

Poway Unified School District BUDGET REVIEW

March 25, 2008

Presented by:

Donald A. Phillips, Superintendent

John P. Collins, Deputy Superintendent

William R. Chiment, Associate Superintendent



Meeting Outcomes



- Shared understanding of:
 - Governor’s proposed state budget and its impact on Poway Unified
 - Budget timelines, both state and local
 - Staffing implications
 - PUSD budget planning update
 - Legislative process and how to influence the final state budget
 - Role of the PTA, Boosters, and Foundations in supporting schools
 - Guidelines for fundraising activities
 - Additional concerns and questions

Governor's Proposed 2008-09 Budget

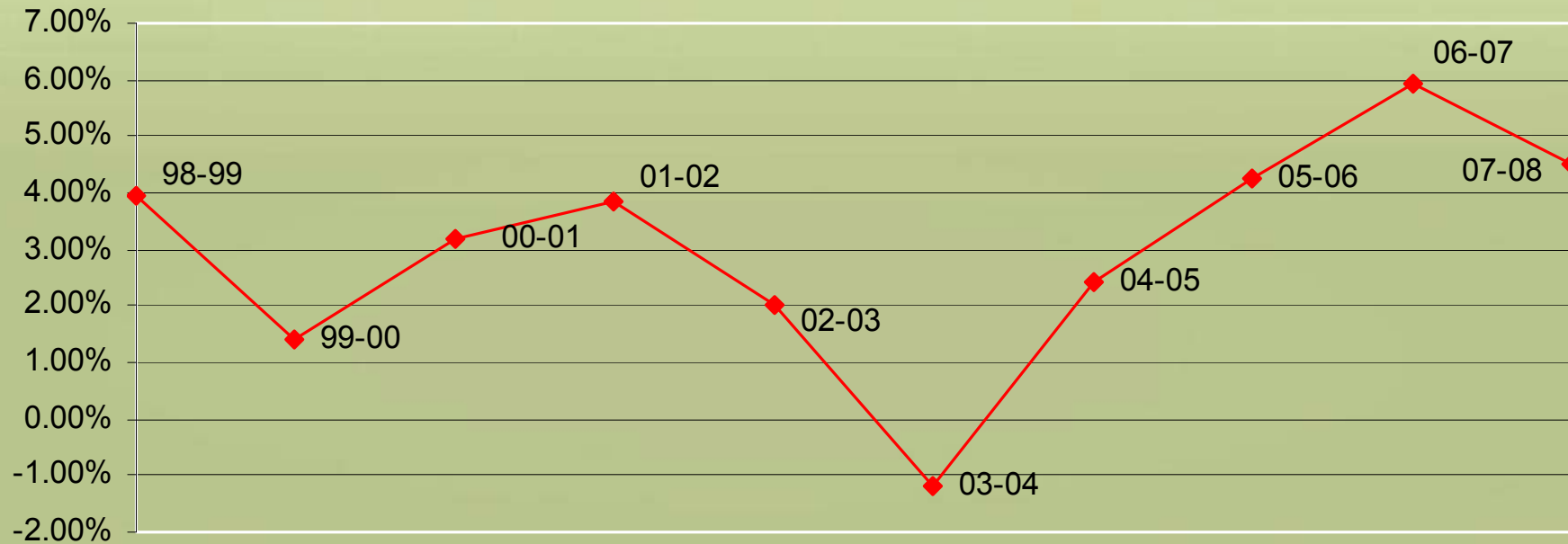


- Governor continues to deal with \$14.5 billion shortfall in the State's 2008-09 budget
- \$503 million reduction in Proposition 98 in 2007-08
 - Covered with unappropriated State categorical funds
 - No impact to school districts
- 10% across-the-board cuts in all areas of government in 2008-09
 - \$4.4 billion reduction to statewide K-12 funding 2008-09
 - \$8.5 million reduction below 07-08 funding level for PUSD

Instability of State Funding



Funded COLA (Cost of Living Adjustment)



