



# Budget Study Session III

2008/09 Mid-year Cuts  
2009/10 Budget Proposal

February 25, 2009

Presented by Business & Support Services

# The State has a Budget!

- Signed by Governor February 20, 2009
- The big picture remains basically the same, but the details have changed.
- 17-month budget deal, but...
  - May budget revision – May 25th
  - 16 budget & trailer bills
  - Budget subcommittees
  - May 19<sup>th</sup> special election
  - Mid-year revision 2009/10?



# Ambiguous Future

- Budget quantified – “ambiguous certainty”
- May contingencies weaken projections
- State revenue estimates are “robust”
- The economy will likely worsen before it improves.
- Tax increases are temporary (2&3 years)
- Flexibility is temporary (5 years)
- Permanent corporate tax cuts 2011 (≈\$1.5B)
- Federal dollars (2 years – timing uncertain)



# Apprehensive Approach

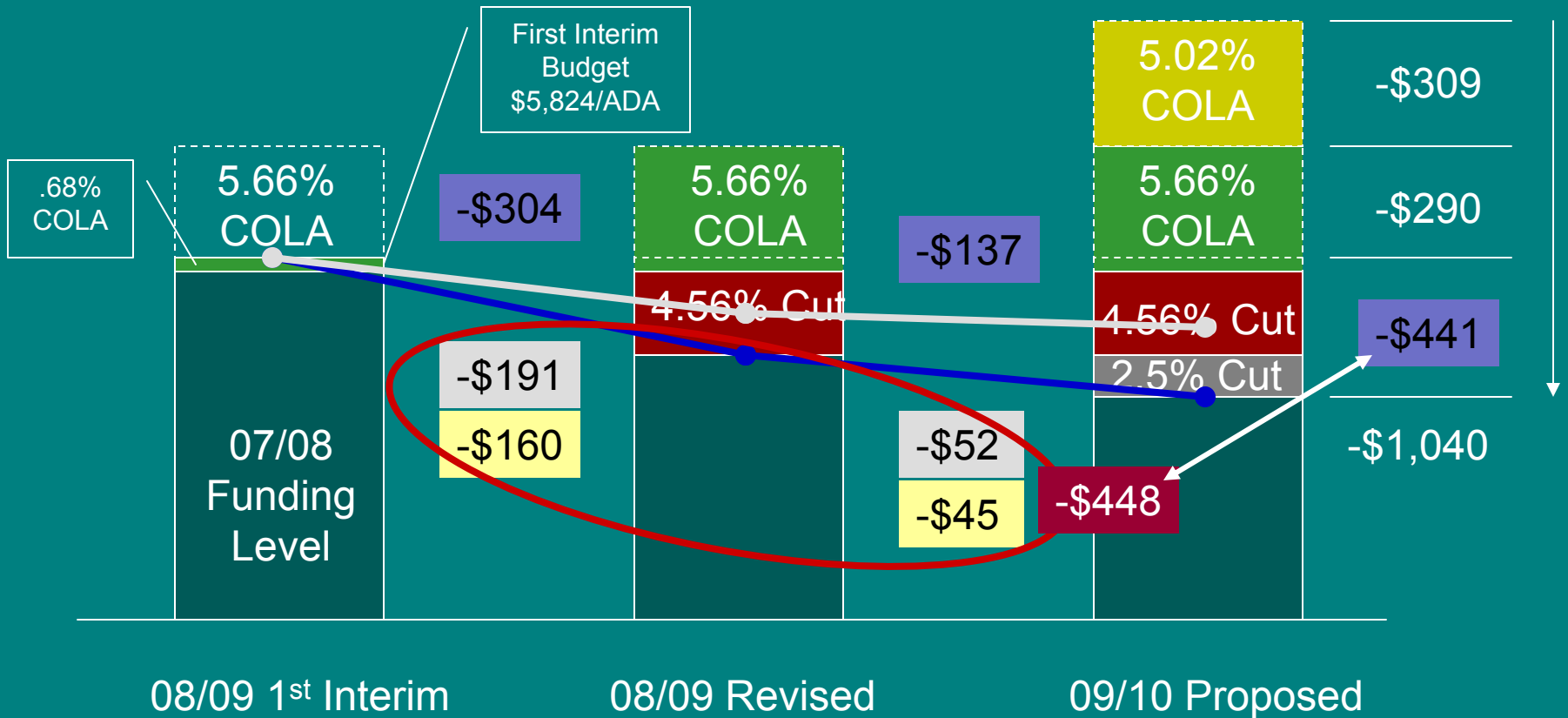
- “Measure twice cut once!”
- Programs and people can be added back at any point, but the budget is adopted only once.
- Two cut “windows”
  - March 15<sup>th</sup> Certificated
  - May 11<sup>th</sup> Classified
- Negotiated options are not options until they're options. (Must be approved at the table)
- One time \$\$ do not solve ongoing problems.
- Adopted budget is a best case scenario.
- Structural imbalance remains, once again the inevitable has been postponed.



