

For Your Information

Lowell Joint School District

Board of Trustees: Jan Averill, Darin Barber, Eugene Dunford, Gayle Rogers, Fred Schambeck
Superintendent: Patricia Howell, Ed.D.

Superintendent's Recommended Budget Reductions for the 2008/09 School Year April 22, 2008

In January, 2008, the Governor released his budget proposals for the 2008/09 fiscal year. As many of you are aware, the budget proposals call for drastic cuts in funding for education. This is a "starting point" for the Legislature to work from for the next several months before a final budget is signed by the Governor. An updated budget projection for next year's revenues and expenses will not be provided by the Governor's Office until the middle of May, 2008. Until this May revision is provided and the final budget is approved by the Legislature and signed by the Governor, school districts must prepare the 2008/09 budget by June 30, 2008, using the Governor's budget proposals. In other words, school districts must "hope for the best while preparing for the worst."

A **District Budget Committee** has been working since February, 2008. Members of the committee included: CSEA Representatives Ronnie Mayer, Nancy Heysham, Joe Hernandez, and Tom Dumont; LJEAs Representatives Marikate Wissman, Patty Jacobsen, Shelly Pimper, and Mary Jane Barger; Parent Representative Debbie Miyamoto; Administrative Representatives Kathy Jabuka, Kim Likert, Linda Takacs, Shawn Gatewood, and Dr. Karen Herbst. The committee was chaired by Andrea Reynolds. The committee's recommendations were presented to the Superintendent on April 3, 2008, and are summarized on the following two pages.

The District Budget Committee and the Superintendent used the following **Key Considerations** in developing their recommendations:

- Will classroom instruction and student safety be affected?
- Does the item under consideration support District goals and philosophy?
- Is there demonstrated evidence of the program/service's cost-effectiveness and success?
- Can other positions/programs provide the services as/or more effectively?
- Is there an alternative funding source available?
- Does the item under consideration impact schools/sites with relative equity?
- Are the reductions, deferrals, and/or eliminations ongoing? (One-time funds can only be used once.)

The **Superintendent's recommendations** were presented to the Board of Trustees at the April 21, 2008, Board meeting and include the following:

1. Budget reductions:

PART 1 – Administrative Actions as a Part of Committee Review	\$559,328
PART 2 – Committee Consensus Items	\$175,121
PART 3 – Option A: Miscellaneous Items	\$336,452
Total Recommended Budget Reductions	\$1,070,901

2. If the State-adopted 2008/09 or 2009/10 budget results in increased revenue for the District and, therefore, the District can implement fewer budget reductions, the first priority would be to restore the District's unrestricted reserves back to the five percent level. While the one percent recommended reduction in reserves is a "one-time" savings, and does not reduce deficit spending, this option is recommended over laying off additional employees. If deficit spending is projected to continue in 2009/10, the District will need to reconsider the items in Part 3 – Option B.
3. The District Health Benefits Committee continues to explore the options of providing equal or improved health benefits to District employees at reduced costs.
4. The District investigates and actively pursues the establishment of a Joint Powers Authority for Food Services.

The Next Steps: The Board of Trustees will formally approve budget reductions at the May 19, 2008, Board meeting and the 2008/09 Budget will be approved at the June 16, 2008, Board meeting.

RECOMMENDED BUDGET REDUCTIONS FOR THE 2008/09 SCHOOL YEAR

PART 1 - ADMINISTRATIVE ACTIONS AS A PART OF COMMITTEE REVIEW 2008	2008/09 Budget Savings	Recom. by Budget Com.	Recom. by Supt.
Administrative Reduction: Three teaching positions due to enrollment decline	\$180,000	Yes	Yes
Administrative Reduction: SESA positions due to 8th grade students moving onto 9 th grade	\$105,000	Yes	Yes
Review and reduce Object Code 5630 – Repairs	\$15,000	Yes	Yes
Review and reduce Object Code 5800 – Other Contract Services	\$35,000	Yes	Yes
Review and reduce Object Code 5820 – Legal and Audit	\$26,100	Yes	Yes
Reduce fingerprinting costs	\$7,000	Yes	Yes
Reduce Object Codes 5900 & 5910 – Communications (eliminate three cell phones)	\$1,100	Yes	Yes
New quote for trash hauling services	\$5,700	Yes	Yes
Reduce Special Education Services (Object Codes 5100, 5800, 5850, 7141, 7142)	\$80,549	Yes	Yes
Reduce VTD hours for financial projection assistance	\$12,000	Yes	Yes
Reduce estimated cost of 2008/09 expenses (excluding salaries and benefits) from 6% to 5%	\$37,500	Yes	Yes
Reduce Special Education operations budget	\$29,379	Yes	Yes
Reduce Worker's Compensation insurance contribution from \$1.70 to \$1.50 per \$100 of employee payroll costs	\$25,000	Yes	Yes
Sub Total for Part 1	\$559,328	\$559,328	\$559,328

