
Addressing Long-Term Budget Challenges (Part 15)

Glendale Unified School District Board Meeting – May 25, 2010

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May 25, 2010



Review of Where We Are...

Utilization of Reserves...

State Funding Cuts...

Board Priorities...

Options to Consider...

Review of Where We Are ...

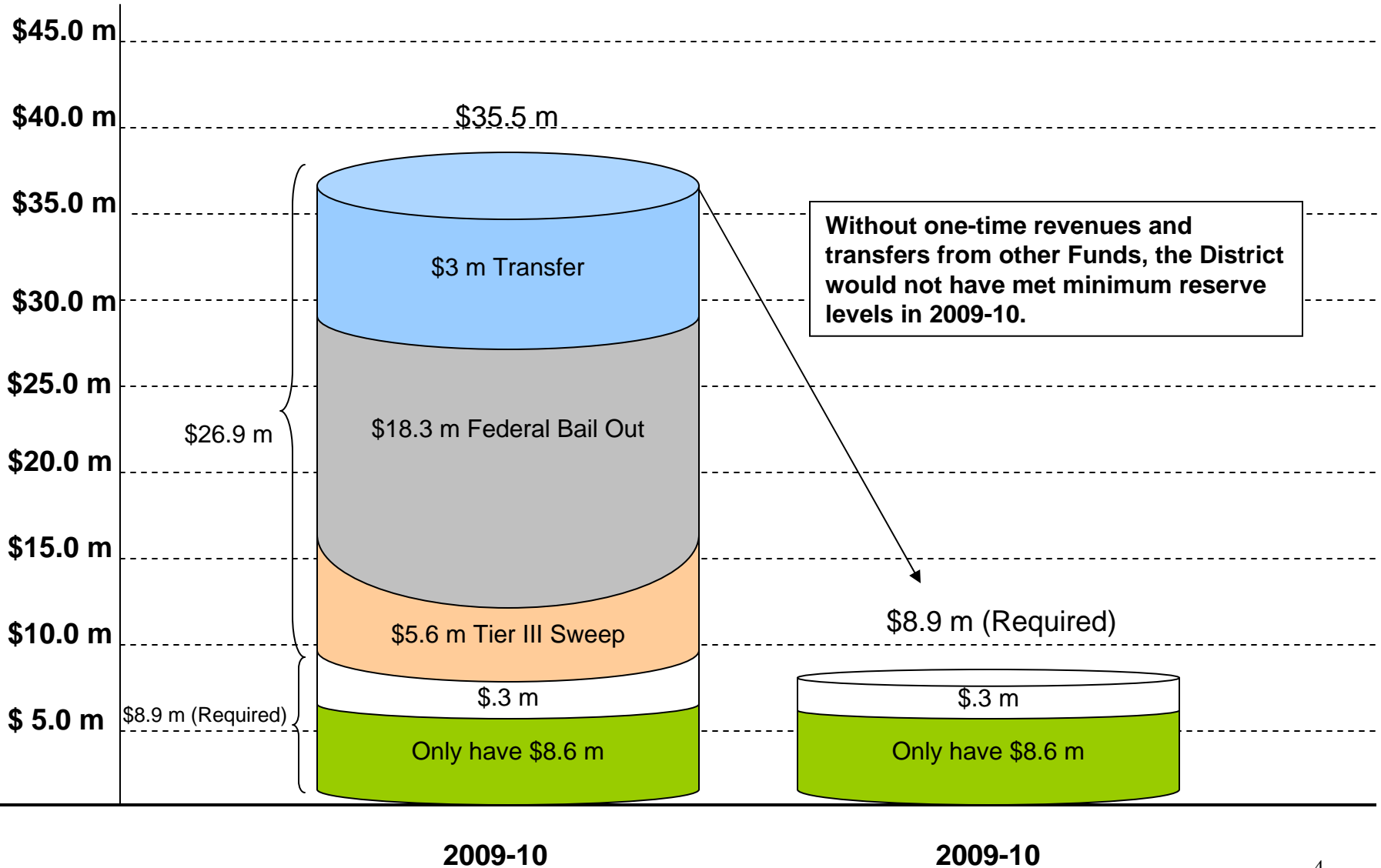
- 2nd Interim Report is “Qualified”
 - 2010-11 Budget Adoption includes 2012-13
- 2010-11 Budget Increases K-3 classes to 30 students
 - 2012-13 **is still Short \$32.1 Million**

