have mastered when they graduate from East Side? [Attached](#) is the calendar of all of the community conversations.

## Quick Links

East Side Union High  
School District

[www.esuhsd.org](http://www.esuhsd.org)

ESUHSD  
Education  
Foundation

[www.esuhdef.org/](http://www.esuhdef.org/)

**DONATE TO  
ESUHSD  
FOUNDATION**

[Donate to ESUHSD](#)



### **First Interim Budget Report -**

The First Interim Budget Report is the first glance at our 2013/14 budget. The Report provides a glimpse of what is expected from the Governor's proposed budget in January 2013. [Attached](#) is the presentation to the Board of Trustees presented on Tuesday, December 11, 2012.

### **Student Entrepreneurs Walk & Talk to Gain Real Business Experience -**

Santa Teresa High School teacher Greg Adler and a few of his students have taken the lessons from his Economics class and started a small business. Their company, San Jose Walks & Talks, is a student-run business that offers a series of hour-long walking tours of different downtown neighborhoods. The students are making the tours relevant to a variety of audiences by introducing not only history, but also culture, art and local business stories. While San Jose Walks & Talks serves the community by highlighting the unique aspects of downtown San Jose, the real objective of this project is to give students an opportunity to gain some first-hand business experience and develop job skills worthy of putting on a resume.

For more info and to sign-up for a tour, go to:

[www.sanjosewalksandtalks.org](http://www.sanjosewalksandtalks.org)

### **Independence High School Latino Mentor Program -**

On November 15, 2012, Independence High School launched a Latino Student Mentoring Program to help bridge the achievement gap. Eighty-five on-track to graduate seniors who identify as Latino were matched with four to five Latino ninth and tenth graders who they will motivate and mentor. Though in its infancy, response to the Program has been overwhelmingly positive and there is a sense of great hope and a new connection.

### **Santa Teresa High School Academic Convention -**

What is Academi-Con? Academi-Con was created to inspire students, energize staff, and revolutionize the culture of Santa Teresa for looking forward, having a goal, making a plan, and achieving greatness. Academi-Con is an idea to take a traditional school day and turn it on its ear -- a day when traditional learning and note taking is replaced with testimonies and activities to celebrate academics. Academi-Con features guest speakers from all walks of life: professionals, advocates, people with inspiring stories, representatives from colleges, universities, trade schools, and the military, and presentations from teachers regarding the amazing electives available at Santa Teresa. Academi-Con 2013 is the first of (hopefully) an annual tradition to inspire students towards a future that is exciting and worth pursuing. It is also an opportunity for students to learn from other's mistakes, to heed their warnings before struggling through similar pitfalls. It is a day for students to find relevancy in their education. We are still looking for guest speakers and donations.

<http://sths.ca.campusgrid.net/home/Alerts,%20News%20&%20Events/Academi-Con%202013>

## W.C. Overfelt High School -

### **START Saturday School**

All students are invited come to Overfelt every other Saturday from 9 a.m. to 1 p.m. for our voluntary START Saturday School. At START, students can work with individual teachers in their classrooms or participate in general tutoring in the library. The library is staffed with teachers and college tutors. Students have access to 150 computers. This is a great way for students to get help with their assignments, work on projects with classmates, and to form study groups. The environment is both relaxed and friendly, while still being academic.

More than 200 students regularly take advantage of the opportunity to come to START. On December 15, more than 500 students were supported by 20 staff members as they prepared for finals and finished end of semester projects!

### **CAPP Algebra Grant at Overfelt, Ocala, and Fischer**

Overfelt along with Fischer and Ocala from Alum Rock Union Elementary School District received a grant from CAPP focused on using formative assessment to assure that all students pass Algebra 1 by the end of 9th grade. This is a unique grant in the way it brings together teachers and leaders from both the high school and middle schools.

We started the first of the two years of the grant by attending a three-day conference in Long Beach with our math teams in late summer. Bringing together math teachers from three sites and two districts along with their administrations and district support teams was very powerful. The team left with three commitments for this school year:

1. Develop and implement practices for incorporation of the formative assessment process into daily instruction.
2. Use the data from the MDTP as a diagnostic tool to guide classroom instruction.
3. Develop proficiency with using mathematically rich problems that address the common core and the standards for mathematical practice.

Throughout the school year this work has continued during regular collaboration time focused on shared lesson design, student work evaluation, and classroom observations. The changes in mathematical instruction are beginning to be evident in the classrooms and we look forward to seeing significant achievement gains in mathematics in the future.

