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**Budget Message to GUHSD Employees & Families:**

The Grossmont Union High School District has made significant progress in upgrading its educational programs over the last several years as the economy has improved since the Great Recession. We have reduced class size, implemented the FutureForward initiative to create technology access for all of our student programs, expanded our Career Technical Education pathways, and added many other exciting enhancements at our school sites.

In his January Budget Proposal, Governor Brown has signaled concern about the future condition of the economy as state revenues from various sources have been trending below forecasts. Accordingly, the Governor has proposed a conservative state budget for next year (2017-18). This, in turn, will bring lower revenues to many school districts across our state.

Based on current fiscal projections using data from the Governor's Department of Finance, we are forecasting a budget deficit for next school year of approximately \$11 million, representing about 5% of our total General Fund budget.

There are several reasons for this deficit, many of which are coming directly from the State and some of which are local:

- The Governor's budget proposal for revenues to schools is essentially flat from the current year and provides only a very small Cost of Living Adjustment.
- Compounding this, the State is requiring School Districts to pay an ever increasing amount for employee pensions (STRS/PERS). Sadly, the cost of living adjustment mentioned above does not even provide enough funding to cover the pension increases for next year.
- The District expects continued declining enrollment next year, which means lower state revenues as we receive funding on a per student basis.
- As the local economy has improved slightly, our District's poverty counts have declined. This is great news for our community overall, but also means lower revenues to the District to support our students in need.
- The District has used fund reserves to mitigate the effects of reduced revenues due to declining enrollment over the last several years. These reserves have now been depleted and are no longer available as we have reached the minimum required reserve amount.

With guidance from our Board of Trustees and input from stakeholders, we must and we will take action to resolve this deficit and balance our budget. We will do so in a very thoughtful and deliberative manner, keeping our students' needs at the forefront of our planning.

We will move through the budget planning and evaluation process with some essential student-focused tenets in mind:

- Maintain safe learning environments on all of our campuses;
- Maintain access to rigorous educational programming that allows students to earn a high school diploma and meet college admissions requirements;
- Maintain the District core initiatives such as our FutureForward technology and learning efforts, College and Career Readiness skill building, and maintaining positive school climates with welcoming learning environments for all students; and
- Maintain our refined Career Technical Education pathways aligned to students' interests.

It is important to share that additional information and data will be needed from the State that will greatly influence the final GUHSD budget that must be adopted by June 30, 2017. Our state legislators and the Governor will be working through the state budgeting process over the next 19 weeks. We will be monitoring their efforts and look forward to the Governor sharing additional budget projections in early May and the final state budget in June.

In closing, please plan on receiving additional budget messages from me through our District website or my Superintendent's Newslines. I also want to extend an open invitation to our Board Budget Workshop on Thursday, February 16, 2017, from 4:30 - 6:00 p.m. at the East County Regional Education Center located at 924 East Main Street, in El Cajon.

Keep the faith,



Dr. Tim Glover  
Superintendent