

**Board of Education
LONG BEACH UNIFIED SCHOOL DISTRICT**

SUBJECT: Budget Reductions and Revisions, Phase IV

CATEGORY: Unfinished Business Reason for Board
Consideration: Information/Action
Business Department Date: February 15, 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 proposed a budget which relies on the success of a June initiative extending certain taxes (personal income tax, sales & use tax, and vehicle license fees) and maintaining the lowered dependent tax credit, thus providing approximately \$8-\$11 billion in revenue to the State. The Governor did not outline a plan for funding school districts if the proposed initiative is unsuccessful. 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 embrace both scenarios including the second scenario in which it is assumed that the proposed initiative is not successful. Estimates of the negative impact on school funding 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 dramatic shortfall in State revenues, 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 and fees.

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 represented and non-represented 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 and take action as deemed appropriate.

Approved and Recommended:

Christopher J. Steinhauser
Superintendent of Schools

Information/Action Item - Budget Reduction Recommendations
February 15, 2011 Board of Education Meeting

Budget Reductions and Revisions, Phase IV

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

Ref. #	Recommendation for Reduction of General Fund Expenditures	Total Employees in Classification	Positions affected FTE	Cert	Class	Estimated Net Savings	Shift to Restricted Funding
1	Continue to explore efficiency measures in Special Education due to the large General Fund encroachment					TBD	
2	Extra quota positions for specialized high school programs (PACE, CIC, QUEST, Wilson Classical)	23.50	-	x		-	2,300,000
3	Suspend Middle School Sports (explore alternative or private funding)	0.20	0.20	x		313,000	
4	Savings available from support service categories						
	a.1 to a.4. Itinerant Music Teachers	25.02	5.00	x		458,000	
	b. Library Media Assistants	13.40	3.30		x	194,000	
	c. Librarians	42.50	9.00	x		934,000	
	d. Nurses	47.10	10.00	x		1,027,000	
	e. Counselors	162.50	35.00	x		3,763,000	
	f. Recreation Aides and Leaders	Hourly			x	839,000	
	g. Assistant Principals	52.50	12.00	x		1,421,000	
	h. Social Workers	1.00	-	x		-	
	i. Psychologists	47.30	6.00	x		663,000	
	j. AVID Program	29.80	9.40	x		1,085,000	
	k. Teachers on Special Assignment	157.09	58.33	x		5,798,000	
	l. Campus Security Officers	92.00	28.00		x	1,609,000	
	Subtotal of support service categories	670.21	176.03			17,791,000	
5	Central Office Reductions		70.08	x	x	8,525,957	1,177,178
6	Tier III program additional sweeps						
	a. Supplemental Hourly Programs		-			-	
	b. Oral Health Assessments		-			44,000	
	c. School Safety and Violence Prevention	6.00	1.00			91,000	1,252,000
	d. Community Day Schools	4.15	-			-	
	e. Gifted and Talented Education	1.30	-			190,000	
	f. CAHSEE		-			498,000	
	g. Instructional Materials Realignment (IMFRP)		-			1,000,000	
	h. National Board Incentive		-			40,000	
	i. CAMS Specialized Secondary Program		-			575,000	
	j. California Peer Assistance Program	1.35	1.35			179,000	
	k. International Baccalaureate (IB)		-			20,000	
	l. Targeted Instructional Improvement Block Grant	1.00	-			-	121,000
	m. Teacher Credentialing Block Grant (consider fee-based program)	2.07	0.90			152,000	
	n. School Improvement and Library Block Grant	14.00	-			-	1,200,000
	o. Adult Education	30.53	30.53			3,500,000	
7	Eliminate Pregnant Minor Program		2.50			450,000	
	Grand Total Items 1-7 Ongoing Savings					33,368,957	
	Grand Total Items 1-7 to Restricted Funding						6,050,178

2010-2011 Adjustments to Revenue and Ending Balance	
Recognize additional School Fiscal Stabilization Fund allocation	3,900,000
Anticipated increase in unrestricted ending fund balance (School Improvement Library Block Grant additional sweep)	1,000,000