

REDWOOD CITY SCHOOL DISTRICT

Educating Every Child For Success

Presentation to:
Redwood City School District
Governing Board

Presented by:
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Outline

- ❑ State budget crisis
- ❑ RCSD budget crisis
- ❑ Review of RCSD's budget 2009/10
- ❑ Governor's proposal for 2009/10 and 2010/11
- ❑ Impact of the Governor's proposal to RCSD
- ❑ Possibilities for mid-year cuts in 2009/10
- ❑ Possibilities for budget cuts in 2010/11
- ❑ Board Discussions

California Budget Crisis

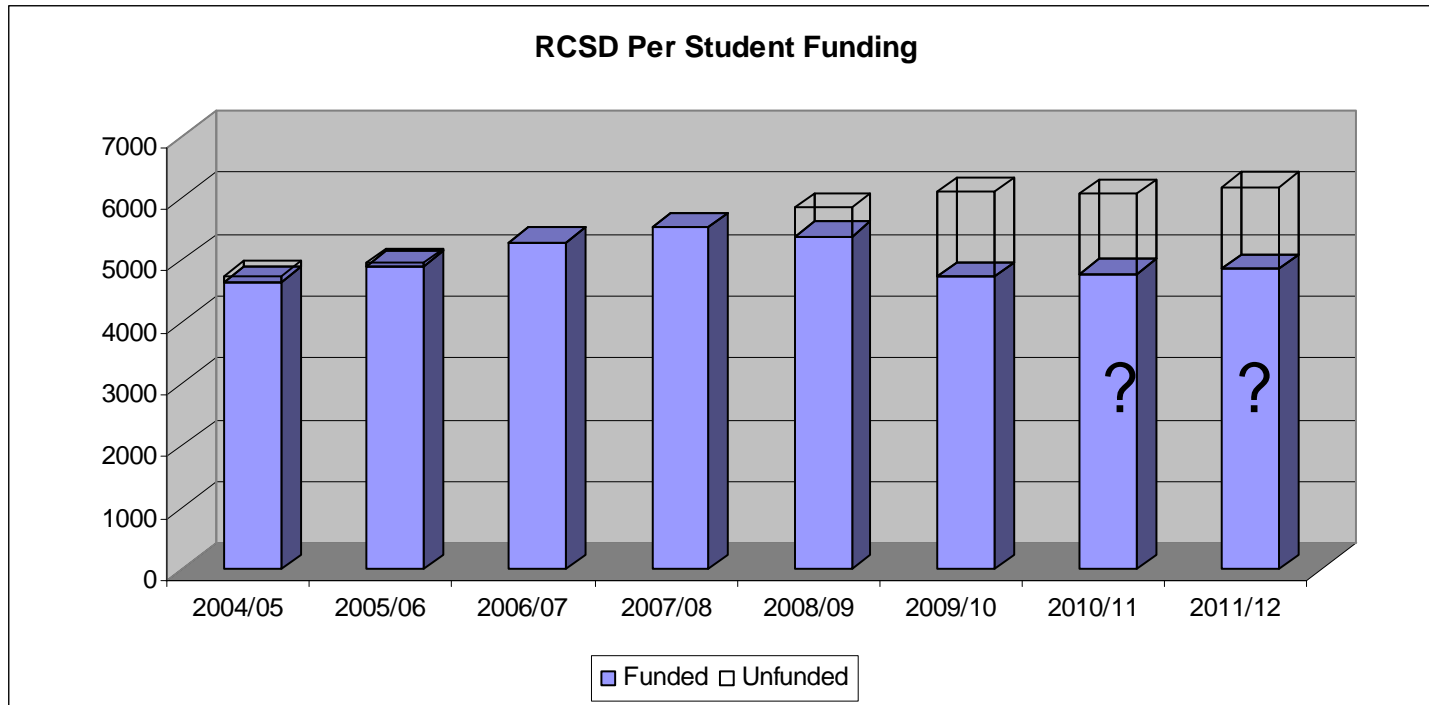
- ❑ Worst economic crisis since the Great Depression
- ❑ California hit even harder than most other states
- ❑ California's tax and budgeting process often results in budget stalemates and feast-or-famine swings in state revenues

RCSD Budget Crisis

- ❑ RCSD serving 1,000 more students, and
- ❑ RCSD's unrestricted budget has been reduced by 17% in the last 3 years
- ❑ RCSD's 2009/10 budget is about the same as in 2006/07 school year, even with 1,000 more students

RCSD Budget Crisis

- Per student funding dropped from about \$5,500 per student in 2007/08 to about \$4,700 per student in 2009/10



