

BOARD AGENDA ITEM

G-3

Meeting Date: February 26, 2008

Item Title: Alameda Unified School District (AUSD) Proposed Budget Reductions in Response to State Budget Crisis

Item Type: Information

BACKGROUND: On December 11, 2007, AUSD staff presented a First Interim Budget Report for 2007-08 that showed a balanced budget for the current and two subsequent years and an undesignated reserve fund of \$1.6 million.

On January 10, 2008, the Governor announced \$4.4 billion in proposed cuts to public school funding and the suspension of Proposition 98, the constitutional amendment that guarantees a minimum level funding to California schools.

The financial impact of the Governor's proposed budget to AUSD is a minimum loss of \$4 million in ongoing unrestricted general funding.

The Governor's proposed budget cuts to California schools were unprecedented, unexpected and unplanned for. In Alameda, they come on the heels of \$7.7 million in budget reductions in the last seven years, and a five year trend of declining enrollment, and therefore revenue. During this time, AUSD has worked diligently to be fiscally responsible and maximize limited resources on behalf of students and staff.

Previous spending reductions have required consolidation of schools and functions, reorganization of departments, reductions of services, and loss of others. Given this context, it is not possible to produce an additional \$4 million in spending reductions without a severe impact on students, staff, schools, and our educational programs and services.

Therefore, in order to minimize disruption and upheaval to our district brought about by the Governor' cuts to education funding, the Superintendent recommends the following 2-year spending reduction plan totaling \$4 million, and utilizing one-time mandate reimbursement funds totaling \$1.08 million during Fiscal Year 2008-09.

ALAMEDA UNIFIED SCHOOL DISTRICT

EXHIBIT

BOARD AGENDA ITEM

G-3

(cont'ed.)

Fiscal Year 2008-09

Items 1-7 are changes to educational program and require board approval.

Item 8 is a proposed revenue enhancement.

Items 9-11 are a shifting of spending to categorical funds and the reorganizing and reduction of district office departments.

Total \$2,818,300

Fiscal Year 2009-10

Item 12 is a restructuring of the K-12 educational program and requires board approval.

Total \$2,261,700

FISCAL IMPLICATIONS: To be determined

RECOMMENDATION: discuss the plan as submitted

Submitted by: Ardella J. Dailey, Superintendent

Approved for Submission to Board of Education _____

Ardella J. Dailey, Superintendent

**SUMMARY OF SPENDING REDUCTION AND REALLOCATION PLAN
FOR FY08/09 AND FY09/10**

No.	Item	Amount	Cut/ Shift	Ongoing/ One-Time
SUPERINTENDENT'S RECOMMENDATIONS FOR BOE APPROVAL FOR FY08/09				
1	MODIFY CLASSROOM STAFFING			
a	Reduce Class Size Reduction (CSR) - Grade 9	92,000	Cut	On-Going
b	Eliminate Junior Reserve Officers Training Corp (JROTC)	61,000	Cut	On-Going
c	Eliminate 0.5 FTE Independent Study Teacher	40,000	Cut	On-Going
d	Eliminate Elementary Grades 1-3 Music Prep Positions	200,000	Cut	On-Going
2	REDUCE SECONDARY COUNSELING SERVICES			
a	Reduce Middle School (MS) Counselors	90,000	Cut	On-Going
3	ADJUST SECONDARY SCHOOL STAFF			
a	Eliminate 1 FTE Vice-Principal at EHS	95,000	Cut	On-Going
b	Reduce Clerical Support at Encinal High School (EHS)	45,000	Cut	On-Going
4	ELIMINATE SUPPORT FOR ATHLETIC PROGRAMS			
a	Eliminate High School Athletic Program	345,000	Cut	On-Going
b	Close Swim Centers	120,000	Cut	On-Going
5	REDUCE MAINTENANCE, OPERATIONS AND FACILITIES SERVICES			
a	Reduce Site Based Cleaning to Alternating A/B Schedule	125,000	Cut	On-Going
6	ADJUST DISTRICT OFFICE SUPPORT			
a	Reduce Clerical Support at District Office	19,000	Cut	On-Going
7	DEFER ON-GOING SPENDING REDUCTIONS FOR ONE YEAR			
a	Spend One-Time Mandate Cost Reimbursement to Defer On-Going Spending Reductions for One Year	1,080,000	Reserve	One-Time
	Total	2,312,000		