**Is \$32.1 a Moving Reduction
Target?**

Yes

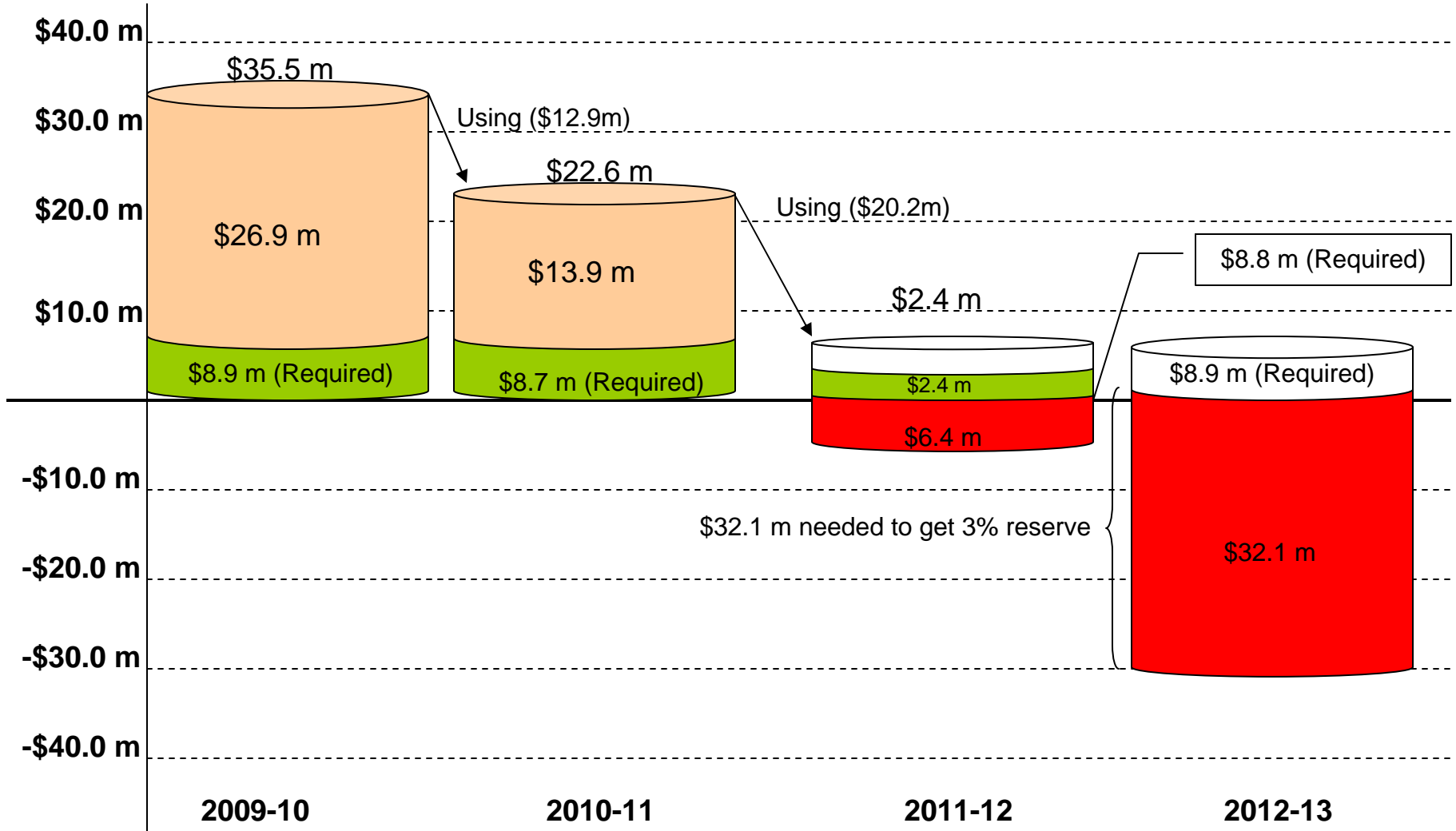
Why are Reserves so High?