# 2008/09 & 2009/10 Revenue Limit COLA (Funding per Student)

- RL Proposed
- RL Adopted
- CAT Reduction

Cumulative Loss from Statutory Level: ~~16.16%~~ 13.094%



# Less Flexible Flexibility

- Actual details of flexibility are not quantified
- Three categorical program tiers
  - Tier 1 - No Cut, No Flex
  - Tier 2 – 15.4% Cut 08/09 + 4.5% Cut 09/11, No Flex
  - Tier 3 – 15.4% Cut 08/09 + 4.5% Cut 09/11, Full Flex
- Flexibility through 2012/13
- Public hearing + reporting
- 08/09 & 09/10 instructional materials suspended
- Deferred maintenance match
- Reduced routine restricted maint. (3%⇒1%)
- Relaxation of CSR penalties
- School year remains at 180 days



Grant	Resource Code	Amount	Primarily Used for:
Ongoing Arts, Music Block Grant	6760	524,350	Arts, Music Staffing & Supplies
1-Time Arts Music Supplies Block Grant	6761	1,400,000	Arts, Music Supplies
CAHSEE (High School Exit Exam)	7055	22,611	High School staffing
School Counselor grades 7-12	7080	733,256	Counselors (salaries)
Gate AAA	7140	29,996	Staffing & Supplies at sites
Instructional Material Funds Realignment Prgm	7156	2,734,168	Textbooks
1-Time English Language Learner Instrl Matl.	7157	46,000	English Learner Supplies
PAR	7271	50,058	Teacher Additional Assignments
Pupil Retention Block Grant	7390	7,295	Salaries
Teacher Credentialing Block Grant	7392	115,000	Teacher Additional Assignments
TIIG	7394	1,463,135	Undesignated (was Transportation)
Schl, Library Improvement Block Grant (SIP)	7395	618,244	Site Supplies and Staffing
1-Time Discretionary Site Block Grant	7396	816,263	Site Supplies
1-Time Inst Matl, Library, Ed Tech. Block Grant	7398	184,521	Educational Technology for Sites
		8,744,897	
<b><u>Site level</u></b>			
SLIBG	7395		
Gate AAA	7140	243,573	
Discretionary Site Block Grants (carryover)	7396		
Arts, Music Block Grants (carryover)	6761	467,836	
Total of 0009 plus sites plus Lottery		9,456,306	

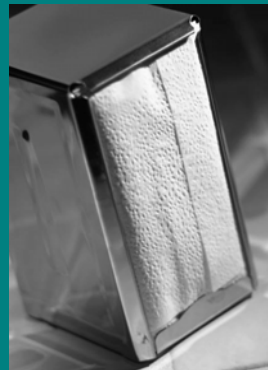
\$2,900,000 of this money was set aside during budget development because of proposed flexibility in last year's Governor's budget.

\$2,300,000 Categorical Deficit Elimination in Governor's Final (as of October 2008) Set Aside as Recommended

Balance is a combination of monies not yet allocated to sites and anticipated reductions in expenditures.

This is money that has not already been committed (encumbered) for Salaries or Supplies

2008/09 Mid-year Budget Cuts  
2009/10 Budget Proposal  
Numbers on a Napkin





# 2008/09 Mid-year Cuts

	<u>Proposed</u>	<u>Adopted</u>
Categorical Flexibility	\$14.6M	\$9.5M
Cost Containments	<u>\$1.0M</u>	<u>\$1.0M</u>
Total Available	\$15.6M	\$10.5M
Rev. Limit Reductions	(\$15.5M)	(\$9.9M)
Reduction of CAT Flex	<u>                    </u>	<u>(\$0.5M)</u>
Margin	\$0.1M	\$0.1M

Deferred Maintenance?



# 2009/10 Proposed Budget

	<u>Proposed</u>	<u>Adopted</u>
Estimated Flexibility	\$10.0M	\$TBD
Federal ARRA (2 years)	\$?.0M	\$?.0M*
R. Limit Reductions	(\$22.5M)	(\$12.3M)
Categorical Reductions	<u>-NA-</u>	<u>(\$3.9M)</u>
Needed	(\$12.5M)	(\$16.2M)
2009/10 Cost Increases	<u>(\$9.5M)</u>	<u>(\$10.8M)</u>
Needed 2009/10	(\$22.0M)	(\$27.0M)
Deferred Maintenance		<u>\$2.0M</u>
Net Needed		<u>(\$25.0M)</u>
Additional Needed in 2010/11		≈(\$10.0M)

\*Title 1-A=\$2.1M, IDEA=\$9.3M

# K-3 CSR “Flexibility”

Waiting for clarification from CDE  
on flexibility specifics.