## Piedmont Hills High School -

The Piedmont Hills Concert Choir performed by singing the National Anthem at the Golden State Warriors Game on December 21 at the Oracle Arena in Oakland.

### **Math Competition**

Please join the Math Department as we congratulate seniors Amy Shu, Christina Hung, and Dagan Chen for representing Piedmont Hills High School in the annual SCVMA Math Olympiad. This is the fifth year in a row in which we've had a student rank in the top five of this competition.

Please congratulate Dagaun Chen for this fifth place finish at the Olympiad. Also, congratulate Amy Shu and Christina Hung for all the hard work and dedication they put into preparing for the competition.

**CSAW - Cyber Security Forensics Challenge 2012**

<http://www.poly.edu/csaw2012/highschool-cyberforensics>

Please congratulate Amy Shu, Claire Shu, and Rachel Guan for their hardwork during the finals of CSAW IX held at NYU-POLY in November 2012. They were able to take a team that was less than three months old and propel it into one of the TOP TEN teams in the nation. Although they did not win the competition, these students were the ONLY all female team in the finals. Of the all female teams, our students are ranked #1.

I hope everyone takes the opportunity to use the holiday season to spend time to rest, reflect and celebrate with friends, family and loved ones.

**Best Wishes,**

Chris D. Funk, Superintendent  
East Side Union High School District



# East Side Union High School District

830 N. Capitol Avenue • San José, California 95133-1316 • (408) 347-5000

*Academic, personal and social success for each and every student.*

*Chris D. Funk, Superintendent*

December 14, 2012

Dear East Side Community,

The horrific school shooting that occurred today in Connecticut saddens us all. Our hearts go out to the parents and families. I want to assure all parents that we have in place safety and security procedures to protect our students and staff. At this time, our crisis counseling teams are prepared and ready to assist students, parents and staff in dealing with this tragedy. Additionally, our leadership and local law enforcement are working together to ensure the safety of our students and staff.

This is a good time for parents to discuss with their children the importance of speaking to a trusted adult concerning matters that they hear about in the media and online and, of course, if they hear of any student or former student making inappropriate or unsafe statements of intent to do harm on any of our campuses.

In closing, I would like to reassure you that all our staff are trained and well prepared to deal with campus safety, security and student needs.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Chris D. Funk', is written over the word 'Respectfully'.

Chris D. Funk  
Superintendent

**BOARD OF TRUSTEES:** Frank Biehl, Magdalena Carrasco, J. Manuel Herrera, Van Le, Lan Nguyen

It is the policy of the East Side Union High School District not to discriminate on the basis of sex, age, religion, race or national origin, sexual orientation, or handicapping condition in its educational programs and activities or in the recruitment and employment of personnel.

EAST SIDE UNION HIGH SCHOOL DISTRICT  
Superintendent's Community Conversations

| DATE              | TIME    | LOCATION                     |
|-------------------|---------|------------------------------|
| January 28, 2013  | 6:30 PM | Yerba Buena High School      |
| February 4, 2013  | 6:30 PM | Santa Teresa High School     |
| February 5, 2013  | 6:30 PM | Andrew Hill High School      |
| February 11, 2013 | 6:30 PM | Wm. C. Overfelt High School  |
| March 5, 2013     | 6:30 PM | Piedmont Hills High School   |
| March 6, 2013     | 6:30 PM | Mt. Pleasant High School     |
| March 20, 2013    | 6:30 PM | Independence High School     |
| March 26, 2013    | 6:30 PM | James Lick High School       |
| March 27, 2013    | 6:30 PM | Silver Creek High School     |
| April 9, 2013     | 6:30 PM | Oak Grove High School        |
| April 10, 2013    | 6:30 PM | Evergreen Valley High School |



***EAST SIDE UNION***  
HIGH SCHOOL DISTRICT

# **FY 2012-13**

## **First Interim Report**

**Presented by: Marcus Battle**  
**Associate Superintendent for Business Services**  
**December 11, 2012**



# 2012-13 State Budget Update





# 2012–13 State Budget Update

## Projected FY 12-13 State Budget

### Picture is Improving

- Governor's 2012-13 Budget was contingent upon passage of Proposition 30 – Temporary Tax Initiative bringing in \$6 billion in new revenues;
- Proposition 98 revenues expected to grow by \$4 billion in FY 2013-14;
- At the time the *2012–13 Budget Act* was signed into law, the administration estimated that the General Fund would have a \$948 mil. reserve at the end of FY 2012–13;
- The State is now facing a \$943 million deficit;