Unrestricted General Fund Reserve



Is the District Using It's Reserves? Yes

Unrestricted General Fund Reserve



Utilization of Reserves & Flexibility in Other Funds

Previously Implemented

Utilization of Non-General Fund Reserves

Special Education Reserve (Reserve depleted 2013-14)	\$750,000
Retiree Benefit Fund 20 (Reserve depleted 2013-14)	\$1,250,000
Restricted Major Maintenance Reserve (Reserve depleted 2012-13)	\$1,000,000

State Flexibility Options (Non-Tier III)

No Deferred Maintenance Transfer (legally ends 2012-13)	\$1,238,000
Deferred Maint Fund Revenue to General Fund (legally ends 2012-13)	\$907,000
Deferred Maintenance Fund Balance - \$4.2 million Ending Balance (currently holding for cash flow)	

Why is our Reduction a “Moving” Target?

- **May Revise** – Decreased State Funding projection; It will be adjusted again in Final State Budget Adoption
- **Negotiations** – GTA Contract Ratification Needed & CSEA Agreement not Finalized
- **Health Insurance Renewal & Benefits Committee** – Renewal Higher than Budgeted
- **2009-10 Ending Fund Balance** – Should increase due to constraints on spending

State Funding

Governor's January Proposal and May Revise – Revenue Reduction to District

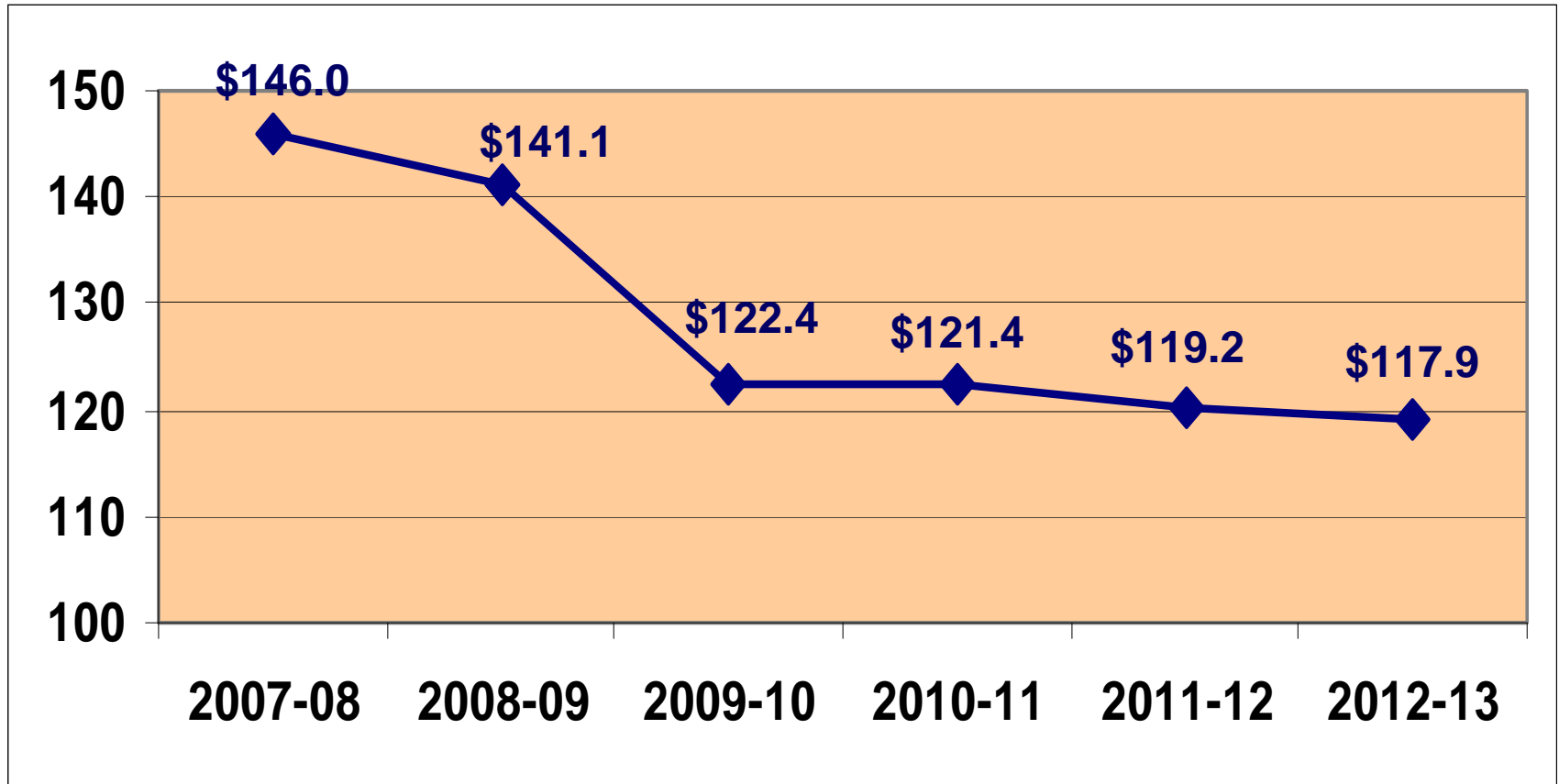
- Governor's January Proposal –
 - \$6.4 million annual decrease (on-going) - \$19.2 million over three year budget
- May Revise –
 - Additional \$1.1 million annual decrease (on-going) - \$3.3 million over three year budget forecast

Cumulative Three Year Reduction \$22.5 million

Glendale Unified Revenue Limit

2007-2013

(in millions)



State Funding Commitment – Dropped Dramatically

