

September 5, 2012

Ms. Holly A. Hermansen
Nevada County Superintendent of Schools
112 Nevada City Highway
Nevada City, CA 95959

Subject: 2012-2013 Budget – Conditional Approval

Dear Superintendent Hermansen:

On behalf of the Board of Trustees of the Nevada Joint Union High School District (NJUHSD), I want to thank you for attending the meeting of the Board on August 30, 2012 in order to address our concerns and questions regarding your letter of August 13, 2012. We appreciated the information that you provided regarding the conditional approval that you have issued for the 2012-2013 adopted budget. Your presentation was clear, thorough, and straightforward. We especially appreciate your willingness to work with our District administrators during these most challenging financial times.

Please consider this communication as the Board's formal reply to your letter of August 13, 2012. As required by state law, the NJUHSD is responding to your concerns within the required timeframe. By December 15, 2012, with the First Interim Financial Report, the NJUHSD will:

1. Revise the District's multi-year financial projections, including a detailed Board-approved list of expenditure reductions and/or revenue enhancements.
2. Recommend that the Board take action to sweep the 2011-2012 site and department-level carry over budgets.
3. Revise the current year cash flow report in recognition of the District's obligation to the Muir Charter School. It is the NJUHSD Board's understanding that the County Superintendent of Schools will work to help mitigate the impact of this tax transfer on the District.

In response to the conditional budget approval, the District will also implement the following measures:

- Spending and Hiring Chill

Effective immediately, the District administration will consider each and every expenditure using the following criteria:

- Conference and Travel: Only reasonable and necessary conference/travel as related to the continued improvement of existing programs will be approved.
- Personnel: A hiring "chill" will be implemented. As positions become vacant, each position will be evaluated individually for posting.
- Purchasing: We will purchase only what is reasonable and necessary to support existing programs.

Although the District implemented an ongoing spending/hiring chill in 2008-2009, as time has progressed, the chill has admittedly "thawed". At this point in time, with the pending tax measure and the threat of additional dramatic reductions, it is the time to strengthen this practice.

- Community Forums

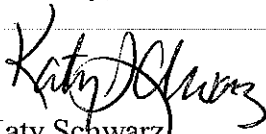
District Administration will plan at least two community-wide forums to provide facts to the public regarding the ongoing and significant state and local budget crises.

- First Interim Budget Report

District staff will begin immediately to provide for the changes requested by the County Superintendent of Schools with the goal of completing the task by December 15, 2012 with the reporting of the First Interim.

Again, thank you for your time and willingness to work with our District through this most difficult of times.

Sincerely,



Katy Schwarz
Board President