Board of Education LONG BEACH UNIFIED SCHOOL DISTRICT

SUBJECT:	Budget Reductions and Revisions, Phase IVEnclosures: One					
CATEGORY:	Unfinished Business	Reason for Board Consideration: Information/Action				
	Business Department	Date: February 1, 2011				

BACKGROUND:

The state has experienced dramatic declines in revenue due to the severe economic downturn which began in the fall of 2007 and has made extensive reductions to public education funding. Accordingly, the District faces the potential of significant budget deficits.

Governor Brown has proposed a budget which relies on the success of a June initiative which would extend certain taxes (personal income tax, sales & use tax, and vehicle license fees) and maintain the lowered dependent tax credit, thus providing approximately \$8 billion in revenue to the State. The Governor did not outline a plan for funding school districts in the event the proposed initiative might not pass. Accordingly, school districts are compelled to plan for two eventualities: (1) if the proposed initiative is successful, and (2) if the proposed initiative is not successful. The budget reductions in this item address the second scenario in which it is assumed that the proposed initiative is not successful. Estimates of how much funding school districts could lose in the event that the proposed initiative is not successful vary as analysts grapple with predicting how California's elected officials will deal with the resulting shortfall of over \$8 billion, however analysts have estimated that school districts would lose as much as \$1,000 per pupil in that event. For planning purposes, LBUSD is using the estimate of \$634/ADA in lost revenue as an assumption for the worst case scenario reflecting potential losses in the event of an unsuccessful initiative to extend existing taxes.

In order to prepare for the potential of drastically reduced revenues, staff is engaged in identifying expenditure reductions designed to safeguard the District against being placed in a position of fiscal jeopardy. These efforts are informed by input and suggestions from on-line budget surveys, Budget Advisory Committee, and numerous meetings held with stakeholders.

The Board may consider budget reductions and revisions in any department, division, program, or service in the District, including, but not limited to items listed, as well as reductions in force or in hours for management and non-management certificated and classified positions. In addition, recommended actions of reducing unrestricted General Fund expenditures may include utilization of categorical funding, revenue enhancements, realignment of priorities, and implementation of other measures designed to safeguard the District's fiscal health.

RECOMMENDATION:

Consider staff recommendations for budget reductions and revisions.

Approved and Recommended:

Christopher J. Steinhauser Superintendent of Schools

Information/Action Item - Budget Reduction Recommendations February 1, 2011 Board of Education Meeting

Budget Reductions and Revisions, Phase IV

Assumes Governor Brown's Proposed Initiative to Extend Taxes is Not Successful

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Ref.	Recommendation for Reduction of General Fund Expenditures	Total Employees in Classification	Employees affected FTE	Cert	Class	Estimated Net Savings
1	K-3 Class Size Reduction: Implement 30:1 class sizes for Grades K-3 in all schools; savings in this category offset by increased sub costs from qualified RIF'd teachers teaching as substitutes - assumed 205 qualifying substitutes per day	1,134.00	296.00	x		12,829,000
2	Increase class size for Grades 6-12 by 3 students - average class size 35:1	1,449.00	133.00	х		12,765,000
3	Continue to explore efficiency measures in Special Education due to the large General Fund encroachment	1,110.00	100.00			12,1 33,000
4	Remove extra quota positions for specialized high school programs (PACE, CIC, QUEST, Wilson Classical)	23.50	23.50	x		2,300,000
5	Suspend Middle School Sports (explore private funding)	0.50	0.50	X		313,000
3	Suspend Middle School Sports (explore private funding)	0.30	0.30			313,000
6	Savings available from support service categories					
	6a.1 to a.4. Itinerant Music Teachers	25.02	5.00	Χ		458,000
	6b. Library Media Assistants	13.40	3.30		Х	194,000
	6c. Librarians	42.50	11.00	Х		1,141,000
	6d. Nurses	47.10	12.00	Х		1,232,000
	6e. Counselors	162.50	30.00	Х		3,226,000
	6f. Recreation Aides and Leaders	Hourly	40.00		Х	839,000
	6g. Assistant Principals	52.50	12.00	X		1,421,000
	6h. Social Workers 6i. Psychologists	1.00 47.30	12.00	X		1,326,000
	, ,	25.77	4.80			578,000
	6j. AVID Program	25.77	4.00	Х		578,000
	6k.Teachers on Special Assignment	167.59	57.33	Χ		5,700,000
	6l. Campus Security Officers	92.00	28.00		Х	1,609,000
	Subtotal of support service categories	676.68	175.43			
7	Have ASBs fund 100% of student store managers (currently 50%) Close small schools thereby reducing administrative staff: estimate based on 1 principal, 1 secretary, .5 IOA, 1 custodian, utilities, transportation consolidation savings					140,000
	8a. Buffum293 enrollment December 2010			х	х	763,000
	8b. Burroughs296 enrollment December 2010			х	x	496,000
9	Central Office Reductions			Х	х	10,000,000
10	Share principals at small elementary schools - enrollment less than 500		4.00	х		544,000

Information/Action Item - Budget Reduction Recommendations February 1, 2011 Board of Education Meeting

Budget Reductions and Revisions, Phase IV

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11	Move Personnel Commission, International Student Registration and Nursing Services - reduce maintenance costs on building					100,000
12	Investigate transportation savings options (transportation provided for special education students only)					3,000,000
13	Tier III program additional sweeps - goal of \$8M additional savings					
	13a. Supplemental Hourly Programs		TBD			29,000
	13b. Oral Health Assessments		TBD			44,000
	13c. School Safety and Violence Prevention		TBD			1,312,000
	13d. Community Day Schools		TBD			257,000
	13e. Gifted and Talented Education		TBD			354,000
	13f. CAHSEE		TBD			498,000
	13g. Instructional Materials Realignment (IMFRP)		TBD			2,010,000
	13h. National Board Incentive		TBD			110,000
	13i. CAMS Specialized Secondary Program		TBD			575,000
	13j. California Peer Assistance Program		TBD			174,000
	13k. International Baccalaureate (IB)		TBD			20,000
	13I. Targeted Instructional Improvement Block Grant		TBD			110,000
	13m. Teacher Credentialing Block Grant (consider fee-based					
	program)		TBD			267,000
	13n. School Improvement and Library Block Grant		TBD			1,375,000
	13o. Adult Education		TBD			3,566,000
14	Eliminate Pregnant Minor Program	<u> </u>	TBD			TBD