2010-11

\$6,022 Per ADA - January 2009

Dropped \$27.7 Million

16 Months

\$4,933 Per ADA - May 2010

Due to Reductions in State Funding and Decreased Student Enrollment – 7 Years of Reductions

- 115 Positions Eliminated at District Admin and FASO (2002 through 2009)

Examples:

- FASO (Maintenance) decreased from 88 workers in the trades to 62...will reduce to 55 in 2010-11
- Educational Services decreased from 25 employees to 8

- Class Size Increased Grades 4-12

Other Cost Savings Actions

- Eliminated Leased Facilities - \$125,668 Saved
- Energy Management - \$2.85 Million Saved
- Reduced 10 Counselors & School Site Staffing
- Health Ins. Dependent Audit –\$300,000 Saved
- Workers' Compensation Restructured - \$2.4 Million Saved

Board Priorities

2009-10 Board Budget Priorities - Summary

Student Achievement

Fiscal Solvency and Financial Stability

Finalize Measure K

Begin 2015 Strategic Plan

Options to Consider

Tier III Status Report – Previously Swept

TIER III

Programs Eliminated

	Previously Swept		Options Remaining	
	On-Going	One-Time	On-Going	One-Time
Applied Competitive Tech.	\$ -	\$ 583	\$ -	\$ -
Comm-Based Tutoring Grants	180,484	105,267	-	-
Continuation HS Add-On	18,569	23,009	-	-
Discretionary Blk Grant-District	-	544,078	-	-
Instr. Mat. Block Grant	1,495,840	2,204,210	-	-
Ninth Grade CSR	697,719	-	-	-
Physical Ed. Teacher Incent.	264,137	310,573	-	-
Staff Dev Principal Train (Gates)	-	2,700	-	-
Supplemental Counseling Prog	819,971	627,785	-	-
Technology Support	-	254,152	-	-
Tenth Grade Counseling	61,056	88,143	-	-
Total Swept for Eliminated Programs	\$ 3,537,776	\$ 4,160,500	\$ -	\$ -

