

School Board Meeting

Cost Reduction Proposal



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Overview

- Recap Of 07-08 Budget Reductions
- Summary of Amounts to be Reduced in Current Year and 2009-10
- Current Year Proposal
- 2009-10 Proposal
 - Level 1
 - Comparison of Elementary School
 - Level 2
 - Flexibility Transfers
- Recommendation

Recap of 07-08 Budget Reduction

\$360K	Eliminated 3 Administrators
\$137K	Reconfigured Special Education Instructional Aides <ul style="list-style-type: none"> • 8.6 FTEs
\$1105K	Reduced 17 Certificated FTEs through Attrition
-\$32K	Insufficient Reduction in Transportation Cost <ul style="list-style-type: none"> • Budgeted \$200K in Savings • Charged Transportation Fees (\$98K) • Eliminated 2 bus routes (\$70K)
\$253K	Return Students from County Placements Life Skills at Elem & YHS
\$29K	Adjust Heating/Air range 68 degrees to 78 degrees (4 months)
\$94K	Reassign Behavior Specialist

Total Budget Reduction: \$1,946

Current Year and 2009-10 Budget Reduction

- 75% of District's Revenue come from the State
 - When economy falters, state revenue falls
 - District revenue is reduced when state revenue falls
- 91% of Unrestricted Budget is Salary & Benefits
- Declining revenues and skyrocketing expense necessitate cuts

Current Year

Governor's Proposed Cuts	\$2,944K
Increase in H/W Premium	\$480K
Total	\$3,424K

2009-10

Governor's Proposed Cuts	\$1,456K
Cut in State Aid due to enrollment	\$889K
Step/Column Cost	\$790K
Increase in H/W Premium	\$900K
Total	\$4,034K

Current Year Budget Reduction Proposal

\$377K	Questionable State budget convinced the Board to set aside the amount for the .68% COLA in the reserve.
\$54K	10% reduction of site discretionary balance
\$42K	Hiring freeze
\$22K	Reconfigure the Business Department <ul style="list-style-type: none">• Convert Director of Fiscal Services to Coordinator• Revise Accountant's job description
\$20K	Eliminate one Classified position

Current Year Proposal

(continued)

\$15K	Eliminate Temporary Music Teacher
\$3K	Eliminate Food at Board Meetings
\$30K	Eliminate 3 rd SRO
\$613K	One-Time Reserves: <ul style="list-style-type: none">• \$100K for Turf & Track• \$290K for Board Priorities• \$223K for ADA Reserve

Recommend Board Approval Tonight

Total: \$1,176M

Current Year Proposal

(continued)

Flexibility Transfers Require Legislation

\$266K	Art & Music Block Grant
\$725K	2007-08 Categorical or Restricted Balance
\$168K	Sweep Art, Music, PE One-time Block Grant
\$459K	Waive Deferred Maintenance Match

Total Flexibility Transfer: \$1,618K

Summary of 2008-09 Budget Reduction Proposal

1	Board Consideration	\$1,176K
2	Flexibility Transfer	\$1,618K
	Total	\$2,794
	Target Amount	\$3,424

\$630K

\$2,248 w/o Flexibility

- Flexibility Transfer requires Legislation
- Lacks \$630K even with the Flexibility Transfer
- Lacks \$2,248K without the Flexibility Transfer
 - Will require off-set from the 3% Reserve

2009-10 Budget Reduction Proposal – Level 1

\$148K	Eliminate CSR at 3rd Grade <ul style="list-style-type: none">● Increase ratio to 30:1● Reduce 13 FTEs● Forfeit \$710K
\$350K	Implement Option II CSR at Kindergarten <ul style="list-style-type: none">● Increase ratio to 30:1● Reduce 10 FTEs● Forfeit \$311K
\$75K	Charge Transportation Fee for Athletics
\$6K	Eliminate 2nd New Teacher Training Day
\$230K	Operate County Pre-School

2009-10 Proposal

(continued)

\$132K	Reduce 2 Teachers on Assignment (from Educational Services)
\$141K	Reduce Special Education Staff (overstaffing) <ul style="list-style-type: none">• 2 Certificated Staff• 3 Classified Staff
\$132K	Increase Secondary P.E. ratio to 60:1 <ul style="list-style-type: none">• 2 P.E. Teachers
\$75K	Standardize Counselor Ratio <ul style="list-style-type: none">• 1 Counselor
\$1452K	Over Staffing <ul style="list-style-type: none">• 14 Elementary Teachers• 8 Secondary Teachers

2009-10 Proposal

(continued)

\$500K	Close Dunlap Elementary School <ul style="list-style-type: none">• Least Number of Students to Transport• Least Cost Effective School to Operate (Utility)• \$650K Anticipated Savings• Increase in Transportation cost will reduce savings<ul style="list-style-type: none">– 2 year “Grandfathering” of Riders