PART 2 – COMMITTEE CONSENSUS ITEMS	2008/09 Budget Savings	Recom. by Budget Com.	Recom. by Supt.
Reduce costs by making District benchmark tests reusable	\$3,000	Yes	Yes
Review Object Code 4300 object – Backfill with Restricted funds	\$36,000	Yes	Yes
Use recycled hand towels (year 1 = \$8,000 savings, \$21,000 savings yearly thereafter)	\$8,000	Yes	Yes
Shut down school utilities in classrooms from July 1 - August 1	\$20,000	Yes	Yes
Lease out multi-use rooms	\$2,000	Yes	No
Print email drafts/faxes on recycled paper/print two-sided whenever possible	\$4,450	Yes	Yes
Raise lunch prices by 50 cents (increase elementary from \$2.25 to \$2.75, junior high from \$2.50 to \$3.00)	\$63,671	Yes	Yes
Reduce Object Code 5800 – Contracted Services	\$40,000	Yes	Yes
Sub Total for Part 2	\$177,121	\$177,121	\$175,121

PART 3 – OPTION A MISCELLANEOUS ITEMS	2008/09 Budget Savings	Recom. by Budget Com.	Recom. by Supt.
Reduce operating reserve from 5% to 4% ONE-TIME SAVINGS ONLY	\$235,452	Yes	Yes
Savings generated by NOC SELPA Tentative Agreement ONE-TIME SAVINGS ONLY	\$75,000	NA	Yes
Elimination of vacant Cook/Baker Cafeteria position (7 hr. position), backfill with Satellite Cafeteria position (3.5 hr. position)	\$26,000	NA	Yes
Elimination of 2 nd prep period for special education teachers at Rancho-Starbuck	\$0	NA	Yes
Sub Total for Part 3 – Option A	\$336,452	\$235,452	\$336,452

BUDGET REDUCTIONS CONSIDERED BY THE COMMITTEE BUT NOT RECOMMENDED FOR THE 2008/09 SCHOOL YEAR

PART 3 – OPTION B MISCELLANEOUS ITEMS () Indicates the number of votes each item received from Committee Members	2008/09 Budget Savings
(13) Increase class size (most likely to impact grades 7 and 8) (An increase in class size at Rancho-Starbuck Junior High School from 28:1 to 30:1 would result in the reduction of two teaching positions)	\$125,315
(10) Reduce the work year for the librarian at Rancho-Starbuck Junior High School from 11 months to 9 months (eliminate one month funded by restricted SIP funding, therefore, one month of salary saved in unrestricted funds)	\$5,060
(10) Combine warehouse/food service transporters	\$55,547
(8) Eliminate Director of Special Education position	\$73,757
(5) Eliminate the night custodian at D.O. – Use Rancho-Starbuck night custodian (would result in the layoff of the DO position and a reduction of nine hours of services each week to Rancho-Starbuck Junior High School)	\$10,090
(3) Reduce expenses in Object Code 5300 – Dues and Memberships	\$8,000
(2) Reduce Maintenance/Grounds/Warehouse staffing by one position	\$60,000
(2) Eliminate Director of Technology position	\$98,471
(2) Eliminate Assistant to the Superintendent's Secretary position	\$14,575
(1) Employees to forgo upcoming salary increases	\$604,000
(1) Reduce hours of Noon Duty Aides (10% reduction)	\$6,986
(1) Reduce reserve from 5% to 3%	\$470,906
(0) Eliminate District Breakfast in August	\$1,622
(0) Reduce hours of School Clerks	\$13,500
(0) Reduce expenses in Object Code 5200 – Travel and Conference	TBD
(0) Eliminate use of small appliances in classrooms	\$3,600
(0) Require one furlough day for all administrators	\$8,100
Sub Total for Part 3 – Option B	\$1,559,532