

Mother Lode Union School District
Approach to Dealing with Unprecedented State Budget Cuts
Spring 2010
Questions and Answers

1. Can parents volunteer to help mitigate the effects of laid off school employees?

Parents can volunteer, but not to mitigate the effects of laid off school employees. Doing so violates Education Code 35021. Parents can volunteer as teacher helpers in the classrooms. They can also volunteer for special projects, like landscaping, painting, etc. In addition to the Education Code violation some jobs are not suitable for a volunteer because of confidentiality or specialized training requirements.

2. Can the community raise money to subsidize lost revenues from the State?

The community can and has raised money to help our schools deal with shrinking budgets. However, the amount of money the Mother Lode Union School District (MLUSD) needs to balance the shortfall is staggering. Given the severe deficit in State funding, we need to cut our budget by at least \$1,000,000 over the next two years. We do not want to discourage parents and staff from fundraising, but we do want everyone to understand the reality of the situation.

3. Why can't we raise after-school sports fees?

There are two ways to collect fees for after-school sports. We can only legally charge for the amount it costs to transport the athletes to the games. If we want to increase the fee beyond transportation costs we can request a donation. When requesting a donation, a child cannot be excluded from participating on the team if the contribution is not made. To charge more and make it a donation many times generates less money than charging for transportation only. We cannot enforce payment and many times parents do choose not to pay.

4. Why not charge fees for supplies and programs?

Anything that is considered part of the curriculum or is required by students to do their school work (e.g. rulers, crayons, scissors, paper, calculators, etc.) must be provided by the school (Education Code 38118). We can ask parents to donate, but because it is a donation parents have the option to not contribute. In addition, any programs we offer (including after-school enrichment) must be free of charge. To provide enrichment without cost to the district we allow an outside organization to offer things like dance, karate, art, etc. They can charge fees.

5. Why not cut administration?

Everything is on the table for discussion, including reducing administration. Administrative costs are already very lean, due in part to cuts and consolidations already made to administration in years past. In fact, this year our Vice Principal of Herbert Green is also the district's Coordinator of Categorical Programs and Testing. This was a reduction of 1.00 FTE in the current year. In 2008-09 and 2009-10 reductions were made in secretarial support to administrators as well as in the Business Office. There are two concerns about cutting administration; one is to make sure we have enough administrative time on each site to keep your children safe and secure while the other problem is to make sure we can keep up with compliance issues and regulations that the State requires to keep the schools open and to guarantee our funding.

6. Is it possible to consolidate with another school district? Would that save money?

There is county-wide interest in investigating the feasibility and utility of district consolidation. The El Dorado County Office of Education is organizing a round table discussion for superintendents and has invited administrators from districts who have already consolidated to speak and share their experiences. This idea has been discussed for years in the county, but there are many roadblocks. For example, it takes many years to consolidate districts, and while it may seem like a logical way to reduce costs, the benefits may not outweigh the negatives. Nonetheless, the county is pursuing the idea as a long-term option and our District will participate in those discussions.

7. Are there any services we could share with another school district?

We are very much in favor of sharing services with other districts when it makes sense and saves money. We do contract with Gold Trail and Camino Union School Districts. We provide transportation training and vehicle maintenance for Gold Trail, whereas Camino Union School District provides .6 FTE CFO services to MLUSD. Also, a number of mandated programs are run as a consortium with the County Office of Education and other districts in the county. Another option to sharing, when it makes sense and saves money, is for employees to take on the responsibilities of several jobs. An example of that is our Vice Principal of Herbert Green is also the district's Coordinator of Categorical Programs and Testing. In larger districts these would be separate jobs.

8. What budget cutting options does the District have? What is realistic?

No matter how tight the dollars, the District has a legal obligation to heat the classrooms, clean the restrooms, provide sensible supervision and meet reporting mandates. Most importantly, we must find a way to continue to provide a high quality education in spite of tough economic times. Over the last three years, the District has eliminated nearly every non-essential expenditure. The business of teaching students involves primarily labor. 85% - 90% of the District's budget is dedicated to employee compensation. Our options are limited to staff reductions and/or salary concessions.

