

RECENT HISTORY OF DISTRICT BUDGET REDUCTIONS

EUSD - EIGHT-YEAR TOTAL OF BUDGET REDUCTIONS					
	A = B+D+E	B	C	D	E
Fiscal Year	Total Reductions/Changes Adopted	Budgeted Use of Reserves/Deficit Spending/Funding Shifts/Other Solutions	Actual drop in unrestricted fund balance	Actual Program Cuts	Program Reductions Restored/Not Cut
2003-04	\$7.0	\$2.5		\$4.5	
2003-04 mid-yr			\$0.8	\$1.2	
2004-05	\$7.0	\$2.4		\$4.6	
2005-06	\$3.9	\$2.2		\$1.2	\$0.5
2006-07	\$0.0			\$0.0	
2007-08	\$2.8	\$1.5		\$1.1	\$0.2
2008-09	\$13.4	\$2.3		\$4.4	\$6.6
2009-10	\$12.3	\$5.3	\$5.7	\$6.8	\$0.2
2010-11	\$11.8	\$2.0		\$5.3	\$4.6
Total - all years	\$58.2	\$18.2	\$6.5	\$29.1	\$12.1

Board Resolution 2010-11-19, states that over the past three years, the district has made reductions and used reserves in excess of \$22 million, represented by the amounts circled above. Note that we have not included spending down our restricted balance in 2009-10 by \$4.3 million, which mainly represented the spending of one-time federal stimulus funds (State Fiscal Stabilization Funds (SFSF)). (\$4.4 + \$6.7 + \$5.3 + 5.7 = \$22.1)

Since the recession that began in December 2007, the state's education budget has been reduced by more than \$18 billion, or about \$1,900 per student. The Escondido Union School District has adopted budget reduction plans that reflect the drop in state resources. Attached is a review of the reduction plans adopted by the district over the past three years.

SUMMARY OF EUSD 2010-2011 BUDGET CUTS AND RESTORATION OF CUTS

Local Control Reductions	
Education Center Reductions – including 4 FTE from Educational Services, 2 FTE from Maintenance and Operations, and .75 FTE from Pupil Services	\$605,199
Reading First Program end – 6.75 FTE TOSA positions	\$1,079,952
Reduce 11.0 FTE assorted categorically funded TOSA/Coach positions	\$770,000
Eliminate Principal Coaches	\$50,000
Eliminate Tariq Khamisa grant (program folded into Care Youth Project)	\$76,000
Employee Concessions (may be subject to negotiations)	
Salary Schedule Reductions – all employees 3%	\$2,881,002
Work/School Year Reductions – all employees – 5 days	\$2,283,185
Management employees - .5% salary reduction – furlough day equity	\$37,222
Certificated Retirees (45 @ \$25,000 differential)	\$1,125,000
Classified Retirees (17@ \$5,000 differential)	\$85,000
State Flexibility:	
SI funding – 4 FTE (reading support)	\$358,000
Routine Restricted Maintenance at 2.3%	\$300,000
Deferred Maintenance Contribution (reduced)	\$200,000
Transfer GASB 45 set-aside funds (Fund 17)	\$1,000,000
Transfer settlement funds (Fund 40-00)	\$1,000,000
Total Budget Solutions approved April 15, 2010	\$11,850,560
2009-2010 Reductions later restored through negotiations, due to receipt of unanticipated Federal Jobs Bill stimulus funding, and an improved final 2010-11 State Budget	
Salary Schedule Reductions – all employees – 3%	\$2,881,002
Work/School Year Reductions – all employees – 3 days	\$1,369,911
Management Employees - .3% salary reduction – furlough day equity	\$22,222
School sites restored TOSA positions (est.)	\$350,000
Total Restored Reductions in 2010-11	\$4,623,135

