



Budget Workshop # 3 Recommended Reductions

February 4, 2010

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Budget Workshop Process

- What is a workshop?
 - All board members are present
 - Solution oriented
 - A time to seek input
 - An opportunity for community discussion
 - A time for questions
- Process to be used this evening:
 - Presentation by staff
 - Community forum
 - Board of Trustees' comments
 - Superintendent's comments

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Agenda

- Review of Jan. 7th and 21st Board Meetings
- Recommended Reductions
- Next Steps

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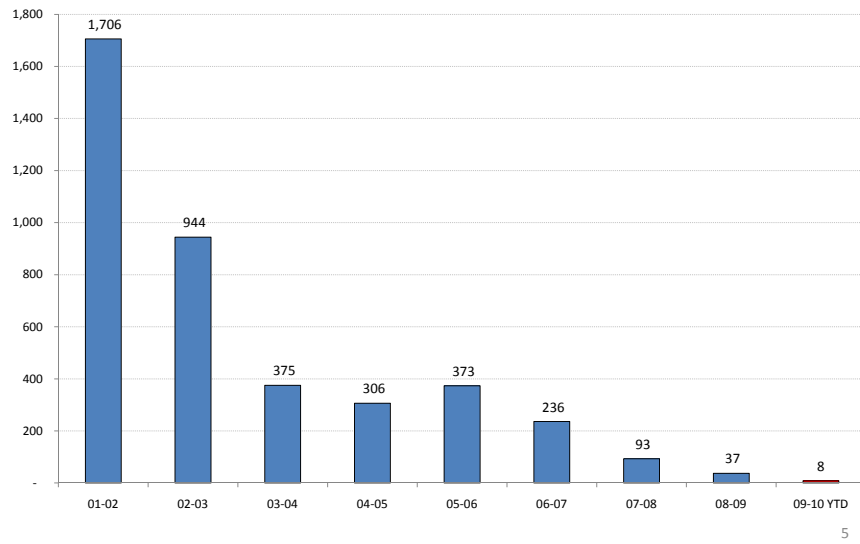
Review of Jan. 7, 2010 Board Meeting

Enrollment
Staffing

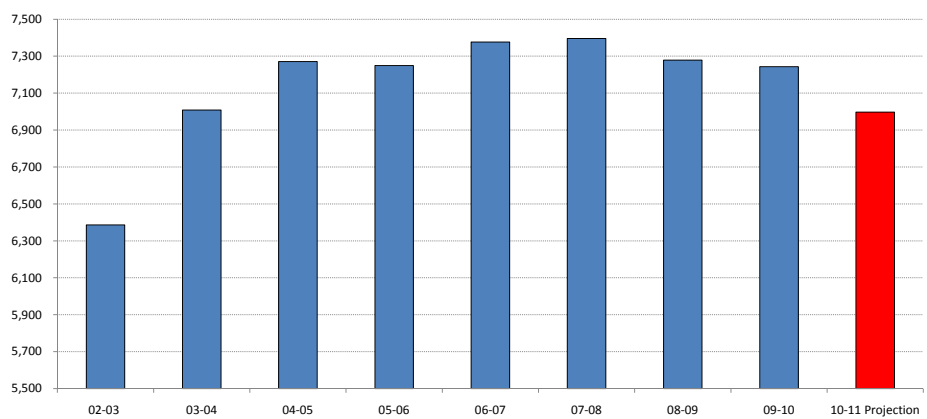
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Residential Growth

Building Permits



CBEDS Enrollment



2010-11 Enrollment Projection

2010-11	K	1	2	3	4	5	6	7	8	Total
Dry Creek	86	87	86	92	85	75				511
Heritage Oak	85	86	105	105	105	106				592
Antelope Meadows	122	122	118	122	147	156				787
Quail Glen	74	75	103	95	111	131				589
Olive Grove	95	97	98	99	89	141				619
Coyote Ridge	130	132	132	154	176	154				878
Barrett	74	78	86	81	95	67				481
Antelope Crossing							277	333	319	929
Silverado							336	336	342	1,014
Creekview Ranch							197	205	230	632
Total	666	677	728	748	808	830	810	874	891	7,032
2009-10: Jan 26	675	726	746	806	828	813	871	889	917	7,271
							Year to Year Difference			(239)

