

Significant changes incorporated into the 1st interim report since budget adoption.				Targeted Reduction Amount			25,100,000
	Area	Item	Description	One-time Ongoing	2009-10	2010-11	Total
1	Business	Health Benefits	Rates for the 2010 calendar year are only increasing by an average of 4% (\$2,800,000 for the 2009/10 fiscal year) rather than the 10% (\$4,000,000) projected. This is a half-year reduction from what was budgeted because 2011 rates are still being projected at 10% resulting in a 7% 2010/11 blended rate.	1x	1,200,000	1,200,000	2,400,000
2	Business	Enrollment Increase	Projected increase in enrollment (ADA) of 71 students minus costs.	Og	180,080	180,080	360,159
3	Education	CSR Program - Additional Funding	Estimated revenue over budget amount. Based on current enrollment as shown in the CSR application less additional teacher costs.	Og	500,000	500,000	1,000,000
4	Education	QEIA Funding	Based on OCDE's anticipation of favorable resolution of the QEIA funding issue as well as a commitment from governor to backfill lost QEIA revenue.	1x	390,000		390,000
5	Business	ARRA Funds	Round II of the ARRA State Fiscal Stabilization Funds.	1x	TBD		-
6	Education	1st Grade CSR	The 2009/10 1st grade 25:1 CSR program was funded for one year (2009/10 only) to create a "soft landing" in 1st grade. This was funded through a one year 10% administrative salary cut. Because administrative salaries are reinstated in 2010/11, the 25:1 1st grade CSR program needs to be removed from the budget or funded through separate Board action. The maximum class size average for Grades 1-3 is 30.5:1 per Ed. Code. Because 1st grade class sizes are increasing, class sizes in Grades 2-3 need to be lowered from 31.5:1. As a result, grades 1-3 will be staffed at 30.5:1.	Og		1,200,000	1,200,000
7	All	Position Lapse Factor	Capture additional revenue from open/unfilled positions.	1x	735,000		735,000
8	Business	Reorganization Savings	Net savings captured from reorganization of the Business Services Division.	Og		59,137	59,137
9	Business	Projection Adjustment	Cost escalations for inflation and expenditure adjustments (utilities, actual costs vs. estimates, funding source changes, insurance changes, vacation payoffs, substitute costs, budget truing, etc.)		(570,080)	(774,216)	(1,344,296)
10	Education	6.5 FTE Counselors	There are currently 6.5 FTE counselors who are currently grant funded. The general fund will pick up these costs in beginning in 2010/11.	Og		(700,000)	(700,000)
11	Business	Trustees Area Election	Cost of holding election regarding election of trustees by area.	1x	(500,000)		(500,000)
Totals					1,935,000	1,665,000	3,600,000
Revised Projected Deficit/Targeted Reduction Amount							21,500,000

Budget Reduction Options Requiring Board Action to Implement							
1	Business	Deferred Maintenance	Capture additional revenue from the Deferred Maintenance Plan. Leaves \$2.6 million in fund 14 to cover the next four years	1x	1,000,000		1,000,000
2	Education	Eliminate IB Program	Eliminate the International Baccalaureate program at high schools.	Og		140,000	140,000
3	Education	Eliminate Block Music	Eliminate Block Music. Provide release time through more cost effective measures.	Og		1,000,000	1,000,000
4	Education	Eliminate Resident Substitutes	Eliminate resident substitutes at high schools. Savings calculated at the budgeted cost of resident substitutes at high schools.	Og		103,000	103,000
5	Education	Eliminate K-8 Summer School	Eliminate regular education summer school for Grades K-9.	Og		250,000	250,000
6	Education	Close Small Elementary Schools*	Evaluate closing small elementary schools. Possibly close three schools. May not be possible for 2010/11 but could be looked at for 2011/12. Estimated Annual Savings \$1,050,000.	Og			-
7	Education	Textbook Adoption	Potential savings to be captured by delaying the adoption cycle; adoption criteria yet to be determined.	Og		500,000	500,000
8	Co-Curricular	Eliminate Sports Program	Eliminate athletics programs.	Og		1,302,000	1,302,000
9	Co-Curricular	Eliminate Activities Program	Eliminate activities, department head stipends, afterschool clubs, etc.	Og		1,664,000	1,664,000
10	Education	Eliminate 6.5 FTE Counselors	There are currently 6.5 FTE counselors who are currently grant funded. The general fund will pick up these costs in beginning in 2010/11.	Og		700,000	700,000
Total					1,000,000	5,659,000	6,659,000
Balance							14,841,000

<b>Ideas Under Investigation - Not Currently Quantifiable</b>							
Area	Item	Description	2009-10	2010-11	Total		
1	Site Support	Reevaluate Staffing Allocations	Evaluate staffing allocations at school sites to insure that staffing allocations, ratios, and levels are appropriate.				-
2	Education	Consolidate Combined Campuses	Evaluate staffing configurations at K-5/middle school campuses to determine if an alternative staffing model is feasible.				-
3	Education	Evaluate Master Schedule and 6/5ths Assignments	Evaluate 6/5ths assignment practice to determine if savings are available through a different delivery model.				-
4	Education	Online Registration	Explore the option of online class registration.				-
5	Transportation	Reduce Transportation Services	Evaluate cost benefit of further reducing home-to-school transportation.				-
6	Education	Expand Credit Recovery Program	Evaluate the potential expansion of the credit recovery program to curtail the practice of sending students to the OCDE ACCESS program.				-
7	Education	Convert 12 month K-5 Principal Contracts	Explore converting the balance of 12 month K-5 principal contracts to 11 months.				-
8	Education	Summer School Enrichment Programs	Explore offering summer school enrichment programs as a source of additional revenue.				-
9	Business	Golden Handshake	Investigate feasibility of offering an early retirement incentive.				
10	Business	Charge Administrative Fees	Charge ASB, PTA, etc. administrative fees for processing agency funded positions and expenditures.				-
11	Business	Sale of Aliso Viejo Property	General Fund contribution of the sale of the Aliso Viejo property. Not certain at this time.				-
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	Total			-	-		-

**Salary and Benefit Information**

Area	Item	Description	Amount
1	Salary	1% Salary Adjustment	2,782,200
2	Benefits	Health Benefits	2,798,730
3	Employment Day 1	Furlough Day	1,350,000
4	Step/Column	Estimated Cost Increase for 2009/10	2,910,000
5	Step/Column	Estimated Cost Increase for 2009/10	1,260,000

<b>ADA Revenue Calculation</b>			
ADA at Budget Adoption		50,134	
ADA at 1st Interim		50,205	
Estimated Funded ADA Growth		71	
Revenue Limit Income	\$ 5,203		369,413
Teachers - FTE @ 30:1	30.0	2.37	
Average Teacher Cost	\$ 80,000		189,333
Net Estimated Revenue Less Teacher Costs			180,080

\* Does not include savings from itinerant positions such as psychs, health techs, music, grounds, transportation, etc.