

Dear Friends and Supporters,

In my letter last Spring, I promised to update you more often on the happenings of the school district. Last May, I started my [blog](#), which I encourage you to visit (www.rosenblatt.org). I also thought it would be an appropriate time to send an update e-mail, as so much has happened since then. Of course, most importantly, I strongly encourage all of you to vote for Measure S on the ballot on November 4th (more on that later).

Some of the highlights of the last four months included:

- Settling with the teachers union on a two-year agreement for compensation
- Stepping up our District-wide communication, including the launch of the Superintendent's newsletter and the adoption of Agenda Online, which allows us to have all Board Meeting agendas (and all supporting materials) available to the public on the Web
- The District's new staff members – particularly Tom Green and Mary Jude Doerpinghaus – really diving into issues and making a real difference. In particular, I am much more confident that we will be operating our Special Education program in the right way to best serve all San Carlos students
- Agreed on Board site visits to each of our seven schools every year and personally witness some of the exciting programs happening (we completed our first visit – to Heather School – last month)
- Placed Measure S on the ballot – a parcel tax to replace Measure D, increasing the amount by \$75 per year per parcel

Of course, there was a fair bit of bad news. First and foremost came the California state budget. Although cuts were not “worse” than what was outlined in May, the budget was based on a series of “one-time revenue enhancements” and other accounting shifts which essentially just moved (and expanded) the problem to next year. The budget did not create any stable funding stream for the state or any permanent reductions in expenditures to fill the massive deficit. Unfortunately, we are expecting that will not likely get any increase in funding next year even though our expenses continue to rise (and we do want to give raises in the future, etc.).

The second piece of bad news came from the current national financial crisis, and in particular from Lehman Brothers. Unfortunately, the San Mateo County Treasurer (who manages all of the working capital for all of the public agencies in the county) decided it was prudent to invest 5% of their entire portfolio in bonds of Lehman Brothers. Now, those bonds are likely worth nothing, and our District suffered over a \$650,000 loss (note that many other agencies lost a lot more). That amounts to losing the equivalent of 3% of our entire budget overnight.

So, I remain very pessimistic about the larger macroeconomic conditions and the inherent risks to our schools. California has already announced that it is behind on revenue projections from the budget they just approved last month (see an article from today:

<http://www.sacbee.com/111/story/1296812.html>). And the County Treasurer still has significant exposure to financial services in its portfolio.

Although we didn't know about the larger financial meltdown when the Board approved adding the Parcel Tax measure on this November's ballot, it is now more crucial than ever. I can not stress enough how important it is that Measure S passes, and it requires a 2/3 super-majority to pass. If it does not, we will be facing a huge crisis in our schools. Although I know it is tough to ask people for more money when the overall economy is tanking, hopefully people will understand that an extra \$7 per month is an extremely small price to pay for ensuring we have excellent schools in San Carlos. Our kids deserve no less (and in fact they deserve more, but unfortunately this is all we can do in the short-term), so please get the word out to your neighbors, friends, and family and stress to them how important it is to vote YES ON S! I'd be happy if you just wanted to forward all of them my e-mail. For more information on Measure S, you can visit the web site at <http://www.yes-on-s.org>.

I will keep you informed through my blog and these periodic letters. Thanks again for your support, and feel free to contact me at any time.

Regards,

Seth