



2011-12 Budget Recommendations and Reductions

Board Item #10.1

Board of Education
March 3, 2011



2011-12 Best Case/Worst Case



• Best Case		
- Summary		
- Revenues	\$ 8.90	M
- Expenditures	<u>(\$ 18.10)</u>	<u>M</u>
Projected Deficit	(\$ 9.20)	M
• Worst Case		
- Summary		
- Revenues	(\$ 4.90)	M
- Expenditures	<u>(\$ 17.45)</u>	<u>M</u>
Projected Deficit	(\$ 22.35)	M



Summary of Approved Recommendations to Balance 2011-12 Worst Case

✓	Federal Education Jobs Funds		
-	Retain Bonus	\$	2.35 M
-	Receive remaining 10% from state	\$.80 M
✓	Tier III Reductions		
-	Reduce Adult Education	\$	2.00 M
-	Instructional Materials Block Grant	\$.50 M
-	School Library Improvement Block Grant	\$.23 M
-	Teacher Credential Block Grant	\$.10 M
✓	Savings from COP Remarketing (No QSCBs)	\$.50 M
✓	Eliminate Home-to-School Transportation	\$	<u>.98 M</u>
	Total Savings	\$	7.46 M
	Not Requiring Negotiations		



Summary of Approved Recommendations to Balance 2011-12 Worst Case cont'd

✓ Increase Class Sizes	
- Grades 4-6 increase by one student	\$ 1.35 M
- From 33:1 to 34:1	
- Grades 7-8 increase by five students	\$ 2.10 M
- From 31:1 to 36:1	
- Grades 9-12 increase by five students	<u>\$ 3.60 M</u>
- From 35:1 to 40:1	
Total Savings	\$ 7.05 M
Requiring Negotiations	



Summary



• Board Approved	
- Not requiring negotiations	\$ 7.46 M
- Requiring negotiations	<u>\$ 7.05 M</u>
Total to partially balance 2011-12	\$14.51 M
- Shortfall for Worst Case	<u>\$22.35 M</u>
Still needed to balance	\$ 7.84 M



Recommendations to Balance 2011-12



- **Does Not Require Negotiations**

- Increase K-3 Class Size at Two Grade Levels **\$ 1.84 M**
 - From 24.9:1 to 29:1
 - Leaves Two Grades at 24.9:1
 - Reduction of 41 Positions
 - Specific Grade Levels To Be Determined
- Elimination of Co-Curricular Support **\$ 1.26 M**
 - Extra Pay Stipends
 - Uniform Replacement
 - Athletic Trainer
 - Co-Curricular Transportation
- Reduce Counselors **\$ 1.24 M**
 - Reduction of 14.6 Positions
 - Remaining Counselors are Categorically Funded



Recommendations to Balance 2011-12 cont'd

- **Does Not Require Negotiations** (cont'd)
 - Reduce Adult Education **\$ 1.00 M**
 - Total Reduction - \$3.0 million
 - Reduced Summer Program at Fremont School for Adults
 - Elimination of Night Program at Skills Center
 - Print Shop Generate Revenue **\$.100 M**
 - Self Supporting
 - Reduce One Assistant Principal at HS **\$.430 M**
 - Reduce 4.0 Positions
 - Pay Reductions – 5% **\$.350 M**
 - All Unrepresented Staff
 - Discussion with Unrepresented Group Held
- Total Recommendations** **\$6.220 M**
Not Requiring Negotiations



Recommendations to Balance 2011-12 cont'd

- **Negotiations Required**
 - Pay Reductions – 5% **\$7.40 M**
 - All Represented Staff
 - Reduced by SCTA \$950 Contribution
 - Two Year Agreement
 - Initial Discussions Held
 - Additional Meetings Being Scheduled



Summary of Recommendations for Approval

• Not Requiring Negotiations	\$ 6.22 M
• Require Negotiations	<u>\$ 7.40 M</u>
Total	\$ 13.62 M

Shortfall **\$22.35 M**

Approved Recommendations	\$14.51 M
To be Approved Recommendations	<u>\$13.62 M</u>
Total Reductions	\$28.13 M

Available for Potential Worsening State Budget Impact **\$ 5.78 M**

Note - \$14.45 million of recommendations are negotiable



Additional Options



- Summer School as a Revenue Generator
- Other Revenue Generating Options
- Review of Contracts for Potential Savings
 - Board Workshop
 - Date to be determined



Next Steps

- Board Approval on Second Set of Recommendations
- Continue to Analyze State Budget Information
- Review Responses to Budget Survey to Parents/Community/Staff/Students
- Community Budget Information Meeting
- Continue to Schedule Meetings with Employee Groups
- Certificated Lay Off Notices by March 15
 - Education Code Deadline



Next Steps cont'd



- Second Interim Approved by March 15
 - Action needed to balance 2011-12
 - Qualified Certification
 - May not meet financial obligations for current or two subsequent years
 - Negative Certification
 - Unable to meet financial obligations for current or the subsequent year
 - Financial Oversight
 - Loss of decision making authority



Next Steps cont'd



- Continue Communication with Board and Stakeholders
- Classified Lay Off Notices if Needed
- Governor's May Revise Report
- Potential Vote on Legislation to Extend Tax Increases
- Public Hearing and Adoption of 2011-12 Budget