



**SAN DIEGUITO UNION HIGH SCHOOL  
DISTRICT  
BOARD OF TRUSTEES  
BOARD WORKSHOP  
MINUTES**

**ITEM 6**  
**Board of Trustees**  
Joyce Dalessandro  
Barbara Groth  
Beth Hergesheimer  
Amy Herman  
John Salazar  
  
**Superintendent**  
Ken Noah

**THURSDAY, JANUARY 13, 2011  
4:00 PM**

**DISTRICT OFFICE, BOARD ROOM  
710 ENCINITAS BLVD., ENCINITAS, CA. 92024**

The Governing Board of the San Dieguito Union High School District held a Board Workshop on Thursday, January 13, 2011, at the above location, in the Board Room.

**ATTENDANCE**

**BOARD OF TRUSTEES**

Joyce Dalessandro  
Barbara Groth  
Beth Hergesheimer  
Amy Herman  
John Salazar

**DISTRICT ADMINISTRATION**

Ken Noah, Superintendent  
Eric Dill, Associate Superintendent, Business  
Terry King, Associate Superintendent, Human Resources  
Rick Schmitt, Associate Superintendent, Educational Services  
Delores Perley, Director, Finance  
Bruce Cochrane, Executive Director, Pupil Services  
Sue Koehnen, Director, Human Resources  
Ron Tackett, President, CSEA  
Joann Schultz, Executive Assistant, Business  
Becky Banning, Recording Secretary

APPROVED IN PUBLIC MEETING OF THE  
BOARD OF TRUSTEES OF THE SAN DIEGUITO  
UNION HIGH SCHOOL DISTRICT 2-3-11  
*Becky Banning*  
BECKY BANNING RECORDING SECRETARY  
BOARD OF TRUSTEES

1. CALL TO ORDER – The meeting was called to order at 4:01 PM.

**INFORMATION ITEM**

2. 2011-12 BUDGET UPDATE

Superintendent Noah gave opening remarks and introduced Mr. Dill and Ms. Perley, who gave the presentation. They outlined the projected 2011-12 budget outlook, reviewed a budget reduction history, and discussed future reduction targets, options and recommendations. A detailed document outlining each of these topics is attached. This document was distributed to all participants at the meeting.

3. ADJOURNMENT

The meeting was adjourned at 5:25 PM.

*Barbara Groth*  
\_\_\_\_\_  
Barbara Groth, Board Clerk

2-3-11  
\_\_\_\_\_  
Date

*Ken Noah*  
\_\_\_\_\_  
Ken Noah, Superintendent

2-3-11  
\_\_\_\_\_  
Date



# San Dieguito Union High School District

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## 2011-12 Budget Update

Board Workshop  
January 13, 2011



# Workshop Organization

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- Introduction
- Projected 2011-12 Budget Outlook
- Budget Reduction History
- Budget Reduction Options
- Recommendations
- Closing Thoughts



# 2011-12 Budget Outlook

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- Proposed 2011-12 Budget
  - \$25 Billion Budget Gap
  - Schools have “borne a disproportionate share of budget reductions in recent years.”
    - No 2010-11 Mid-Year Cuts
    - Mental Health Services to stay with County Mental Health
    - Mandated Cost Funding continued at \$90 million



# 2011-12 Budget Outlook

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- Proposed 2011-12 Budget
  - Budget “Good News”
    - Extending categorical program flexibility through 2014-15
    - Extending other flexibility options:
      - Reduce routine restricted maintenance contributions
      - Suspension of the deferred maintenance match
      - Suspension of the requirement to purchase instructional materials
      - Reduction of the mandated reserve amounts



# 2011-12 Budget Outlook

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- Proposed 2011-12 Budget
  - Education Funding “flat” – but it will not feel like it
    - Additional \$2 Billion in deferrals, in addition to \$1.7 Billion in the current budget
    - Education funding maintained at current levels
    - Unfunded 1.67% COLA
    - Districts continue to absorb increased costs for step and column salary increases