SUMMARY OF EUSD 2009-2010 BUDGET CUTS AND RESTORATION OF CUTS

Local Control Reductions:	
Freeze Effects (Increased 2009-10 beginning fund balance)	\$2,000,000
Health Benefits Restructuring	\$3,037,900
Library Technicians (reduce from 8 hr to 6 hrs)	\$223,321
Retirement (\$50,000 differential x 5)	\$250,000
Ed Center Reductions – Publications, Fiscal Services, Human Resources, and Pupil Services	\$227,000
Tariq Khamisa Foundation Grant (\$41,000 unrestricted/ \$38,000 categorical)	\$41,000
Flexibility Options:	
K-3 Class Size Reduction: 25:1 est. 67 FTE (staffing up to 24.9:1)	\$1,771,504
Limit Routine Restricted Maintenance Contribution under temporary flexibility rules/no district contribution to deferred maintenance	\$1,515,782
Utilize various categorical flexibility dollars to help balance the budget, including funding formerly used for the Peer Assistance Review Program (PAR), Community Based Tutoring Program (CBET), and the Professional Development Block Grant, among others	\$803,417
One-Time Solutions:	
“Scoop” one-time categorical ending fund balances (required, by law)	\$1,000,000
Instructional materials (partial “scoop”)	\$750,000
Offset for loss of indirect (due to categorical redirections)	(\$170,000)
Use of district reserves (deficit spending)	\$2,900,076
Total Budget Solutions approved April 30, 2009	\$12,350,000
2009-2010 Reductions later restored by the Board of Education	
Restore 2 hours/day Library Technician (district utilized federal stimulus funding to restore to full-time positions)	\$223,321
Total Restored Reductions in 2009-10	\$223,321

SUMMARY OF EUSD 2008-2009 BUDGET CUTS AND RESTORATION OF CUTS

Teacher Staffing Reductions 45 FTE, Kinder CSR Option 2, Reduction of bilingual staffing formula enhancement	\$1,650,000
Middle School Staffing Formula Change (16 FTE)	\$920,000
Assistant Principals (Scenario B – Retain 10 FTE, Mission/Rincon 2 FTE each, HMVS/DD/BVMS 1.5 FTE each, Oak Hill .5 FTE, Nicolaysen 1.0 FTE)	\$429,000
Middle School Counselors (10 FTE reduction, retain 1 FTE per middle school), net of lost categorical revenue	\$295,000
School Computer Tech Support (restructure to regional model, retain 5 FTE that are 100% district funded)	\$373,273
Enforce negotiated cap on Health and Welfare benefits – limit district's contribution to \$1,000 per month per eligible employee, payable on a tenths basis (\$10,000 limit per employee)	\$1,600,000
Work year reduction of 7, 11, or 12 furlough days for all district management, supervisory, confidential, and classified employees	\$911,946
Reduce 8 FTE Library Technician positions – Elementary positions to service two sites – no work year reduction	\$423,812
District Office Reductions – including 2.75 FTE clerical, 6.7 FTE TOSA	\$831,500
Collapse Opportunity Program into Community Day Program	\$272,000
Use one-time district block grant dollars for deferred maintenance	\$367,152
Temporarily transfer \$1 million from GASB 45 set-aside for Post Employment Benefits (Fund 17-42)	\$1,000,000
Reduce 16 FTE custodial – night crew restructure	\$800,000
Reduce 11.5 FTE site-based Teacher on Special Assignment (TOSA)/ coaching assignments	\$1,035,000
Other assorted reductions	\$2,435,193
Total Reductions approved April 24, 2008	\$13,343,876
2008-09 Reductions later restored by the Board of Education:	
Option One CSR for all Kinder classrooms	\$1,650,000
Restore 2 FTE Assistant Principal	\$214,500
Restore 5 FTE Middle School Counselor – net of restored categorical revenue	\$177,000
2008-09 negotiations produced one-year agreement to cover the cost of health insurance premiums in excess of the \$10,000 cap	\$1,600,000
Restored work year reduction – 7, 11, or 12 days for management, supervisory, confidential, and classified employees	\$911,946
Restore 8 FTE Library Technician	\$423,812
School sites made decisions to restore 11.5 FTE TOSA	\$1,035,000
Other assorted restorations	\$585,237
Total Reductions Restored in 2008-09	\$6,597,495