**SUMMARY OF SPENDING REDUCTION AND REALLOCATION PLAN
FOR FY08/09 AND FY09/10**

No.	Item	Amount	Cut/ Shift	Ongoing/ One-Time
SUPERINTENDENT'S DIRECTIVES FOR FY08/09				
8	ENHANCE REVENUE			
a	Revenue Enhancement - Annual Leases	60,000	Rev	
9	SHIFT SPENDING			
a	Shift Technology Classified Staff to Categorical Funds	200,000	Shift	
b	Shift Instructional Supplies to Categorical Funds	125,000	Shift	
c	Apply Mega-Item Transfer from Food Service to General Fund	50,000	Shift	
10	REDUCE DEPARTMENT OF MAINTENANCE, OPERATIONS AND FACILITIES			
a	Reduce Use of Custodial Substitutes	50,000	Cut	
11	REDUCE DISTRICT OFFICE SUPPORT			
a	Reduce Professional Development Opportunities for District Office Staff	20,000	Cut	
b	Eliminate Clerical Hourly Support	1,300	Cut	
	Total	506,300		
	FY08/09 Grand Total	2,818,300		
	FY08/09 One-Time	1,080,000		
	FY08/09 On-Going	1,738,300		
	FY08/09 Grand Total	2,818,300		

SUMMARY OF SPENDING REDUCTION AND REALLOCATION PLAN				
FOR FY08/09 AND FY09/10				
No.	Item	Amount	Cut/ Shift	Ongoing/ One-Time
SUPERINTENDENT'S PROPOSAL FOR FY09/10				
12	RESTRUCTURE K-12 PROGRAM - May include and is not limited to:			
a	School Closures - Elementary, Middle, High and Specialized/Alternative		Cut	On-Going
b	Class Sizes - Class Size Reduction K-3 Program		Cut	On-Going
c	Counseling Services - Counselors, College and Career Technicians		Cut	On-Going
	Total	2,261,700		
	FY09/10 Grand Total	2,261,700		
	FY08/09 On-Going	1,738,300		
	FY09/10 On-Going	2,261,700		
	FY08/09 and FY09/10 Grand Total	4,000,000		

Alameda Unified School District
 FY2008/09 Proposed Spending Reductions and Resource Allocation Plan
 (Proposed as of 2/26/08)

The Superintendent recommends the spending reductions listed as items 1 through 6 for the approval of the Board of Education. In addition, the Superintendent recommends item 7, which uses one-time mandate reimbursement dollars to defer on-going spending reductions for one year.