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2010-11 Classroom Staffing Assumptions

- K-3 student teacher range of 20-24 to 1
- 4-8 student teacher range of 32-34 to 1
- Rationale:
 - Establishes class size as a priority
 - Provides flexibility
 - Minimizes CSR penalties
 - Reduces student overflow and transportation

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2010-11 Projected Classroom Positions

2010-11	K	1	2	3	4	5	6	7	8	Total
Dry Creek	4.0	4.0	4.0	4.0	2.5	2.5				21.0
Heritage Oak	4.0	4.0	4.0	4.0	3.0	3.0				22.0
Antelope Meadows	5.0	5.0	5.0	5.0	4.5	4.5				29.0
Quail Glen	3.5	3.5	4.5	4.5	4.0	4.0				24.0
Olive Grove	4.0	4.0	4.0	4.0	3.0	4.0				23.0
Coyote Ridge	6.0	6.0	5.5	6.5	5.5	4.5				34.0
Barrett	3.5	3.5	4.0	4.0	3.0	3.0				21.0
Antelope Crossing							8.0	10.0	10.0	28.0
Silverado							10.0	10.0	10.0	30.0
Creekview Ranch							6.0	6.0	7.0	19.0
Total	30.0	30.0	31.0	32.0	25.5	25.5	24.0	26.0	27.0	251.0
Existing 09-10	32.0	35.0	36.0	38.0	25.0	25.0	27.0	27.0	27.0	272.0
Difference	(2.0)	(5.0)	(5.0)	(6.0)	0.5	0.5	(3.0)	(1.0)	0.0	(21.0)

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Review of Jan. 21, 2010 Board Meeting

State Budget Overview
District Budget
Recommended Level of Reduction

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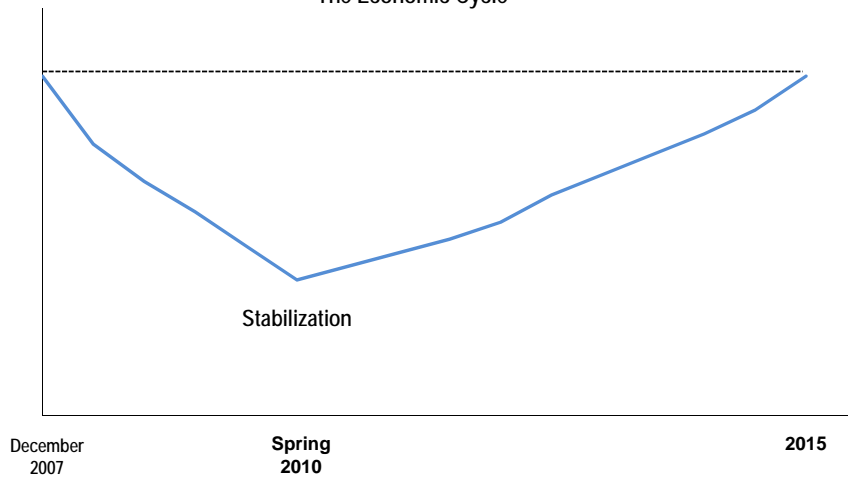
State Budget Overview

- State deficit projected at approx. \$18.9 billion
 - Approx. \$6.6 billion in FY 2009-10
 - Approx. \$12.3 billion in FY 2010-11
- Governor's January Proposal (GJP)
 - Proposal, not an approved budget
 - Changes will occur
 - Gov. declared a fiscal emergency
 - Legislature has until Feb. 22 to provide any corrections

