



# *Pacifica School District*

375 Reina Del Mar Avenue • Pacifica CA • 94044

## **MEMORANDUM**

*Administrative Services*

Agenda Item: 7b  
Meeting of 2/24/10

**TO:** Susan Vickrey, Superintendent  
for Members, Board of Trustees  
**FROM:** Josephine Peterson, Chief Business Official  
**SUBJECT:** **Budget Update**  
(Information/Discussion)

---

An budget update will be presented at the Board meeting.

---

Approved for Board Presentation

# **BUDGET UPDATE**

## **Multi Year Impact**

**February 24, 2010**

# Summary: Budget Cuts

• Negative COLA (-.38%)	\$80,000
• “Targeted” cuts to administration	\$577,000
• SFSF	\$380,000
(stimulus funds – one time money spent in 09-10)	
• 2 day work furlough in 09-10	\$100,000
• Health benefits increase	\$150,000
• Step and column	\$120,000
• Other payroll costs	\$22,000
• Utility increases	\$10,000
• Total	\$1,439,000

# One-Time Money

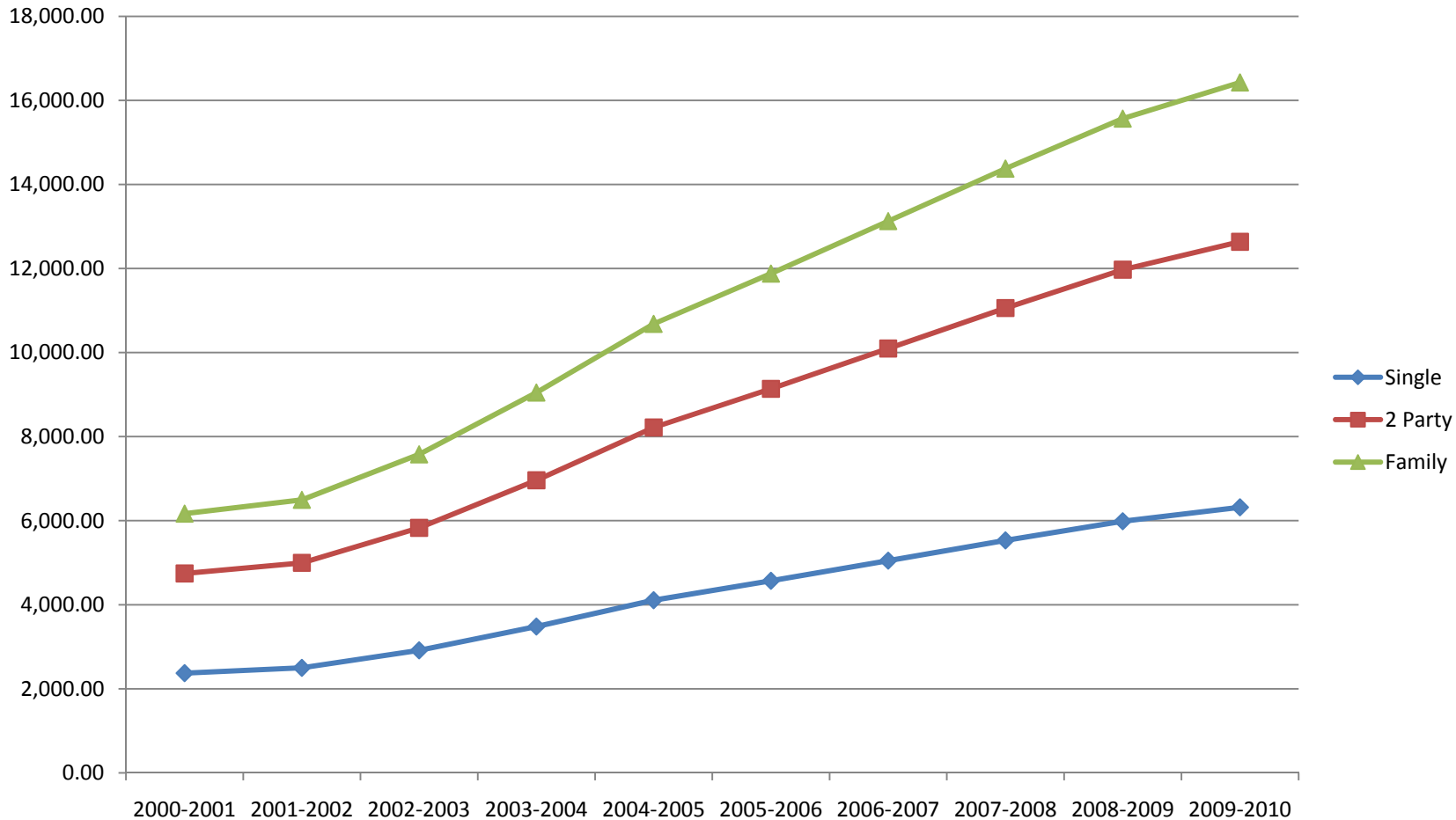
- **SFSF (stimulus carryover)** **\$300,000**
- **Parcel tax carryover** **\$160,000**
- **Fund 17** **\$680,000**
- **Retiree Benefits** **\$500,000**
- **Deferred maintenance** **\$600,000**
  - **Ocean Shore roof**
  - **Ortega roof**
  - **Paint Sunset Ridge and Ingrid B. Lacy**

# District Cuts 2000-09

Classified	Management	Teachers	Other
\$691,662 28%	\$716,942 29%	\$479,036 20%	\$558,192 23%
Custodial positions, maintenance reductions; school closures; school assistants; personnel specialist; 2008 salary freeze	School closures; deans at K-8 schools; Facilities manager; controller; principal at Linda Mar; reduction in confidential staff; 2008 salary freeze	Retirement incentive (2002); 2008 salary freeze; reduction of 1 FTE	School closures; reduction of supply budgets; “sweeping” of categorical budgets; utility savings;
Salary as a % of budget 12%	7%	40%	