Superintendent's
 Recommendation

Item	Superintendent's Recommendation
1 MODIFY CLASSROOM STAFFING (maintaining contractual obligations)	
a Reduce Class Size Reduction (CSR) - Grade 9 Current: Grade 9 English and Mathematics courses have a class limit of 20 students to 1 teacher at Alameda High School and Encinal High School. The expenditures incurred by participating in CSR for Grade 9 exceed the revenue generated, resulting in an encroachment. Proposal: Return Grade 9 English and Math sections to contractual language of 35:1 with a district average of 29:1, with the exception of Grade 9 literacy intervention sections that will remain 20:1. Impact: The neediest 9th graders will continue to have access to small classes supported by restricted categorical funding.	cut 92,000
b Eliminate Junior Reserve Officers Training Corp (JROTC) Current: 2 FTE instructors implement the JROTC program at Encinal High School for 251 students. Students take JROTC in lieu of Physical Education (PE). The California Department of Education discourages districts from providing PE credit for JROTC enrollment. The Army reimburses the District for 39% of total compensation, resulting in an encroachment of \$91K. Proposal: Eliminate the JROTC program and require all students to comply with CDE requirements, adding 2.5 sections of PE. Impact: All students will comply with CDE requirements for PE.	cut 61,000
c Eliminate 0.5 FTE Independent Study Teacher Current: 1.5 FTE Independent Study Teachers work with students in grades 6 through 12 who need an independent study alternative. Proposal: Eliminate 0.5 FTE Independent Study Teacher leaving 1.0 FTE to provide mandated services for up to 21 students in multiple content areas. Impact: This program will be reduced and prioritized to accommodate mandated student needs. Fewer opportunities for students to opt into independent study (e.g., the traveling dance student).	cut 40,000
d Eliminate Elementary Grades 1-3 Music Prep Positions Current: Grades 1-3 receive 1 hour weekly music instruction from a music specialist, which provides the classroom teacher a preparation period. Proposal: Eliminate grades 1-3 music preparation resulting in a loss of 4.5 FTE and replace the teacher preparation period with a common preparation period whereby students' instructional day ends 1 hour earlier during the week and still maintain the required state instructional minutes. This does not affect grades 4-5. Impact: It means 1 less hour of instruction that challenges accomplishing standards-based instruction within the remaining time. Music instruction will need to be integrated into instructional day. There may be daycare issues with siblings on a different schedule.	cut 200,000

Alameda Unified School District
 FY2008/09 Proposed Spending Reductions and Resource Allocation Plan
 (Proposed as of 2/26/08)

YEAR 1
 FY08/09

Item	Superintendent's Recommendation
<p>2 REDUCE SECONDARY COUNSELING SERVICES</p> <p>a Reduce Middle School (MS) Counselors Current: Each middle school receives a 1.0 Counselor plus an additional 0.5 FTE Counselor from the supplemental counseling grant to support at-risk students who are not on track to graduate high school. Proposal: Eliminate 0.5 FTE Counselors from each middle school for a total reduction of 1.5 FTE, thereby leaving each middle school with 1.0 FTE Counselor. Impact: It is unknown whether the supplemental counseling funding will be ongoing. Counseling services to at-risk students will shift to remaining counselors resulting in fewer services to students.</p>	<p>cut</p> <p>90,000</p>
<p>3 ADJUST SECONDARY SCHOOL STAFF</p> <p>a Eliminate 1 Vice Principal at Encinal High School (EHS) Current: Each comprehensive high school is assigned 2 FTE Vice Principals. AHS has 1,915 students with an administrator to student ratio of 638:1. EHS has 1,104 students with a ratio of 368:1. Proposal: Eliminate 1 FTE Vice Principal at EHS and redistribute duties to remaining site administrators. Impact: 1 FTE Principal and 1 FTE Vice principal remain as site administrators for 1,104 students at a ratio of 552:1.</p> <p>b Reduce Clerical Support at Encinal High School (EHS) Current: EHS is supported by 7.5 FTE Clerical Support Staff. Proposal: Eliminate 0.94 FTE Office Assistant. Impact: Reduction of services to parents, students and staff.</p>	<p>cut</p> <p>95,000</p> <p>cut</p> <p>45,000</p>
<p>4 ELIMINATE SUPPORT FOR ATHLETIC PROGRAMS</p> <p>a Eliminate High School Athletic Program Current: High School athletic stipends, transportation and support services total \$345K per year. The athletic program is neither a core academic program nor a mandated service. Proposal: Eliminate all financial support for the high school athletic program. Impact: Eliminates AUSD sponsored athletic opportunities for students.</p> <p>b Close Swim Centers Current: Two swim centers are operated at each of the comprehensive high schools and used by the high school athletic program (i.e., swimming and diving, water polo) and community users. The swim centers are neither a core academic program nor a mandated service. Proposal: Close swim centers for all users. Impact: Eliminates community resource subsidized by the AUSD.</p>	<p>cut</p> <p>345,000</p> <p>cut</p> <p>120,000</p>

