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### Agenda Item Details

Meeting	Jan 21, 2020 - ESUHSD BOARD STUDY SESSION
Category	5. BOARD OF TRUSTEES / SUPERINTENDENT - STUDY SESSION/WORKSHOP ITEMS FOR DISCUSSION ONLY
Subject	5.01 First Reading of Possible Budget Savings and FTE Reductions for Consideration – Chris D. Funk, Superintendent, and Chris Jew, Associate Superintendent of Business Services
Access	Public
Type	Discussion, Study Session - No Action

### Public Content

The State financing system for public education compels all districts to make preliminary three-year budget projections several times throughout the fiscal year. This includes identifying potential staff reductions that may be indicated prior to knowing the final amount of available revenues to a district.

The East Side Union High School District governance team sincerely regrets that we have reached a point when we must publicly name each area of potential budget reductions, with the hope that the State budget process, which concludes in June 2020, will ultimately provide the District some relief. It does not appear possible at this time the District can avoid layoff notices, which legally must be issued by March 15 and which the Board of Trustees must act at its February 13, 2020, Regular Board meeting.

East Side Union High School District, like many school districts across California, continue to struggle to meet our three-year budget requirement under the current funding model used by California. The State of California is ranked 44<sup>th</sup> in the Nation for per pupil funding. With rising pension costs, increased cost to serve special needs students, declining enrollment, and a Cost of Living Adjustment (COLA) that does not cover the fixed costs of the District, ESUHSD has the untenable task of finding savings with cuts to programs, services, and the loss of highly respected employees due to layoffs.

As we continue to update ESUHSD's current multi-year budget, staff has held eighteen staff and community stakeholder meetings to review the District's budget and engage in discussions to identify potential budget savings and in reducing our working force.

After receiving feedback from staff and the community from each of the stakeholder meetings, the Board held two study sessions, November 21 and December 18, 2019, to review the brainstorming list and the potential impacts of implementing any of the identified actions. Discussion at the two study sessions was conducted in a "roundtable" format. Participants in the roundtable discussions included the following representatives:

- Jack Hamner, ESTA President
- Thomas Brittendahl, ESTA Representative
- Julio Pardo, CSEA President
- Patricia Alarcon, CSEA Representative
- Flora Neal, CSEA Representative
- Ginny Davis, ACES President
- Californians for Justice Representatives
- Student Representatives
- Parent Representatives
- Pattie Cortese, Board President
- Lan Nguyen, Vice President
- Van Le, Board Clerk
- J. Manuel Herrera, Board Trustee
- Lorena Chavez, Board Trustee
- Chris D. Funk, Superintendent
- Chris Jew, Associate Superintendent
- Glenn Vander Zee, Associate Superintendent
- Dr. John Rubio, Associate Superintendent

Each of the study sessions involved significant discussion and input from all roundtable participants, teachers, and community members. Participants were informed at the conclusion of each focus group meeting that items from the brainstorming list would be placed on the recommendation list for Board action. The Study Sessions did not generate any consensus on potential savings.

Presented today to the Board of Trustees is the first reading of the areas of potential budget reductions, which are listed below. It is a list that will evolve with further inquiries and public processes to receive ongoing input from our ESUHSD community. The governance team is mindful, also, that some possible alternatives require a formal bargaining process.

Absent any savings that can only be achieved through a formal bargaining process, the greater part of budget reductions will unavoidably impact many of our highly valued employees.

**Targeted Budget Reduction Amount as of 2019-20 First Interim Report - \$21,800,000.00**

### Unaudited Actuals

<u>Groups</u>	<u>FTEs</u>
ESTA 72%	122.03
CSEA 21%	48.94
<u>Management 7%</u>	<u>10.46</u>

Total FTEs 181.43

**Targeted Budget Reduction Amount as of Governor's Proposed 2020/21 Budget - \$23,400,000.00**

This projected three-year figure increased from \$1,600,000 to \$23,400,000 in the past few days due to the release of the Governor's proposed budget.

**Recommended Cuts/Savings**

Groups	FTEs
ESTA 72%	96.69
CSEA 21%	38.78
Management 7%	8.29
<b>Total FTEs</b>	<b>143.76</b>

#	Description	Total Current FTE Positions	Preliminary Proposed Reductions in FTEs			Net Budget Savings
			Certificated	Classified	Management	
1	Supplemental Retirement Incentive Plan (SERP)					\$241,620
2	1 Staff Development Day (1 <sup>st</sup> Day)					\$914,889
3	10% cut of Personnel at District Office			11		\$990,000
4	10% cut on all Discretionary Budgets					\$980,000
5	Special Education Contracts					\$3,500,000
6	Management (District Office)				8	\$1,096,600
7	Transfer Expense to Ed Tech Bond					\$1,000,000
8	Reduce Contract Services					\$500,000
9	Course Consolidation					\$210,000
10	City Year Contract					\$243,500
	<b>Total</b>					<b>\$9,676,609</b>
11	Advisors	26	26			\$3,172,000
12	Librarians	5.8	5.8			\$707,600
13	Subject Area Coordinators (SACS)	3.8	3.8			\$463,600
14	Athletic Directors (.2)	4.2	4.2			\$512,400
15	Activities Directors (.4)	6.6	6.6			\$805,200
16	Instructional Coaches (Induction Program)	8	2			\$244,000
17	Counselors (Gen Fund)	24.6	24.6			\$3,000,000
	<b>Total</b>					<b>\$8,904,800</b>
18	Support Services Technicians	12		12		\$1,080,000
19	Custodians	87		22		\$1,980,000
20	Language Assessment Clerks	4		4		\$360,000
21	Parent Involvement Specialists (PCIS)	15		15		\$1,305,000
22	Bookroom Clerks	1		1		\$90,000
	<b>Total</b>					<b>\$4,815,000</b>
	<b>Sub Total</b>		73	65	8	
	<b>Totals</b>	<b>198</b>	<b>Total Proposed Reduced FTEs</b>		<b>146</b>	<b>\$23,396,409</b>

**Salaries and Benefits**

- Certificated average salary \$122K
- Classified average salary \$90K
- Management average salary \$137K

**Possible Negotiated Savings**

- Class Size Leveling +2 = \$7,320,000
- Second Staff Development Day = \$914,889
- Certificated Stipends = \$1,153,646
- Building Master Schedules to match graduation requirements 220 units = \$7,350,000
- Reduced Work Year 5 days(Classified) = \$1,336,315
- Health Benefits Package
- Transportation Services (Contracted)
- Food Services (Contracted)

Budget Brainstorming List Study Sessions 11-21-2019 and 12-18-2019.pdf (95 KB)

Budget Impact Meetings Oct\_&\_Nov 2019.pdf (162 KB)

**Executive Content**