



# Board of Education

Budget Workshop  
April 29, 2008



## Agenda

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- Introduction
- State Budget Update
- Second Interim Feedback
- Budget Reduction Implementation Strategy
- Budget Development...2008-09
- Restoration Strategy
- Closing Remarks





## Opening Remarks

- **Workshop Purpose**...Sustain The Open, Transparent Dialogue With The Board And Public
- Focus On Budget Deficit – Related Changes That Have Transpired Since The March 11, 2008 Board Session
- Examine Where We Are Today And Where We Need To Go...Budget Deficit Strategy & Budget Development
- Maintain “Front Burner” Consideration Of Various Issues...
  - Roles Of Different Players In Sacramento & San Diego
  - Severity Of The Budget Crisis...Multi-Year Problem?
  - Our Options Based On The Evolution Of The Crisis
- Obtain Your Feedback & Guidance

Keeping You Informed

What Has Changed?





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## State Of The Economy

- Revenue Trends Are Problematic
  - State Tax Collections Through March Are \$1.2B Below The Governor's January Estimate
- State Deficit Is Likely Increasing...Media Reports Deficit Growing By \$2-\$3 Billion
- Legislature And Governor Have Addressed \$8 Billion Of The Deficit Problem In The Current Year
  - Actions include Issuing Remaining Authorized Debt Bonds and "Scooping Up" Unspent Balances
- State Unemployment Rate Jumped To 6.2% In March
- National Economy Continues To Show Signs Of Recession

As of 4/24/08...  
Current  
Projected  
Deficit Is  
\$10B





## Legislative Process ...Still Deliberating...

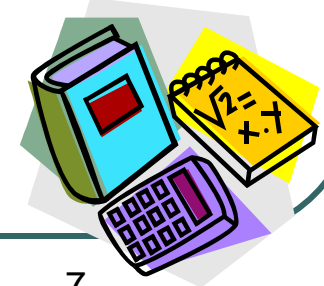
- **Republican Approach**...Introduced Several Bills To Provide Flexibility
  - Proposed Consolidating Various Categorical Programs Into “Block Grants” To Broaden Local Budgetary Decision Making
  - Support Greater Flexibility In Use Of Remaining Available Funds
- **Democrat Approach**...Recommended Tax Increases And “Closing Tax Loopholes”
- No Movement In The Legislature Of A Bipartisan Nature
  - Republicans Oppose Tax Increases...Democrats Oppose A Program Reduction Only Strategy
  - Gridlock May Result In No 2008/09 State Budget For Sometime...Anybody’s Guess?!





## May Revise...Critical Unknown

- May Revise Budget Is Key...Historically, The Senate And Assembly “Roll Up Their Sleeves” And Engage With The May Proposal
  - No Proposed Changes To Date...School Districts Are Advised To “Sit Tight”
  - April Revenues...A Major Factor In Shaping May Revise
    - Governor’s Staff Collecting and Updating “The Numbers”
  - May 14 – Governor Issues The “May Revise”
  - May 19 – School Services Of CA Analysis Of May Revise
  - May 27 – Budget Workshop...Assess/Discuss May Revise Impacts





## State Budget...Public Sentiments/Observations

- “...Many Budget Watchers Believe That Bridging This Year’s Budget Gap Will Prove To Be The **Toughest Challenge** We’ve Seen To Date...”
- “...California Has Faced Budget Shortfalls Continuously Since 2001...**all Of The Easy Solutions...Used Up...**”
- “...The Downturn...is Driven Primarily By The Housing Market. The Mortgage Meltdown’s Impact On Public Budgets And Services Is More Broadly Based Than Prior Economic Downturns...”
- “...Budget Lock-ins (Approved By Voters) Also Make It More Difficult For The Legislature To Balance The Budget. Many Of The New Lock-ins Are Much More Restrictive Than Those That Have Been On The Books For A Longer Time, Including Proposition 98...”