Tier III Status Report – Currently Being Maintained

TIER III

Primarily Site Based Allocations - Maintained

	Previously Swept		Options Remaining *	
	On-Going	One-Time	On-Going	One-Time
One Time Art - School Sites	\$ -	\$ 186,191	\$ -	\$ 336,340
One Time PE - School Sites	-	307,156	-	458,738
School & Library Improvement Block Grant	953,153	-	786,383	-
Cal-SAFE Academic-Daily HS (pregnant minor)	-	14,940	26,540	-
Discretionary Block Grant - School Sites	-	300,400	-	522,498
Total Site Based Allocations - Maintained	\$ 953,153	\$ 808,687	\$ 812,923	\$ 1,317,576

*These balances are currently being spent

Tier III Status Report – Currently Being Maintained

TIER III

District-wide Programs - Maintained

	Previously Swept		Options Remaining *	
	On-Going	One-Time	On-Going	One-Time
Ed Tech Dist Prog (TIIGB) - ETIS	-	2,555	890,966	-
Sch/Law Enforcement (TIIGB) - Sec Security	-	-	254,314	-
Gifted & Talented Education - partial	-	-	176,832	-
Math & Reading Prof. Development	-	-	95,186	-
Staff Dev. Math & Reading	-	-	104,204	-
Peer Assistance & Review	-	7,153	98,140	20,787
Arts & Music Block Grant - partial	367,449	429,062	-	227,965
Beg Teach Support Block Grant	64,100	109,200	238,916	167,285
CAHSEE Intensive Inst.& Serv.	-	85,883	166,233	-
Cal-Safe Child Care	-	7,316	56,144	-
Total District-wide Programs - Maintained	\$ 431,549	\$ 641,169	\$ 2,080,935	\$ 416,037

*These balances are currently being spent

Tier III Status Report – Summary of Swept Funds

TIER III

	Previously Swept	
	On-Going	One-Time
Eliminated Programs	\$3,537,776	\$4,160,500
Site Based Allocations - Partially Maintained	953,153	808,687
District-wide Programs - Partially Maintained	431,549	641,169
Total Swept for All Programs	\$4,922,478	\$5,610,356

Tier III Status Report – Potential Re-Structure

TIER III

Potential Re-Structure - Being Evaluated

	Previously Swept		Options Remaining *	
	On-Going	One-Time	On-Going	One-Time
ROP - Support Allocation	\$ -	\$ -	\$ 298,987	\$ -
ROP-Classroom/Prg. Allocation. (min 25 students)	-	-	697,638	-
Sch. Comm. Violence Prev. Rosemont - new	-	-	-	700,000
Sch. Comm. Violence Prev. Toll - new	-	-	-	700,000

*These balances are currently being spent

Budget Reductions - Implemented

	Previously Implemented		Options Remaining	
	On-Going	One-Time	On-Going	One-Time
<u>Staff Reductions - Currently in Budget</u>				
Decentralize Verdugo Academy (1.2 FTE)	\$ 109,028	\$ -	\$ -	\$ -
Daily High School - Transition from 15-1 towards 20-1 (2 FTE)	181,714	-	-	-
School Site Clerical at High Schools (3 FTE)	208,954	-	-	-
Human Resources (1 FTE)	47,939	-	-	-
Purchasing (1 FTE)	48,625	-	-	-
ETIS (1 FTE)	71,108	-	-	-
Summer School Cost Reduction (2010-11)	700,000	-	1,600,000	-
Class Size Increase in K-3 to 30:1	4,976,280	-	-	-
Total	\$ 6,343,648	-	\$ 1,600,000	-

