

# District Fiscal Crisis

Glendale Unified School District Board Meeting – October 2, 2012  
Discussion Report No. 2

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# District Fiscal Crisis

## *What Caused it?*

### State Funding Cuts

- Receiving 78¢ per \$1 owed
- Funding less than 2006-07 level
- 2012-13 is 5<sup>th</sup> year with reductions
- \$150.7 million Cut 2008-09 → 2012-13

# District Fiscal Crisis

## *What Caused it? (Cont.)*

State Delaying Funding → Cash Flow Challenge

2011-12 Ending Fund Balance      \$48.8 Million

**However**

\$40.8 million of this was an Accounts Receivable

# District Fiscal Crisis

## *What Has the District Done?*

### Programs and Staffing Reductions

- K-3 Class Size 20:1  $\longrightarrow$  24:1
- Reduced Secondary Staffing
  - Administration
  - Teachers
  - Counseling
  - Clerical

# District Fiscal Crisis

## *What Has the District Done? (Cont.)*

### Program and Staffing Reductions

- **Reduced Support Staffing**
  - **Maintenance**
  - **District Administration**
- **Negotiated Concessions**
  - **5 Furlough Days 2013-14**
  - **Health Insurance Cap**
- **Restructured Workers' Compensation Program**

# District Fiscal Crisis

## *What Has the District Done? (Cont.)*

### Other Program Adjustments

- **Reduced Summer School**
- **Eliminated Program and Redirected Funding**
  - **Community Based Tutoring**
  - **Textbook Adoptions (redirect funding)**
  - **9<sup>th</sup> Grade Class Size Reduction**
  - **Physical Education Incentive**
  - **Art & Music Block Grant**
  - **Tenth Grade & Supplemental Counseling**
- **Reduced Funding to Restricted Maintenance Program**
- **Redirected State Deferred Maintenance Funding**

# District Fiscal Crisis

## *What Has the District Done? (Cont.)*

### Utilized One-Time & Short-Term Resources

- **Federal ARRA** **\$26.0 M**
- **Workers' Compensation Fund** **\$3.0 M**
- **Special Education Reserve** **\$3.4 M**
- **Retiree Benefit Reserve (Fund 20)** **\$6.2 M**
- **Retiree Benefit Reserve (Fund 67.2)** **\$4.2 M**
- **Restricted Maintenance Reserve** **\$4.7 M**

# District Fiscal Crisis

## *What Has the District Done? (Cont.)*

### Passed Measure S

- **Redirected \$20 Million to Support General Fund**
  - **Deferred Maintenance Fund Balance**
  - **Debt Service Fund Balance**