*Fixed costs for PUSD increase annually by approximately 2-3%

Inadequacy of Funding



- Education Week gave California a D+ for school funding, ranking it 46th in the United States in per pupil spending
- New York and New Jersey each spend \$5,000 per student more than Poway (\$165,000,000)
- California is funded \$2,000 per student below the national average of \$8,973 (\$66,000,000)
- Poway is funded \$40 below the statewide average (\$1,300,000)

2008-09 PUSD Unrestricted General Fund



| | |
|--|----------------|
| ● Loss of Revenue Limit funding | (\$4,446,535) |
| ● K-3 & 9 th grade CSR, hourly programs | (871,370) |
| ● Categorical programs | (439,125) |
| ● Increase to Transportation encroachment | (147,398) |
| ● Increase to Special Ed encroachment | (1,159,035) |
| ● Increased expenditures | (5,890,648) |
| ● 2007-08 projected deficit | (2,595,673) |
| | <hr/> |
| | (\$15,549,784) |

- Additionally, \$1.4 million cut in categorical programs
- Projected fund balance \$ 2,900,000

2008-09 Unrestricted General Fund – Increased Expenditures



| | |
|--|------------------|
| ● Step and Column | \$2,170,000 |
| ● Health and Welfare @ 12% | 1,323,398 |
| ● Additional operational costs for new schools | 897,250 |
| ● Increase to Special Ed program costs | <u>1,500,000</u> |
| | \$5,890,648 |

Historical Budget Cuts and Restorations



- 2001-02 through 2004-05
 - Approximately \$13-14 million in cuts in programs and personnel

- 2005-06 through 2007-08
 - Approximately \$5 million in programs and personnel add backs

Budget Timeline to Date



- Governor's January proposed budget
- Governor's emergency legislative session for 2007-08
- State-mandated March 15th notification for certificated employees
- District level budget planning

Budget Building Process



- Budget priorities:
 - Maintain District focus on College Readiness for each student
 - First call on resources goes to the classroom
 - Maintain safe and orderly environment
 - Wherever possible retain staff and cut things

Budget Building Process



- Budget Strategies:
 - Utilize one-time funds to bridge the state political and budget process
 - Request community help to backfill key positions and programs for short term
 - Budget reduction proposals will include the order for potential restorations if the budget picture should improve
 - Ultimate solution rests in Sacramento with legislators and Governor

Potential Budget Reductions



| | |
|---|------------|
| 5 th grade music (funds transfer) | \$ 450,000 |
| Classified substitutes | 150,000 |
| Custodians, secondary level (5) | 200,000 |
| Departmental budgets, 5% reduction | 600,000 |
| District operations | 1,327,000 |
| Energy savings | 300,000 |
| Enrollment growth, projection of 70 more students | 400,000 |
| Learning Support Services | 1,915,000 |
| Partners in Education | 210,000 |

Continued...

Potential Budget Reductions (continued)



| | |
|---|------------------|
| Reorganize Special Education support structure | 1,110,890 |
| Office leases | 164,000 |
| Transportation | 1,000,000 |
| Counselors (3) | 300,000 |
| Increase of fees for facilities and field usage | TBD |
| P.E. Grant, Middle Schools (funds transfer) | 350,000 |
| Summer Schools | TBD |
| Elementary School reduction \$38 / student | 551,220 |
| Middle School reduction \$70 / student | 540,000 |
| High School reduction \$93 / student | <u>1,000,000</u> |

Total

\$10,568,110

Budget Standards Augmentation



Schools with 15% or more students receiving Free or Reduced Lunch (FRLP) assistance will receive the following augmentation per student:

\$20 Per Student*

Abraxas
Black Mountain
Meadowbrook

\$10 Per Student*

| | |
|-----------------|---------------|
| Garden Road | Rolling Hills |
| Los Peñasquitos | Sundance |
| Midland | Valley |
| Pomerado | Westwood |