Summary of Potential Budget Impacts

	Annual Savings or (Deficit Increases)	2010-11 thru 2012-13	Impact on 2012-13 Ending Balance
		# years impacted	
Second Interim Report - Reductions Needed to Obtain 3% Reserve			(32.10)
Changes in Projection:			
Revenue Limit Decrease Due to Reduced ADA	(0.90)	1.00	(0.90)
May Revise - Additional \$45 per ADA	(1.10)	3.00	(3.30)
Tentative Agreement GTA & Equivalent CSEA & GSMA Agreements	varies	4.00	14.60
Re-Organization/ Reduction of District Administration (Reduce 10 FTE)	1.10	3.00	3.30
FASO Re-Organization (Reduce 7 FTE)	0.45	3.00	1.35
Shifting Planning and Development Salaries from Bond Fund	(0.23)	3.00	(0.69)
PARS Annual Payment	(0.90)	3.00	(2.70)
Revise Retiree Health Benefit Expense	(1.40)	3.00	(4.20)
Special Education Certificated Staffing Changes (3.4 FTE)	0.34	3.00	1.02

Summary of Potential Budget Impacts

	<u>Annual Savings or (Deficit Increases)</u>	<u>2010-11 thru 2012-13</u> # years impacted	<u>Impact on 2012-13 Ending Balance</u>
Non- Instructional -			
School Safety Grants (2 new grants total \$1.4 million)	1.20	1.00	1.20
Restructure Workers Comp Payment	1.80	3.00	5.40
Utilize Restricted Lottery for Instructional Material Purchases	0.50	3.00	1.50
Charge Food Service Indirect Costs (begin 2009-10)	0.28	4.00	1.12
Clark Bus Transportation	???		savings
Increase Charges to Organization Using District Facilities	???		savings
Sub-Total			<u>(14.40)</u>

Summary of Potential Budget Impacts

	<u>Annual Savings or (Deficit Increases)</u>	<u>2010-11 thru 2012-13</u> # years impacted	<u>Impact on 2012-13 Ending Balance</u>
Instructional			
Middle Schools Reduce 1 FTE per 1,000 students exclude Roosevelt (3 FTE)	0.30	3.00	0.90
High School Staffing Reduce 1 FTE per 1,000 students (9 FTE)	0.90	3.00	2.70
Clark Staffing Adjust to 6 periods (4 FTE) or Restructure Funding	0.40	3.00	1.20
Daily Reduce Counseling (1 FTE)	0.10	3.00	0.30
Reductions Needed to Obtain 3% Reserve (sub-total)			<u>(9.30)</u>
Additional Option:			
Deferred Maintenance Reserve	4.20	1.00	4.20
Reductions Needed to Obtain 3% Reserve			<u>(5.10)</u>

Why Will Reduction Target Change? There Are Things We Don't Know Yet

	<u>Annual Savings or (Deficit Increases)</u>	<u>2010-11 thru 2012-13</u> # years impacted	<u>Impact on 2012-13 Ending Balance</u>
Health Insurance -			
Cost of Health Ins. if Renewal is Over 10%			cost
Adjustment to Retiree Insurance in Multi Year Plan for Rate Increases.			cost
Savings from Employees Changing to Lower Cost Plans			savings
Other Potential Adjustments -			
Savings from Replacing Retirees with New Hires			savings
2009-10 Ending Fund Balance			savings
Final 2010-11 State Budget			???
COLA's 2011-12 & 2012-13			savings
Reduced Utilities - Solar Power			savings

K-3 Options Discussion

It is Important to Remember -

2010-11 June Budget Adoption is the “initial” budget and will be revised/amended as information becomes available