## State Cash Flow Challenge

- State Has A Cash Problem
  - Running Out Of Money
- State Has Limited Borrowing Ability
- Borrowing Adds To The State's Expenses And To The Projected Deficit
- Partial Solution...State Is Getting An "Interest Free Loan" From School Districts By Deferring The July Apportionment Until September

State Expenditures Continue To Exceed State Revenues





## July to September Deferral...The Numbers

### Normal Apportionment Schedule for 1st Qtr

	<b>July</b>	<b>August</b>	<b>September</b>	<b>1st Qtr</b>
Distribution Percentage	<b>6.0%</b>	<b>12.0%</b>	<b>8.0%</b>	<b>Total</b>
Estimated Revenue Limit	\$11.1M	\$22.3M	\$14.9M	\$48.3M
Spec Ed, GATE etc.	\$5.3M	\$10.6M	\$7.0M	\$22.9M
	<u>\$16.4M</u>	<u>\$32.9M</u>	<u>\$21.9M</u>	<u>\$71.2M</u>

### Proposed Deferred Schedule

	<b>July</b>	<b>August</b>	<b>September</b>	<b>1st Qtr</b>
Distribution Percentage	<b>0.9%</b>	<b>12.0%</b>	<b>13.1%</b>	<b>Total</b>
Estimated Revenue Limit	\$1.7M	\$22.3M	\$24.3M	\$48.3M
Spec Ed, GATE etc.	\$0.8M	\$10.6M	\$11.5M	\$22.9M
	<u>\$2.5M</u>	<u>\$32.9M</u>	<u>\$35.8M</u>	<u>\$71.2M</u>

### Impact On Cash Flow

<b>Change in Cash Payments</b>	<u><b>(\$13.9)M</b></u>	<u><b>\$0M</b></u>	<u><b>\$13.9M</b></u>	<u><b>\$0M</b></u>
<b>Lost Interest Revenue</b>	<u><b>\$47K</b></u>	<u><b>\$47K</b></u>	<u><b>\$0</b></u>	<u><b>\$94K</b></u>



## Tax Revenue Anticipation Notes (TRANS)

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- TRANS are Used by the District to Provide Working Capital (Cash) for the Unrestricted Portion of the General Fund Until Property Tax Revenues are Received in December
- The District's TRANS are About \$210 Million
- Interest Revenue Earned on the TRANS Balance is Used to Offset the TRANS Interest Expense
- Interest Spread (Interest Revenue – Interest Expense) Allows the District to Issue a TRANS at Little or No Net Cost
- The Governor's Proposed Apportionment Shift will Cost the District \$100K in Lost Interest Revenue that Would Have Been Used to Offset TRANS Interest Expense





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## SDCOE Response...Accepted Positive Certification

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- Excerpts From The San Diego County Office Of Education (SDCOE) Second Interim Letter Dated April 10, 2008
  - “...The District Has Submitted A Positive Certification, Which Means That The District Certifies That It Will Meet Its Financial Obligations For The Current Fiscal Year And Subsequent Two Years...”
  - “...All Of The Data Submitted By The District Has Been Analyzed And Appears To Adequately Reflect The Financial Status Of Your District As Of January 31, 2008...”
  - “...In Accordance With The Provisions Of Education Code Section 42131, The County Superintendent Of Schools Will Inform The California Department Of Education That Your District Submitted A Positive Certification In A Timely Fashion And We Concur With This Certification At This Time...”





## SDCOE Response...Holding Us Accountable!

- “...The District’s Governing Board Has Taken Action
  - To Issue Layoff Notices And
  - Has Approved A Resolution Stating That The Board Will Adopt A Balanced Budget For 2008-09...”
- “...If The Governing Board Does Not Take Steps Towards A Balanced Budget For 2008-09, We Will Reevaluate The District’s Fiscal Situation And Take Any Necessary Oversight Actions Available To The County Superintendent Under AB 1200...”





## Second Interim...State Level Perspective

- In 2006-2007 The Fiscal Crisis Management Assistance Team (FCMAT) Reported 24 Districts Were Classified As Either Qualified Or Negative
- Reports Filed With The State In March Indicate 114 Districts Are Either Qualified Or Negative
- FCMAT Believes The List Of “Distressed” Districts Could Easily Double Once All The Reviews Have Been Completed
  - **County Offices Can Overturn Positive Certifications**





## Agenda

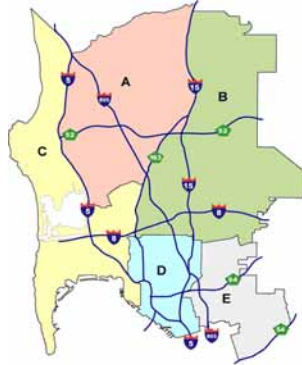
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# Districtwide Reductions



