

# *Interim Superintendent's Update*

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*Issue 2*

*March 7, 2010*

### **REGULAR BOARD MEETING OF MARCH 4, 2010**

At the *Regular Board Meeting* of *March 4, 2010*, administration presented their response to the Santa Clara County Office of Education regarding the FCMAT Extraordinary Audit of ESUHSD.

In addition, public hearings were held to accept the initial proposals for successor contracts from the East Side Union High school District to AFT, CSEA and ESTA.

To view the District's response of the FCMAT Extraordinary Audit of ESUHSD to the Santa Clara County Office of Education or the District's proposals for successor contracts, select the links below.

- [Response to SCCOE regarding FCMAT Extraordinary Audit of ESUSHD](#)
- [Initial Proposal for Successor Contract from ESUHSD to San Jose Federation of Teachers/AFT](#)
- [Initial Proposal for Successor Contract from ESUHSD to CSEA](#)
- [Initial Proposal for Successor Contract from ESUHSD to ESTA](#)

### **SPECIAL BOARD MEETING/BUDGET STUDY SESSION OF MARCH 6, 2010**

At the *Special Board Meeting* and *Budget Study Session* of *March 6, 2010*, the Board of Trustees passed three Resolutions:

- Authorizing the Reduction or Elimination of Classified Services
- Authorizing the Reduction or Elimination of Classified Management Services
- Authorizing the Reduction or Elimination in Certificated Workforce

While not desired, the action was necessary in order to balance a total shortfall in the 2010-2011 budget of \$19,808,000 and develop a balanced Second Interim Budget Report to the Santa Clara County Office of Education, which is due March 15, 2010. This action has the potential to reduce the District's workforce by 150.2 FTEs.

The budget challenges for 2010-2011 stem from the ongoing State budget crises exacerbated by the Governor's January 2010 State Budget. For the past two years, districts have experienced shrinking funds, from the State, while trying to meet normal increasing costs. Leaving districts no recourse, but to use Federal stimulus funds, exhaust reserves, retool services, use one-time dollars, and make workforce reductions (layoffs). East Side Union High School District, being no different, projects the following:

A Negative Ending Balance (Revenues – Expenditures) to resolve **(\$19,808,000)**

One-Time Revenues	\$ 4,545,000
Ongoing Revenues	\$ 2,280,000
Transfer Appropriate Costs to Restrictive Programs	\$ 3,354,000
Savings from Gas & VOIP	\$ 450,000
Savings from Workforce Reductions	\$ 9,195,000
<b>Total</b>	<b>\$19,824,000</b>
<b>Positive Ending Balance for 2010-11 Minus the One-Half Required Reserve</b>	<b>\$ 16,000</b>

The Board of Trustees instructed administration to review all avenues suggested by the stakeholders and Trustees to minimize the number of potential layoffs. The Board also instructed administration to schedule a series of community meetings to solicit input from the East Side Community. Over the next several weeks, any of the following factors may positively change the workforce reduction:

- May Revise
- New Legislation
- Grants
- Program redesign
- Freezes in current spending
- Normal workforce attrition (retirements)
- Bargaining

The District held public hearings at the March 4 Board Meeting to “sunshine” its bargaining agreements to signal the start of the negotiations process.

Indeed, it was a “sad day,” as stated by many speakers, to bring such Resolutions to the East Side Learning Community. While dismal for the moment, the potential for a positive solution rests within the collective actions of the entire East Side Community.

To view the Budget Study Session presentation, select the link below:

[Budget Study Presentation](#)