

Update on 2011-12 State Budget Proposals

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Budget Report No. 5



Update on 2011-12 State Budget Proposals



- *General Fund*
- *EEELP*
- *Next Steps*



Update on 2011-12 State Budget Proposals

- **Scenario 1 – Flat Funding (Best Case)**
Requires Legislative & Voter Support

\$18.32 Cut per ADA → \$460,000

- **Scenario 2 – If Elections Fail – SSC Projection**

\$348.32 Cut per ADA → \$8.8 m

- **Scenario 3 – If Elections Fail – LAO Projection**

\$800 Cut per ADA → \$20.3 m

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Impact of Various Budget Proposals – 2011-12

Projected Ending Fund Balance (In Millions)				
	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Scenario 1 (\$18.32)	39.2	37.1	24.7	<1.9>
To Reach 3% Reserve				8.9
Scenario 2 (\$348.32)	39.2	28.8	8.1	<26.6>
To Reach 3% Reserve				33.6
Scenario 3 (\$800)	39.2	17.0	<15.4>	<61.8>
To Reach 3% Reserve			22.2	68.8

To be Revised at P2

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Early Education and
Extended Learning
Programs (EEELP)



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New

- **2010-11 – State may cut funding this year**
- **2011-12 – Program will be restructured/
reduced – Plan has not been finalized**



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Impact on the Department of Developmental Services

A proposed decrease of ~~\$716~~ ? million in 2011-2012 for all direct service child care programs

Proposed Reductions:

- ~~Eliminating State subsidized services for 11 and 12 yr. olds~~
- Reducing family eligibility by changing the cut off from 75% to ~~60%~~ **70%** of the State Median Income
- Cutting State subsidized preschool programs by ~~36%~~ **10%**
- Reducing the level of State subsidies across the board

Red: Indicates range of reduction being discussed in legislature.

Note: It is uncertain what the final program reduction will be.



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EEELP

Recommendation:

- **March 15 Notice of Potential Reassignment – Supervisors**
 - **The notices will allow flexibility to restructure program and services.**

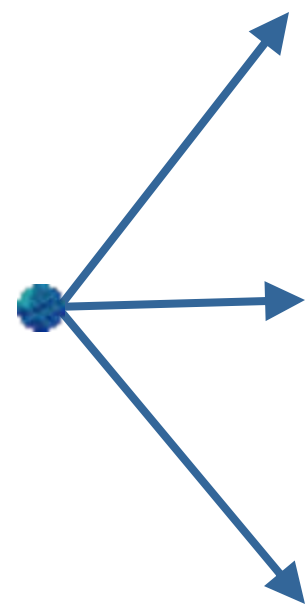
- **Continuation of Monitoring for Possible Reductions in Staffing.**



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Fundamental Building Blocks to Support Instructional Program (December 14 Discussion)

GOAL



No Additional Layoffs to the Base Staffing – This does not include Categorical Programs (SBCP, Federal Programs, EEELP, etc.)

Reduce/Eliminate Furlough Days in Future Years

Maintain K-3 Staffing at 24 Students Per Class



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ITEMS WITH A CRITICAL IMPACT GENERAL FUND

Next



- **April - Measure S Election
\$20 m Impact**
- **June – Governor’s Proposed
Election to Extend Taxes**

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Impacts of Measure S on State Budget Scenarios

Projected Ending Fund Balance (In Millions)

	Scenario 1		Scenario 2		Scenario 3	
	Measure S		Measure S		Measure S	
	Pass	Not Pass	Pass	Not Pass	Pass	Not Pass
2010-11	39.2	39.2	39.2	39.2	39.2	39.2
2011-12	57.1	37.1	48.8	28.8	37.0	17.0
2012-13	44.7	24.7	28.1	8.1	4.6	<15.4>*
2013-14	18.1	<1.9>*	<6.6>*	<26.6>*	<41.8>*	<61.8>*

*Note: An additional \$7 million would be needed to obtain a 3% Reserve
To be revised at P2

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2010-11 Cost Saving Strategies – Currently Implemented

2010-11 Reductions

Administration Reorganization 10 FTE	1,100,000
Maintenance Workers 7 FTE	450,000
Special Education 7.4 FTE	500,000
School Safety Grants Sweep (one-time)	1,200,000
Restricted Lottery Utilization	500,000
Charge Food Service Indirect Cost	350,000
Middle School reduce 1 FTE per 1,000 students 3 FTE	300,000
High School reduce 1 FTE per 1,000 students 9 FTE	900,000
Clark MHS adjust to 6 periods 4 FTE	400,000
High School Administrative Secretary 3 FTE	168,750
Daily HS reduce counseling 1 FTE	100,000
Summer School Cost Reduction	1,000,000
COPS Payment Shifted to Capital Fund	1,270,000
Health Insurance - Plan Redesign	900,000
Health Insurance - Contribution Cap	4,400,000
PARS Early Retirement Eff. 7/1/2010 - \$2.3 million partially reflected in FTE cuts	---
Workers Comp - Utilize Fund 67.1 Balance	1,400,000
Class Size K-3 to 24.95:1 Ratio	<u>3,400,000</u>
TOTAL	18,338,750

**Note: Reductions and flexibility options implemented in prior years continued into 2010-11.
No Salary Roll Backs or Furlough days implemented.**

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Revenue Generating Programs - Implemented FLAG Program

Impact of 254 Inter-district Permits for FLAG	
Increased Revenue	\$ 1,268,700
Increased Staffing Expense - 10 FTE	<u>(750,000)</u>
Estimated 2011-12 Revenue Impact	\$ 518,700

FLAG Inter-district Permits	
Franklin	120
Edison	56
Keppel	23
Jefferson	19
Verdugo Woodlands	<u>36</u>
Total	254 *

* This number only includes students that are from other districts, it does not include the number of students in the FLAG program who live within district boundaries and who may have enrolled in other private school programs if not for the FLAG program.



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Revenue Generating Programs - Implemented

■ Foreign Language Assistance Program (FLAP)

- FLAP-Spanish for Edison, Franklin, and Toll: \$862,263 over 3 years, awarded September 2009
- FLAP-Korean for Keppel and Monte Vista: \$1,500,000 over 5 years, awarded September 2009
- FLAP-Japanese for Verdugo Woodlands - \$1,500,000 over 5 years, awarded July 2010

■ Magnet School Assistance Program (MSAP)

- MSAP to GUSD for Edison, Franklin, and Keppel - \$7,456,626 over 3 years, awarded September 2010



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If Needed: Areas for Future Consideration

■ Negotiations

- ▶ Salary Roll Backs**
- ▶ Furlough Days**
- ▶ Step and/or Column Freeze**
- ▶ Health Insurance Plan Design Changes**



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Superintendent's Recommendation

Maintain Reductions Implemented Last Year Until More Information is Available

- **Staffing – No Change Except Categorical programs**
- **Tier III – Utilization for Base Programs Continues**
- **Summer School – Utilize Glendale Educational Foundation as Provider**
 - **Reduced Fee for Low-Income Students**
- **Prepare for Future Reductions**