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Published March 2nd, 2011

## Moraga School District Finances Going from Bad to Worse

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Moraga School District Superintendent Bruce Burns warns audiences that "this is another year to plan when you don't have all the info." He is busy making the budget presentation rounds, ten to date, "to anybody who will listen to me." The next School Board meeting is March 8, and Burns says "it will be big."

"This is a very interesting time to become Superintendent," says Burns, who is just seven months into the job.

"We're doing the right thing," he believes, adding, "I don't want to be an alarmist."

The Moraga School District's (MSD's) last financially stable year was 2007-2008. Since then, it has been deficit-spending; Burns sets the current deficit at \$569,950. According to MSD Chief Business Officer Kathy Bell, the district's 2009-2010 per-student spending was \$8,920.

Even if existing taxes are extended, the district will lose about \$19 per student. After applying a \$280,000 one-time Federal Jobs Act grant, the result is a shortfall of nearly \$34,000. Burns says the MSD might be able to cover this loss by tapping into one-third of its financial reserves. California requires each school district to save 3% of their total revenues; the Moraga School District has saved 4%.

If the taxes are not extended, which Burns describes as "a horrible situation," the loss per student increases to \$349; and the district deficit grows to \$844,000. After budget cuts, reductions and applying reserves there would be a \$230,109 shortfall. Although the per-student dollar loss increases in this case, the shortfall is less than the first scenario because the district would then use two-thirds of its financial reserves.

If enrollment increases the deficit decreases, says Burns. Every unspent line item results in savings applied to the deficit.

"Teachers [who have had hours or jobs cut] have been through this before and it might happen again." Yet this is the scenario the district is planning for, eyeing the March 15 deadline for sending lay-off notices. Burns says the district partially offset staff reductions with funding provided by the Parent Teacher Associations (PTAs) and the Moraga Education Foundation (MEF).

The worst case scenario is one in which taxes are not extended and Prop 98 is suspended - the district would suffer a 1.6 million dollar deficit and a loss of \$650 per student. Even after applying reserve funding, the projected shortfall would be \$748,922. If that happens, revenue loss would increase to \$1200 per student for the 2012-2013 school year. And district reserves would be gone.

The numbers will shift somewhat as expenditures continue during the next four months. Shortfall figures are estimated projections based on the information available to the MSD earlier in the year. "The second interim budget report will likely show a decrease in shortfall numbers as our enrollment increased. Increased enrollment increases revenue and decreases shortfalls," Burns notes.

Burns says twenty five percent of MSD's current operating budget does not come from the State but from sources such as PTAs and MEF. Because of that, he says it is vital to build both funds as well as to personally thank individuals and businesses who have made past contributions. Burns also hopes parents will attend the March 29 statewide PTA Advocacy Day in Sacramento, and "contact your Legislators daily...by phone, e-mail and letter. Let your voice be heard." He adds that the Moraga School District isn't just relying on donations to help ease deficit spending - at this point, Burns stressed, "We're betting on them."

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