Alameda Unified School District
FY2008/09 Proposed Spending Reductions and Resource Allocation Plan
 (Proposed as of 2/26/08)

YEAR 1
 FY08/09

Superintendent's
 Recommendation

Item	Superintendent's Recommendation
<p>5 REDUCE MAINTENANCE, OPERATIONS AND FACILITIES SERVICES</p>	
<p>a Reduce Site Based Cleaning to Alternating A/B Schedule Current: At most sites, all classrooms are cleaned each night. Some sites use the A/B schedule when other work is required due to facility use permits. Proposal: Reduce Custodians by 6.0 FTE by changing current cleaning schedule to an A/B schedule in which classrooms are cleaned on an alternating basis; this change will require an upgrade to equipment and more effective on-going supplies. Special Education, childcare and kindergarten classrooms will continue to be cleaned daily. All classrooms will continue to have trash emptied daily. Use substitutes to assist with the additional work required due to facility use permits. Impact: Reduction in level of service. Facility use will be impacted as coverage at elementary and middle schools will not extend to 11 pm. Facility users with late night permits will pay for custodial services when there is no custodial coverage.</p>	<p>cut 125,000</p>
<p>6 ADJUST DISTRICT OFFICE SUPPORT</p>	
<p>a Reduce Clerical Support at District Office Current: A 0.38 FTE Office Assistant provides clerical support for the Superintendent's Office in the afternoon. Proposal: Eliminate this three hour position. Impact: The office will be staffed by 1.0 FTE Administrative Assistant which may result in the office being closed at times reducing hours of access to the Superintendent's Office.</p>	<p>cut 19,000</p>
<p>7 DEFER ON-GOING SPENDING REDUCTIONS FOR ONE YEAR</p>	
<p>a Spend One-Time Mandate Cost Reimbursement to Defer On-Going Spending Reductions for One Year Current: In FY06/07 approximately \$1.3M in deferred Mandate Cost Reimbursement dollars were received. The Office of the State Controller conducts audits of these reimbursements, and their audit practices result in an average disallowance rate of 80%. Given the excessive disallowance rate, the Alameda County Office of Education recommends school districts set aside 80% of reimbursement dollars received until the open auditing period expires (i.e., three years from receipt of cash). The AUSD set aside \$1.08M until Fall/Winter of 2009. Proposal: Use one-time Mandate Cost Reimbursements to defer on-going spending reductions until FY09/10. The one-time funds will be used to pay for the FY08/09 salaries and benefits of 12.4 FTE Teachers, 1.1 FTE Managers, 1.6 FTE Custodian and Maintenance, and 4.43 of Clerical Support. On-going funds for these 19.6 FTE must be identified in FY09/10. Impact: Creates exposure, as auditing period is still open.</p>	<p>reserve 1,080,000</p>

2,312,000

Alameda Unified School District
 FY2008/09 Spending Reductions and Resource Allocation Plan
 (Approved by Superintendent as of 2/26/08)

The Superintendent has directed staff to implement the shifts and cuts listed below as items 8 through 11 in developing the budget for FY08/09. In addition, staff is in the process of adjusting the current budget based on actual expenditures to date to increase our ending fund balance this year.
 Budgets will be adjusted downward now to ensure savings are realized.

