

LAUSD

Budget Update June 18th

The Los Angeles Unified School District (LAUSD) pays its bills almost entirely with money from the State. As a result, California's deepening budget crisis has required severe budget reductions.

Today we will discuss:

- Our Instructional Vision
- The Problem
- The Solution



What can parents, guardians, and communities do to help?

- Learn about why LAUSD needs a parcel tax
- Lobby state and federal elected officials personally and in writing
- Encourage perfect attendance for students and teachers
- Volunteer to work in our schools
- Contribute to LAUSD's non-profit Educational Foundation to support individual schools or programs



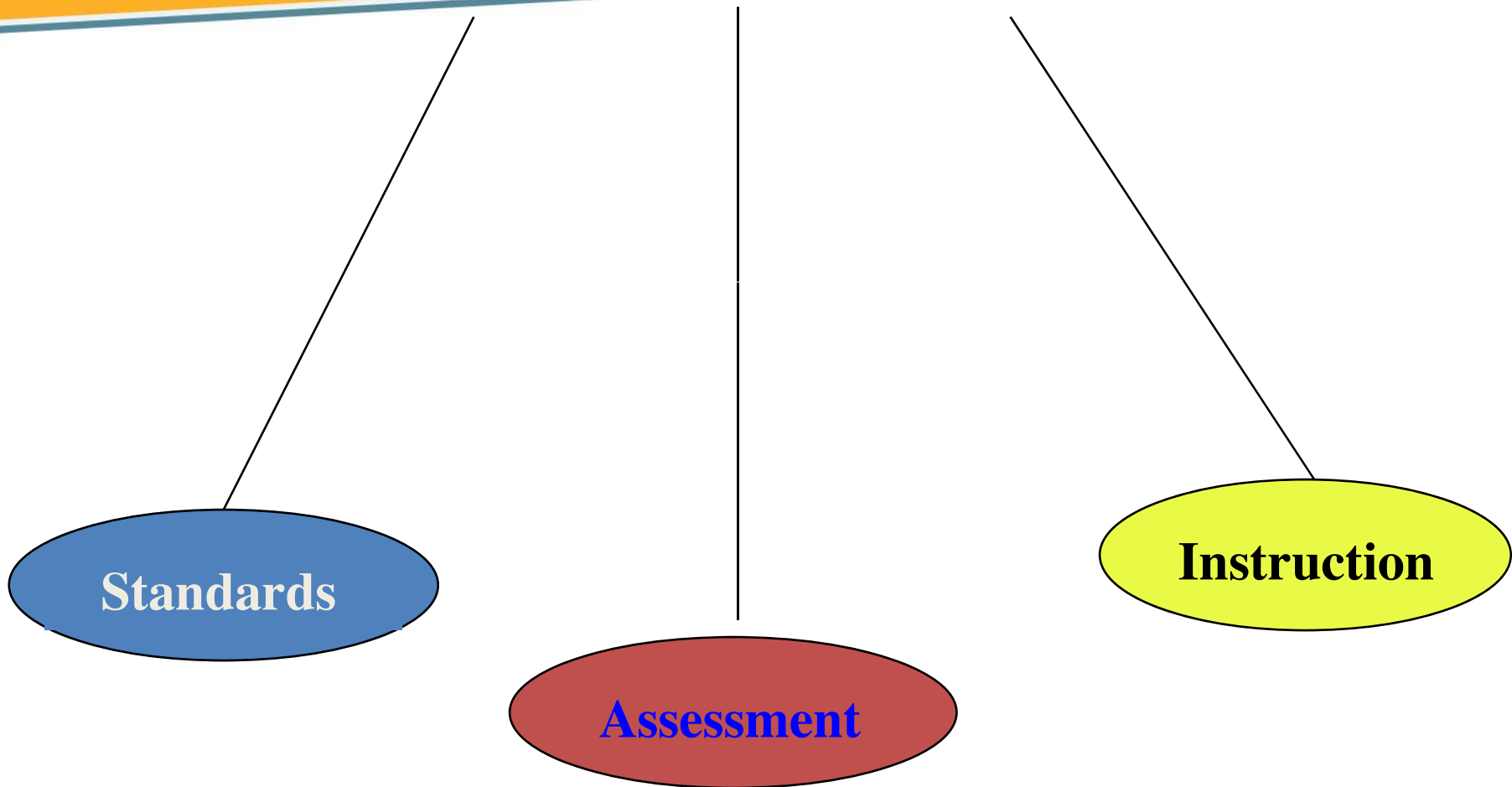
PART 1

INSTRUCTIONAL


VISION

6/18/2009

Basic Tenets of Educational Reform Include...



A C C O U N T A B I L I T Y



Raising standards alone will not make a difference unless we provide teachers and principals with the information they need to make sure students are prepared to meet those standards.

President Obama
March 10, 2009

The Vision

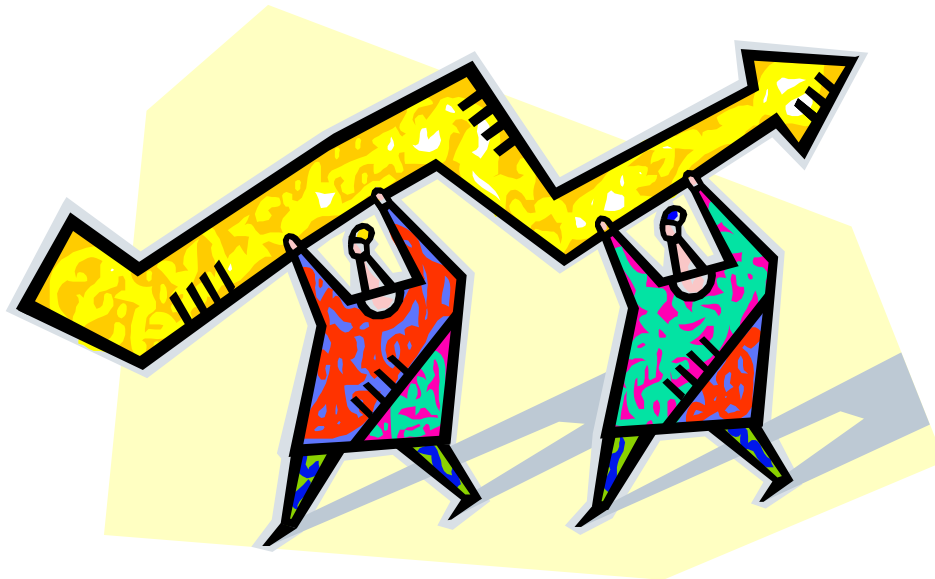
- **95% of students at “proficient” level**
- **Students possess social and emotional behaviors that support “active” learning**
- **A “unified” system of educational services**
 - **Every “ED”**
- **Student Support Services perceived as a necessary component for successful schooling**

The Outcomes

- Maximize effect of Good First Teaching for all students
- Targeted instruction and interventions for at-risk learners
- Significant improvements in pro-social behaviors
- Reduction in over-representation of diverse student groups in low academic performance, special education, suspension/expulsion, and alternative education
- Overall improvement in achievement rates
- Maximize efficiency and return on investment

What is Response to Intervention (RtI²)?

- “An ongoing process of using student performance and other data to guide instructional and intervention decisions”

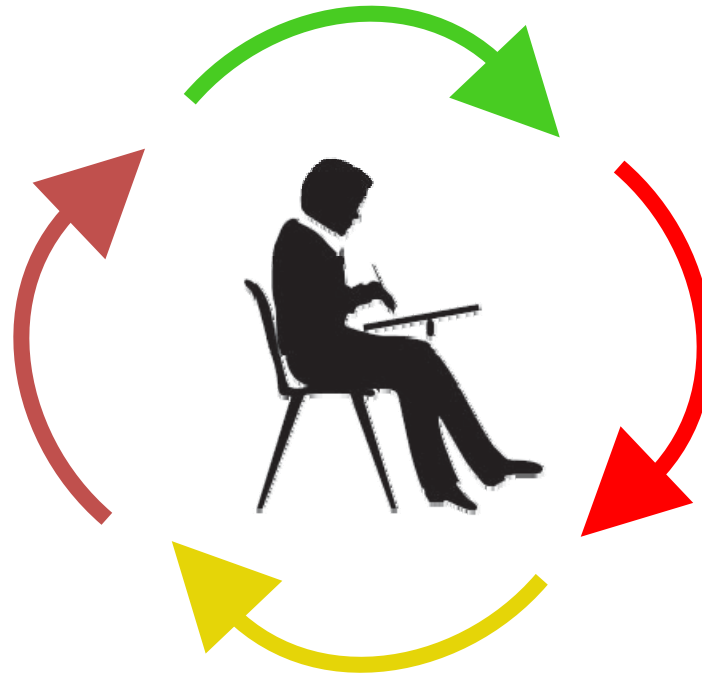


Problem Solving Process

Define the Problem

- Defining Problem/Directly Measuring Behavior

Evaluate
•Response to
Intervention (RtI)



Problem Analysis
•Validating Problem
•Identify Variables that
contribute to Problem
•Develop Plan

Implement Plan
•Implement As Intended
•Progress Monitor
•Modify as Necessary

Tiers of Service Delivery

Academic Systems

Behavioral Systems

Tier III: Comprehensive/Intensive Interventions (*Few Students*)
Students who need Individualized Interventions