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State Budget Overview

The Economic Cycle



Source: School Services of California

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State Budget Overview

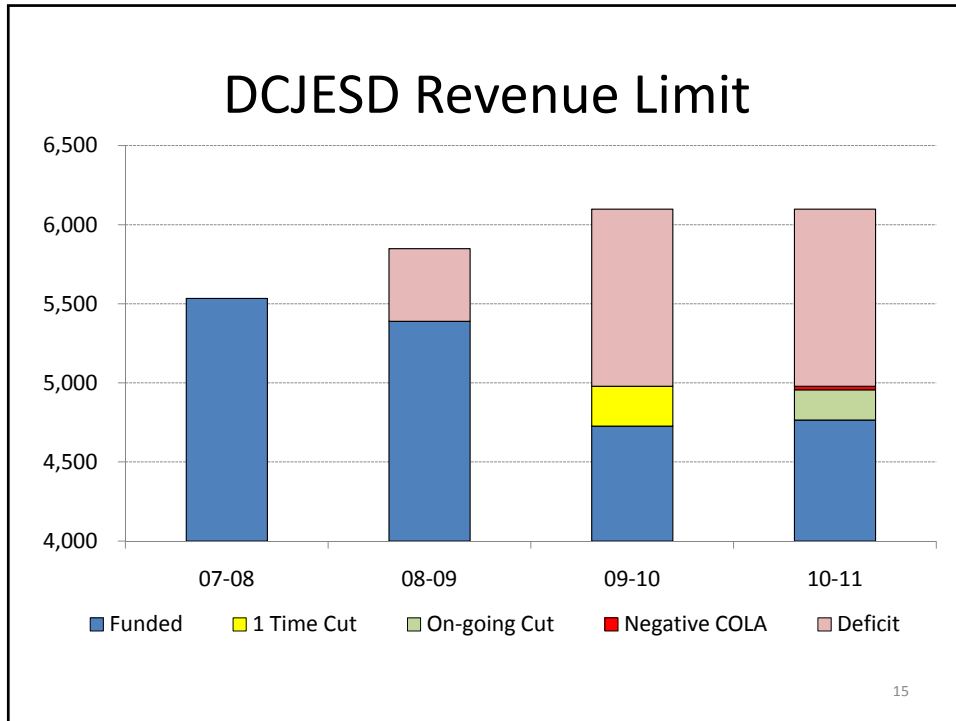
- Prop. 98 Guarantee
 - Flat funding approx \$50B
 - Issues
 - Maintenance Factor
 - Manipulation of gasoline tax / excise tax
- Mandates
 - Eliminated except for:
 - Inter / Intra district
 - CAHSEE

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Impacts of GJP on DCJESD Revenue Limit

	MYP Dec.	Gov's Jan.	Difference
COLA	+0.50% +\$31 per ADA	-0.38% -\$23 per ADA	-0.88% -\$54 per ADA
On-going RL cut	-0-	\$191 per ADA	-\$191 per ADA
Total			-\$245 per ADA or -\$1.7 million

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- ### 2010-2011 GJP Financial Projection
- Projections include
 - Governor’s Proposals
 - -0.38% COLA
 - -\$191 on-going cut
 - Enrollment decline staff reductions
 - Class size adjustments
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2010-2011 GJP Financial Projection

	09-10	10-11
A. Total Revenues	46,629,489	44,441,810
B. Total Expenditures	50,525,477	49,475,120
C. Excess (Deficiency)	(3,895,988)	(5,033,310)
D. Other Sources/Uses	(415,272)	(504,475)
E. Net Increase (Decrease)	(4,311,260)	(5,537,785)
F. 1e) Adjusted Beginning Balance	11,525,248	7,213,988
F. 2) Ending Balance	7,213,988	1,676,203
Components of Ending Balance:		
Revolving Cash, Stores, Prepaid	181,000	181,000
General Reserve 2.0%	1,020,415	999,692
Legally Restricted	754,025	94,903
Economic Uncertainties 3.0%	1,530,623	1,499,538
Economic Uncertainties 1.0%	510,208	499,846
Enrollment Decline	1,185,583	917,689
Lottery	795,999	810,270
Categorical	304,755	0
c) Undesignated Amount	931,380	(3,326,735)