*Based on FRLP projections for 2008-09

Staffing Ratio as of March 10 Board Meeting



| | | |
|--|--------------------------|--------------------|
| 4-5 (Ratio 30.5:1) 11 tchrs. Current 28.5:1 | (increase by 2 students) | \$ 660,000 |
| 6-8 (Ratio 32.7:1) 42 tchrs. Current 27.7:1 | (increase by 5 students) | \$2,520,000 |
| 9-12 (Ratio 34.5:1) 53 tchrs. Current 29.5:1 | (increase by 5 students) | \$3,180,000 |
| Option 2 Kindergarten, 37.5 teachers | | \$1,000,000 |
| Abraxas (Ratio 28:1) 2 tchrs. Current 23:1 | (increase by 5 students) | \$ 120,000 |

Total = 145.5 teaching position reduction **\$ 7,480,000**

Proposed Staffing Ratio as of March 25



| | | |
|--|---------------------------------|-------------------------|
| 4-5 (Ratio 29.5:1) 6 tchrs. Current 28.5:1 | (increase by 1 student) | \$ 360,000 |
| 6-8 (Ratio 29.7:1) 19 tchrs. Current 27.7:1 | (increase by 2 students) | \$1,140,000 |
| 9-12 (Ratio 31.5:1) 22 tchrs. Current 29.5:1 | (increase by 2 students) | \$1,320,000 |
| Option 2 Kindergarten, 37.5 teachers | | \$1,000,000 |
| <u>Abraxas (Ratio 25:1) 1 tchr. Current 23:1</u> | <u>(increase by 2 students)</u> | <u>\$ 60,000</u> |
| Total = 85.5 teaching position reduction | | \$ 3,880,000 |

Carryover & Unappropriated Fund Balances



One-time money

| | |
|--|--------------------|
| Site level unrestricted carryover | \$ 800,000 |
| *Categorical carryover | \$1,500,000 |
| District projected unappropriated fund balance | <u>\$2,900,000</u> |
| Total | \$5,200,000 |

*Requires state legislative action

Potential Budget Reductions as of March 25



\$ 10,568,110 (Potential personnel and program reductions)

\$ 3,880,000 (Teacher Staffing Ratio)

\$ 14,448,110 (Total potential reductions)

\$15,500,000 Target Reductions

*\$5,200,000 (One-time carryover and unappropriated)

*Use of these funds will impact flexibility to address likely, multiple-year state budget reductions

Next Steps – State Level



State budget building process

- January until Budget Adoption: Negotiations between Governor and Legislature regarding budget reductions
- May 10, 2008: Governor's May Revision Workshop
- June 30, 2008: State deadline for final budget (historically, state adopts in August or September)

Next Steps – Local Level



Local budget building process – next steps

- Based on Governor's May Revision Workshop, need to adjust final district budget prior to June 30th
- Board adopts final district budget June 23rd
- Board adopts adjusted budget after final state budget is adopted (September or October)

Next Steps – Local Level



- District has taken calculated risk to postpone major cuts
- If state budget does not improve, District will need to make deeper cuts

Influencing the Final State Budget



- Communicate the message to all stakeholders.
 - Newsletters and websites
 - Local Press
 - Rallies
- All stakeholders should be encouraged to contact state legislators and Governor
(Legislators and the Governor listen to local constituents regarding budget priorities.)

Role of PTA, Boosters, and Foundations



- Fundraise at the site level to backfill budget standards
- Any reductions in core staffing (excluding coaching stipends) can only be brought back districtwide
- California Education Code prohibits volunteers from replacing laid-off or reduced employees
 - Volunteering in classrooms and programs that do not replace laid off or reduced employees may continue and is appreciated

Role of PTA, Boosters, and Foundations (continued)



- Any direct donation to the school site must be channeled through the official site donations account; this does not preclude designating donations for specific programs or classrooms
- All donations to the district and school site are qualified as tax deductible
- All fundraising efforts must be coordinated with the site principal

PUSD Budget Review



Clarifications or Questions

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