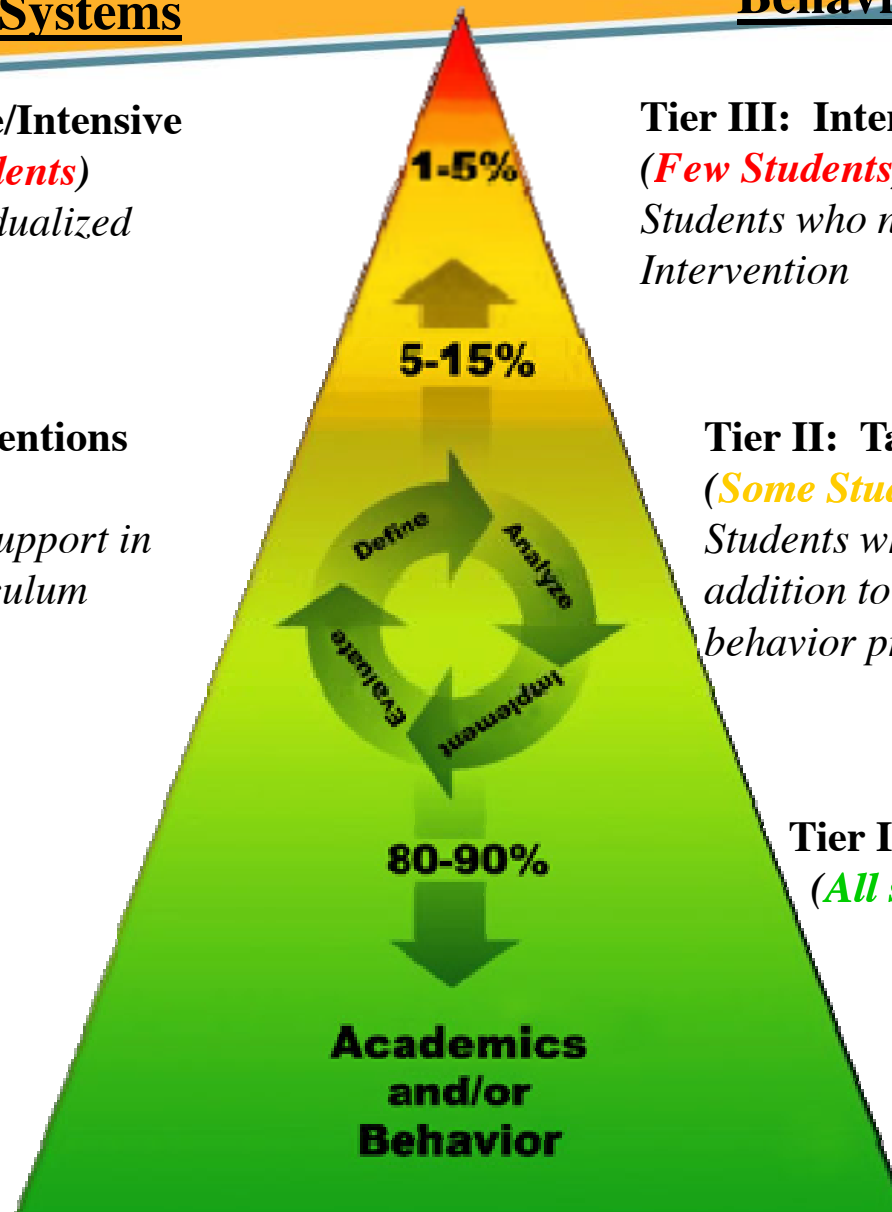
Tier III: Intensive Interventions (*Few Students*)
Students who need Individual Intervention

Tier II: Strategic Interventions (*Some Students*)
Students who need more support in addition to the core curriculum

Tier II: Targeted Interventions (*Some Students*)
Students who need more support in addition to school-wide positive behavior program

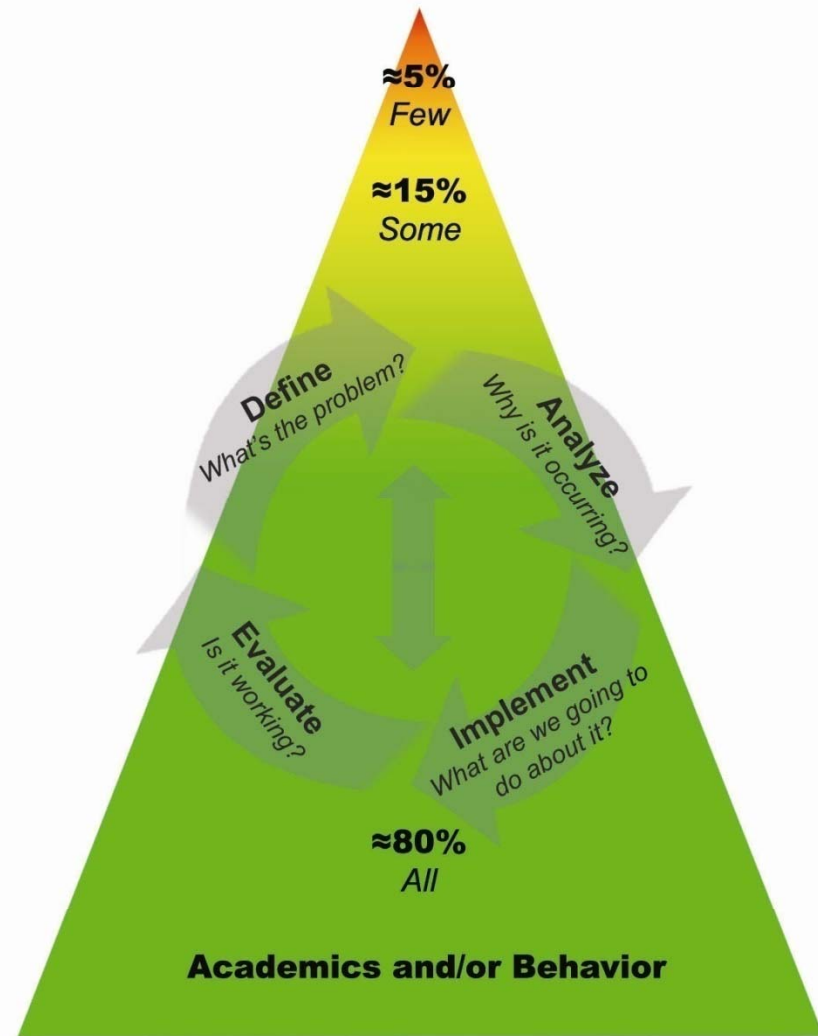
Tier I: Core Curriculum (*All students*)

Tier I: Universal Interventions (*All students; all settings*)



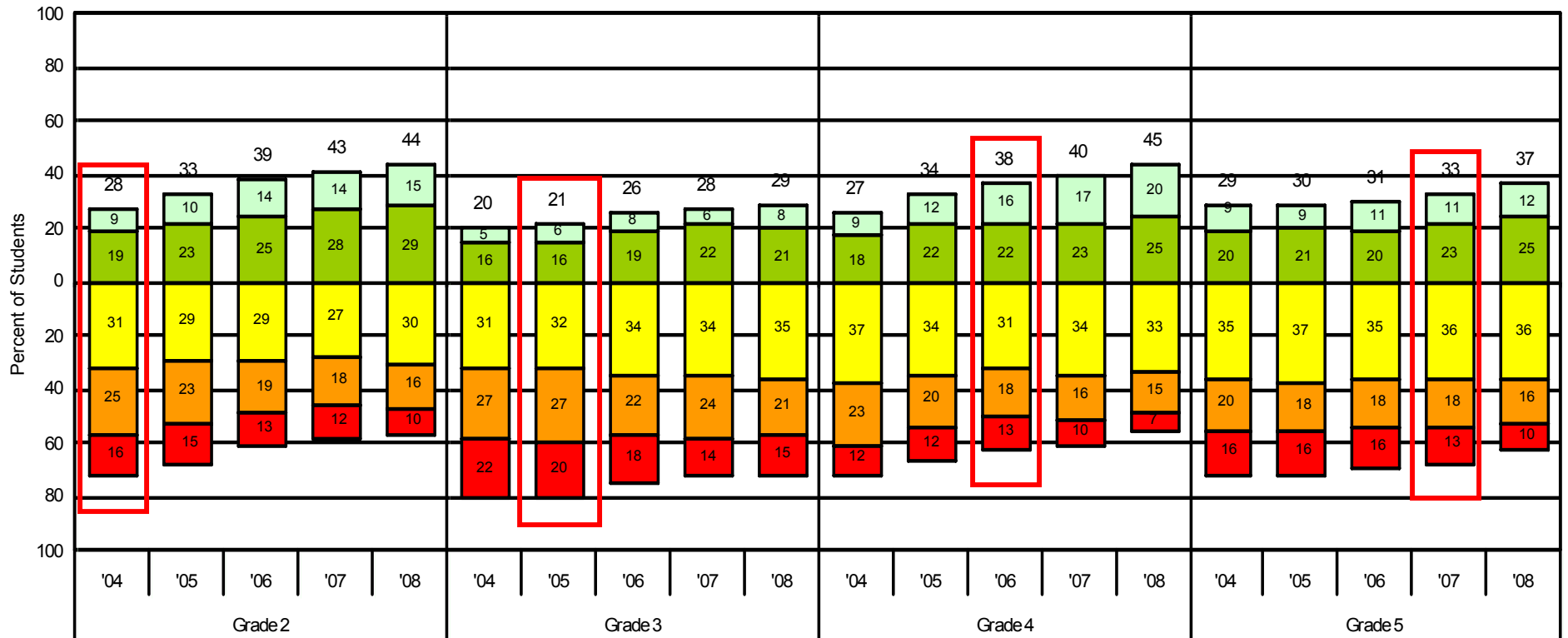
Model of Schooling

- All District instruction and intervention services have a “place” in this model.
- If it does not fit in the model, should it be funded? Should we do it?
- All supplemental and intensive services must be integrated with core.