2011-2012 Budget Reduction Scenarios

OPTION A - Tax Extensions Pass		Ongoing Reductions	
Education Center Reductions:			
Educational Services	\$98,000		
Business Services	\$55,000		
Special Ed Clinical	\$45,000		
Human Resources	\$50,000		
Expulsion Panel Elimination	\$7,233		
Pupil Services shifts	\$45,000		
Maintenance Department	\$100,000		
Curricular staff reductions (10 FTE)	\$90,000		
Eliminate Drinking Water	\$1,000		
Subtotal Ed Center Reductions			\$641,723
School Site Reductions:			
Concessions (6 FTE)	\$380,000		
Teacher positions (budgetary reduction of 40 FTE x \$62,500)	\$2,500,000		
Eliminate Site Sites (cost offset with ext. audit, occasional subs)	\$50,000		
Asst. Principal (1 FTE)	\$95,000		
Office staff formula reduction (5 FTE)	\$115,000		
Reduce school library techs from 8 to 6 hours	\$240,063		
Reduce middle school additional allocation for music (2.5 FTE)	\$197,000		
Subtotal School Site Reductions			\$3,277,063
Employee Concessions (may be subject to negotiations)			
Step and Column Freeze (eligible emp) - Not proposed			
Salary Schedule Reductions - Not proposed			
Work/School Year Reductions - All Emps - 4 through days (initially agreed)	\$900,000		
Management forough days equity 0.7% salary reduction (2011-12, credited back)	\$16,000		
Subtotal Employee Concessions			\$916,000
Other Reduction Strategies:			
Certified Retirement (10 @ \$22,000 savings differential)	\$220,000		
Classified Retirement (5 @ \$4,000 savings differential)	\$20,000		
Early Retirement Incentive?	?		
Subtotal Other Strategies			\$240,000
STATE FLEXIBILITY REDUCTIONS (available 0809 to 1415)			
K-3 Class Size (currently 25:1 target) - No change proposed			
Routine Restricted Maintenance at 2.3% - No change proposed			
Deferred Maintenance Contribution - No change proposed			
Total State Flexibility	\$0		
Total Ongoing	\$5,378,786		
Other One-Time Only			
Redevelopment Revenue			
Total One-Time	\$0		
TOTAL BUDGET SOLUTIONS 11-12			\$5,378,786

OPTION B - No Tax Extensions (REQUIRED BY SDCOE)		Ongoing Reductions	
Education Center Reductions:			
Educational Services	\$98,000		
Business Services	\$55,000		
Special Ed Clinical	\$45,000		
Human Resources	\$50,000		
Expulsion Panel Elimination	\$7,233		
Pupil Services shifts	\$45,000		
Maintenance Department	\$100,000		
Curricular staff reductions (10 FTE)	\$90,000		
Eliminate Drinking Water	\$1,000		
Subtotal Ed Center Reductions			\$911,723
School Site Reductions:			
Concessions (6 FTE)	\$380,000		
Teacher positions (budgetary reduction of 40 FTE x \$62,500)	\$2,500,000		
Eliminate Site Sites (cost offset with ext. audit, occasional subs)	\$50,000		
Asst. Principal (1 FTE)	\$95,000		
Office staff formula reduction (10 FTE)	\$200,000		
Reduce school library techs from 8 to 6 hours	\$240,063		
Reduce middle school additional allocation for music (2.5 FTE)	\$197,000		
Subtotal School Site Reductions			\$3,662,063
Employee Concessions (may be subject to negotiations)			
Step and Column Freeze (eligible emp) - Not proposed			
Salary Schedule Reductions - All employees - 1.5%	\$1,500,000		
Work/School Year Reductions - All Emps - 7 through days (5 inst, 2 para) (3 additional beyond current agreement)	\$2,250,000		
Management forough days equity 0.7% salary reduction (0.3% additional beyond current plan)	\$37,500		
Increase class size by 2 students - Grades 4-8	?		
Subtotal Employee Concessions			\$3,787,500
Other Reduction Strategies:			
Certified Retirement (10 @ \$22,000 differential)	\$220,000		
Classified Retirement (5 @ \$5,000 differential)	\$25,000		
Early Retirement Incentive?	?		
Subtotal Other Strategies			\$245,000
STATE FLEXIBILITY REDUCTIONS (available 0809 to 1415)			
K-3 Class Size - increase to 30:1			
Routine Restricted Maintenance at 2.3% - No change proposed			
Deferred Maintenance Contribution - No change proposed			
Total State Flexibility	\$0		
Total Ongoing	\$1,666,286		
Other One-Time Only			
Redevelopment Revenue	\$1,000,000		
Total One-Time	\$1,000,000		
TOTAL BUDGET SOLUTIONS 11-12			\$9,606,286