### Main Issues for FY 2012-13

- *SHORTFALL IN ESTIMATED REVENUES FROM THE DISSOLUTION OF REDEVELOPMENT AGENCIES ;*
- *ADDITIONAL PROGRAM EXPENDITURES;*
- *CURRENT YEAR REVENUE SHORTFALL; and*
- *FUND BALANCE ADJUSTMENT.*

# 2012-13 State Budget Update

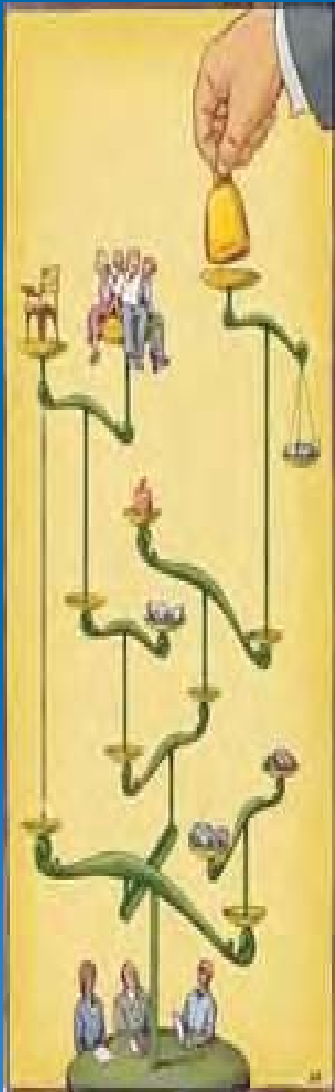
- **Some Factors Contributing to the Improved Economic Recovery in California**
  - New home permitting during the first seven months of 2012 is up over 16 % from the same period in 2011;
  - In October, the median price of existing, single-family homes had increased to \$345,000, which is nearly 20% higher than last year;
  - California's unemployment rate improved slightly from 10.2% to 10.1% with 45,800 jobs added in October and 574,900 since the Recovery began in Feb. 2010;
  - Personal Income Tax revenues are \$422 million higher than projections;
  - Sales and use tax receipts and corporate taxes, however, are still lagging and are currently below forecast.



# New Weighted Student Funding Formula (WSF)

- The Governor is planning to Re-introduce the WSF which was unsuccessfully proposed as part of his 2012-13 budget :

- The stated Goals are as follows:
  - ✓ Establish a funding mechanism focused on the needs of students, that is equitable and easy to understand;
  - ✓ Establishes a base grant for every pupil, adjusted by grade span;
  - ✓ Base grant is projected to be higher than the undeficitated revenue limit for all but a few districts;
  - ✓ Collapses all state categorical funding, except special ed.;
- Conveyed 3 stakeholder meetings to solicit input;
- Governor Possible Rationale: TIER III Flexibility goes away after FY 2014-15;
- District Funding Impact Unknown at this time;



# Legislative Analyst Office (LAO) California Fiscal Outlook



- LAO Reports that we are possibly at the end of a decade of acute state budget challenges and California's budget is back in the black.