Districtwide Budget Savings Increase  
**\$.86M**

Priority	Budget Actions	FTE	Unrestricted General Fund (Millions)	
<b>I</b>	<b>Districtwide/Central Office Options</b>			
1	Use One-time Mandated Cost Reserve to Bridge Over 08/09 (One Time Only)	-	\$ <del>5.00</del>	\$ 4.00
2	Reduce Contributions to Self-Insured Workers Comp Fund	-	\$ <del>5.00</del>	\$ 7.00
3	Eliminate All District Cell Phones		\$ <del>0.25</del>	\$ 0.11
4	Eliminate the Contribution to the Pupil Bus Replacement Fund	-	\$ 1.00	\$ 1.00
	TOTAL	-	\$ <del>11.25</del>	\$ 12.11

1. Mandate Cost Reserve Balance Is Now Estimated to be \$4M...A Decrease of \$1M
2. Reduced Workers Comp Rate Improves Savings from \$5M to \$7M
3. Process Developed to Eliminate District Cell Phones...Budget Savings Decreased



## Central Office Reductions



Priority	Budget Actions	FTE	Unrestricted General Fund (Millions)
<b>II</b>	<b>Central Office Options - \$18.4M Package</b>		
	1 Central Office \$18.4M Reduction Unrestricted Resources	*****	*****
	(a) Board Education	1.0	\$ 0.29
	(b) Superintendent of Schools	5.9	\$ 1.21
	(c ) General Counsel	3.0	\$ 0.51
	(d) Chief of Staff	15.0	\$ 1.45
	(e) Deputy Superintendent	28.0	\$ 3.22
	(f) Associate Superintendent	12.0	\$ 1.03

- Implementing All Reductions...No Changes Since March 11, 2008 Presentation



# Central Office Reductions (Continued)



Priority	Budget Actions	FTE	Unrestricted General Fund (Millions)
<b>II</b>	<b>Central Office Options - \$18.4M Package (Continued)</b>		
	(g) Chief Administrative Officer	*****	*****
	(i) CAO	2.5	\$ 0.94
	(ii) Business Operations	45.5	\$ 5.00
	(iii) Facilities Management	3.2	\$ 0.46
	(iv) Financial Operations	17.0	\$ 1.74
	(v) Physical Plant Operations	44.0	\$ 2.54
	<b>TOTAL</b>	<b>177.1</b>	<b>\$ 18.40</b>

- Implementing All Reductions...No Changes Since March 11, 2008 Presentation



# School/Program Reductions ...Centrally Managed



Priority	Budget Actions	FTE	Unrestricted General Fund (Millions)	TIIBG (Millions)	Total Millions
<b>III</b>	<b>Centrally Managed Programs</b>				
	Redesign the OCILE Program (Excluding Transportation)	*****	*****	*****	*****
1	Balboa (15% Reduction)	3.0		\$ 0.26	\$ 0.26
2	Old Town (15% Reduction)	3.0		\$ 0.25	\$ 0.25
3	Palomar + \$22K for OCILE Transportation (9% Reduction)	2.0		\$ 0.27	\$ 0.27
4	Close Some Instructional Media Center Services	6.5		\$ 0.37	\$ 0.37
5	Close the Attendance Intervention Center	5.5	\$ 0.50		\$ 0.50
6	Offer a Centralized, Cost Neutral Summer School/Intersession/Extended Day Program	-	\$ 1.50		\$ 1.50
7	Reduce Transportation Costs By Synchronizing Bell Schedules	-		\$ 2.90	\$ 2.90
	<b>TOTAL</b>	<b>20.0</b>	<b>\$ 2.00</b>	<b>\$ 4.06</b>	<b>\$ 6.06</b>

- 6. Cost Neutral Summer School Plan Communicated to Principals...Will Implement This Summer
- 7. Synchronizing Bell Schedules...Challenging Trade-Offs...Savings May Diminish



# School/Program Reductions ...School Administration



Priority	Budget Actions	FTE	Unrestricted General Fund (Millions)
<b>IV</b>	<b>School Administration Options</b>		
	* 1 Reduce Vice Principals (Change Ratio to 800:1)	53.8	\$ 5.60
	Reduce Principals at Schools with Less than 300 Students	*****	*****
	2 (a) Assign Program Managers to Serve as Principals at Schools Less Than 300 Students	-	\$ -
	* 3 (b) Split Principal Assignment Between Two Schools with Less Than 300 Students	8.5	\$ 1.11
	TOTAL	<u>62.3</u>	<u>\$ 6.71</u>