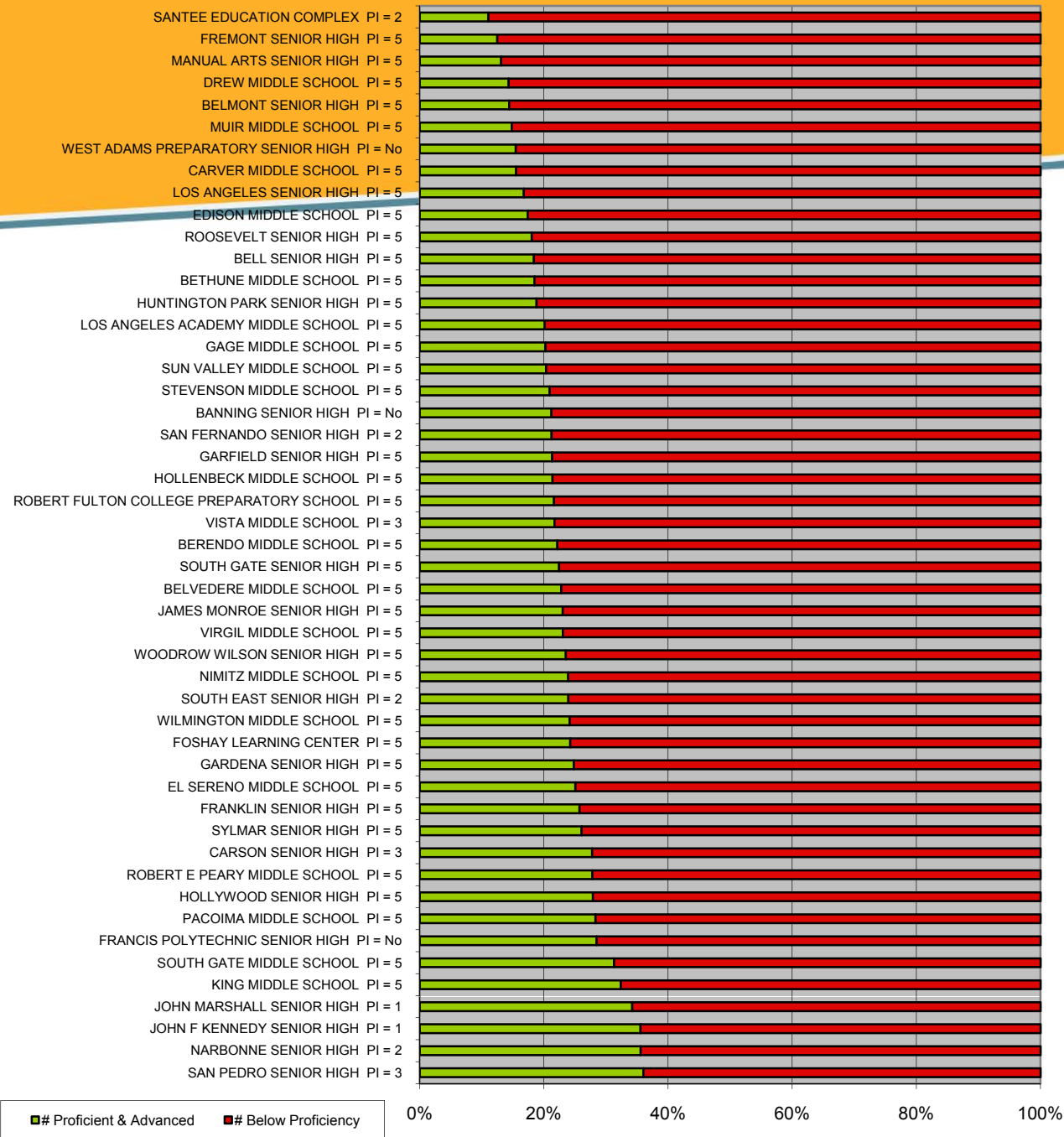
CST English Language Arts

California Standards Test - English Language Arts Grade 2-5
Percentage of Students Scoring at Each Performance Level

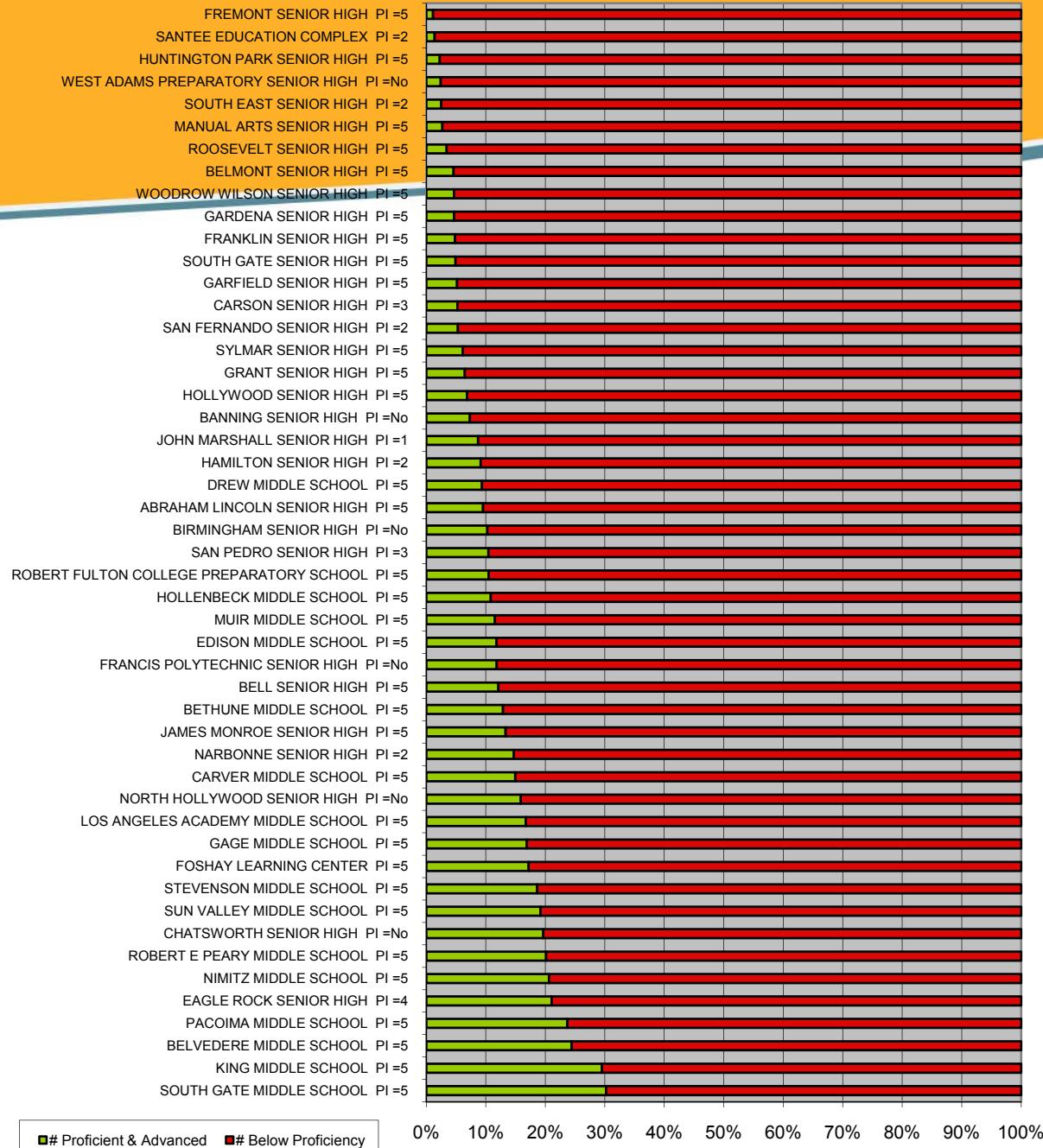


Top 50 Secondary Schools with Highest Percentage of Students Scoring Below Proficient on CA Standards Tests