# Impact of Health Insurance Costs

## (Kaiser Rates)



# Retirement Incentive Impact 2010-2013

Assuming 15 teachers retired in the spring of 2010 and were paid with the one-time SFSF funding:

- Savings for 2010-11 would have equaled approximately the SFSF money used to pay the incentive: General Fund saving \$320,000
- \$295,000 in cuts for 2011-12 would be avoided
- \$261,000 in cuts for 2012-13 would be avoided

# Retirement Incentive Concerns

- Not yet approved in negotiations
- Even if approved, may not result in 15 required retirements

## Assuming either of the above

One time SFSF funding of \$300,000 could be used to off set budget cuts for 2010-11

# Option 1: Impact for 2011-12

Assumes all 2010-11 reductions carry over to 2011-12

In 2010-11:

- Used one time SFSF funding of \$300,000
- SFSF funding reserved for sites in 2010-11 will be totally expended \$200,000
- **New Required Cuts for 2011-12**      **\$500,000**

# Option 2: Impact for 2011-12

Assumes all 2010-11 reductions carry over to 2011-12

In 2010-11:

- Used one time SFSF funding of \$300,000 for retirement incentive therefore saving \$295,000 in 2011-12
- SFSF funding reserved for sites in 2010-11 will be totally expended \$200,000
- **New Required Cuts for 2011-12**                      **\$205,000**

# New Funding Required for 2012-13

## *Flexibility Ends*

Assumes all necessary cuts were made in 2011-12 and that none of these cuts were related to flexibility (i.e. no additional increase in class size)

- Replace 5 school days \$340,000\*
- Class size returns to 20:1 \$229,000\*
- Deferred maintenance match required \$120,000\*
- Site "SIP" funding \$270,000\*
- Other categoricals that were "swept" \$300,000\*
- Normal yearly increases \$25,000\*

(Assumes benefit freeze or add \$300,000 in benefits over 2 years)

- **Total new funding required  
or additional cuts 2012-13** **\$984,000**

\* 2009-10 dollars – may change slightly for 2012-13

# Parcel Tax

The Parcel Tax must be renewed by  
June 2013.

If it is not, the district must cut an  
additional **\$1,000,000** since the money  
has been used to off set budget cuts and  
is used to pay the salaries of class room  
teachers.

# Budget Cuts for Next 3 Years

2010-11

2011-12

2012-13

Using SFSF funds to off set budget cuts in 2010-11

\$1,019,000

\$500,000

\$984,000

(\$1,519,000)

(\$2,503,000)

Using SFSF funds to pay a retirement incentive

\$1,019,000

\$205,000

\$723,000

(\$1,224,000)

(\$1,950,000)

Parcel Tax must be renewed prior to June 2013

# Initial Budget Reduction Options

• Counselor	\$65,000
• PE Teacher	\$60,000
• Freeze District Contribution to Benefit (2 yrs)	\$150,000
• K-3 Class size 24:1	\$229,000
• 5 days Furlough (reduction in school yr)	\$346,000
• Reduce Coaching	\$110,000
• Contract for BTSA	\$75,000
• 15 Retirements	\$320,000
(assume SFSF funding is used to pay the incentive)	
• 6 <sup>th</sup> – 8 <sup>th</sup> Class Size (IBL)	\$120,000
• Administration	\$30,000
• Other	\$200,000
<b>Total possible budget reductions</b>	<b>\$1,705,000</b>

# Negotiated Items

All items in green must be negotiated with LSEA:

PE Teacher

Benefit Freeze

K-3 Class Size Increase

Furlough days (reduction in school yr)

Retirement Incentive;

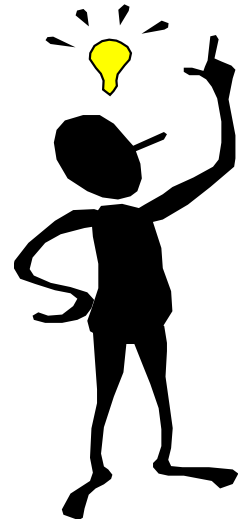
6<sup>th</sup>-8<sup>th</sup> grade class size increase at IBL

LSEA and the District have met twice.

No agreements have been reached at this time.

# Issues:

- Stop watering fields **\$50,000**
- **Concern: very expensive to replant**
- Band Program **\$30,000**
- **Concern: would lose the total program at a loss of \$150,000**
- Custodian **\$60,000**  
**Concern: can't keep the buildings clean**
- Grounds Keeper **\$60,000**
- **Concern: can't care for the grounds**



# New Idea for Discussion

Parcel tax carryover	\$160,000
BTSA Contract	\$25,000
IBL Counselor	\$65,000
PE Teacher	\$60,000
<hr/>	
Total	\$150,000

Eliminates BTSA as a general fund expense

Result is \$200,000 saving to the general fund

# Revised Reduction Options

This option expends all of the SFSF and Carry Over Parcel Funding.

- Freeze district contribution to health benefits \$150,000
- Increase K-3 class size to 24:1 \$229,000
- 5 furlough days for all employees (reduction in school yr) \$346,000
- Reduce coaching \$110,000
- 15 Retirement \$320,000
- Increase 6<sup>th</sup>-8<sup>th</sup> class size at IBL \$120,000
- Reorganization of District Office \$30,000
  
- **Total budget reduction options \$1,305,000**
  
- **Needed reductions prior to May revise \$1,239,000**