2. Initiated Small School Redesign Project
3. Must Proceed With Planning For Split Principal Assignment

\* Affects School Allocation Formula



# School/Program Reductions ...School Managed



Priority	Budget Actions	FTE	Unrestricted General Fund (Millions)	CDC (Millions)	Total Millions
<b>V</b>	<b>School Managed Programs</b>				
	1 Reduce Child Development Center (CDC) Sessions	18.0		\$ 1.20	\$ 1.20
*	2 Reduce Librarian Allocation at Secondary Schools to .6 CPU	8.8	\$ 1.10		\$ 1.10
	3 Adjust Custodial Work Schedule to Eliminate Shift Differential	-	\$ 0.63		\$ 0.63
	<b>TOTAL</b>	<b>26.8</b>	<b>\$ 1.73</b>	<b>\$ 1.20</b>	<b>\$ 2.93</b>

- Implementing All Reductions...No Changes Since March 11, 2008 Presentation

\* Affects School Allocation Formula



# School/Program Reductions ...Class Size



Priority	Budget Actions	FTE	Unrestricted General Fund (Millions)	TIBG (Millions)	Total Millions
<b>VI</b>	<b>Class Size Options</b>				
	Reduce GATE Seminar Class Ratio	*****	*****	*****	*****
1	(a) 23:1 (\$0.56M - 6.8FTE)				\$ -
2	(b) 25:1 (\$0.71M - 8.6FTE)	8.6		\$ 0.71	\$ 0.71
3	(c) 30:1 (\$1.01 - 12.2 FTE )				\$ -
	Revise Teacher Formula Allocation	*****	*****	*****	*****
* 4	Elementary- Revise formula to round down fractions (eliminate .2 rounding up)	96.0	\$ 7.80		\$ 7.80
	<b>TOTAL</b>	<b>104.6</b>	<b>\$ 7.80</b>	<b>\$ 0.71</b>	<b>\$ 8.51</b>

2. School Budget Workbooks Issued With GATE Seminar Allocation of 25:1

\* Affects School Allocation Formula



# School/Program Reductions ...Special Education



Priority	Budget Actions	FTE	Unrestricted General Fund (Millions)	Special Education (Millions)	Total Millions
<b>VII</b>	<b>Special Education</b>				
	1 Reduce Paraeducators in Special Education Classrooms	150.0		\$ 6.10	\$ 6.10
	2 Reduce Resource Specialists at School Sites	20.0		\$ 1.45	\$ 1.45
	3 Reduce Resource Teachers, Program and Site Based Diagnostic Resource Teachers	20.4		\$ 1.74	\$ 1.74
	4 Reduce Vocational Rehabilitation Counselors/Teachers	16.0		\$ 1.36	\$ 1.36
	5 Reduce Central Office Managers	4.5	\$ 0.05	\$ 0.50	\$ 0.55
	6 Reduce SPED Site Administrators	13.0		\$ 1.43	\$ 1.43
	7 Reduce School To Work Transition Assistant	15.0		\$ 0.60	\$ 0.60
	TOTAL	238.9	\$ 0.05	\$ 13.18	\$ 13.23

- Implementing All Reductions...No Changes Since March 11, 2008 Presentation
- Taking Action To Support Hehir Report Recommendations



# Restricted Resources Reductions



Priority	Budget Actions	FTE	TIBG (Millions)
<b>VIII</b>	<b>Restricted Resources Reductions</b>		
	1 Reduce Allocations for Magnet, VEEP, AA and AEA *		\$ 2.70

- School Budget Workbooks Issued with These Reductions...Monies Realigned To Support Schools In Program Improvement

\* VEEP – Voluntary Enrollment Exchange Program  
 AA – Academic Academy  
 AEA – Academic Enrichment Academy



# Other Options...Require Union Engagement



Priority	Budget Actions	FTE	Unrestricted General Fund (Millions)
<b>IX</b>	<b>Options Which Require Consultation or Collective Bargaining for Impact and Effects</b>		
*	1 Reduce Nurses Allocation Ratio ( 800:20 CPU)	11.0	\$ 0.88
*	2 Reduce Counseling Program	15.8	\$ 1.20
*	3 Reduce K-3 CSR Program to Decrease Encroachment	36.0	\$ 2.80
	TOTAL	62.8	\$ 4.88

