



TRUSTEES
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January 6, 2010

Dear Paso Robles School District Colleagues,

Over the past several years, our school district has eliminated programs, jobs, and services that have negatively affected our educational community. Continued drastic decreases in state funding require additional reductions. Attached is our district report that gives the current status of our fiscal situation. It includes a summary of the budget shortfall projected over the next 18 months, and a proposed list of eliminations and reductions to meet that shortfall. Although the summary and list are only estimates, they reflect the depth of our current fiscal situation. We realize that these decisions are not simple, nor easy; however, they are decisions that must be made in order to maintain our district's fiscal solvency. Please note that these are recommendations. We will need to work collaboratively to come up with a plan to eradicate the deficit.

The shortfall for the 2009-10 budget is estimated to be \$2.4 million. Interfund borrowing is necessary in order to balance this year's budget. Returning the money to the funds from which they were borrowed, and implementing further reductions and eliminations needed, require an additional \$4.8 million. Our budget assumptions also reflect a shortfall of \$2.6 million, which is being estimated for the next year. This amount does not include any further revenue reductions by the state. Therefore, the total amount that PRJUSD has to reduce in its budget over the next 18 months is a minimum of \$7.4 million. In order to reach this dollar amount, a combination of the proposed attached reductions is essential and must be made.

It is our intent to make decisions on a final plan and have it in place by February 1, 2010. The more work we do this year to alleviate the financial deficit will aid in our overall planning for next year. Please remember that, at this time, the reductions and eliminations list is a DRAFT and not the final decision.

Our mission is to work collaboratively with the bargaining units to ensure that our district maintains its fiscal solvency, while providing for the education of the students in Paso Robles. Thank you in advance for your support during these most difficult economic times. We would like to request that the bargaining units in the district reconvene to negotiate solutions to this fiscal crisis.

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