# 2011-12 Budget Outlook

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- **Governor's Budget "Solutions"**
  - \$12.5 Billion in State program cuts
    - Pay Reduction for State Employees
    - Reductions to Health and Human Services, including CALWORKS and related child care programs
    - Realignment of government services, including Juvenile Justice Programs, Mental Health Services, Substance Abuse



# 2011-12 Budget Outlook

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- Governor's Budget "Solutions"
  - June 2011 Special Election to approve a 5 year extension of temporary taxes
    - Income Tax Surcharge and Dependant Deduction
    - Sales Tax increase
    - Vehicle License Fee





# 2011-12 Budget Outlook

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- When will we have a budget?
  - Legislators will set up statutory language by March, but will not vote on the budget until after the June election
  - The Governor has made no indication what will be cut if the tax extension measure fails (requires 51% approval)
  - **If the ballot measure fails, Prop 98 funding could be reduced by \$2 Billion.**

# 2011-12 Budget Outlook

## Multi-Year Projection with no further reductions

	2010-11 First Interim	2011-12	2012-13	2013-14
Revenue	96,382,957	95,298,954	95,459,773	97,049,574
Expense	100,460,818	99,332,573	100,516,793	101,819,878
Surplus (Deficit)	(4,077,861)	(4,033,619)	(5,057,020)	(4,770,304)
Unrest. Ending Balance GF Reserve	12,449,310 12.39%	8,415,691 8.47%	3,358,671 3.34%	(1,411,633) -1.39%
Unrestricted GF Reserve Surplus(Shortfall) of 3%	9,435,485	5,435,714	343,167	(4,466,229)
Special Reserve	2,526,339	2,551,602	2,577,118	2,550,754
Combined Reserve	14,975,649	10,967,293	5,935,789	1,139,121
Combined Reserve	14.91%	11.04%	5.91%	1.12%



# Budget Reduction Target

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- Multi-Year Projection without reductions results in a qualified budget and 1.1% reserve
- Step, Column, and Benefits increases add approximately \$1 Million to the budget each year
- Stimulus funds are depleted; categorical flexibility provisions will expire
- Staff recommends reductions of \$3 Million in 2011-12 to maintain Positive certification through 2013-14



# Budget Reduction History

Budget Reductions	Amount
<b>2008-2009</b>	
Certificated Staff - Slight Increase to Class size	\$ 575,000
Classified Staff – Reduce Transportation work days, Custodians, Technology	\$ 130,000
Sweep site budget carryover	\$ 320,000
Spending Freeze, Limit Sub Use, Limit Overtime	\$ 1,000,000
<b>2009-2010</b>	
Certificated Staff - Slight Increase to Class size, Reduce Library/Media Teachers, Retirement Savings	\$ 1,200,000
Classified Staff - Reduce Special Education support, Instructional Assistants, Campus Supervisors, Purchasing, Technology, Grounds, Library/Media Technicians, Clerical	\$ 1,235,000
Spending Freeze, Limit Sub Use, Limit Overtime	Ongoing



# Budget Reduction History

Budget Reductions	Amount
<b>2010-2011</b>	
Certificated Staff - Increase Class, Reduce BTSA, Psychologists, Counselors, Restructure READI Program, Retirement Savings	\$ 1,200,000
Classified - Campus Supervisors, Reduce Office Assistants, Clerical/Finance, Purchasing, Custodians, Technology, Reduce Maintenance, Reduce Bus Drivers	\$ 855,000
Reduce Site Formula Budgets, High School Athletics, Artists-In-Residence	\$ 400,000
School Resource Officers	\$ 100,000
Reduce Earl Warren Library Contract, Technology Licenses, Postage, District Dues, High School Athletic Budgets	\$ 150,000
Spending Freeze, Limit Sub Use, Limit Overtime	Ongoing
<b>Total Reductions 2008/09 – 2010/11</b>	<b>\$ 7,165,000</b>



# 11-12 Budget Reduction Targets

- Staffing costs constitute the majority of district expenditures.
- Targeted reduction of \$3 million represents approximately 3% of the district's total general fund budget.