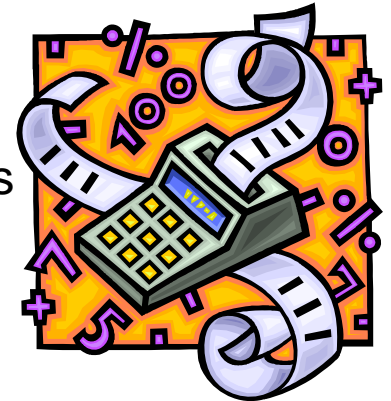
- Initiated Consultation with SDEA...Examining Various CSR Options
- Consultation Timeline/Process Must Support 6/24/08 Adoption

\* Affects School Allocation Formula



## Complex...Complicated Reduction Issues

- Managing Change...New Perspective/Direction
  - Central Office Reorganization...Program Revisions
- Maintaining \$72M Integrity And Balancing
  - School/Central Office Budget Workbook Adjustments
  - Bell Time Synchronization
  - Consultation Discussions With SDEA
    - Counseling...Nursing...Class Size
  - Principal Appointment For Split Assignments At Small Schools
  - Vice Principal Selections
  - Timely Management Of Classified Employee Reassignments (Bumping)





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# Revenue Assumptions - General Fund

	<u>2008/09</u>	<u>2009/10</u>
● Forecasted ADA Decline	(976)	(963)
● Update State Funded COLA	4.94%	3.00%
● Deficit Factor	(6.99%)	No Change
● Federal Funding (Impact Aid)	(\$1.5M)	No Change
● Other State Revenues		
● Class Size Reduction (State Cut)	(6.5%)	No Change
● Class Size Reduction (Program Reduction)	(\$9.0M)	(\$9.1M)
● Hourly Funding (COLA 4.94% less Deficit 10.9%)	(6.0%)	No Change
● Other Local Income	TBD	TBD
● Lottery Revenue	No Change	No Change
● Charter School Reimbursements	No Change	No Change
● Transfers In		
● Mandate Reserve Balance Transfer	\$4.0M	-
● Supplemental Early Retirement Program (SERP) Buy Out	\$6.8M	-
● Redevelopment Agency – Maintenance	\$2.1M	\$2.1
● Contributions	TBD	TBD

State Numbers  
Based on  
January  
Governor  
Proposal



## Expenditure Assumptions - General Fund

	<u>2008/09</u>	<u>2009/10</u>
● Support Budget Reduction Strategies	\$72.0M	?
● Factor In Latest Enrollment Forecast	(421)	(630)
● Plan For Annual Health/Welfare Rate Increase	7.6%	7.6%
● Expect Utility Rate Hikes	10.0%	10.0%
● Maintain Salary Schedule Progression	1.6%	1.6%
● Continue Funding 2007/08 Pay Increase	Yes	Yes
● Sustain 2007/08 Existing Programs Approved By Superintendent/Board	Yes	Yes



## Increases In Expenditure - Program Additions

- Centralized Custodial Supplies ...\$1.0M
- Utilities Cost Increases...\$1.8M
- Custodial Formula Additional Sq. Footage...\$1.5M
- Millennial Tech Middle School...\$2.3M Facilities...  
Transportation Costs (\$187K) and Program Supports  
(\$400K) Have Already Been Allocated (TIIBG)
- Memorial Preparatory for Scholars and Athletes...  
\$.35M Facilities...\$375K TIIBG
- Other Initiatives...Must Validate Soonest

Additions  
Impact Multiple  
Funds





## Reduction In Expenditure - Program Deletions

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- Budget Reduction Package..\$72M
- Hourly Program Reduction...\$1.1M
- Centralized Enrollment Office ...\$.06M
- Supplemental Retirement Plan ...\$6M

Staff Will Be  
Regularly  
Reviewing  
Program Adds  
And Deletes In  
May



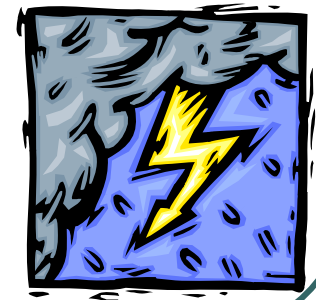
## Budget Reduction Strategy... If Things Got Worse

### District Options

- Appropriate Reserve Balances...Revisit 2% Reserve For Economic Uncertainty
- Cut Contract Services Further
- Accelerate School Closure/Consolidation/Realignment
- Direct Rigid Mandatory Conservation Of Utilities
- Suspend New Initiatives
- Reduce Classified Staffing Further
- Reduce/Eliminate “Extra Curricular” Activities

Few Options...All  
Are Ugly!!