OPTION C - No Tax Extensions + additional state revenue cuts		Ongoing Reductions	
Education Center Reductions:			
Educational Services	\$98,000		
Business Services	\$55,000		
Special Ed Clinical	\$45,000		
Human Resources	\$50,000		
Expulsion Panel Elimination	\$7,233		
Pupil Services shifts	\$45,000		
Maintenance Department	\$100,000		
Curricular staff reductions (10 FTE)	\$90,000		
Eliminate Drinking Water	\$1,000		
Subtotal Ed Center Reductions			\$911,723
School Site Reductions:			
Concessions (6 FTE)	\$380,000		
Teacher positions (budgetary reduction of 40 FTE x \$62,500)	\$2,500,000		
Eliminate Site Sites (cost offset with ext. audit, occasional subs)	\$50,000		
Asst. Principal (1 FTE)	\$95,000		
Office staff formula reduction (10 FTE)	\$200,000		
Reduce school library techs from 8 to 6 hours	\$240,063		
Reduce middle school additional allocation for music (2.5 FTE)	\$197,000		
Shared principal at smaller schools, 1 principal/2 schools	\$125,000		
Reduce 1 FTE Registered Nurse	\$70,000		
Consolidate middle school music programs to fewer sites	?		
Eliminate elementary music	\$271,877		
Reduce ALC 2.5 FTE	\$209,000		
Eliminate Community Day School program	\$85,000		
Subtotal School Site Reductions			\$5,627,740
Employee Concessions (may be subject to negotiations)			
Step and Column Freeze (eligible emp) - Not proposed			
Salary Schedule Reductions - All employees - 3.0%	\$3,000,000		
Work/School Year Reductions - All Emps - 7 through days (5 inst, 2 para) (3 additional beyond current agreement)	\$2,250,000		
Management forough days equity 0.7% salary reduction (0.3% additional beyond current plan)	\$37,500		
Increase class size by 2 students - Grades 4-8	?		
Subtotal Employee Concessions			\$5,287,500
Other Reduction Strategies:			
Certified Retirement (10 @ \$22,000 differential)	\$220,000		
Classified Retirement (5 @ \$5,000 differential)	\$25,000		
Early Retirement Incentive?	?		
Four-day schoolweek week?	?		
Subtotal Other Strategies			\$245,000
STATE FLEXIBILITY REDUCTIONS (available 0809 to 1415)			
K-3 Class Size - increase to 30:1			
Routine Restricted Maintenance at 2.3%			
Deferred Maintenance Contribution			
Total State Flexibility	\$0		
Total Ongoing	\$1,971,963		
Other One-Time Only			
Redevelopment Revenue	\$1,700,000		
Total One-Time	\$1,700,000		
TOTAL BUDGET SOLUTIONS 11-12			\$13,971,963

PRELIMINARY MULTI-YEAR PROJECTIONS - 2011-12 GOVERNOR'S BUDGET

OPTION B - TAX EXTENSIONS NOT ON BALLOT OR NOT PASSED

	2011-12	2012-13	2013-14
ESTIMATED BEGINNING BALANCE (UNRESTRICTED)	\$ 21,200,000	\$ 17,807,286	\$ 7,614,572
REVENUE LIMIT			
EST. LOSS FOR DECLINING ENROLLMENT LOSS \$18/ADA ("FLAT" FUNDING LOSS)	\$ (1,640,000)	\$ (1,600,000)	\$ (1,030,000)
EST. POTENTIAL COLA ON REVENUE LIMIT (ASSUMES FUNDED COLA) APPROX (LOSS) GAIN ON REVENUE LIMIT	\$ (309,000)	N/A	N/A
	\$ (1,949,000)	\$ 250,000	\$ 1,320,000
LESS: ONGOING REV LIMIT REDUCTION OF \$330/ADA	\$ (5,700,000)		
NET (LOSS) GAIN ON REVENUE LIMIT	\$ (7,649,000)	\$ 250,000	\$ 1,320,000
REDEVELOPMENT REVENUE TO COVER NEW DEBT SERVICE	\$ 940,283		
EXHAUSTION OF SPED IDEA ARRA	\$ (2,200,000)	N/A	N/A
EXHAUSTION OF FEDERAL JOBS BILL FUNDING	N/A	\$ (2,000,000)	N/A
ABSENCE OF OTHER FUND BORROWING (EXCLUDES REDEVELOPMENT)	\$ (1,000,000)	\$ (1,000,000)	N/A
GENERAL FUND SUPPORT- SPED/ SPED TRANS	\$ (350,000)	\$ (250,000)	\$ (250,000)
ADDITIONAL DEBT SERVICE - 2010 REFUNDING BONDS	\$ (940,283)	\$ -	\$ -
EST. STEP/COLUMN	\$ (1,800,000)	\$ (1,800,000)	\$ (1,800,000)
LESS: ESTIMATED RETIREMENT SAVINGS	\$ 250,000	\$ 250,000	\$ 250,000
LESS: 2 EXTRA FURLOUGH DAYS IN 2011-12	\$ 1,000,000	N/A	N/A
RESTORE 4 FURLOUGH DAYS	N/A	\$ (2,000,000)	N/A
MAKE ONGOING CUTS IN 11-12	\$ 9,606,286		
DEFICIT (EXCESS OF COSTS OVER REVENUES) 11-12 DEFICIT	\$ (3,392,714)	\$ (6,800,000)	\$ (730,000)
12-13 DEFICIT	\$ (3,392,714)	\$ (3,392,714)	\$ (3,392,714)
CUMULATIVE DEFICIT BEFORE CORRECTIVE ACTION	\$ (3,392,714)	\$ (10,192,714)	\$ (10,922,714)
ESTIMATED ENDING BALANCE (UNRESTRICTED)	\$ 1,807,286	\$ 7,614,572	\$ (3,308,142)