Area	Percent of Total Budget
Certificated Staff (Salaries & Benefits)	54%
Classified Staff (Salaries & Benefits)	20%
Administrative Staff (Salaries & Benefits)	7%
Home-to-School Transportation	1%
Books, Materials, Services, Other Outgo	18%



# 2011-12 Budget Reduction Options

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- Home-to-School Transportation
  - HTS budget is \$1,096,522
  - 09/10 Daily Ridership was 963 Students
  - Revenue is comprised of:
    - State Funding - \$481,086
    - Bus Pass Fees - \$538,000
    - Bus Replacement Fund - \$67,200
    - Encroachment - \$10,236



# 2011-12 Budget Reduction Options

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- Home-to-School Transportation
  - Reduction Ideas:
    - Stagger Middle School Bell Schedules
      - Projected savings - \$200,000
    - Increase Bus Pass Fees by \$100 to \$700
      - Projected revenue - \$90,000
    - Eliminate HTS and use state revenue flexibly
      - Transfer \$481,000 to Unrestricted GF
  - HTS cannot be a profit center
  - Fuel costs and pass sales fluctuate annually





# 2011-12 Budget Reduction Options

- Program Restructure/Efficiencies
  - Staffing at Academies could be reduced if 4x4 schedules were changed to traditional high school schedules
    - Estimated savings - \$1,200,000
  - High School Graduation credit requirement could be reduced from 230 to 220 to match state requirements
    - Estimated savings - \$500,000



# 2011-12 Budget Reduction Options

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- Program Restructure/Efficiencies
  - Students are currently encouraged to take full schedules and earn more credits than necessary to graduate
    - Projected savings from allowing more flexible high school scheduling - \$375,000
  - Pupil Services is evaluating processes & staffing to maximize efficiency, particularly in Special Education
    - Estimated savings - \$200,000



# 2011-12 Budget Reduction Options

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- Program Restructure/Efficiencies
  - Physical Education schedules can be reorganized to save \$50,000
    - Expand ISPE to include athletes in team sports
    - PE credit option for students in athletics
    - Reorganization of Year One PE



# 2011-12 Budget Reduction Options

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- **Certificated Staffing**
  - Replacement of retiring teachers with new teachers can save up to \$400,000
  - Class size can be increased to contractual maximum
    - Projected savings - \$1,600,000



# 2011-12 Budget Reduction Options

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- **Certificated Staffing**
  - Counselor caseloads can be increased
    - Reduction of 4.0 Counselors - \$410,000
  - Class size at Sunset HS is 20:1
    - Increase class size to 26:1 - \$100,000
  - Alternative High School can be restructured as independent study programs imbedded at TPHS & LCCHS
    - Reduce North Coast staffing - \$100,000



# 2011-12 Budget Reduction Options

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- **Certificated Staffing**
  - BTSA has fewer new teachers
    - Reduce 0.2 Support Providers - \$20,000
    - Lower Support Provider stipends - \$3,000



# 2011-12 Budget Reduction Options

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- **Classified Staffing**
  - District Office staff is being reviewed
    - Projected reductions - \$150,000
  - Restructure Maintenance clerical staff
    - Projected savings - \$56,000
  - Readiness Days can be operated with fewer staff
    - Eliminate extra-time - \$10,000



# 2011-12 Budget Reduction Options

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- Classified Staffing
  - School Site staffing is being reviewed
    - Clerical reductions - \$150,000





# 2011-12 Budget Reduction Options

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- Administrative Staffing
  - Administrator staffing is being reviewed
    - Reduce by 2.0 Certificated Administrators - \$320,000



# 2011-12 Budget Reduction Options

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- Other

- Athletics

- District-funded coaching stipends can be reduced or funded by foundations
      - Elimination of 6 coaches per high school - \$75,000
    - Majority of non-personnel athletics expenses are supported by booster donations
      - Eliminate remaining District contribution to high school athletics - \$36,000



# 2011-12 Budget Reduction Options

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- Other
  - Artists-in-Residence
    - Artists-in-Residence were formerly paid for with state categorical funding which has expired
    - Art programs can be supported with existing District staff
    - Foundations & student groups can supplement with Artists-in-Residence
      - Elimination of District Artist-in-Residence funding - \$50,000