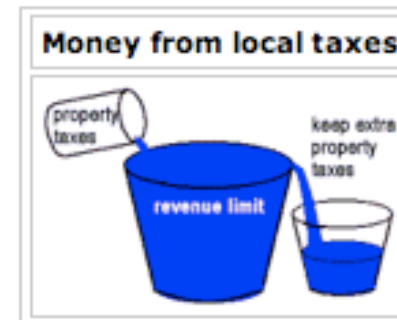
Districts affected differently

- ❑ Complicated school funding system means that districts like RCSD that rely on state aid are more impacted by state crisis

Revenue Limit District Funding:

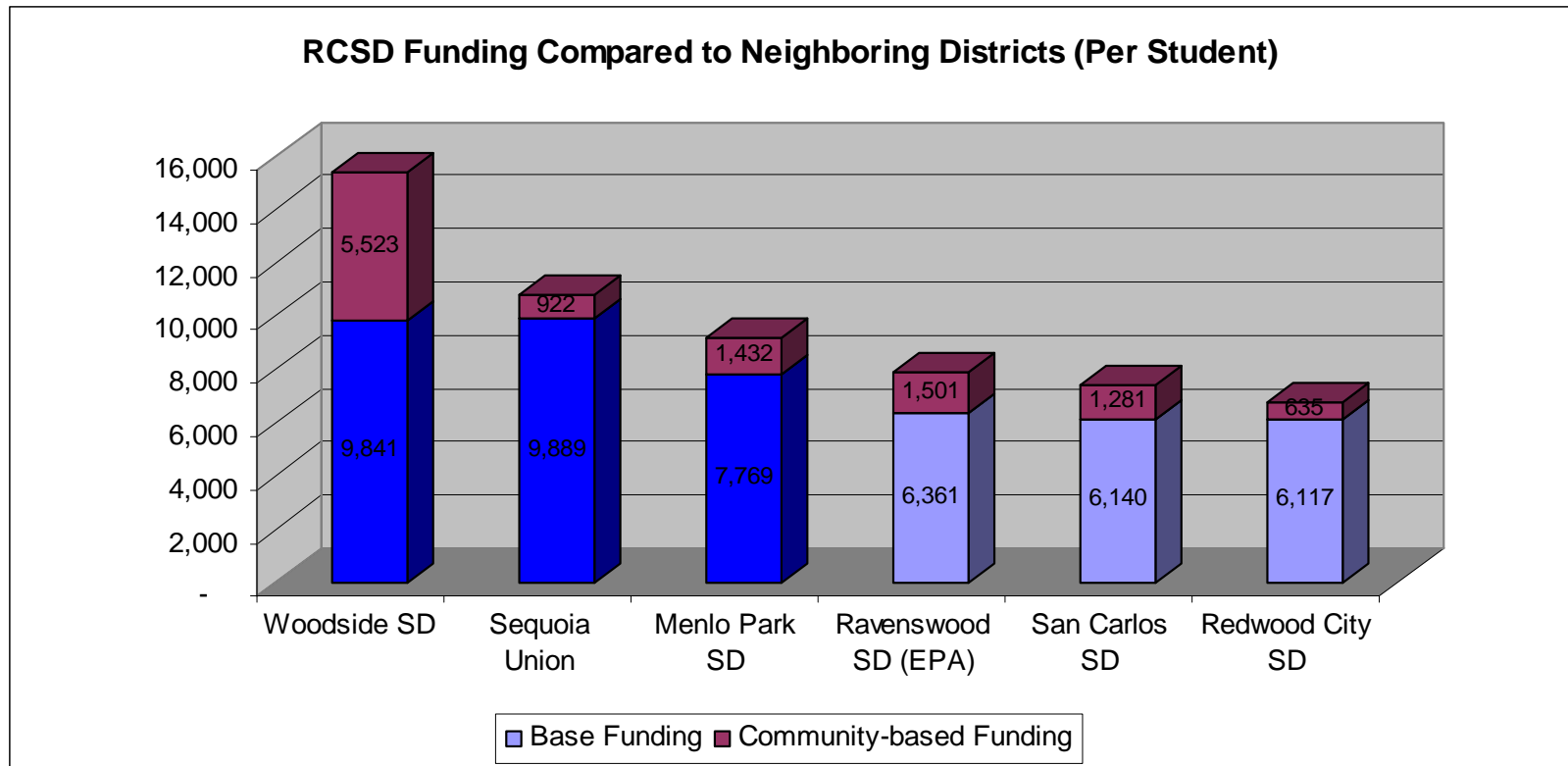


Basic Aid District Funding



Funding Not Equitable

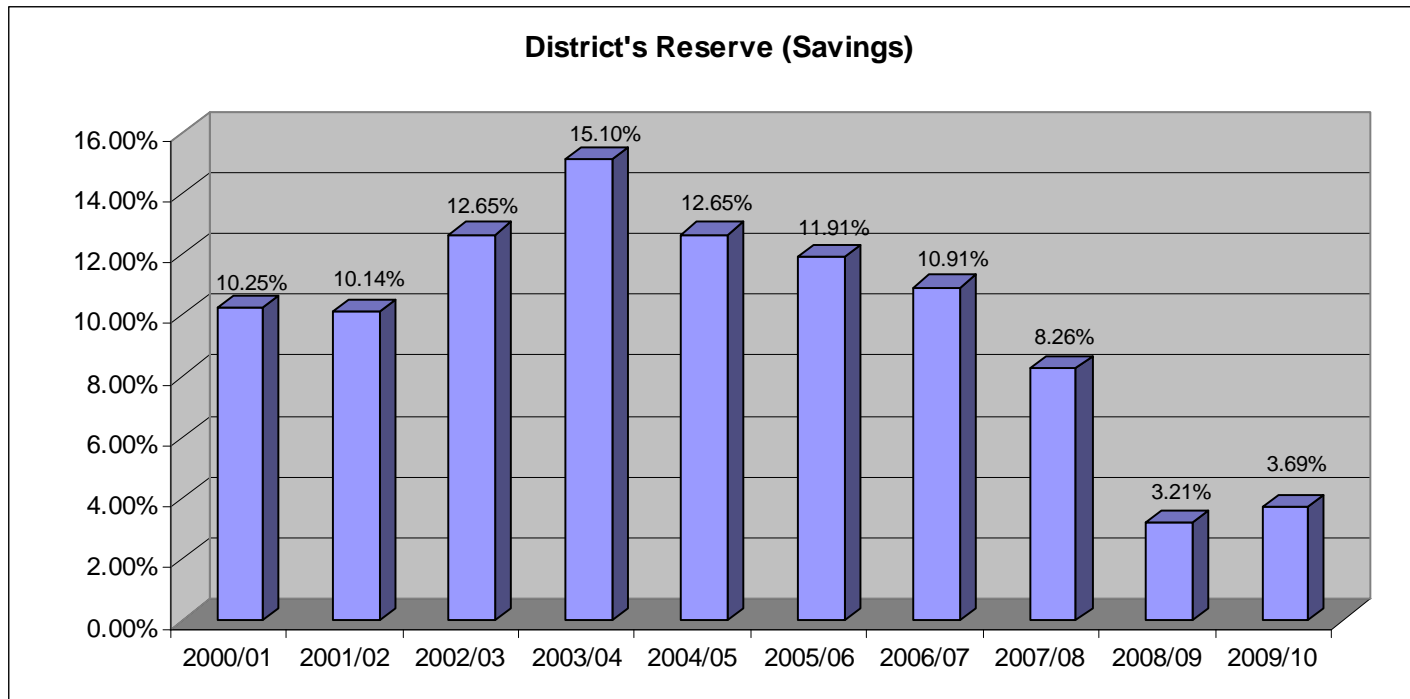
- Property-tax funded districts have not faced drops as severe because more money comes from local sources



State problem, not local mismanagement

- ❑ RCSD takes a conservative budgeting approach
- ❑ Maintained a healthy reserve (savings)
- ❑ Reduced costs
- ❑ Generated new income through improved attendance
- ❑ Productivity is at an all-time high, but can't absorb more cuts

District's Reserve



- ❑ 2006-07 Salary & Benefit increases of 7.35%
- ❑ 2007-08 Salary & Benefit increases of 5.63%
- ❑ 2008-09 State imposed mid-year reduction; District did not implement mid-year cut
- ❑ 2009-10 Implemented \$5.5 million in budget cuts

Review of 2009/10 Budget

□ 2009-10

- Identified over \$10 million in cuts, but implemented \$5.5 million
- \$4.7 million were saved for 2009/10 only, due to one-time federal stimulus funds
- Loss of Title I funding by \$316K
- Loss of Economic Impact Aid funding by \$100K
- Projected reserve at 3.69%

The State's Problem

- \$19.9 billion budget gap over next 18 months:
 - \$6.6 billion for 2009/10
 - \$13.3 billion for 2010/11
- Impact on education unclear -- “protect education”
- But, protecting education does not mean no cuts

Governor's Proposed Solution

- \$8.5 billion in budget cuts, which include
 - 2.4 billion cuts in health and human services
 - 1.2 billion cuts to prison???
- \$4.5 billion fund shift and alternative funds, such as ???
 - \$1.6 billion in gasoline sales tax swap to excise tax (fee)
- \$6.9 billion in federal funds???
 - Unfunded federal mandates, including special education
 - California is not getting its fair share
- The Governor's proposal does not represent the final budget. The legislature may not agree with some or all of the proposal before it gets finalized

What is the impact to RCSD?