Comparison of Elementary Schools

<u>Elementary School</u>	<u>Average Teacher</u>	<u>Enrollment (prior to CHES)</u>	<u>Enrollment (post CHES)</u>	<u>Utility Cost (ppe) (prior to CHES)</u>	<u>* Utility Cost (ppe) (post CHES)</u>
Ridgeview	1 (\$75,988)	2 (763)	1 (741)	4 (\$139)	5 (\$66)
Wildwood	2 (\$74,596)	3 (743)	2 (712)	6 (\$132)	5 (\$66)
Dunlap	3 (\$74,281)	7 (486)	8 (399)	2 (\$178)	1 (\$106)
Calimesa	4 (\$74,228)	5 (575)	6 (514)	7 (\$119)	6 (\$59)
Meadow Creek	5 (\$71,604)	1 (889)	3 (700)	5 (\$133)	3 (\$85)
Valley	6 (\$71,446)	4 (708)	4 (606)	3 (\$153)	3 (\$85)
Chapman Heights	7 (\$68,974)		5 (571)		4 (\$83)
Yucaipa	8 (\$66,337)	6 (518)	7 (449)	1 (\$199)	2 (\$91)

* Utility Cost from July 2008 – Nov 2008

Cost Comparison

Total Cost

Table II		FY 2008-09 After Chapman Heights Opened				FY 2007-08 Prior to Chapman Heights Opening		
Elementary Schools	Enrollment	Unrest.	Rest.	Total	Enroll	Unrest	Restricted	Total
Dunlap	399	\$2,174,550	\$429,723	\$2,604,273	486	\$2,839,212	\$589,518	\$3,428,730
Calimesa	514	\$2,640,932	\$403,490	\$3,044,422	575	\$3,143,525	\$595,125	\$3,738,650
Yucaipa	449	\$2,123,321	\$467,409	\$2,590,730	518	\$3,015,796	\$574,980	\$3,590,776
Valley	606	\$2,984,550	\$458,742	\$3,443,292	708	\$3,714,876	\$498,432	\$4,213,308
Ridgeview	741	\$3,715,374	\$346,047	\$4,061,421	763	\$3,689,105	\$321,223	\$4,010,328
Meadow Creek	700	\$3,318,000	\$479,500	\$3,797,500	889	\$4,212,082	\$343,154	\$4,555,236
Wildwood	712	\$3,435,400	\$265,576	\$3,700,976	743	\$4,086,500	\$439,113	\$4,525,613
Chapman Heights	571	\$2,415,330	\$410,549	\$2,825,879				

Cost Comparison

Per pupil basis

Elementary Schools	Enrollment	FY 2008-09 After Chapman Heights Opened			Enrollment	FY 2007-08 Prior to Chapman Heights Opening		
		Unrest.	Rest.	Total		Unrest.	Rest.	Total
Dunlap	399	\$5,450	\$1,077	\$6,526	486	\$5,842	\$1,213	\$7,055
Calimesa	514	\$5,138	\$785	\$5,923	575	\$5,467	\$1,035	\$6,502
Yucaipa	449	\$4,729	\$1,041	\$5,770	518	\$5,822	\$1,110	\$6,932
Valley	606	\$4,925	\$757	\$5,682	708	\$5,247	\$704	\$5,951
Ridgeview	741	\$5,014	\$467	\$5,481	763	\$4,835	\$421	\$5,256
Meadow Creek	700	\$4,740	\$685	\$5,425	889	\$4,738	\$386	\$5,124
Wildwood	712	\$4,825	\$373	\$5,198	743	\$5,500	\$591	\$6,091
Chapman Heights	571	\$4,230	\$719	\$4,949				

2009-10 Proposal

(continued)

\$500K	Close Dunlap Elementary School <ul style="list-style-type: none">• Least Number of Students to Transport• Least Cost Effective School to Operate (Utility)• \$650K Anticipated Savings• Increase in Transportation cost will reduce savings<ul style="list-style-type: none">– 2 year “Grandfathering” of Riders

Total Level 1 Proposal: \$3,241K

2009-10 Proposal

Level 2

\$103K	Eliminate CSR at 2nd Grade <ul style="list-style-type: none">• Increase ratio 30:1• 12 FTEs• Forfeit \$689K
\$267K	Eliminate CSR at 1st Grade <ul style="list-style-type: none">• 14 FTEs• Forfeit \$674K
-\$311K	<ul style="list-style-type: none">• Forfeiting Option II Revenue• Eliminating CSR at 1st & 2nd necessitates full elimination at Grade K

Total Level 2: \$59K

Not Recommended

2009-10 Proposal

(continued)

Flexibility Transfers Require Legislation

Cost of Step & Column

\$790K	Sweep of Categorical Ending Fund Balance
\$1,842K	Waive 20:1 CSR cap

Total Flexibility Transfer: \$2,632K

Summary of 2009-10 Budget Reduction Proposal

1	Board Consideration Level 1	\$3,241K
2	Board Consideration Level 2	\$59K
3	Flexibility Transfer	\$2,632K
	Total	\$5,873
	Target Amount	\$4,034

} ▲ \$1,839

- Legislation to allow for Flexibility Transfer critical to minimize reductions in 2009-10
- Allow for Restoration of Minimum Reserve: \$630K or \$2,248K

Recommendation

Approve 2008-09 Budget Reduction: \$1,176K
Continue decision for 2009-10 until February 10, 2009