English
Language Arts
2007-08

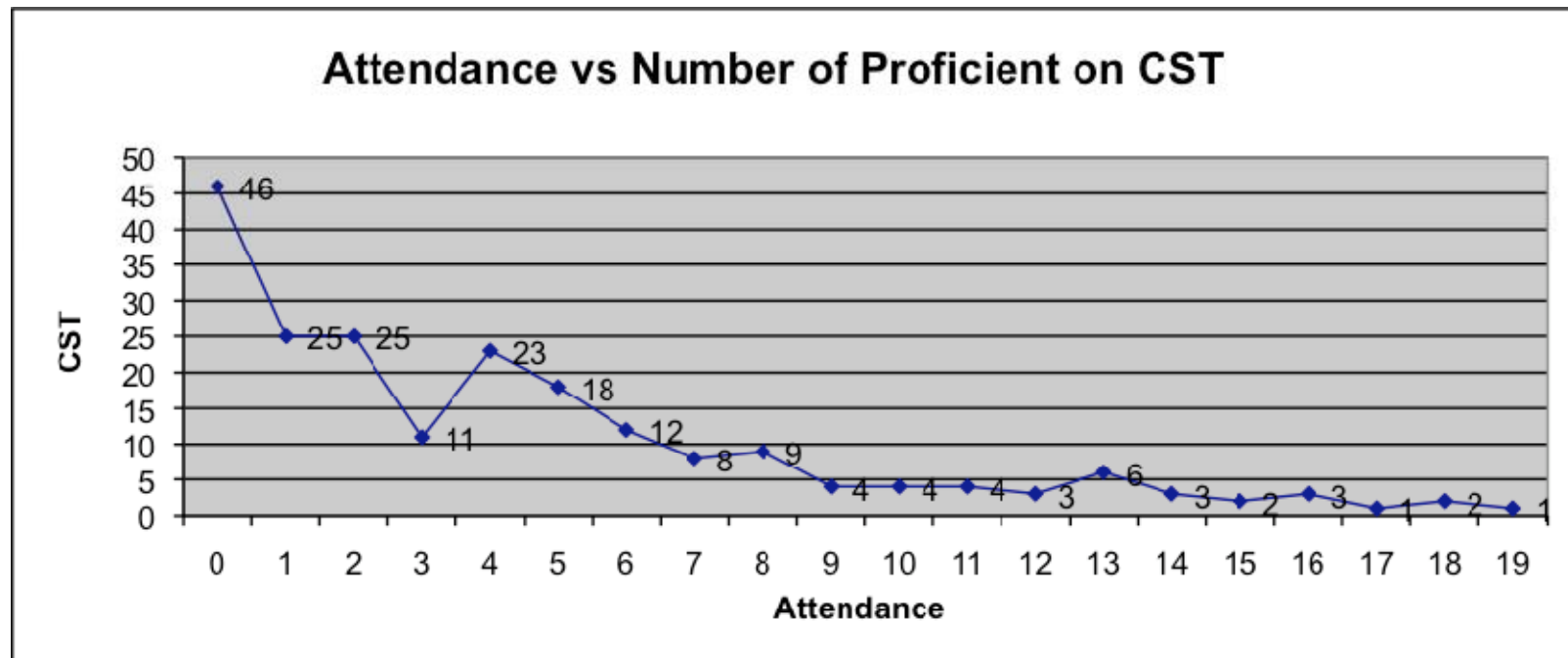


0/16/2009



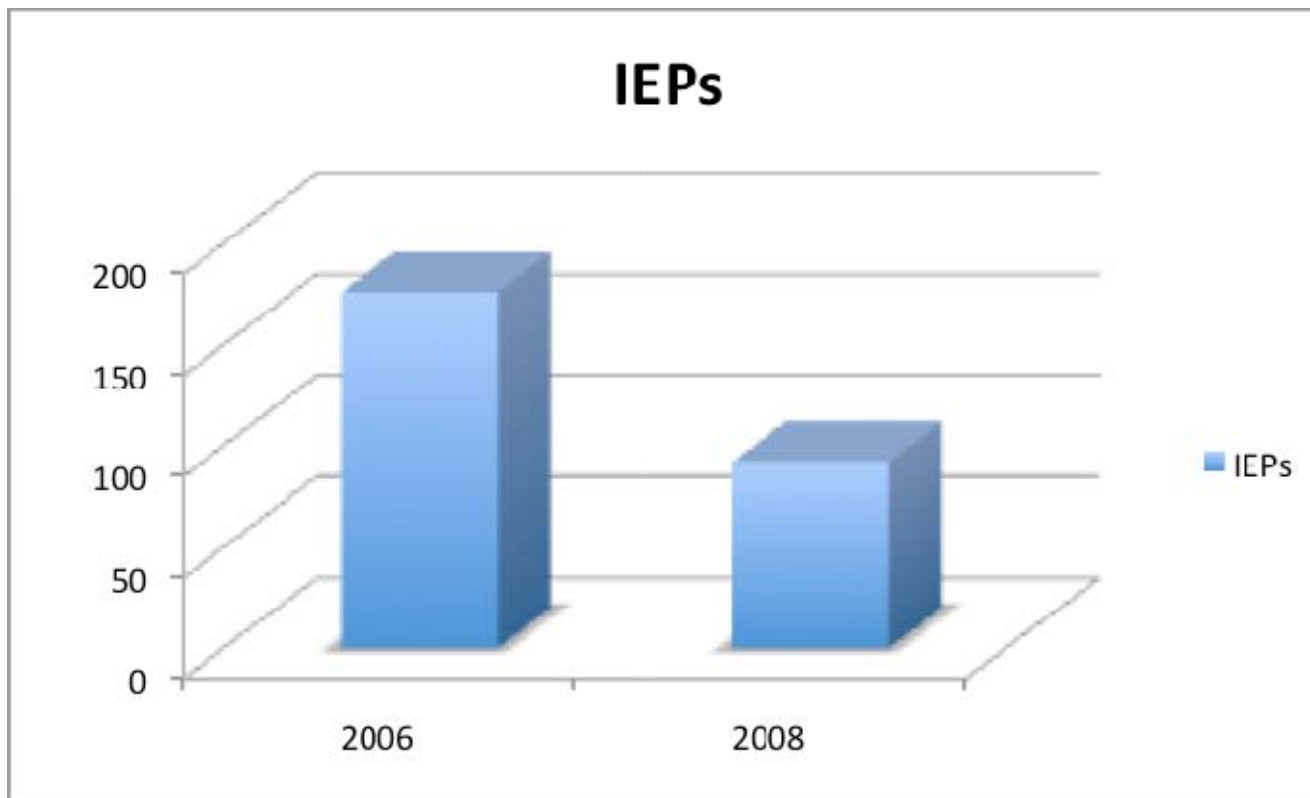
Top 50
 Secondary
 Schools with
 Highest
 Percentage
 of Students
 Scoring
 Below
 Proficient on
 CA
 Standards
 Tests
 Mathematics
 2007-08

