

January 20, 2018

Dear Community,

Lately there has been talk around town about potential cuts to programs at our school sites. So far, this talk is preliminary. The Board of Education has not yet formally considered these ideas, and no decisions have been made. We will begin having community meetings about the AUSD budget and possible cuts next month. In the meantime, however, I know people are understandably concerned, and I'd like to help you understand what's happening. We need everyone to be informed and understand why we are here.

The Board of Education has directed my staff and me to review budget priorities in light of the fact that, despite recent raises, our AUSD employees are still among the lowest paid public school district employees in the county. Last fall the district used deferred maintenance funds to offset escalating costs of pensions and special education. Two years ago we also cut 10% from central office department budgets. Those are excellent examples of cutting "away from the classroom" in order to reprioritize spending.

But to further increase AUSD salaries, we would need still more money.

How much money? A 1% salary increase for AUSD employees costs about \$750,000. As such, a 5% salary increase would cost \$3,750,000. A 10% salary increase would cost \$7,500,000. Twenty percent would cost \$15 million. That's a lot of money for an agency with a \$100 million budget.

Right now AUSD's finances are healthy. In fact, while many districts in the Bay Area are slashing their budgets due to deficits, AUSD is continuing to pass multi-year budgets and get good feedback on annual audits. However, we do not have millions of surplus dollars to fund raises. The only way we can free up that money is by making cuts elsewhere. And the only way we can choose which cuts to make is to put every possible option on the table and talk about it with the Board and public.

In other words, the district is trying to provide as much flexibility as possible by coming up with as many options as possible and then having community-wide

conversations in Board of Education meetings about what our educational values are and what our budget priorities should be.

These will not be easy conversations. They will no doubt trigger claims that “the district” and “the Board” are to blame - that we’re cheap, or we don’t know how to manage money, or we don’t care about teachers or children. I invite you to go beyond this kind of divisive and simplistic thinking so we can explore the deeper roots of our funding problem: the inadequate funding from the state. This is a historic problem really.

In 2009 and 2010, the state radically cut public school funding because of the recession. In 2013, California legislators approved the “Local Control Funding Formula” as the new mechanism for funding the state’s public schools. Under that formula, all school districts get a similar “base funding,” and school districts with higher percentages of “unduplicated students” (i.e., English Language Learners, low-income students, and foster youth) receive supplemental funding on top of that. Over the last five years, the state has been slowly but surely adding to that base funding. But at the same time, the state has mandated how that funding can be used, while also shifting the burden of pension costs onto districts and employees. So even as funding has increased, so too have our mandated expenditures.

This is dirty pool. It is a shell game. The state continues to shortchange us.

To make matters worse, politicians are now claiming that LCFF is “fully funded.” This is a bunch of malarkey. California schools remain among the lowest funded in the nation. LCFF has simply gotten us back to the 2007-08 funding levels – what it was before the state cut funding during the Great Recession. That money isn’t enough for school districts to provide quality programs *and* better salaries, not to mention our increased share of pensions and spiraling special education costs.

Current state funding simply isn’t enough for AUSD to provide both high-quality programs and higher raises. Some districts do indeed pay their employees more. Many factors play into this disparity, but the three most important ones are: 1) they have higher percentages of “unduplicated” students and so receive more state money; 2) they have higher parcel taxes; and 3) their class sizes are higher.

What's the solution? On the state funding side, AUSD is now working with the School Funding Coalition to create the collective action it will take from the legislators and voters of California to make changes to how public education is funded in this state. We have had meetings with our local legislators, and we have worked with other districts and with the Alameda County Office of Education to make ourselves heard by legislators. I would like to encourage our public, too, to direct their concerns and outrage to legislators of the State of California who don't seem to care enough about your families or our employees to actually work on adequate educational funding in this state. The reason we have limited resources is clearly inadequate funding from the state.

Locally, please be assured that none of us want to cut programs. But we need to have some frank discussions about where we are as a state and as a district, and we need people to engage in civil discussions about problems we have faced for decades before us and problems we probably will be facing for decades ahead. We will start having community meetings about the district's priorities in February. We will also send out a survey to gauge public opinion on spending priorities. And we will be launching a website with easy-to-understand information about the district's budget, the state funding system, and how we compare with other districts in the county. Our intention is to provide as much factual information to the public as possible. We need people to know the whole story so we all are aware of the challenges we face.

I ask all of us to put our thinking caps on and prepare for serious discussions and dedicated inquiry. We are a unified school district, and I know our community has long supported our students and our teachers. We look forward to hearing your thoughts. And we look forward to us coming together to review the facts so we can collaborate on fixing problems instead of simply fixing blame. We will need to make sense of this together, and that is what we aim to do.

Sincerely,

Sean McPhetridge, Ed.D.
Superintendent of Schools