**Result: K-3 Class Size Reduction at  
24:1 and Other Core Programs  
Maintained through 2012-13**



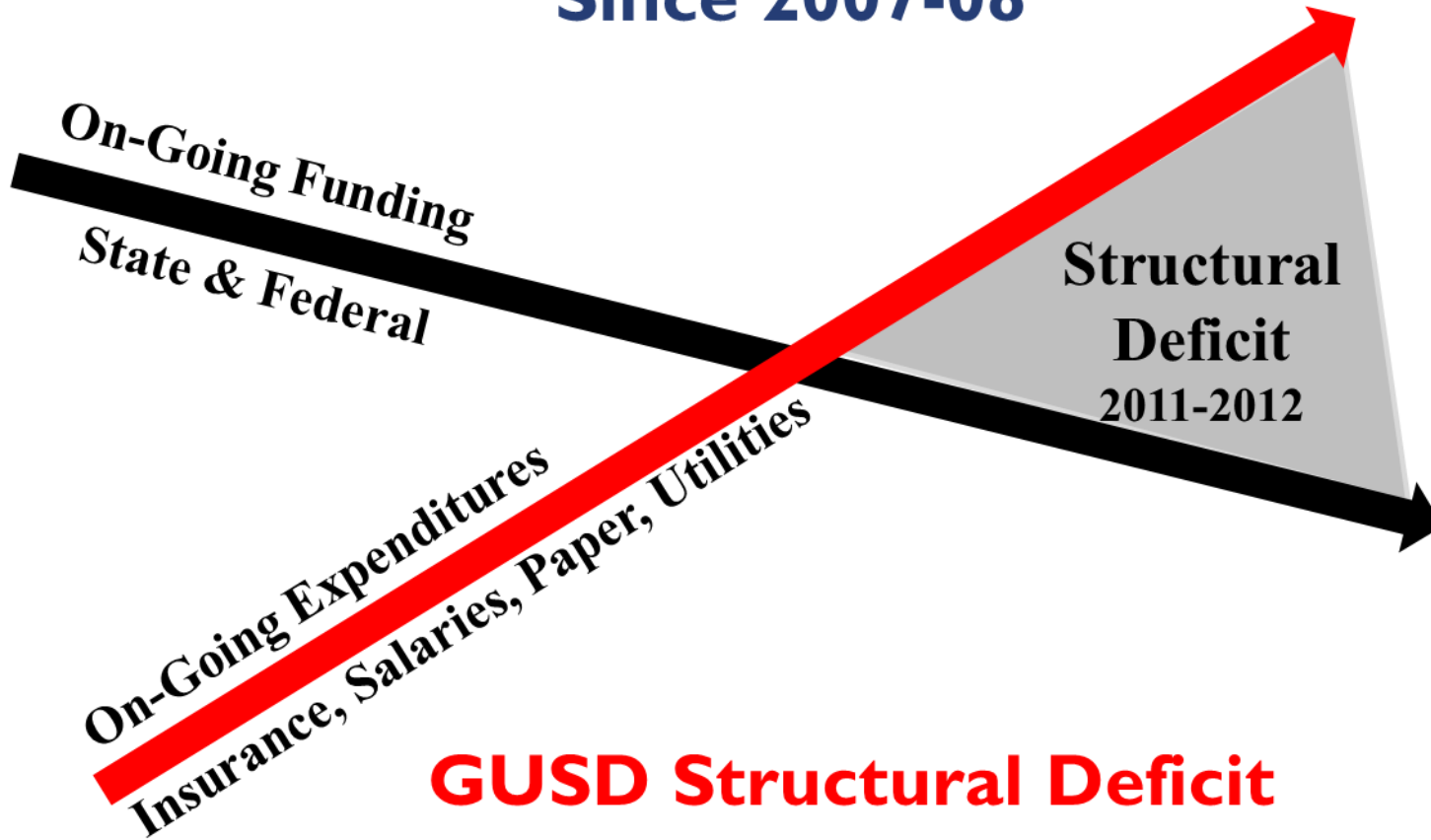
# District Fiscal Crisis

## Result of Efforts

- **Fiscal Solvency - 2008-09 to Present**
- **Core Programs Have Been Maintained**

# However, More Reductions Needed to Maintain 3 Year Plan

Since 2007-08



**GUSD Structural Deficit  
\$15 Million and Increasing  
\$3M - \$4M Per Year**

# District Fiscal Crisis

*What needs to be done...?*

**Additional Reductions Needed to Fix  
\$15+ Million Structural Deficit**

**First Step**



**Reduction Target for 2013-14  
\$10 Million**

# District Fiscal Crisis

## *What needs to be done...? (Cont.)*

### Future Reductions Include

- **Reduced Staffing in All Areas**
  - **Layoffs, Attrition, Retirements**
- **Negotiate Additional Concessions (options)**
  - **Shorten School Year**
  - **Reduced Salaries**
  - **Reduced Benefits**

# District Fiscal Crisis

## *What needs to be done...? (Cont.)*

### Future Reductions Include

- **Evaluation of Programs**
- **Potential Funding Options**
  - **Increase Attendance**
    - **Virtual High School**
    - **K-12 Regular Attendance**
  - **Reduce Energy Consumption**

# District Fiscal Crisis

## *November Election*

**If Proposition 30 Fails**

**Impact to GUSD**



**\$11 Million to \$12 Million  
in Mid-Year Cuts from State**

# District Fiscal Crisis

## *Next Steps*

### Develop Reduction Plan – 2 Scenarios

- **Structural Deficit - \$15+ Million**
- **Additional \$11 Million to \$12 Million**

# District Fiscal Crisis

## Community Information Meetings

- **October 8, 2012** 7:00 – 8:30 p.m. at CVHS Auditorium
- **October 15, 2012** 7:00 – 8:30 p.m. at GHS Auditorium
- **October 22, 2012** 7:00 – 8:30 p.m. at HHS Auditorium