Item		Superintendent's Recommendation
8	<p>ENHANCE REVENUE</p> <p>a Revenue - Leases Current: Some organizations occupy AUSD space free of charge. Good business practice requires tenants to sign an annual lease stipulating payment for space. Proposal: Require all organizations occupying space to sign an annual lease stipulating payment for space. Impact: Revenue will be enhanced, while ensuring all tenant organizations are treated equally.</p>	60,000
9	<p>SHIFT SPENDING</p> <p>a Shift Technology Classified Staff to Categorical Funds Current: New IST contract for duplication services has resulted in approximately \$200K in on-going savings in categorical block grant funding. Proposed: Shift 3.0 FTE in Technology Services from unrestricted to categorical funds. Impact: Improves use of limited resources and shifts 3.0 FTE to grant status.</p> <p>b Shift Instructional Supplies to Categorical Funds Current: The budget for school site instructional supplies approximates \$240K in unrestricted funds; these expenditures are eligible and appropriate for categorical funds. Proposal: Correct funding source for \$125K of instructional supplies from unrestricted funds to categorical funds. Impact: Reduces categorical funds available for other spending priorities (e.g., supplemental instructional materials).</p> <p>c Apply Mega-Item Transfer from Food Service to General Fund Current: The Food and Nutrition Service fund is currently self-sustaining, after several years of encroaching on the General Fund. Proposal: Apply the mega-item transfer between the Food and Nutrition Service Fund and the General Fund to repay for \$500K of the encroachment. Reserve amounts in excess of \$200K will be transferred per year from local revenues. Impact: No reduction to Food and Nutrition Service program; assumes Wellness Policy is maintained.</p>	200,000 125,000 50,000

Alameda Unified School District
 FY2008/09 Spending Reductions and Resource Allocation Plan
 (Approved by Superintendent as of 2/26/08)

Item	Superintendent's Recommendation
<p>10 REDUCE DEPARTMENT OF MAINTENANCE, OPERATIONS AND FACILITIES</p> <p>a Reduce Use of Custodial Substitutes Current: Substitute custodians are used to fill-in for all custodial leaves (e.g., vacation, sick). Substitutes are also used during the summer months to supplement the work of regular custodians. Proposal: Implement a preventative maintenance system to reduce the need for substitutes in the summer months. Careful planning of vacation and leave schedules will help reduce use of substitutes during the school year. Impact: Reduce the need for substitute custodians; no change to service level.</p>	<p style="text-align: right;">50,000</p> <p style="text-align: center;">cut</p>
<p>11 REDUCE DISTRICT OFFICE SUPPORT</p> <p>a Reduce Professional Development Opportunities for District Office Staff Current: Approximately \$88 in unrestricted funds is budgeted for the professional development of district staff. The professional development opportunities include CLAD for teaching staff, attendance reporting for clerical staff, financial reporting and management for fiscal and business staff, program development for special education staff, and specialized health care for educational services staff. Proposal: Reduce professional development opportunities by \$20K. Impact: District staff will not have the ongoing and most current knowledge and expertise to serve the needs of our school sites, staff and students.</p>	<p style="text-align: right;">20,000</p> <p style="text-align: center;">cut</p>
<p>b Eliminate Clerical Hourly Support Current: Approximately \$1.3K in unrestricted funds is budgeted for clerical hourly support for the Department of Student Services for support in maintaining legal mandates and keeping the office open all day for the public. This office generally serves between 50-75 people daily mostly around enrollment issues. Proposal: Eliminate clerical hourly support in order to maintain legal mandates of student records. Impact: May need to close office or reduce office hours on occasion to ensure all mandated requirements are maintained thus will not be as responsive to the public. Enrollment may be delayed.</p>	<p style="text-align: right;">1,300</p> <p style="text-align: center;">cut</p>

506,300

Alameda Unified School District
 FY2009/10 Proposed Spending Reductions and Resource Allocation Plan
 (Proposed by Superintendent as of 2/26/08)

The Superintendent has directed staff to develop a plan to restructure the AUSD K-12 program. Restructuring will impact the educational program and the educational support program. The plan will be presented to the Board of Education for information on November 25, 2008 and approval on December 9, 2008.

Item	Superintendent's Recommendation
12 RESTRUCTURE K-12 PROGRAM - May include and is not limited to: a School Closures - Elementary, Middle, High and Specialized/Alternative b Class Sizes - Class Size Reduction K-3 Program c Counseling Services - Counselors, College and Career Technicians	2,261,700