9. When will the District make decisions about budget cuts?

California Education Code tightly scripts the timeline for reducing teaching staff. The Board must take action and notify teachers about layoffs by March 15. Often districts are forced to notify more teachers of potential layoffs than they wish to cut. If the financial situation worsens after March 15, there is no opportunity for further reductions in teaching staff. The district has more latitude regarding support personnel such as custodians, bus drivers, and secretaries. When laying off these people, a 45 day notice is required. The Board typically adopts the next fiscal year budget at its June meeting. Any other budget cuts, aside from teacher layoffs, will need to be decided by then.

10. How many teachers does the District anticipate will need to be laid off?

14 teachers have been notified of the possibility of layoff with final determination to be made by May 15. The financial situation will change as the State budget unfolds, and we hope to be able to retain some of these teachers.

11. How will class sizes be affected by teacher layoffs?

Classes will be larger in 10/11 than 09/10. Every effort will be made to keep the classes sizes as low as possible during this uncertain economic time.

12. What reductions has the District previously taken?

The below chart list all the reduction the District has made over the past three years. As stated in Q&A#8: “Over the last three years, the District has eliminated nearly every non-essential expenditure.”

| | 06/07 | 07/08 | 08/09 | 09/10 |
|---|-------|-------|-------|-------|
| Reduced summer school program delivery costs | | X | X | X |
| Eliminate summer school | | | | X |
| Certificated staffing reductions | X | X | X | X |
| Reduced after school tutorials | | | X | X |
| Reduced school provided after school enrichment | | | X | X |
| Office staff reductions | | | X | X |
| Retirement incentives to reduce staffing costs | X | X | | |
| Saturday school to increase ADA | | | | |
| Reduced library support | | | | X |
| Training budgets reduced to essential needs only | | | | X |
| Reduced cafeteria support | | | X | X |
| Increased class sizes | | | | X |
| Food service delivery changes/breakfast program | | | X | X |
| Restructured maintenance, transportation service delivery | | X | | X |
| Freeze capital projects | | | | X |
| Essential technology equipment purchases only | | | | X |
| Reduce CFO to .6 FTE (contract out) | | | X | X |
| Reduce Vice Principal | | | | X |
| Reduce Categorical Director | | | | X |
| Reduction to GATE/Hourly Programs | | | X | X |
| Reduction Secretary to the Superintendent | | | X | X |
| Reduced Site Allocations | | | X | X |

13. Why can't we spend more of our reserves?

California Education Code section 33128 requires districts of our size to maintain a “Minimum Reserve for Economic Uncertainty (EUR)” of 3%, which is approximately \$304,000 in 09/10. This equates to about 11 days of payroll at 09/10 staffing levels.

Higher reserves protect the District from the effects of additional lost funding such as State payment gimmicks, negative cash flow or unplanned expenses. With a healthy and prudent reserve, we are better protected and have greater flexibility; the lower the reserve, the greater (and sooner) our risk of insolvency.

14. Are we affected by declining enrollment?

The chart below illustrates CBEDS, enrollment as taken the first Wednesday of each October. We have had a 551 student decline over the past 17 years.

| 93/94 | 94/95 | 95/96 | 96/97 | 97/98 | 98/99 | 99/00 | 00/01 | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 1875 | 1885 | 1804 | 1748 | 1695 | 1708 | 1688 | 1638 | 1663 | 1611 | 1629 | 1574 | 1550 | 1477 | 1450 | 1386 | 1324 |

15. Does the District foresee the need to close a school site?

As part of the long term financial planning for the District we have prepared a rough order of magnitude to explore the costs, savings and potential pros and cons of a school reconfiguration. Community Forums are being conducted to solicit community input regarding this idea. The Board has not made any decision on this matter.

16. Are there any plausible means for generating new revenue?

Identifying feasible revenue sources is a real challenge for public schools. For example, we rent/lease out our facilities, we provide Gold Trail USD with Vehicle Maintenance and Driver Training services, and we participate in Medical Administrative Activities (MAA), which has the potential to generate a lot more unrestricted revenue. Every year we file State mandated cost claim reimbursements. However, the State has deferred our reimbursement for several years. We are open to new ideas and encourage community members to bring their proposals forward.