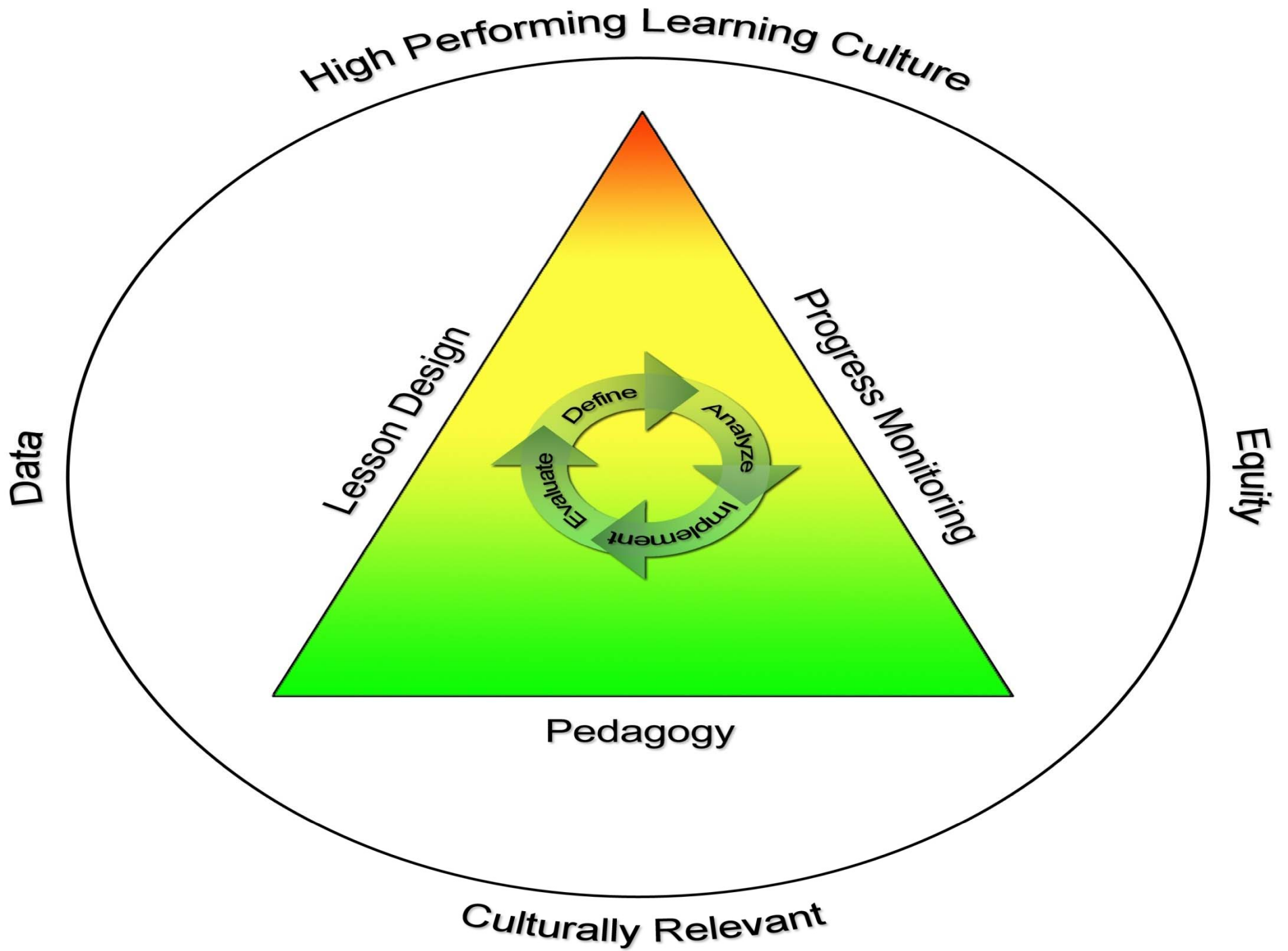
Corona Elementary School



46 students scored proficient/advanced who had 0 absences

Corona Elementary School





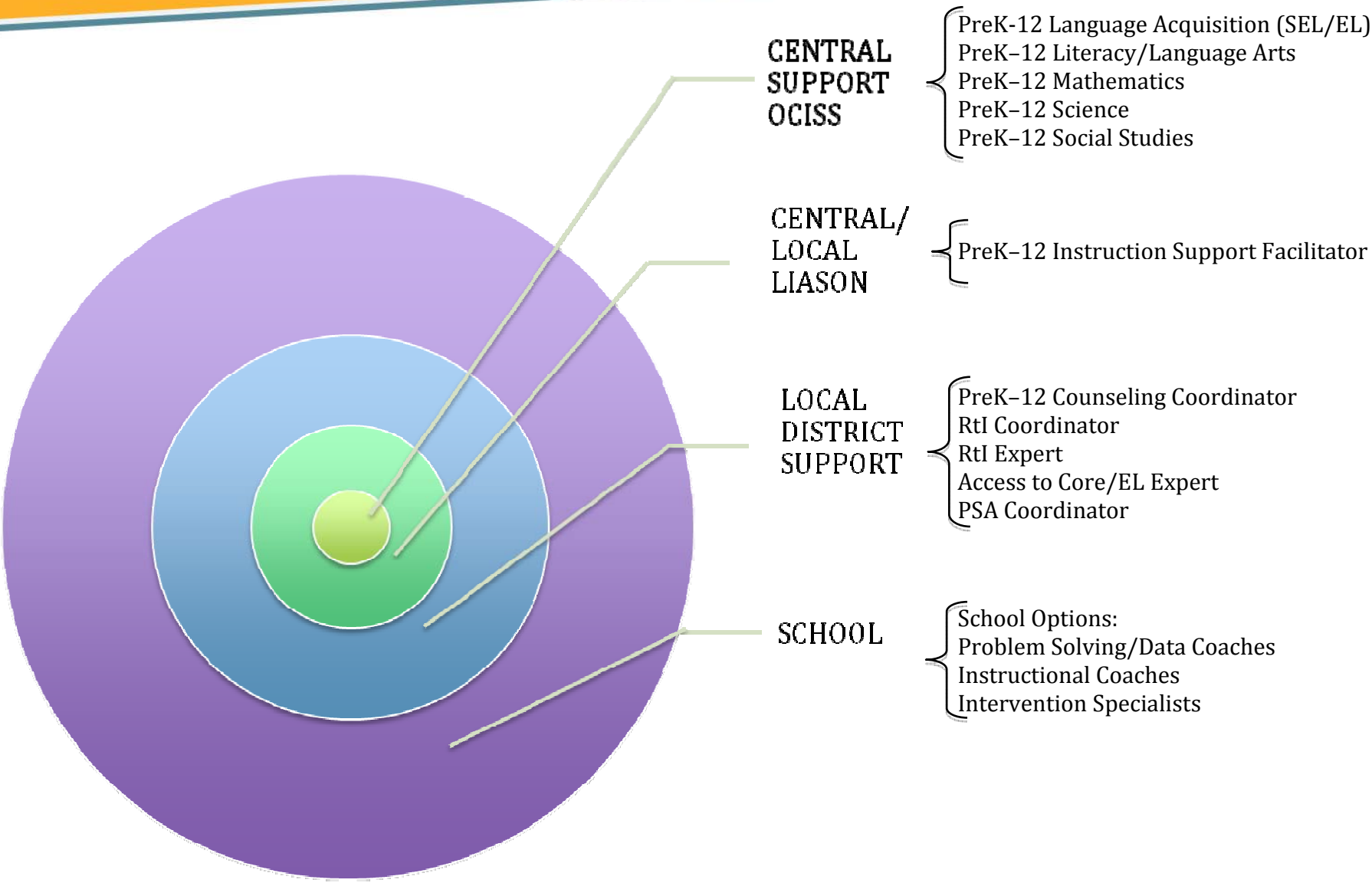
Change Model

Consensus

Infrastructure

Implementation

Office of Curriculum, Instruction, and School Support (OCISS) Infrastructure



PART 2

THE PROBLEM

6/18/2009

DRAFT_

20

An overview of California's financial crisis.

- **Worst economic crisis since the Great Depression has created massive unemployment and budget deficits for governments across the country.**
- **More than 706,000 Californians have lost their jobs in the past 12 months.**
- **Huge drop in corporate, sales, personal income, property, and other taxes has impacted Sacramento.**
- **Voters rejected the bailout measures on the May 19 ballot.**

Public education is suffering because of this crisis.

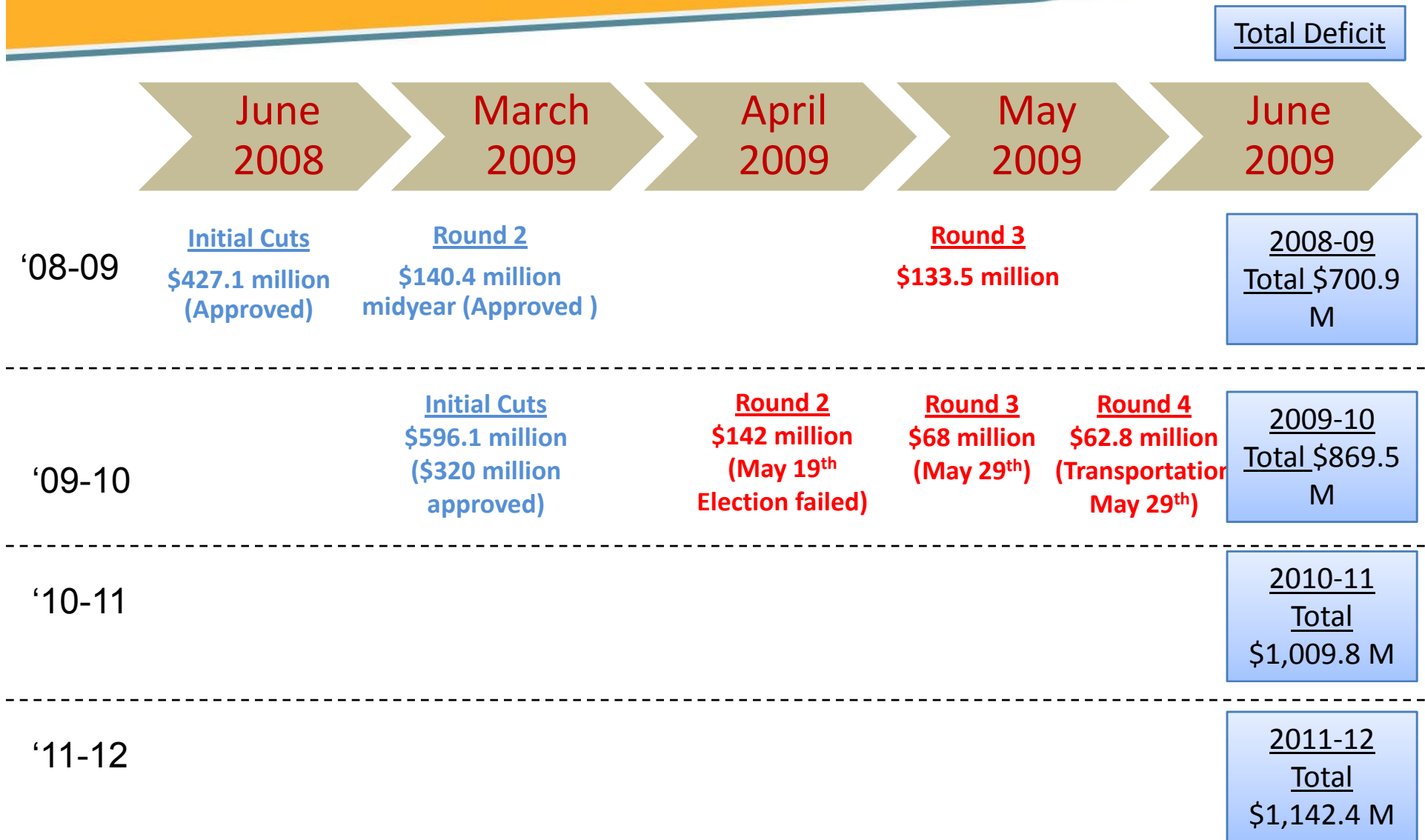


“California schools are grossly underfunded. California’s public schools ranked **47th** among states in per pupil funding and at the bottom quartile in spending as a percentage of per capita personal income – and that was before losing over \$5 billion in ongoing, core instructional funding.