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2010-2011 GJP Financial Projection

- Recommended reductions to 2010-2011 budget:

\$3.33 million
-\$250 thousand
\$3.08 million

Will still result in deficit spending of more than \$2.2 million

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Feb. 4, 2010

Reductions

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Background

- District has been pro-active and fiscally responsible
 - Reductions of over \$4.4M in last two years
 - On-going discussions with employee groups throughout the current school year
 - “Freeze” on expenditures declared on Feb. 2, 2010 by Superintendent Geyer
- Two distinct issues for 10-11
 - Declining enrollment
 - State budget reductions

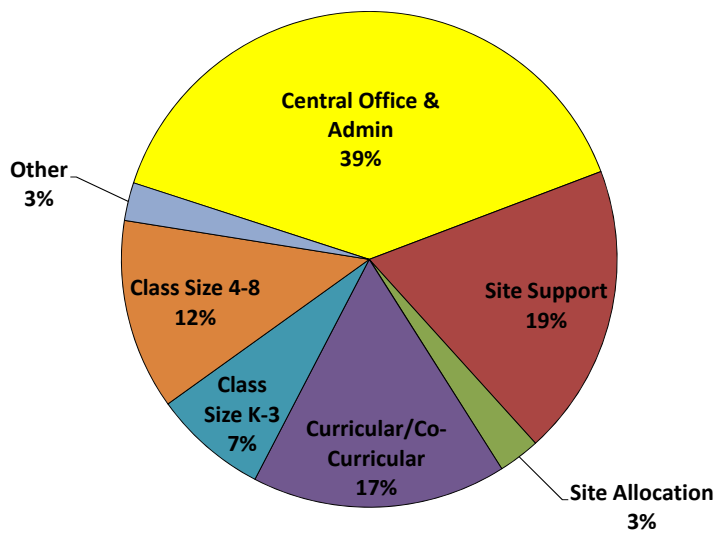
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2 Year Reductions Total

	08-09	09-10	Total
Central Office & Admin	\$728,300	\$1,001,040	\$1,729,340
Site Support	209,800	630,820	840,620
Site Allocation	72,100	47,620	119,720
Curricular / Co-Curricular	-	732,340	732,340
Class Size K-3	-	328,900	328,900
Class Size 4-8	-	547,720	547,720
Other	-	109,440	109,440
Total	\$1,010,200	\$3,397,880	\$4,408,080

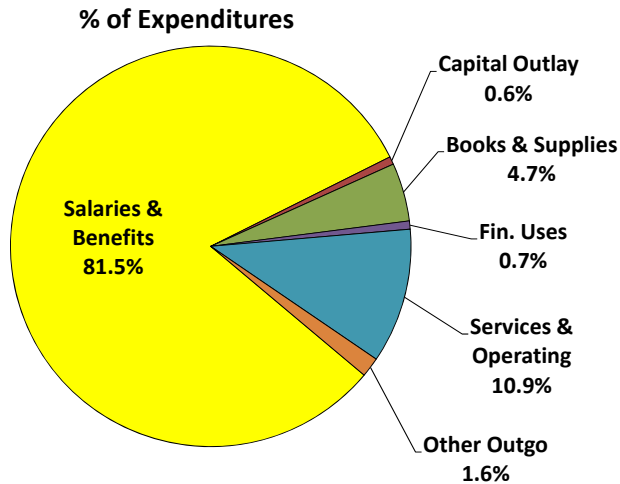
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Reductions 08-09 & 09-10



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09-10: How Funds Spent



Salaries & Benefits as % of Revenues = 89.5%

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Rationale for Reductions

- District must make difficult decisions before the final state budget is known in order to meet legal deadlines
- Luxury of time is not available due to legal requirements of notification of certificated employees
- We must position the district to respond to the uncertainty of the final state budget
- Reductions requiring legislative or negotiated agreements can not be included at this time