# 2011-12 Budget Reduction Options

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- Other
  - District-funded School Resource Officers have been eliminated at all schools, except La Costa Canyon
    - San Diego PD contract ended in 2003/04
    - San Diego Sheriffs contract reduced in 09/10 and ended in 10/11
  - Law enforcement continues to provide services as-needed
    - Eliminate Carlsbad PD contract - \$53,000



# 2011-12 Budget Reduction Options

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- Revenue Enhancements
  - Special Ed encroachment can be reduced by pulling all available SELPA income from NCCSE
    - Estimated one-time encroachment offset - \$100,000
  - Renewable energy credits can be sold to SDG&E for power generated by LCC & CCA solar panels
    - Projected annual income - \$210,000



# 2011-12 Budget Reduction Options

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- Revenue Enhancements
  - Cellular towers generate steady income
    - Annual revenue for each new tower - \$30,000



# Budget Recommendations

Certificated	Estimate
Teacher attrition	\$ 400,000
Allow flexible HS scheduling	\$ 375,000
Reduce 4.0 Counselors	\$ 410,000
Sunset--staff at 26:1	\$ 100,000
NCA--Staff at 1 teacher	\$ 100,000
PE Scheduling Options	\$ 50,000
BTSA Reductions	\$ 26,000
Unspecified	??
Total	\$ 1,461,000



# Budget Recommendations

Classified	Estimate
DO Support Staff	\$ 150,000
Site Support Staff	\$ 150,000
Restructure M&O Clerical	\$ 56,000
Eliminate Readiness Days extra help	\$ 10,000
Unspecified	??
Total	\$ 366,000





# Budget Recommendations

Administrators	Estimate
Reduce by 2.0	\$ 320,000
Unspecified	??
Total	\$ 320,000



# Budget Recommendations

Services	Estimate
Restructure Special Ed Services	\$ 200,000
Eliminate Carlsbad SRO (LCC)	\$ 53,000
Unspecified	??
Total	\$ 253,000



# Budget Recommendations

Other	Estimate
Reduce coaches at each HS	\$ 75,000
Eliminate District Athletics budget contribution	\$ 36,000
Eliminate Artists-in-Residence support	\$ 50,000
Unspecified	??
Total	\$ 161,000



# Budget Recommendations

Revenue Enhancements	Estimate
Sell Renewable Energy Credits	\$ 210,000
Pursue Cell Tower Leases (per site)	\$ 30,000
Use one-time NCCSE funds to offset Special Education encroachment	\$ 100,000
Unspecified	??
Total	\$ 340,000

# Budget Recommendations Summary

Total Reductions & Enhancements	Estimate	Percent of Total Budget
Certificated	\$1,461,000	1.5%
Classified	\$ 366,000	0.3%
Administrators	\$ 320,000	0.3%
Services	\$ 253,000	0.3%
Other	\$ 161,000	0.2%
Revenue	\$ 340,000	0.3%
Unspecified	Est. (\$0 - \$1,500,000)	
<b>Total</b>	<b>\$2,901,000</b>	<b>2.8%</b>

# 2011-12 Budget Outlook

Multi-Year Projection with recommended reductions				
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Revenue	96,382,957	95,298,954	95,459,773	97,049,574
Expense	100,460,818	97,088,190	98,245,623	99,510,406
Surplus (Deficit)	(4,077,861)	(1,789,235)	(2,785,851)	(2,460,832)
Unrest. Ending Balance	12,449,310	10,466,011	7,613,694	5,314,747
GF Reserve	12.39%	7.44%	4.42%	5.01%
Unrestricted GF Reserve Surplus(Shortfall) of 3%	9,435,485	7,553,365	4,666,326	2,329,435
Special Reserve	2,526,339	2,551,602	2,577,118	2,550,754
Combined Reserve	14,975,649	12,966,505	10,139,194	7,865,501
Combined Reserve	14.91%	13.36%	10.32%	7.90%



# Closing Thoughts

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