## Key Reasons

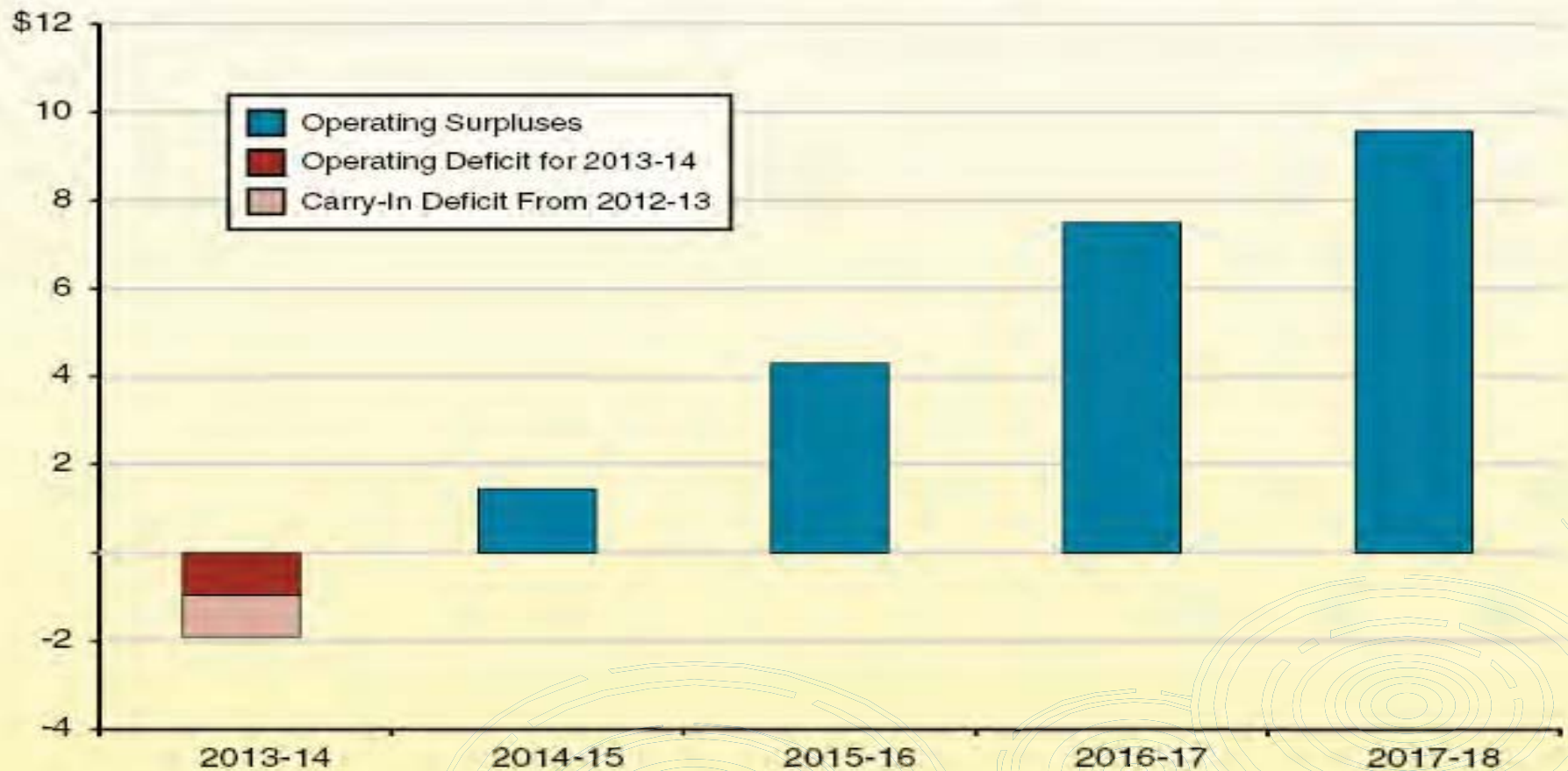
- California's continued economic recovery;
- Prior budget cuts;
- Addition of temporary taxes provided by proposition 30.

# LAO General Fund Projections

Figure 2

## Forecasted Operating Surpluses Beginning in 2014-15

*General Fund and Education Protection Account Combined (In Billions)*





# LAO Forecast Assumptions

| California                      | 2011  | 2012  | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------------------------|-------|-------|------|------|------|------|------|
| Unemployment rate               | 11.8% | 10.6% | 9.6% | 8.7% | 7.8% | 7.1% | 6.7% |
| Personal income                 | 5.2%  | 4.1%  | 4.7% | 5.5% | 5.8% | 5.4% | 4.9% |
| Wage and salary employment      | 0.9   | 1.7   | 2.3  | 2.5  | 2.6  | 2.1  | 1.7  |
| Consumer Price Index            | 2.6   | 2.2   | 1.3  | 1.7  | 1.7  | 1.9  | 1.9  |
| Housing permits (thousands)     | 47    | 63    | 83   | 113  | 139  | 155  | 168  |
| Single-unit permits (thousands) | 22    | 27    | 37   | 53   | 70   | 80   | 87   |
| Multi-unit permits (thousands)  | 26    | 36    | 46   | 61   | 68   | 75   | 81   |

# LAO Forecast Assumptions Risk

LAO cautions that there are inherent risks to their forecast assumptions as follows:

- The revenue forecast assumes steady economic growth and rising stock prices;
- Assumes Congress and the President resolve the impending “Fiscal Cliff”;
- Assumes no General Fund revenue transfers to the State Budget Stabilization Account “rainy day fund”;
- Forecast does not assume repayment for any special fund loans or other obligations;