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Strategies & Cost Savings

- District has analyzed & is implementing budget strategies such as:
 - Instructional materials purchase delays
 - Energy management
 - Landscape maintenance
 - Kindergarten program changes
 - Warehouse lease
 - Transportation efficiencies
 - Evaluation of Special Education services
 - Closing District Office during specific times of the year

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2009-10 Current Year Reductions

	<u>On-going</u>	<u>One-time</u>	<u>Total</u>
Central Office & Administrative	\$82,400	\$120,000	\$202,400
Site Support	-	-	-
Site Allocation	22,000	-	22,000
Curricular / Co-Curricular	54,200	-	54,200
Other	-	-	-
Total	\$158,600	\$120,000	\$278,600

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2009-10 Current Year Reductions

- Central Office & Administration \$202,400
 - Reduce District Office department budgets by an additional 5%
 - “Flexibility” Routine Maintenance
 - PowerSchool savings

- Site Allocation \$22,000
 - Reduce site allocation by an additional 5%

- Curricular / Co-Curricular \$54,200
 - Cancel spring intersession

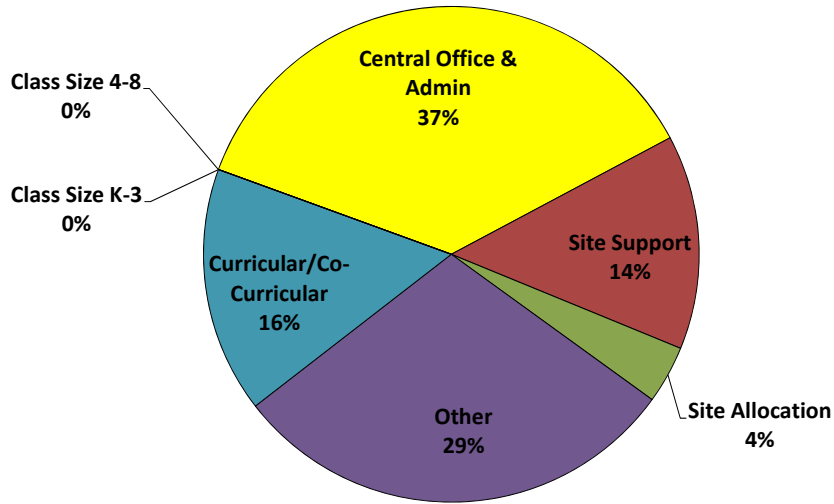
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2010-11 Recommended Reductions

	On-going	One-time	Total
Central Office & Administrative	\$737,800	\$30,600	\$768,400
Site Support	370,400	-	370,400
Site Allocation	78,100	-	78,100
Curricular / Co-Curricular	352,400	18,400	370,800
Other	336,400	445,900	782,300
Total	\$1,875,100	\$494,900	\$2,370,000

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2009-10 Current Year and 2010-11 Recommended Reductions



2010-11 Recommended Reductions

- **Central Office & Administrative** \$768,400
 - Furlough all administrators by 3 days
 - Reduce by 1.00 FTE 6-8 Assistant Principal
 - Reduce by 2.00 FTE Health Assistants
 - Increase by 0.20 FTE Nurse
 - Reduce by 1.00 FTE Technology Specialist
 - Reduce District Office department budgets by an additional 15%
 - Transportation route adjustments
 - Increase Athletic Fees
 - Reduce Deferred Maintenance contribution

2010-11 Recommended Reductions

- Site Support \$370,400
 - Reduce by 4.50 FTE RRT / EL Teacher
 - Reduce by 1.00 FTE Counselor
 - Reduce Campus Supervision funding by 5%

- Site Allocation \$78,100
 - Reduce by an additional 15%
 - SLIP “Flexibility” additional 5%

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2010-11 Recommended Reductions

- Curricular / Co-Curricular \$370,800
 - Reduce by 2.00 FTE Special Education Teachers
 - Reduce by 2.50 FTE Special Education Instructional Assistants
 - Cancel Intersession / Summer School
 - K-2 math adoption savings

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2010-11 Recommended Reductions