- CSR Costs/Teachers

Size	Costs	Teachers Needed
20:1	TBD	217
25:1	TBD	95 = (217-122)
31:1	TBDM	0 = (217-217)

- Facilities issues

- Program requirements remain,  
penalties have been softened.



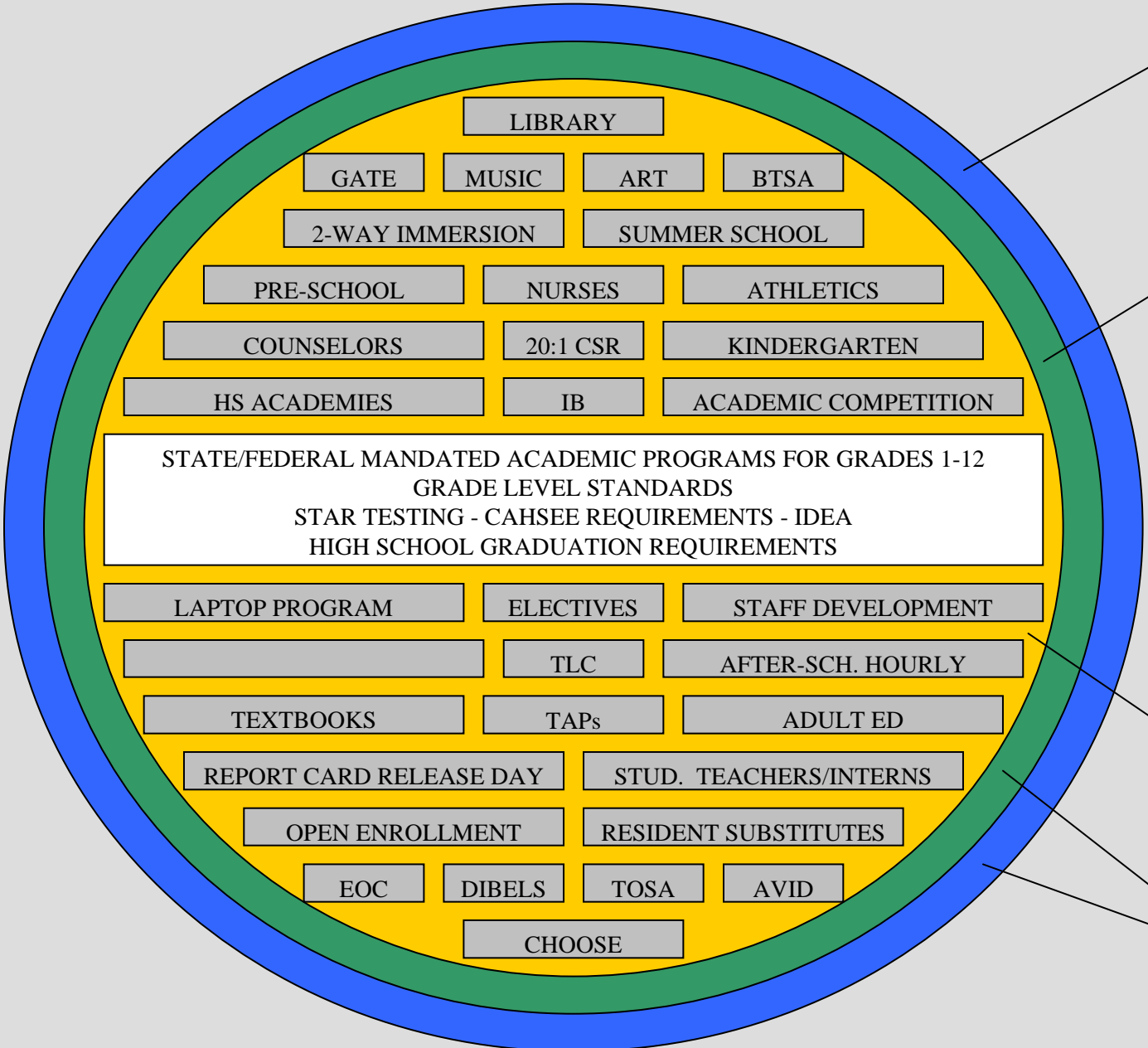
# Paradigm Shift



“We cannot solve our problems with the same thinking we used when we created them.”