- Protecting education means:
 - -0.38 in cost of living adjustments (COLA), an estimated loss of about \$0.2 million for RCSD, and
 - \$191 per student reduction in state aid, an estimated loss of about \$1.7 million for RCSD
 - Protecting education means RCSD losing about \$1.9 million in revenue
- In addition, the District needs to cut \$4.7 million due to loss of stimulus funds
- Based on the above estimates, the District needs to cut at least \$6.6 million, BUT

What is the impact to RCSD?

- ❑ Due to uncertain nature of the Governor's proposal, more funding cuts are expected before the budget is finalized
- ❑ It is estimated that the District needs to cut between \$4.7 - \$10.6 million

Description	(in millions)
Loss of Federal Stimulus Funds	-\$4.7
Protect Education Funding	-1.9
Fund Shifting (\$2.9B x 40% x 0.1%)	-1.2
Federal Funding (\$6.9B x 40% x 0.1%)	-2.8
Estimated Budget Cuts	-\$10.6

Timing of Budget Cuts

- ❑ \$6.6 billion of the State budget problem is for the current year (2009/10).
- ❑ If education budget gets reduced proportionately, this will impact RCSD by \$2.6 million
- ❑ More cuts from the State are expected before 6/30/2010
- ❑ Or possibly even after the year is over, similar to 2008/09 when the District funding were reduced by \$2 million in July 2009
- ❑ In order to safeguard the reserve at minimum level (3%), the District needs to reduce its expenditures immediately

Possibilities for Mid-Year Cuts

- Reduce work year for all employees by 5 days (Negotiable with the bargaining groups) - \$1.3 million
 - Current teacher's work year at 187 days
 - Classified support work year varies across the District
 - Management work year has been reduced by 5 days this year
- Increase class size to 31:1 at grades K-3 - \$1.1 million
 - Currently at average of K-22, 1st-24, 2nd-26, and 3rd-28
- Release some temporary teachers (\$300K - \$900K)
 - Currently has 33 temporary teachers
 - Classrooms of these teachers will be staffed with other credentialed teachers in the District who are serving in other capacities

Possibilities for Mid-Year Cuts

- 1.0 FTE Accountant position in the business office - \$26K
 - Currently has 11.5 FTE
- 6.0 FTE custodian - \$96K
 - Currently has 47.5 FTE and on ABC schedule
- 1.0 FTE Clerical position at Roosevelt - \$17K
 - Currently has 33 FTE Districtwide
- Reduce instructional aid for RSP classes to 3 hours-\$65K
 - Currently at 5-6 hours a day at each site

Possibilities for Mid-Year Cuts

- 1.0 FTE Transportation dispatcher - \$19K
 - There is only one in the District
- Library Aides - \$150K
 - Currently 10.7 FTE
- Closely evaluate any unfilled positions before hiring a replacement

Possibilities for Budget Cuts in 2010/11

Below are possibilities for budget cuts for 2010/11 in addition to the mid-year cuts

- ❑ International baccalaureate (IB) program
- ❑ Outreach specialists
- ❑ Staff development
- ❑ Inclusion specialist
- ❑ Nurses
- ❑ Music teachers
- ❑ Counselors

Possibilities for Budget Cuts in 2010/11

- ❑ Instructional materials center (IMC) specialist
- ❑ Facilities & Maintenance
- ❑ Tier III categorical allocation to sites
- ❑ Outdoor education program
- ❑ Gifted & talented (GATE) program
- ❑ Relocate Orion School to the upper campus of Roosevelt and rent out Orion campus
- ❑ Reduce work year for all employees by additional 2 days
- ❑ District receptionist

Possibilities for Budget Cuts in 2010/11

- ❑ Clerical staff at school sites
- ❑ Computer technician
- ❑ Reorganization of District administration, 12.5% net reduction in administrators
- ❑ Convert Newcomer Academy from a school to a program
- ❑ Reduce Opportunity school by half
- ❑ Reduce clerical staff in special education
- ❑ Voyager intervention materials

Possibilities for Budget Cuts in 2010/11

- ❑ Reduce warehouse staff work year from 12 months to 10 months
- ❑ Reduce Child Nutrition office staff from 12 months to 10 months
- ❑ Change Child Development Center (CDC) program to 10 months and offer summer programs at some sites

Board Discussions