# What Does the LAO Forecast Mean for ESUHSD?





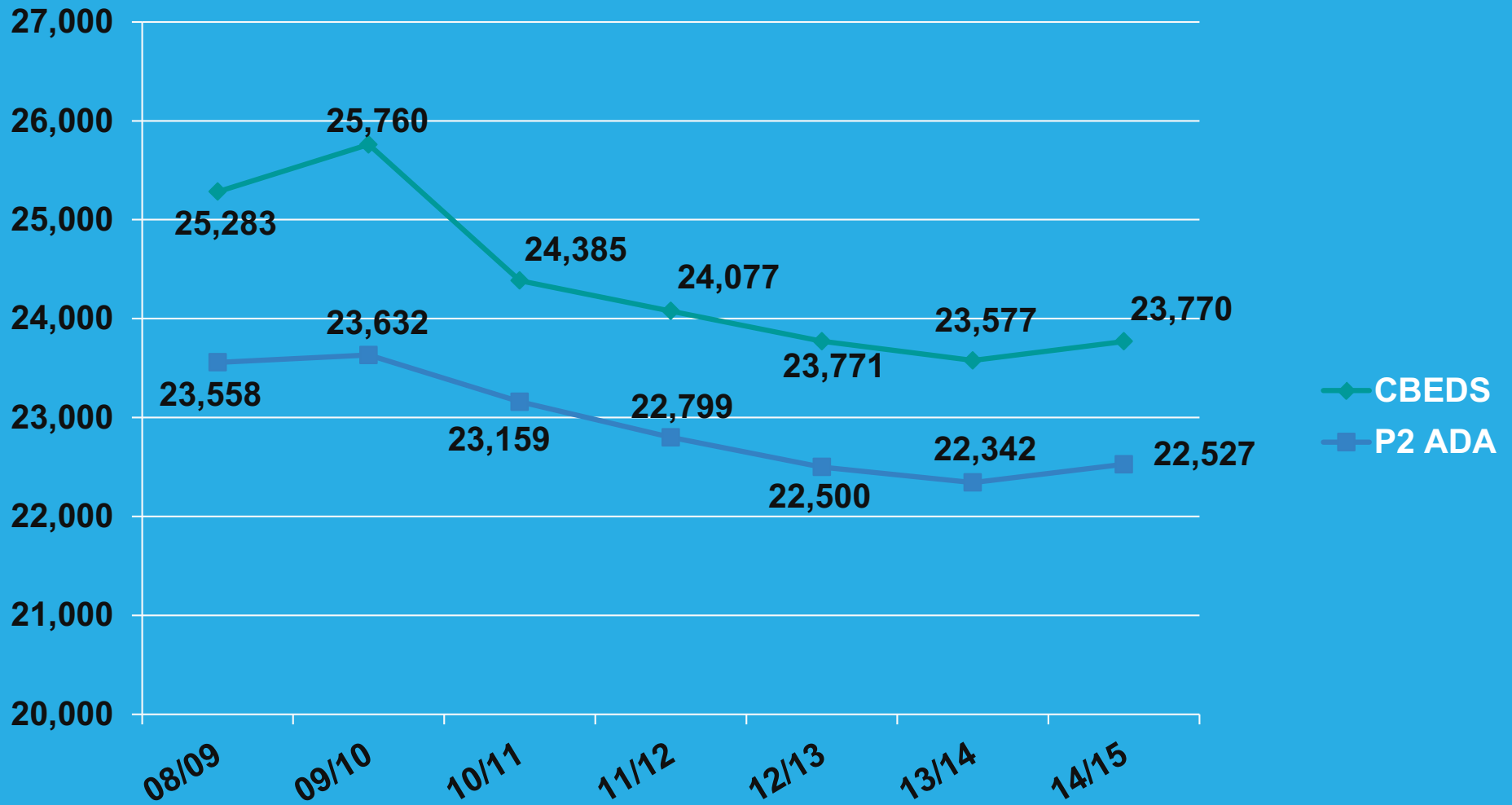
# FY 12-13 ESUHSD Enrollment Update

- Budgeted Enrollment Estimate 23,672
  - FY 12-13 CBEDS Actual 23,771 up 99
- Budgeted P-2 ADA – 22,418
  - FY 12-13 Revised ADA – 22,500 up 82

## Prior Year Projected ADA Funding Adj.

- The Business Services Dept. discovered an error in the District reported ADA to CDE for charter schools which will result in a restatement of District ADA for FY 2011-12 and additional revenue limit income totaling more than \$300k;
- The Department will also be reviewing prior years reporting to determine if similar errors exist and if additional restatements can be made;

# FY 12-13 CBEDS/ADA UPDATE





# The 2012-13 Key Fiscal Assumptions at First Interim reflect...

- Board Approved and District Recommended Updates and Changes to Fiscal Assumptions Since Budget Adoption Incl. SSC Dashboard;

## **No Changes in Key Fiscal Assumptions**

- Statutory COLA – 3.24%
- Revenue Limit Deficit Factor – 22.272%
- Salaries Reflect No Increases - Negotiations settled for FY 12-13
- Certificated Step and Column – Unchanged at 1.5%
- Classified Step and Column – Unchanged at 2%
- STRS – 8.25%
- PERS – 11.417%
- FICA - 6.2%
- Workers' Comp – 2.07%
- Medicare – 1.45%
- Unemployment – 1.1%
- Health and Welfare – 2.2%
- Furlough Days – 5 Days Cert./5 Days Classified/5 Days Mgmt.