“California ranks **last** among the states in the number of school staff per student. **California would need to hire 96,000 additional teachers, 9,000 administrators, 42,000 librarians, counselors, nurses, instructional aides and 66,000 janitors, bus drivers and security guards to reach the NATIONAL AVERAGE in student to staff ratios.**”

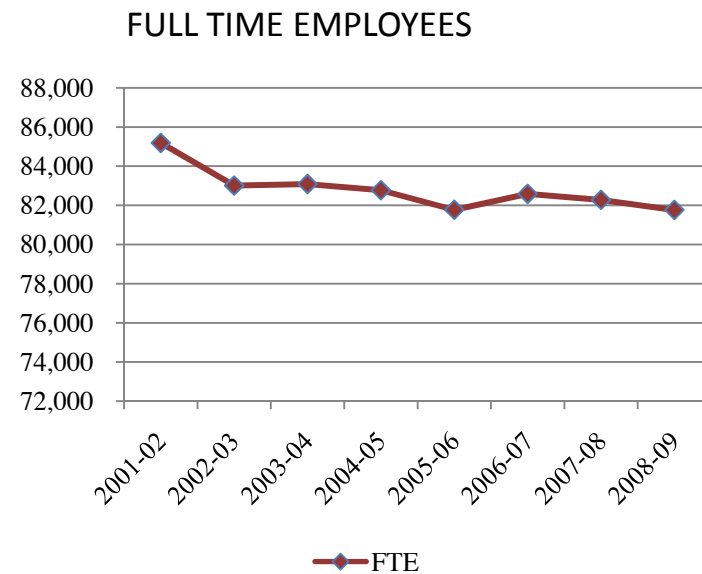
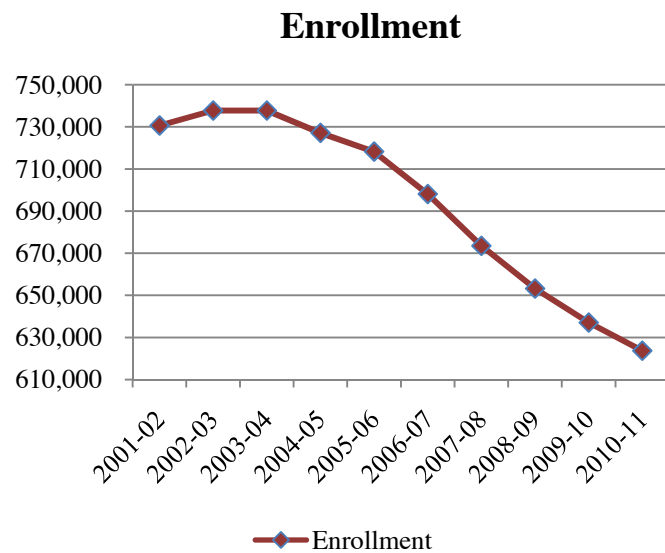
Source: Education Management Group, a coalition of school districts, county offices and statewide associations

We have taken multiple cuts from Sacramento.

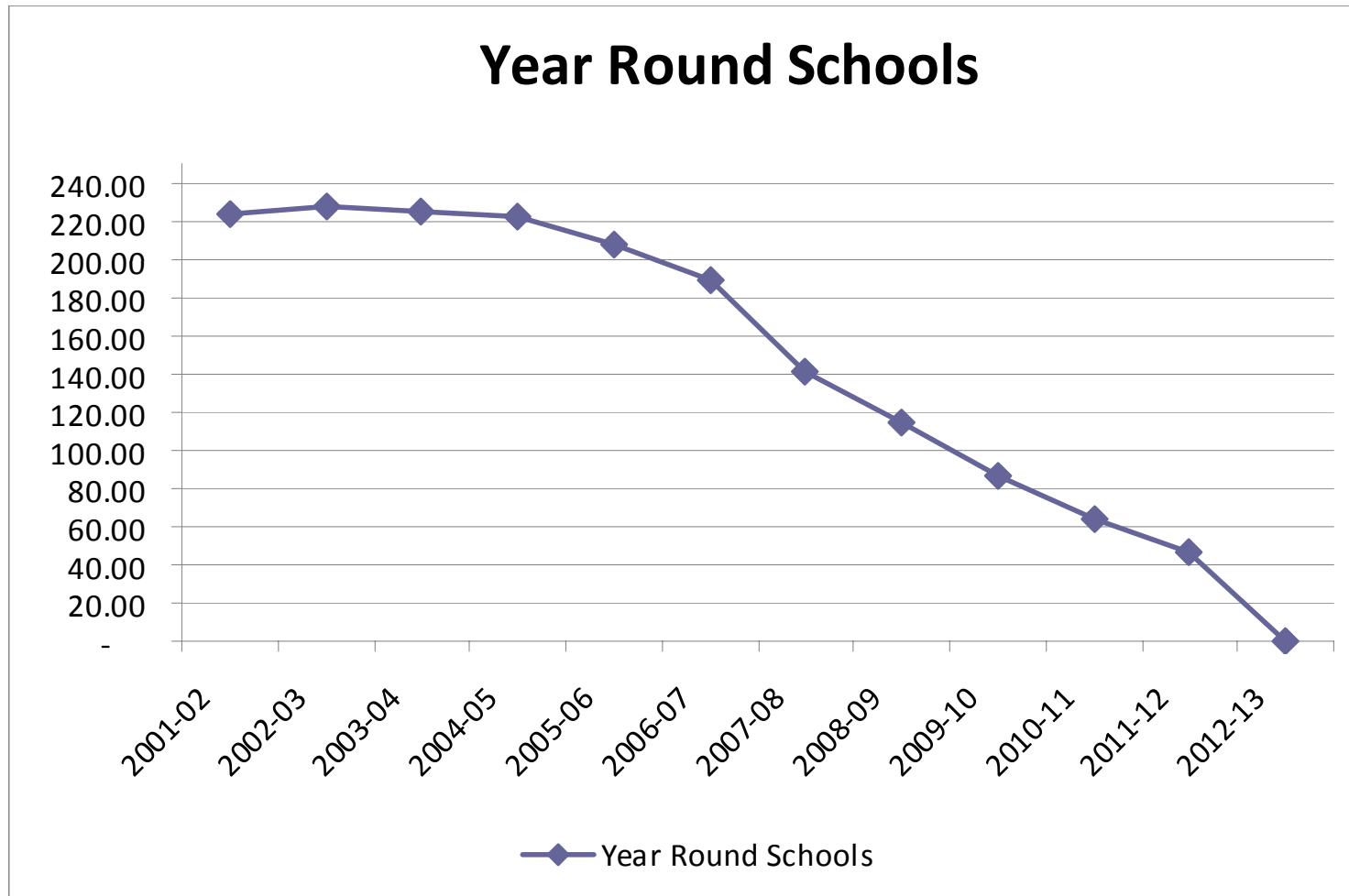


Our ratio of employees to students has also contributed to our challenge.

According to our analysis, if the District had maintained its proportionate ratio of adults to students from 2003 to 2009, LAUSD would have 11,500 fewer employees.

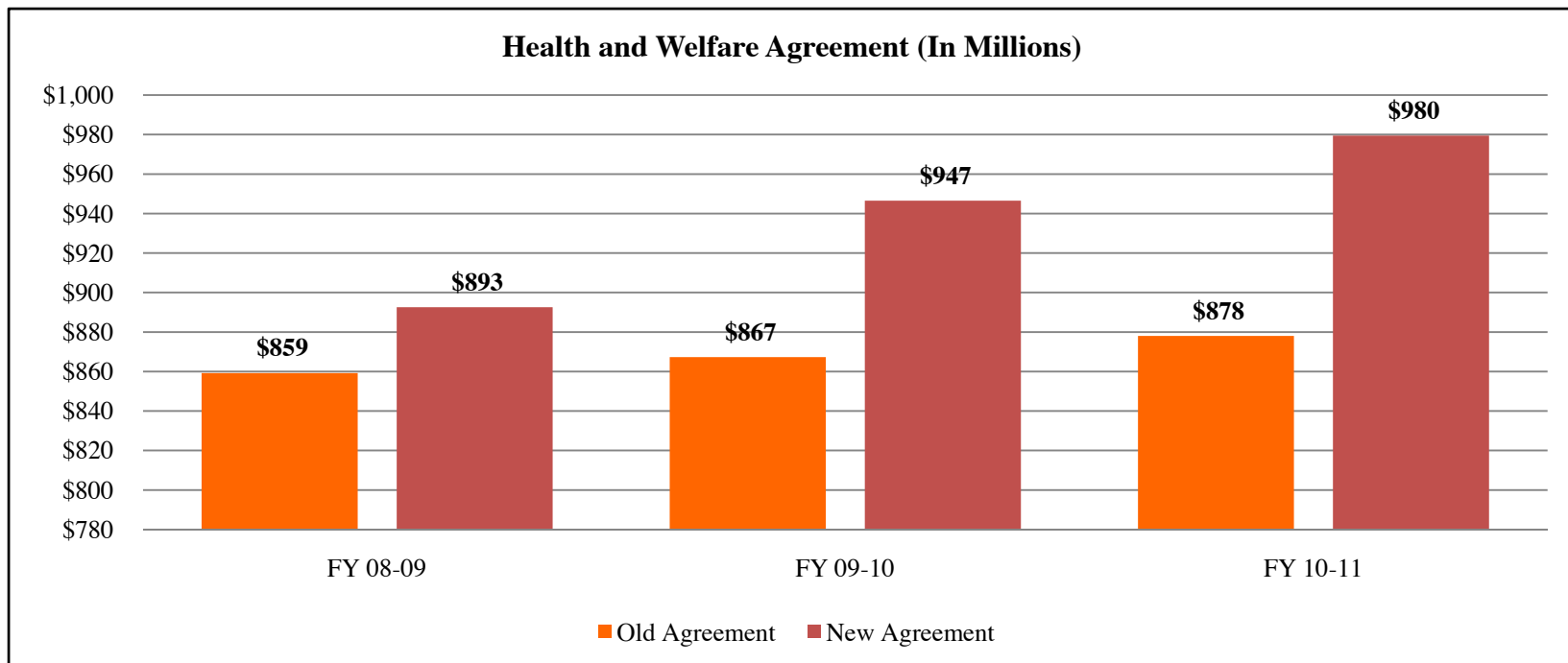


In addition, we have not changed our workforce calendar to 10 months to match the decline in schools that operate year round.