What Can Legally  
Be Done?





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## Board Of Education Budget Priority Criteria

- Number Of Students Impacted ... 5
- Service Directly Supports Academic Programs ... 4
- Direct Link To Federal/State Standards/Test ... 3
- Interest In Reducing Deeply In A Few Areas ... 3
- Dollar Value Per Student Is Considered ... 2
- Are There Less Costly Alternatives ... 1
- Desire/Ability To Change Mandates ... 1
- Is Class Size A Consideration ... 1
- Will Re-Instatement Be In The Reverse Order ... 1





## What is the Restoration Process?

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- Restore All Cuts In A Single Category Before Moving To The Next Group...Priority Groupings?
- Do We Mix And Match...Blend Restorations Across Groupings...Return Some Of Everything?
- Do We Restore All Cuts Before Funding New Initiatives?
- How Do We Manage The Process And Integrate The Input?





## Priority Groupings

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- I. Schools
- II. Special Education
- III. School Administration
- IV. Centrally Managed Programs
- V. Central Office
- VI. District-wide



# Restoration Strategy...

## I. Schools

- CSR (\$2.8M – 36 FTE)
- Counseling Program (\$1.2M – 15.8 FTE)
- Nurse Allocation Ratio ( 800:20 CPU) (\$.88M – 11 FTE)
- Elementary- Revise Formula To Round Down Fractions (Eliminate .2 Rounding Up) (\$7.8M – 96 FTE)
- GATE Seminar Class Ratio (25:1) (\$.71M – 8.6 FTE)
- Librarian Allocation At Secondary Schools to .6 CPU (\$1.1M – 8.8 FTE)
- CDC Sessions (\$1.2M Restricted – 18 FTE)

What Gets Restored  
...1<sup>st</sup>...2<sup>nd</sup>...3<sup>rd</sup>?

Need To  
Balance ES,  
MS, HS Needs





## Restoration Strategy... II. Special Education

- School To Work Transition Assistant (\$.6M – 15 FTE)
- SPED Site Administrators (\$1.43M – 13 FTE)
- Central Office Managers (\$.55M – 4.5 FTE)
- Vocational Rehab Counselors/Teachers (\$1.36 – 16 FTE)
- Resource Teachers, Program and Site Based Diagnostic Resource Teachers (\$1.74M – 20.4 FTE)
- Resource Specialists at School Sites (\$1.45M – 20 FTE)
- Paraeducators in Special Ed Classrooms (\$6.1M – 150 FTE)

What Gets Restored

...1<sup>st</sup>...2<sup>nd</sup>...3<sup>rd</sup>?





## Restoration Strategy...

### III. School Administration

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- Split Principal Assignment Between Two Schools With Less Than 300 Students (\$1.11m – 8.5 FTE)
- Vice Principals (Change Ratio To 800:1) (\$5.6m – 53.8 FTE)

What Gets Restored And Where And When?



## Restoration Strategy...

### IV. Centrally Managed Programs

- Allocations for Magnet, VEEP, AA and AEA (\$2.7M TIIBG)
- Custodial Work Schedule to Eliminate Shift Differential (\$.63M)
- Reduce Transportation Costs By Synchronizing Bell Schedules (\$2.9M...TBD...TIIBG)
- Offer a Centralized, Cost Neutral Summer School/Intersession/Extended Day Programs (\$1.5M)
- Close the Attendance Intervention Center (\$.5M – 5.5 FTE)
- Close Some Instructional Media Center Services (\$.37M TIIBG – 6.5 FTE)
- Palomar + \$22K for OCILE Transportation (9% Reduction) (\$.27M TIIBG – 2 FTE)
- Old Town (15% Reduction) (\$.25M TIIBG – 3 FTE)
- Balboa (15% Reduction) (\$.26M TIIBG – 3 FTE)

What Gets Restored  
...1<sup>st</sup>...2<sup>nd</sup>...3<sup>rd</sup>?