# 2012-13 Revenue Update at First Interim reflects.....

- Board Approved and District Recommended Updates and Changes to Revenues since Budget Adoption;
  - The District received a ruling by CDE citing disproportionality maintaining that white ED students are statistically over-represented in the District. As a result, the District had to set-aside 15% or \$650k of Special Ed. funding for early intervention each year for the next 2 years.
  - **\$2.8 mil. Increase in Projected Revenues**
    - \$366k - Revenue Limit – Addl. Revenue Limit Income related to restatement of state reported charter school ADA;
    - \$2.5 Mil. - Other State and Local Revenues – Due to higher than projected revenues projected for lottery, mandated cost reimbursement, special education mental health grants, and school safety grants:
      - Unrestricted Lottery Increased from \$118 to \$124 per ADA;
      - Restricted Lottery Increased from \$23.75 to \$30.00;

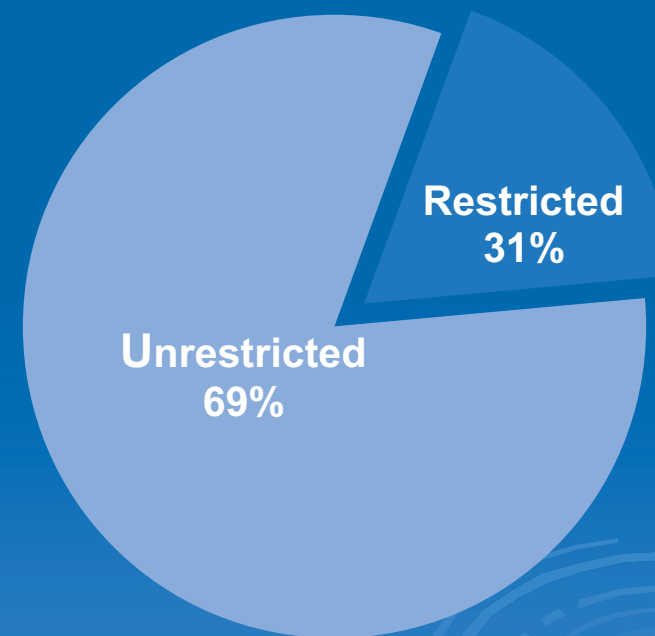
\*No Major Changes in Other Revenue Categories

# 2012-13 First Interim Projected Revenues



**Total Revenues -  
\$ 197.7 Mil.**

- **Unrestricted –  
\$137.4 Mil.**
  - **Restricted -  
\$60.2 Mil.**
- **Projected Revenues  
Increased \$2.8 Mil.  
Since Budget Adoption**