Finally, we support our employees, but we need to acknowledge the tradeoffs that we are making.

Even as revenues have declined, through the Health Benefits Committee, the District followed the unions' lead to prioritize improving LAUSD's health benefits package. Over the course of three years, the District's concessions will have added \$216 million in benefits costs to the operating budget (all funds).



PART 3

The Solution

6/18/2009

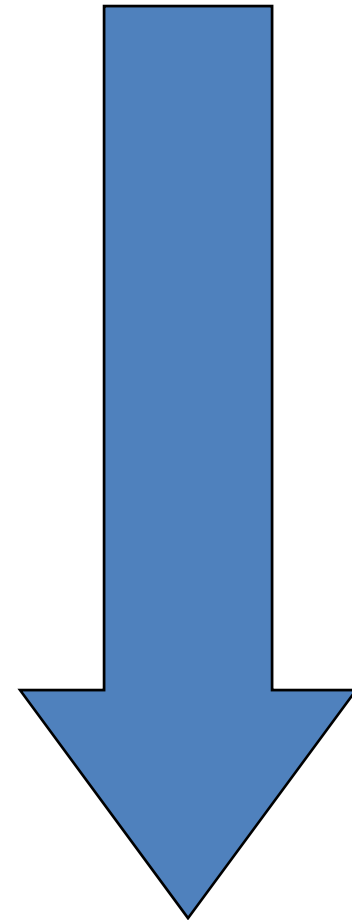
DRAFT_

27

Our goal has always been to protect the classroom.

Our Approach

1. Leverage new revenues – Stimulus Funding
2. One time items (delayed textbook purchases)
3. Non-labor reductions (consultants, travel, etc.)
4. Hiring freeze
5. Right Size Central Office & Local District
6. Program Reductions
7. Borrowing (Certificate of Participation, Worker's Compensation fund)
8. Priority is to minimize the impacts on the classroom



Federal Stimulus Breakdown

Total Amounts

• \$312.1
million

Title I

• \$151.6
million

IDEA

• \$513.2
million

Fiscal
Stabilization

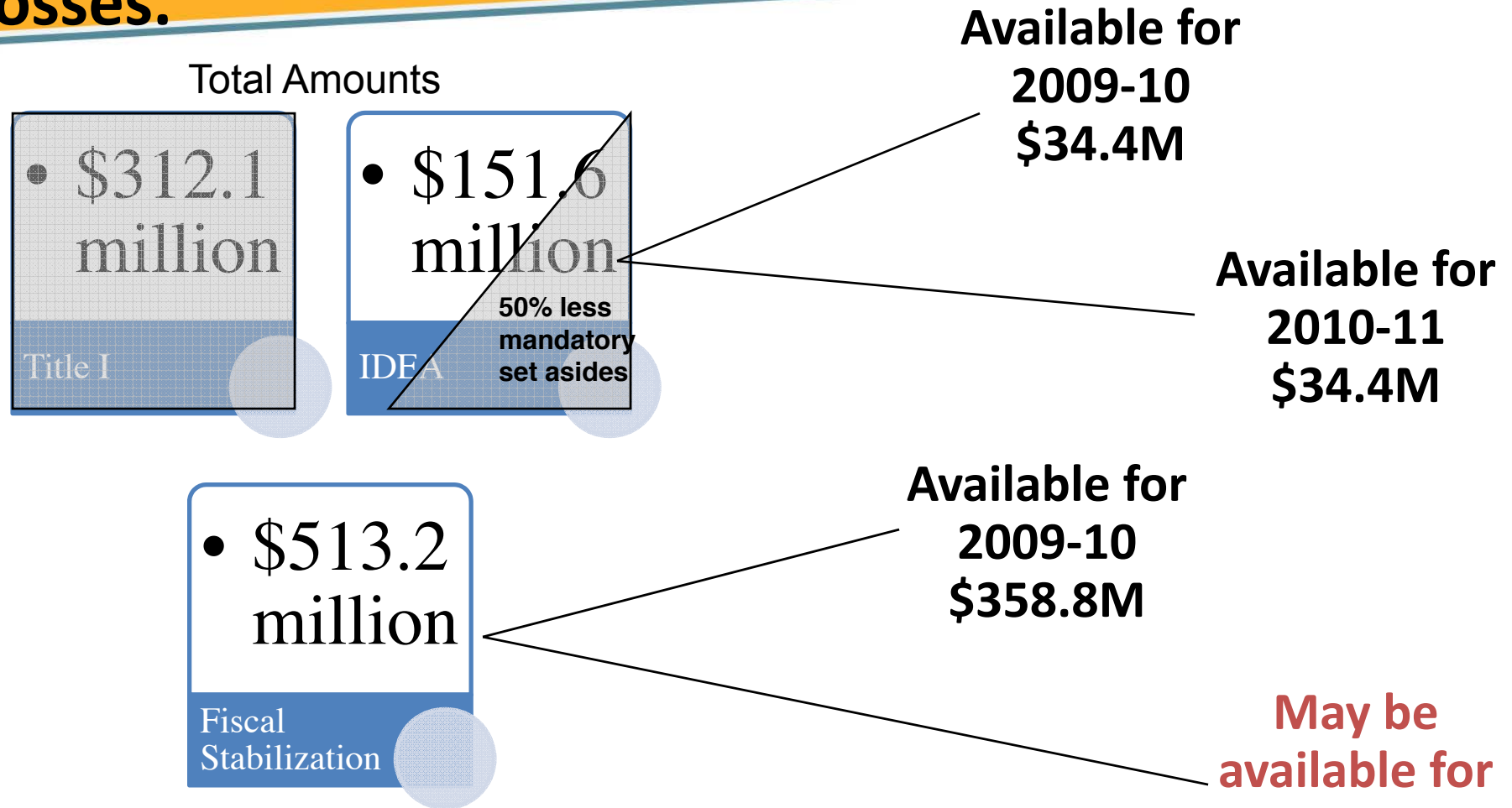
GUIDELINES

Title I (Economically Disadvantaged) funds are split 50/50 between fiscal years. Funds must be used for Title I purposes only. LAUSD must share a portion of the overall funds (or services) with local private or charter schools because money is allocated by the number of poor children that live in the area, not only the number that attend LAUSD schools.

IDEA (Special Education) funds are split 50/50 between fiscal years; a portion will go to general fund.

Fiscal Stabilization—Money is to be used for programs such as Title I-Economically Disadvantaged, Title II-Teachers, Title III-English Learners, and other federal education purposes or reforms.

Of the 60% we are allowed to use to reduce the deficit we have been able to prevent 6,500 job losses.



***We do not have a guarantee from Sacramento that we will receive the remaining \$154.4 M in October**

To balance the 2009-10 budget, we tried to spare the classroom by reducing consultants, delaying purchasing and freezing discretionary expenditures

- Reduced outside contractors and consultants = \$38 million
- Delayed purchasing new math (\$29.5 million) and English Language Arts (\$70 million) textbooks
- Used savings from Workers' Compensation fund
- Used ending balances and flexibilities from frozen programs
- Froze all travel costs
- Froze facility rental expenses

The Superintendent and Board have created review processes to ensure we are maximizing all dollars to save jobs.

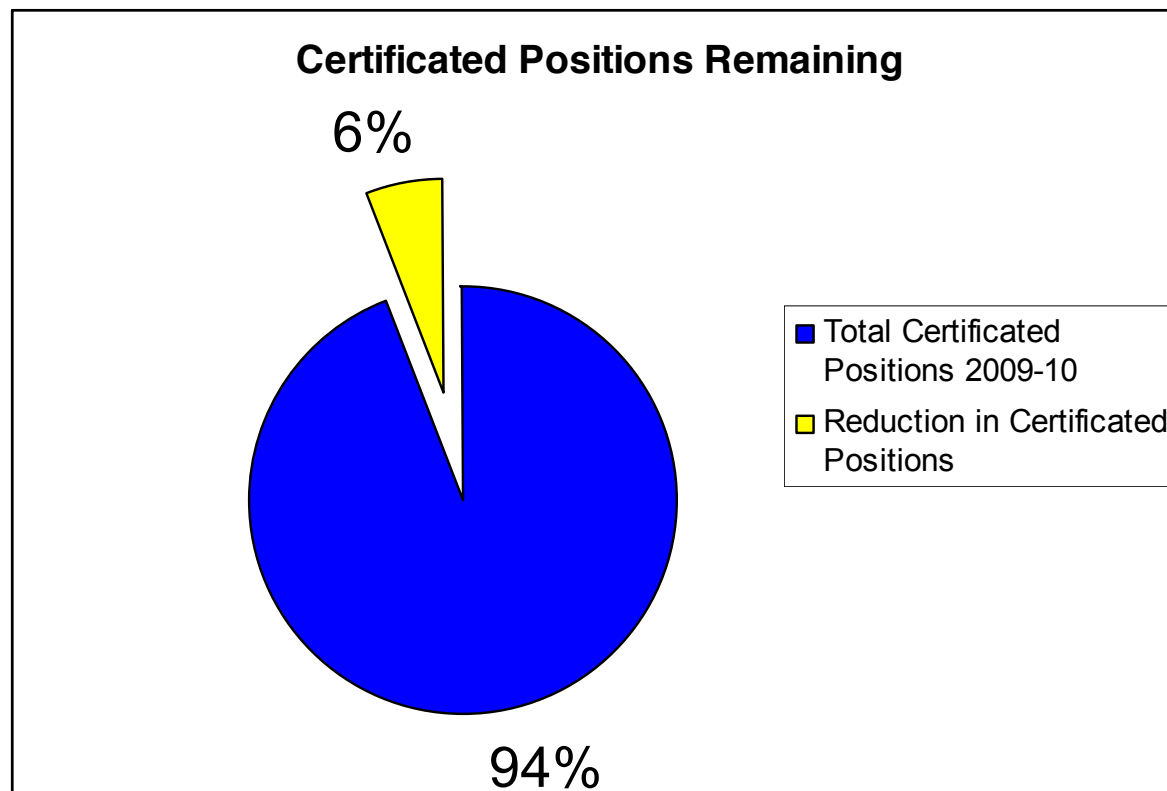
Since March 15th we have been proactively able to save 6,326 jobs.

