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**Richard Barrera**  
Trustee, District D

**Scott Barnett**  
Trustee, District C

**MEMO TO:** Members of the Board of Education

**FROM:** Richard Barrera and Scott Barnett

**DATE:** June 2, 2011

**SUBJECT:** Board Action June 2, 2011: Multi-Year Budget Strategy

**Goal:** Understanding the need to balance the desire to restore and expand academic programs, with the need to be fiscally prudent, I urge the Board of Education to adopt the following multi-year budget strategy:

Develop a Fiscal Year 2011-12 budget and multi-year plan through 2013-14 (and beyond) which results in the necessary funding for superior academic achievement, increased employee compensation, while eliminating structural deficits, implementing a properly scaled transportation program, the appropriate number of learning facilities, and ensuring proper maintenance of facilities, equipment and vehicles.

**Motion:** Direct staff to prepare a 2011-12 budget and a multi-year budget plan, returning to the Board on June 14, 2011, with the following elements, including request to open negotiations with bargaining units as related to the following:

Fiscal Year 2011-12 (changes from existing March 10, 2011, Second Interim Budget):

- Maintain step and column \$12.5 million;
- Apply at a minimum of \$32 million of additional state cash flow funds to rescind certified and classified layoffs and health care maintenance as proposed below:
  - Certificated
  - Classified
  - Fund health care for remaining laid-off, certified employees through September 30, 2011;
- Continue five furlough days for 2011-12, 2012-13, 2013-14;
- Employees defer 2012-13 salary increases. Each pushed back one year. Salary increases will be paid only in amounts equal to increases in revenue limit starting 2012-13 (i.e. If additional revenues materialize of \$20 million, then \$20 million in raises will be implemented against the proposed negotiated amount of raises. If no additional funds arrive, then raises will be deferred to following fiscal year, with same approach.)
- Unions "forgive" health-care based "premium savings." 2010-11;
- Eliminate ten additional manager/supervisor positions;

- Targeted minor transportation reductions (as part of three year TBD reductions) a transportation fee increase, and Special Education transportation "vouchers"; and
- Initiate health care management fee for retirees of 1 percent (3 percent by 2013-14).

2011-12 actions to take effect late 2011-12 and ongoing in 2012-13 and 2013-14 budget years:

- Maintain step and column and furlough days;
- Approve closure or consolidation of five to ten schools for 2012-13 with potentially additional school closures or consolidations by 2013-14;
- Initiate planning for elimination of year round schools in 2012-13;
- Initiate revenue generating proposals (advertising, cell towers at school sites, etc.) to be implemented in 2011-12 and beyond;
- Aggressively pursue revenue generating opportunities from excess properties 2011-12 and beyond;
- Continue to work with unions to explore savings in health benefit plans.
- Continue Tiger Team efficiency efforts and pursue recommendations; and
- Implement key Information Technology (IT) upgrades to ensure adequate financial Human Resources (HR), and student data tracking 2011-12 and beyond.

Set goal for General Obligation (GO) Bond for November 2012 ballot with the goal to: Eliminate all major deferred maintenance, fund 10-20 years of major maintenance, and fund i21 sustainability (replacement/upgrade of technology). Total estimate \$2 billion-\$3 billion, could free up as much as \$25 million-\$50 million in annual future General Fund expenditures starting 2013-14.

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