These Functions Do  
Impact Schools





# Restoration Strategy...

## V. Central Office

- Central Office - \$18.4M Reduction Unrestricted Resources
  - a) Chief Administrative Officer
    - i. Physical Plant Operations (\$2.54M – 44 FTE)
      - Custodial (\$2.04M – 4FTE)
      - Landscapers (\$0.22M – 40FTE)
      - Utilities Management (\$0.28M)
    - ii. Financial Operations (\$1.74M – 17 FTE)
    - iii. Facilities Management (\$.46M – 3.2 FTE)
    - iv. Business Operations (\$5M – 45.5 FTE)
    - v. CAO (\$.94M – 2.5 FTE)
  - b) Associate Superintendent (\$1.03M – 12 FTE)
  - c) Deputy Superintendent (\$3.22M – 28 FTE)
  - d) Chief of Staff (\$1.45M – 15 FTE)
  - e) General Counsel (\$.51M – 3 FTE)
  - f) Superintendent of Schools (\$1.21M – 5.9 FTE)
  - g) Board Education (\$.29M – 1 FTE)

What Gets Restored  
...1<sup>st</sup>...2<sup>nd</sup>...3<sup>rd</sup>?

These Functions Do Impact Schools

Providing District-Wide Services





## Restoration Strategy... VI. District-wide

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- Contribution to the Pupil Bus Replacement Fund (Must Reinstated, Short Term) (\$1M)
- Eliminate All District Cell Phones (\$.11)
- Contributions to Workers Comp Fund (\$7M)
- Mandated Cost Reserve (\$4M)\*

\* One-Time Applications



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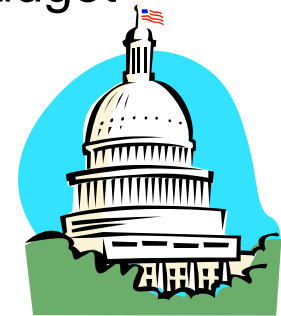




## Budget Timeline

We are here

- April 29 – Budget Workshop
- May 14 – Governor Issues The “May Revise”...Updating The January Proposal
- May 19 – School Services Of CA Analysis Of May Revise
- May 27 – Budget Workshop...Assess “May Revise” Impacts...Obtain Board Feedback/Direction
- June (TBD) – Additional Budget Workshop...Assess Budget Development Progress & Latest Changes
- June 24 – Board Adopts District Budget
- **July/Aug/Sept/???? – Board Adopts Revised District Budget To Accommodate Final State Actions**





## “Down The Road” ...Budget Considerations

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- Begin Planning To Support 2009-10 And 2010-11 District Operations
- Address Utilization Of Under-Enrolled Schools
- Factor In Changes Emerging From The Collective Bargaining Process
- Monitor Enrollment And Attendance Reporting
  - Adjust Budget Plan To Actual Operations For Current Year
  - Revise Budget Plan For Following Year
- Review Transportation Needs For Following Year That Are Not Mandated By Federal Or State Law
- Examine Other Changing Business Ops/School Site Needs





## Human Resources Update/Timeline

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### March:

- Notice of Possible Layoff Sent to Permanent Certificated Employees (March 15)
- Notice of “Termination of Services” Sent to Probationary Certificated Employees (March 15)

### April:

- Permanent Certificated Layoff Hearings Held (April 14-15)



## Human Resources Update/Timeline (Continued)

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### May:

- Administrative Law Judge (ALJ) Decision Received by District: On/or About May 7,
- ALJ Opinion Reviewed and Final Layoff Action Determined: On/or About May 8
- Final Layoff Notice Sent to Permanent Certificated Employees Prior to May 15
- Probationary Certificated Grievance Hearings Begin in Mid-May

### June:

- Probationary Certificated Arbitration Hearings Begin Early June
- Establish Recall List/Procedures



## Conclusions

Eight Weeks  
Away From  
Budget  
Adoption

- The State Budget Crisis Continues To Evolve...Drives Uncertainty On Many Fronts
- The “May Revise” Could Significantly Shape The District’s Next Actions To Accommodate The Deficit
- Must Manage The Crisis With Timelines “Out Of Sync”...District Calendar Vs. Legislative Calendar
  - **Must Adhere To Legal Deadlines**
- Need To Weigh Our Options For An Improved Or Degraded Budget Deficit Scenario



First Priority...Maintain The Team Effort & Transparent Dialogue