

Area schools have dire financial reports

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■ More East Bay educational institutions may not have enough money to meet budgetary obligations

By Eric Louie

STAFF WRITER

A number of East Bay school districts are reporting that if the state education budget doesn't improve, they soon may not have enough money to meet their budget obligations.

Education officials say they expect to see an increase in the filing of grim interim financial reports statewide

and say it illustrates the bleak future for schools, which have already been cutting back.

"I think you're going to see an increase over last year," said Brian Lewis, executive director of the California Association of School Business Officials. "It's a really sad situation we're in."

School districts have until Monday to give their county office of education a "first interim" report, reflecting their latest assumptions on revenue and expenses. That report shows either a positive, qualified or negative status. Qualified means the

district may not make its financial obligations for the current year and the following two. Negative means the district will not. Districts also file a "second interim" in the spring. Last school year ended with by far the highest number of qualified reports in 10 years.

In the Tri-Valley, the Pleasanton school district recently gave its school board a qualified first interim report because in 2009-10 it expects to have less reserve money than the state requires.

Superintendent John Casey said the district made budget cuts last

spring in anticipation of receiving less funding and thought it would be fine. Now the district expects to get even less money from the state this school year and doesn't expect income in future years to keep pace with rising costs.

"That's the difference," he said.

The Dublin, San Ramon Valley and Sunol Glen school districts gave their boards positive reports, while the Livermore school district is expected to do the same during Tuesday's board meeting.

But even a positive status doesn't mean cuts aren't needed. The San

Ramon Valley school district, which will ask voters in May to pass a parcel tax to continue programs, said in its report that it would cut those programs if the measure fails, district spokesman Terry Koehne said.

Elsewhere in the Bay Area, the Mt. Diablo school district filed a qualified report and is in the process of identifying cuts to fill a \$6.6 million gap in the 2009-10 school year. The Martinez school district also turned in a qualified report and is planning cuts. The West Contra Costa school

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district, which also has a qualified report, has already cut more than \$6 million from this year's budget and could face \$10 million in midyear cuts this year. The district could close as many as 10 schools over the next two years.

"Unfortunately, we have a lot of uncertainty in our budget at this time," said district budget chief Sheri Gamba. "While the cost of doing business is rising, the district will not get the cash to offset the increase."

Unique Holland, spokeswoman for the Alameda County Office of Education, said Friday only three districts had turned in reports. Those districts, Albany, Sunol Glen and Alameda, turned in positive reports. Peggy Marshburn, chief communications officer for the Contra Costa County

Office of Education, said the office anticipates there will be more districts with shaky finances, though that depends on whether they've already made cuts.

"It's pretty grim," said Marshburn. The office will review the reports and is supposed to then report that information to the state in January.

Peggy O'Guin, administrator of the state Department of Education's financial accounting and information services office, agreed it's not looking good.

"In general, I think it's safe to say we definitely have a concern," she said. "Anyone who was borderline before is not going to be borderline anymore." **350**

Reporters Kimberly S. Wetzel, Lisa P. White and Theresa Harrington contributed to this story. Reach reporter Eric Louie at 925-847-2123 or elouie@bayareanewsgroup.com.