We have been able to accomplish this through early retirement, school repurchases, Title I stimulus, decentralized programs, and resignations.

		Notices rescinded or positions reassigned
March 15 Reduction in Force Notices *		
Elementary Teachers (1,996 permanent) (1,605 non-permanent)	3,601	1,996 (permanent)
Secondary Teachers (Math 675) (Science 276) (Social Studies 322) (English 599)	1,872	Total 1,336 Math 675 Science 276 Social Studies 114 English 271
Support Service Personnel	498	120
Administrators	2,875*	2,874
Total	8,846	6,326

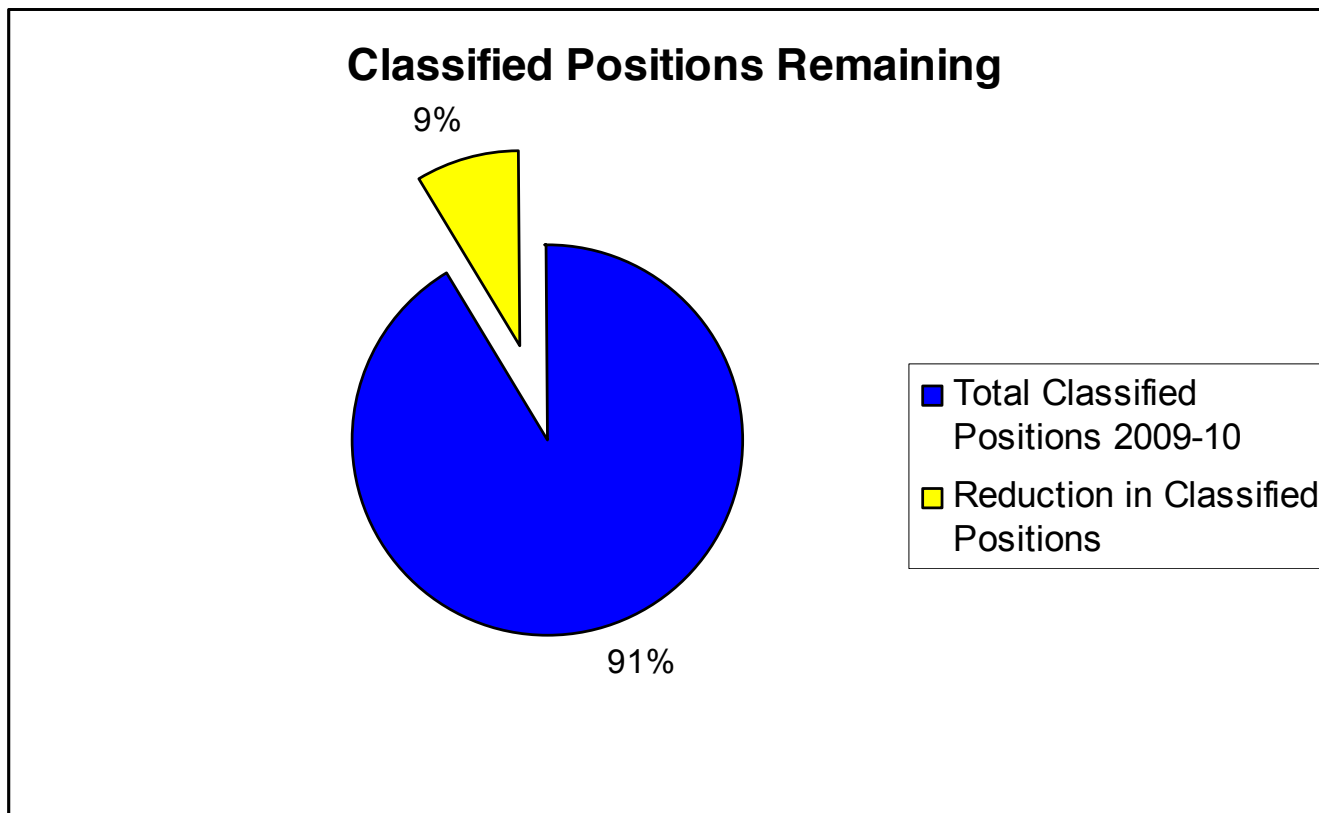
*278 administrators were placed in teaching positions as a result of norm changes and reductions in programs.

94% of our certificated workforce will have jobs next year.



Note: We have over 400 vacancies for teachers in Math, Science, & Special Education

91% of our classified workforce will have jobs next year.



We will talk about the remaining recommendations to resolve the solution.

Year	Total Initial Deficits	Board Approved Reductions & Adjustments	Federal Stabilization & IDEA Dollars	Remaining Reductions to be Approved
2008-09	\$700.9M	\$569.2M	\$0	\$131.7M
2009-10	\$869.5M	\$333.0M	\$393.2	\$143.3M
2010-11	\$1,009.8M	\$327.3M	\$188.8	\$493.7M
2011-12	\$1,142.4M	\$298.8M	\$0	\$843.6M

Budget deficit solutions for 2008-09: \$131.7M

New recommendations based on increased deficit figures for 2008-09 include:

- **Categorical Program Reductions: \$75.2 M**
- **Deferred Maintenance: \$28.0 M**
- **Borrowing (Certificate of Participation) \$21.4 M**
- **Additional Central Office Reductions \$2.3 M**
- **Supply Balances (Instructional Materials Account) \$4.8 M**

Budget deficit solutions for 2009-10: \$143.3M

New recommendations based on increased deficit figures for 2009-10 include:

- **Cancellation of elementary and middle summer school and intersession, and limited high school classes = \$33 M**
- **Transportation cuts across the board = up to \$16 M**
- **Central office streamlining = \$17.3 M**
- **Moving some non-school staff to a 10 month calendar= \$12 M**
- **Deferred maintenance = \$25 M**
- **Categorical program reductions = \$40 M**

Initial budget recommendations for 2010-11 \$493.7M & 2011-12 \$843.6M deficits

Problem

Year	Total Initial Deficits	Board Approved Reductions & Adjustments	Federal Stabilization & IDEA Dollars	Remaining reductions to be approved
2010-11	\$1,009.8M	\$327.3M	\$188.8	\$493.7M
2011-12	\$1,142.4M	\$298.8M	\$0	\$843.6M

Recommendations	2010-11	2011-12
2009-10 Ongoing Items	215.4	219.3
Deferral of textbook adoptions (ELA)	20	40
Streamline business operations	14.2	20.4
Basis Change and Differentials	7.6	7.6
Move central programs to other funding (e.g. SRLDP, 10 schools)	37	49.8
Consolidation of schools	5.4	10.9
Reduce routine maintenance	17.5	32.6
Reduce transportation budget	18.8	27.9
School Support Staffing Ratios	36.7	45.1
Subtotal Recommendations	372.6	453.6

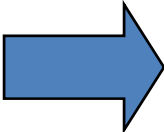
Remaining Budget Deficits for 2010-11 & 2011-12

To balance the remainder of the budget in 2010-11 & 2011-12 we will have to continue to reduce many programs. To avoid this situation we are going to pursue a parcel tax and ask all employees to share in the sacrifices.

Option A – Reducing programs to prior levels & Shared Sacrifice

	2010-11	2011-12
K-3 Class Size Reduction (29:1)	47.3	47.3
Full Day Kindergarten	0	46.5
Arts & Music Program	14.4	28.8
School Safety & Cleanliness	20	20
School Administration & Support	10.9	20.9
Salary Reduction	28.5	226.5
Total	121.1	390

Option B – Working Together

- 
- Parcel Tax (if it does not pass in 2010-11 we will have to reduce these programs and services and or take additional shared sacrifices to close the \$121.1 M)
 - Additional Shared Sacrifice
 - 1% salary reduction = ~\$40 M

How else can unions help?

LAUSD's unions can help save more jobs.

- **Work together to educate the community about the need for a parcel tax**
- **Jointly advocate in Sacramento for legislative changes & no more cuts to education**
- **Promote higher employee attendance rates**
- **Freeze step and column (automatic raises)**
- **Most Central and Local District office employees switch from year-round work schedule to B-Basis (10.75 months) work pay schedule = ~\$21 million (As a result of fewer year-round schools.)**
- **Unpaid non-work days, also known as furlough days. One day = ~\$15 million**
- **Salary reductions 1% = ~\$40M**

What can parents, guardians, and communities do to help?

- Learn about why LAUSD needs a parcel tax
- Lobby state and federal elected officials personally and in writing
- Encourage perfect attendance for students and teachers
- Volunteer to work in our schools
- Contribute to LAUSD's non-profit Educational Foundation to support individual schools or programs

