

Coachella Valley Unified School District



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Superintendent

Dr. Edwin Gomez

January 24, 2019

Dear CVUSD District Staff, Parents, and Community,

Our District is making positive in-roads in this first half of the school year. In reviewing data to reflect upon our practices, we can see an upward trajectory in our students' academic performance. We are aware that change requires time, and the investments made in staff and programs are becoming evident. We are optimistic that an upward trend will continue as our certificated and classified staff devote efforts into programs such as Transformational Learning, writing, and Ethnic Studies. Transformational Learning is equipping staff and students with the tools to ensure students are social-emotionally ready to learn. Our emphasis on writing instruction is key and students are readily applying their learning across content areas. Additionally, programs such as Ethnic Studies is another avenue for our students to become engaged and connected to their learning.

There is no doubt CVUSD is making strides in the right direction, and with continued support, we will maintain our positive momentum moving forward. However, the reality of addressing our fiscal challenges still remains a top priority in the district. Our aim at CVUSD is to keep all stakeholders informed of the current financial situation. The current year expense reductions in the amount of over \$4.0 million, as well as Governor Brown's decision to accelerate full state funding of the Local Control Funding in 2018-19, have improved District finances. Nevertheless, the multi-year budget projection forecasts a deficit of \$6.8 million in 2019-20 and \$8.9 million in 2020-21 in unrestricted reserve funds if we fail to enforce additional expense reductions.

There are a number of factors that have led to the District's fiscal distress, including declining enrollment over the last four years, resulting in reduced revenues for CVUSD in the amount of \$12 million this year. Another contributing factor is the ending of LCFF funding growth after the 2018-19 school year, and small COLA increases of the District's annual revenue. Funding for steep increases to STRS/PERS employer contributions, step and column advancement, and inflation are projected to have a \$15.5 million operating deficit over the next three years.

As a District, we are required to maintain a minimum reserve of 3%. Due to our unrestricted reserves falling to 2.95% of its total expenditures last year, we had an "annual audit finding," stating *CVUSD should reduce costs by approximately \$7.6 million in fiscal year 2019-20, and an additional \$2.0 million in 2020-21.*

The CVUSD Board and administration remain steadfast in the objective of sustaining the fiscal solvency of our District. In order to meet our responsibilities, budget reductions will have to be implemented. In light of the reality of necessary budget cuts, the CVUSD administration is committed to collaborating with stakeholders in finding solutions which will have the least impact to the educational program and the livelihood of our employees. As we move forward in this process of balancing our budget, we will continue to apprise our staff members, stakeholders and greater community with the most current information.

Sincerely,

A handwritten signature in blue ink that reads "Edwin Gomez".

Edwin Gomez, Ed.D
Superintendent of Schools
Coachella Valley Unified School District

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College, Career and Citizenship