# The 2012-13 Expenses at First Interim reflects...



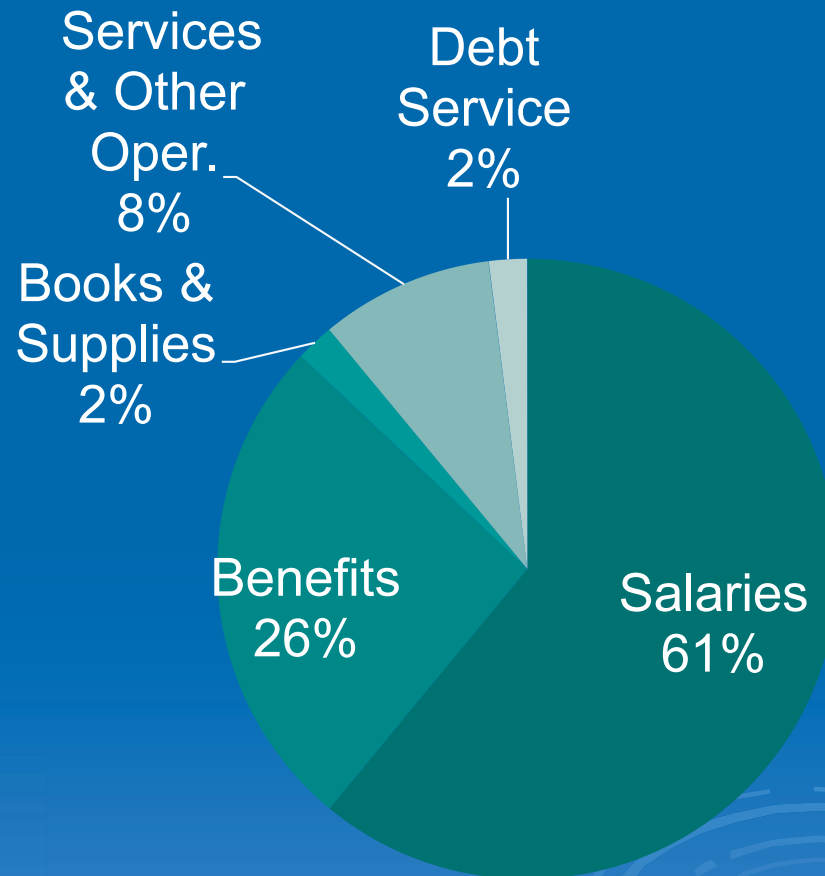
- Board Approved and District Recommended Updates and Changes to Expenses Since Budget Adoption;
  - **\$1 mil. in Expenditure Increases**
    - \$297k – Certificated Salaries increased by 10.65 FTEs due primarily to adjustment in budgeted FTEs as a result of increase in enrollment and other adjustments;
    - \$394k – Classified Salaries increased due to budgeted increase in 4 FTEs for para-educators and updated projection of classified salaries expenses and other salary adjustments;
    - (\$642k) – Employee Benefits decreased primarily from a downward adjustment in projected retiree health and welfare benefits costs;
    - \$1.1 mil. – Books and Supplies and Operations and Other Contracted Services increased primarily as a result of the expensing of site carryover and additional state grant awards;

# 2012-13 First Interim Projected Expenses



**Total Expenses -  
\$ 199.8 Mil.**

- **Unrestricted –  
\$139.6 Mil.**
- **Restricted -  
\$60.2 Mil.**



- **Projected Expenses  
Increased \$1 Mil. Since  
Budget Adoption**





# 2012-13 First Interim Projected Ending Fund Balance

| Categories                                    | 2012/13<br>Adopted Budget | 2012/13<br>First Interim         | Variance    |
|---|---------------------------|----------------------------------|-------------|
| Revenues                                      | \$194,891,432             | \$197,700,641                    | \$2,809,209 |
| Expenditures                                  | \$198,872,575             | \$199,889,582                    | \$1,017,007 |
| Net Increase<br>(Decrease) to<br>Fund Balance | (\$3,981,143)             | (\$2,188,941)                    | \$1,792,202 |
| Beginning<br>Balance                          | \$25,830,204              | \$27,424,972<br>(Unaudited Adj.) | \$1,594,768 |
| Site Clearing &<br>Other Adj.                 | (\$0)                     | (\$686,554)                      | (\$686,554) |
| Net Change                                    | (\$0)                     | (\$686,554)                      | (\$686,554) |
| Ending Balance<br>Plus General Res.           | \$34,240,237              | \$36,940,653                     | \$2,700,416 |

Projected Ending Fund Balance Increased by \$2.7 Mil. Since Budget Adoption

# 2012-13 First Interim Projected Fund Balance Components

| Components  | Unrestricted        | Restricted         | Combined            |
|---|---------------------|--------------------|---------------------|
| <b>Ending Balance</b>   | <b>\$35,298,663</b> | <b>\$1,641,990</b> | <b>\$36,940,653</b> |
| Revolving Cash  | \$2,500             | \$0                | \$2,500             |
| Stores  | \$177,138           | \$0                | \$177,138           |
| Legally Restricted<br>(Categorical Balance)                     | \$0                 | \$1,641,990        | \$1,641,990         |
| Economic Uncertainty –<br>General Res. (Fund 17)                | \$12,177,399        | \$0                | \$12,177,399        |
| Designated Reserves –<br>Fiscal Uncertainty/Budget<br>Balancing | \$22,941,626        | \$0                | \$22,941,626        |