*Albert Einstein*

CORE ACADEMIC PROGRAMS AND SUPPORTING MECHANISM



LIBRARY

GATE

MUSIC

ART

BTSA

2-WAY IMMERSION

SUMMER SCHOOL

PRE-SCHOOL

NURSES

ATHLETICS

COUNSELORS

20:1 CSR

KINDERGARTEN

HS ACADEMIES

IB

ACADEMIC COMPETITION

STATE/FEDERAL MANDATED ACADEMIC PROGRAMS FOR GRADES 1-12  
GRADE LEVEL STANDARDS  
STAR TESTING - CAHSEE REQUIREMENTS - IDEA  
HIGH SCHOOL GRADUATION REQUIREMENTS

LAPTOP PROGRAM

ELECTIVES

STAFF DEVELOPMENT

TLC

AFTER-SCH. HOURLY

TEXTBOOKS

TAPs

ADULT ED

REPORT CARD RELEASE DAY

STUD. TEACHERS/INTERNS

OPEN ENROLLMENT

RESIDENT SUBSTITUTES

EOC

DIBELS

TOSA

AVID

CHOOSE

Administration  
Curriculum & Instruction  
Human Resources  
Business Services

Classified Support Staff  
Office & Clerical  
Maintenance  
Custodial  
Grounds  
Transportation  
Food Service  
Facilities  
Purchasing  
Accounting  
Payroll  
Budget  
Printing  
Insurance  
TIS

Instructional Staff  
Certificated  
Classified

Support Bands

# Responding To Cuts

- Why are cuts necessary?

- Board/staff discussion
  - Quantification of impacts

- What cuts will we make?

- Board votes to reduce:
  - Programs
  - Services, or level of services

- Who will be cut?

- The “who” is a function of the eliminated program or service and is determined by:
  - Job Classification
  - Seniority
  - Bumping Rights
  - Credentials/qualifications

Sessions I, II & III  
January - February

Session IV  
March 9<sup>th</sup> ⇒ June

Staff–RIF Notices



# Recommendations

- Continue core program evaluation
- Prepare for loss of CAT dollars
  - CAT program rebuild (Ø-based concept)
- Maximize all available CAT flexibility
  - CSR
  - Deferred Maintenance
  - Routine Restricted Maintenance
  - Other CAT programs
- Reevaluate management structure
- Wrap up 2008/09 negotiations
- Embark on 2009/10 negotiations



# Layoff Notices – March 9th

- K-3 class size reduction
- Increased class size in grades 4-12 (negotiable impact)
- Elementary music (negotiable impact)
- Counselors
- Teachers on special assignment (TOSA)
  - BTSA
  - CHOOSE
  - Special education
  - Technology
  - GATE
  - Literacy & math
  - English language development
  - Intervention specialists (sites)
- Positions funded by categoricals & grants not included above
- Certificated administrators at DO
- Adult education
- Special education/TLC
- K-5 assistant principals
- MS assistant principals (1-3)
- HS activities directors



# Budget Timeline

- March 9<sup>th</sup> - Board Meeting
  - Approve program/service cuts for 2009/10
  - Approve 2<sup>nd</sup> interim report
  - Certificated layoff notices (March 15th)
- **TBD March/April - Budget/Facilities Study Session?**
- April 13<sup>th</sup> Board Meeting
  - Continuing budget discussion
- May 11<sup>th</sup> - Board Meeting
  - Classified layoff notices (45 Days prior to June 30)
- June 8<sup>th</sup> – Board Meeting
  - Present finalized budget
- June 22<sup>nd</sup> – Board Meeting
  - Budget hearing and adoption



# Conclusion

- Budget crisis is a multi-year problem...
  - Reductions are “permanent”
  - Response must be “permanent” also
- The nature of school business has changed, “normal” has been redefined.
- On-line suggestion box: 1,350+ comments.  
<http://elisten.capousd.org/surveys/CommunityInput/comminput.html>
- Questions-Comments



# Resources



- Budget Study Sessions (#1-1/20/09 & #2-2/9/09)  
[http://capousd.ca.schoolloop.com/cms/page\\_view?d=x&piid=&vpid=1219972013336](http://capousd.ca.schoolloop.com/cms/page_view?d=x&piid=&vpid=1219972013336)
- CASBO - *news***break**  
<http://www.casbo.org/displaycommon.cfm?an=1&subarticlenbr=570>
- FCMAT <http://www.fcmat.org/>
- CSBA Analysis – California School News  
<http://www.csba.org/NewsAndMedia/Publications/CASchoolNews/2009/Feb/ElectronicOnly/LegislatureApprovesBudget.aspx>