PRELIMINARY MULTI-YEAR PROJECTIONS - 2011-12 GOVERNOR'S BUDGET

OPTION A - TAX EXTENSION PASSES

	2011-12	2012-13	2013-14
ESTIMATED BEGINNING BALANCE (UNRESTRICTED)	\$ 21,200,000	\$ 19,279,786	\$ 10,559,572
REVENUE LIMIT			
EST. LOSS FOR DECLINING ENROLLMENT LOSS \$18/ADA ("FLAT" FUNDING LOSS)	\$ (1,640,000)	\$ (1,600,000)	\$ (1,030,000)
EST. POTENTIAL COLA ON REVENUE LIMIT (ASSUMES FUNDED COLA)	\$ (309,000)	N/A	N/A
APPROX (LOSS) GAIN ON REVENUE LIMIT	N/A	\$ 1,850,000	\$ 2,350,000
	\$ (1,949,000)	\$ 250,000	\$ 1,320,000
REDEVELOPMENT REVENUE TO COVER NEW DEBT SERVICE	\$ 940,283		
EXHAUSTION OF SPED IDEA ARRA	\$ (2,200,000)	N/A	N/A
EXHAUSTION OF FEDERAL JOBS BILL FUNDING	N/A	\$ (2,000,000)	N/A
ABSENCE OF OTHER FUND BORROWING (EXCLUDES REDEVELOPMENT)	\$ (1,000,000)	\$ (1,000,000)	N/A
GENERAL FUND SUPPORT - SPED/ SPED TRANS	\$ (350,000)	\$ (250,000)	\$ (250,000)
ADDITIONAL DEBT SERVICE - 2010 REFUNDING BONDS	\$ (940,283)	\$ -	\$ -
EST. STEP/COLUMN	\$ (1,800,000)	\$ (1,800,000)	\$ (1,800,000)
LESS: ESTIMATED RETIREMENT SAVINGS	\$ 250,000	\$ 250,000	\$ 250,000
LESS: 2 EXTRA FURLOUGH DAYS IN 2011-12	\$ 1,000,000	N/A	N/A
RESTORE 4 FURLOUGH DAYS	N/A	\$ (2,000,000)	N/A
MAKE ONGOING CUTS IN 11-12	\$ 5,376,786		
DEFICIT (EXCESS OF COSTS OVER REVENUES)	\$ (1,920,214)	\$ (6,800,000)	\$ (730,000)
11-12 DEFICIT	\$ -	\$ (1,920,214)	\$ (1,920,214)
12-13 DEFICIT	\$ -	\$ -	\$ (6,800,000)
CUMULATIVE DEFICIT BEFORE CORRECTIVE ACTION	\$ (1,920,214)	\$ (8,720,214)	\$ (9,450,214)
ESTIMATED ENDING BALANCE (UNRESTRICTED)	\$ 19,279,786	\$ 10,559,572	\$ 1,109,358