# OTHER FUNDS/Child Nutrition Fund 61



| Categories                                    | 2012/13<br>Adopted Budget | 2012/13<br>First Interim | Variance    |
|---|---------------------------|--------------------------|-------------|
| Revenues                                      | \$6,158,131               | \$6,055,096              | (\$103,035) |
| Expenditures                                  | \$6,167,684               | \$6,211,787              | \$44,103    |
| Net Increase<br>(Decrease) to<br>Fund Balance | (\$9,553)                 | (\$156,691)              | (\$147,138) |
| Beginning<br>Balance                          | \$583,104                 | \$543,537                | (\$39,567)  |
| Net Change                                    | (\$9,553)                 | (\$156,691)              | (\$147,138) |
| Ending Balance                                | \$573,551                 | \$386,846                | (\$186,705) |

**No Major Changes in Other Funds Projected**

# Multi-Year Budget Assumptions



- Based on SSC Dartboard;
- Enrollment and ADA Projections;
- Step and Column Adjustments;
- All Budget Reductions Previously Enacted;  
(i.e. Furlough Days, Increased Class Size,  
Layoffs, etc.);
- Benefit Adjustments;
- Health & Welfare Costs;

## Multi-Year Projected Ending Fund Balances (FY 2012/13 through 2014-15)

| Components  | Base Year<br>FY 2012-13 | FY 2013-14            | FY 2014-15            |
|---|-------------------------|-----------------------|-----------------------|
| Revenues  | \$197,700,641           | \$191,998,904         | \$197,210,911         |
| Expenses  | \$199,889,582           | \$203,193,950         | \$208,704,534         |
| <b>Excess/(Deficit)</b>                                     | <b>(\$2,188,941)</b>    | <b>(\$11,195,046)</b> | <b>(\$11,493,623)</b> |
| Net Increase(Decrease)                                      | (\$2,188,941)           | (\$11,195,046)        | (\$11,493,623)        |
| Beginning Balance   | \$27,424,972            | \$24,583,616          | \$13,288,570          |
| Ending Balance plus<br>Gen. Reserve                         | \$36,940,653            | \$25,771,721          | \$14,301,133          |
| Stores & Rev. Cash  | \$ 179,638              | \$179,638             | \$179,638             |
| Legally Restricted<br>(Categorical)                         | \$ 1,641,990            | \$1,152,388           | \$466,057             |
| Economic Uncertainty -<br>Statutory Reserve<br>(Fund 17)    | \$ 12,177,399           | \$12,303,513          | \$12,426,548          |
| Designated Reserves –<br>Econ. Reserve -Budget<br>Balancing | \$22,941,626            | \$ 12,136,182         | \$ 1,228,890          |



# Deficit Spending

Definition: Deficit spending is defined by the State Controllers Office as current-year expenditures in excess of current-year revenues

“Chronic unplanned deficit spending will ultimately lead to financial disaster and districts, like families, simply cannot spend more than they take in forever. Sooner or later all of the reserves will have been expended and the district will be at the brink of financial ruin”

## School Services of California

It is Projected that ESUHSD will face a “Fiscal Cliff” beginning in FY 2015-16 unless spending is curtailed or new revenues materialize. Deficit Spending is and continues to be the single largest threat to the future solvency of ESUHSD.



# Budgetary Planning Questions



- Will the LAOs Glowing Economic Forecast Result in Additional Funding for K-12 education and ESUHSD during the Multi-Year Forecast Period?;
- Will the Governor propose increased funding for Schools for FY 2013-14, since Proposition 98 is projected to increase by \$4.2 billion?;
- With State Budget Surpluses Projected to Exceed \$4 billion by FY 2015-16, will the Governor begin the process of making K-12 education whole?
- Will ESUHSD be a winner or a loser with respect to the Governor's new Weighted Student Funding Formula?
- How soon and to what extent must the District begin the Process of Restructuring the District's Fiscal Imbalance?

# Comments



- Recommend the Governing Board adopt a positive certification indicating that the District will end this year and the next two years with a positive ending fund balance for the first interim period ending October 31, 2012;
- The Economic News and Revenue Forecast provided by the State is Great, however; we don't know how to interpret this information at this time. The District must continue to exercise extreme fiscal caution until more information is available;
- Deficit Spending continues to be the single biggest threat to the District's solvency and a long-term plan incorporating increased revenues and/or spending curtailments must be developed and implemented by FY 2013-14;
- As a result of the findings of a recently completed CDE Federal Program Monitoring Review, the District could incur additional unfunded General Fund obligations in excess of \$1.2 mil. per year or \$4.2 mil. over a 3 year period;
- Follow-up activities and recommendations will occur once the Governor's 2013-14 budget is known;
- Governor's Budget Workshop is scheduled for January 15, 2013 for the 2013-14 budget.



# Questions or Comments