- Other \$782,300
 - Additional “Flexibility”
 - Instructional Materials
 - Gifted and Talented
 - Peer Assistance & Review

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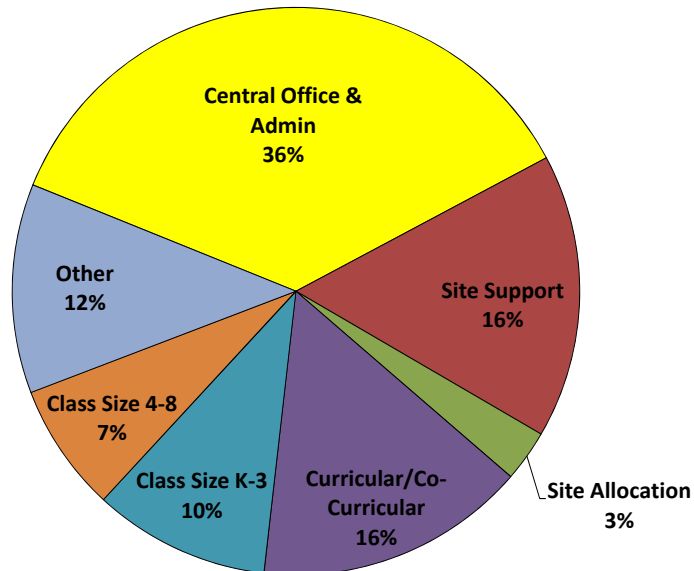
Total 3 Year Reduction Totals

	08-09	09-10	09-10 Cur. Year	10-11	Total
Central Off. & Admin.	728,300	1,001,040	202,400	768,400	2,700,140
Site Support	209,800	630,820	-	370,400	1,211,020
Site Allocation	72,100	47,620	22,000	78,100	219,820
Curricular / Co-Curr.	-	732,340	54,200	370,800	1,157,340
Class Size K-3*	-	328,900	-	423,700	752,600
Class Size 4-8	-	547,720	-	-	547,720
Other	-	109,440	-	782,300	891,740
Total	1,010,200	3,397,880	278,600	2,793,700	7,480,380

* Class Size K-3 for 10-11 reflects staffing change from 21 to 24 students less penalties

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08-09 to 10-11 Total Reductions



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To Be Determined

- \$3.08 million reduction total
- \$2.65 million recommend reductions
 - \$278,600 for current year 2009-10
 - \$2,370,000 for next year 2010-11
- **\$431,400** still to be reduced
- Negotiations with employees groups
- Additional information based upon feedback
- Projected savings due to spending freeze

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Summary

- State budget continues to be difficult
 - \$18.9B deficit is approx. 21% revenues of \$88.1B
 - Past budgets relied on: borrowing, transfers, accounting changes, deferrals and cuts
 - All areas of the state budget will be impacted: social services, education, safety
- As stated during last year's budget development process, 2010-11 would be more difficult than 2009-10 for Dry Creek JESD

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Summary

- DCJESD continues to face multiple years of challenging state budgets and declining enrollment
- Reductions are difficult for a school district, its employees, its students and community
- Over the last two years the Board of Trustees approved reductions of **\$4.4 million**
- Projections indicate reductions of approximately **\$3.08 million** need to be made to expenditures for 2010-2011
- Cash flow is vital in order to continue to pay our employees and vendors
- Discussion with employee groups will be critical as we examine additional solutions for closing the budget gap

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Next Steps

- Jan. 12
 - Staff attends Gov's. budget workshop
- Jan. 21 - Budget Workshop #2
 - Governor's Budget Proposal Review
 - Recommended level of reductions
- Feb. 4 - Budget Workshop #3
 - Staff recommended reductions
- Feb. 5 – Meeting with DCTA
- Feb. 12 – Tentative meeting with CSEA
- Feb. 18 - Budget Workshop #4
 - Board Approval of reductions
- Feb. 25
 - Potential action to reduce positions

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Board of Trustees Discussion

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Community Forum

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Board of Trustees' Comments
Superintendent's Comments

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