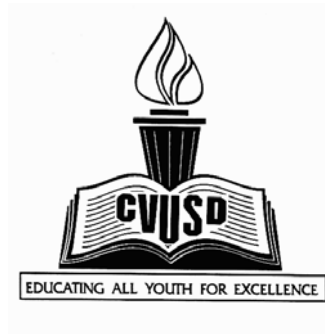


Castro Valley Unified School District



Recommendations for Budget Reductions Fiscal Year 2010-2011

Published February 25, 2010

Castro Valley Unified School District Response to State Budget
Recommended Actions
February 25, 2010

Executive Summary

Introduction/Background. The 2010-2011 budget represents the second consecutive year of massive cuts to public education in California. School districts across the state, including Castro Valley, have been forced to make significant reductions that have negatively impacted their educational and operational programs, which in turn, effects student learning and student achievement. The loss of revenue for the Castro Valley USD has been staggering. Over the past 18 months, the district has survived mid-year cuts, end-of-year cuts, and cuts to the basic revenue limit (funding per student from the state) as California has struggled to manage its financial crisis amidst a severe economic recession on both the state and national levels. As a result of these ongoing state budget cuts and raids on educational funding, the district lost \$4.2 million in revenue in the Governor's January 2009 Budget Proposal. This \$4.2 million cut was in addition to the \$3.7 million the state cut in the July 2009 budget revision. Under the Governor's proposed budget for 2010-2011, a budget that according to the Governor "protects educational funding," the district is now facing an additional on-going loss of revenue of approximately \$2 million per year.

Statement of Problem. Based on the Governor's January 2010 Proposed Budget, the district will face a budget deficit of \$5.1 million in 2010-2011. According to most fiscal experts, the Governor's January Budget Proposal is based on some very risky assumptions that, if they do not materialize, could worsen the state's budget situation, and in turn, lead to further reductions in educational funding across the state. Of particular concern is the Governor's assumption that California will receive an additional \$6.9 billion in federal funding in 2010-2011. However, the proposed federal budget currently includes only \$1.5 billion in funding for California, therefore, the \$5.4 billion difference could result in further cuts to the K-12 educational budget. Other assumptions in the Governor's budget include voter approved initiatives that were soundly defeated at the ballot box last year. According to most fiscal experts, including the Legislative Analyst Office (LAO), the Governor's proposed plan to close the state's \$20 billion deficit has many holes.

Since there are so many unpredictable factors affecting state revenues and expenditures, coupled with unsound budget assumptions, it is critical that the district develop and utilize budget assumptions based on the best information available at the time the district budget is developed and finally adopted. The on-going uncertainty surrounding the state's current budget situation makes it more challenging than ever for the district to develop its 2010-2011 budget. All fiscal experts are advising school districts to proceed with great caution and prepare for contingencies to address both the known deficit (currently \$5.1 million for the district) as well as additional state budget cuts this spring and summer, if the state budget deteriorates further. Given the potential of additional state budget cuts, the district will address its current \$5.1 million deficit while positioning itself to make further budget reductions to staff and programs, if the need arises later. In order to effectively prepare for additional budget cuts, the district must notice (i.e., Particular Kind of Service layoff) a sufficient number of certificated employees by the March 15 deadline to have the necessary flexibility to react to further budget cuts.

Criteria for Developing Recommendations. These difficult budget recommendations were developed based on the district's mission statement and goals. Staff evaluated every idea and recommendation based on the impact to student learning and student achievement as well as focusing on the development of each student as a well-rounded person with a passion for life-long learning. Unfortunately, every recommendation presented here will impact the district's educational programs and operations.

Approach. Following the Governor's January Proposed Budget, the district initiated a four-week process that attempted to maximize stakeholder input while moving the budget development process forward in a timely manner given the changing information coming from Sacramento. Budget recommendations were generated, shared, reviewed, expanded upon, modified, and finalized based on stakeholder feedback and the established criteria.

Recommendations. A total of 26 recommendations are presented for consideration. If approved, 50.8 FTE (full-time equivalents certificated and management positions) will be eliminated. (Layoffs of categorically funded positions and classified positions are still to be determined and will be presented to the Board in March.) These recommendations address only \$5.0 million of the projected deficit. Additional recommendations will be developed and presented to the Board as the budget development process moves forward and more information about the state budget is known.

Implementing Actions. The Board of Education will consider and act upon these recommendations at its regular meeting on Thursday, February 25, 2010. Once the recommendations are approved, staff will implement the recommendation and present additional recommendations at future Board meetings. The first action will be to issue layoff notices to certificated employees by March 15 with final action by May 15.

Future Considerations. When the Board of Education acts on these recommendations on February 25th, it is not the end of the budget process. Budget discussions will continue until the final district budget is adopted in June. While the state is also required to adopt its final budget by June 30, most fiscal experts do not believe that the state will meet its constitutionally required deadline, which means potential changes to the district adopted budget this summer and in the fall. Some fiscal experts are predicting mid-year cuts in 2010-2011, but until the state budget is adopted the district budget will not be finalized. Since the budget development process is an ongoing process, it is critical that all stakeholders remain informed and engaged as the district reviews and revises the budget in the months ahead. Staff will work to mitigate/minimize the impact of the budget cuts on students and staff, monitor the State budget situation for positive or negative changes, complete the development of the district's 2010-2011 budget, and consider alternative budget solutions, especially if the state budget situation does not improve.

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INTRODUCTION/BACKGROUND

For more than two years, the Castro Valley Unified School District as well as thousands of other school districts, local agencies, and municipal governments throughout California has faced an increasingly uncertain fiscal future due to the growing state budget deficit created by a deteriorating state and national economy. In January 2009, in the middle of the district's fiscal year, the State of California cut funding once again for K-12 education and as a result of this mid-year cut, the district was forced to draw down its reserves that the Board and administration had prudently established over the years.. The reserves the district had established to weather difficult financial times became a critical factor in sustaining programs for students and maintaining certificated and classified staff in the face of mid-year and end-of-the year budget cuts due to the state budget crisis. Unfortunately, reserves are one-time funds that cannot be used for ongoing expenses. The available reserve funds have been spent and the district's reserve is now at the legal minimum reserve requirement, 3% of the budget.

The dilemma that the district faces in developing the 2010-2011 budget is the consistently shifting economic situation in California and the failure of the Legislature and Governor to deal with the budget crisis in a timely and effective manner. Most fiscal experts, as previously noted, believe the assumptions in the Governor's January Proposed Budget to be unsound, especially the assumption of receiving \$6.9 billion, approximately 1/3 of the state's budget deficit, from the federal government. For every budget assumption that does not hold, K-12 education will more than likely take another cut since education expenditures comprise 40% of the state's budget.

Additionally, many of the budget assumptions are one-time fixes that do not address the on-going structural budget problems. This failure to address the structural problems is critical since the district must submit a balanced budget not only for 2010-2011, but 2011-2012 and 2012-2013, but cannot predict revenues for the second and third year. The Legislative Analyst Office (LAO) has stated that funding for education will not return to the 2007-2008 level until 2013-2014 at the earliest. The outlook for the state budget and education funding is bleak for the next several years unless there is a significant turnaround in the California economy and state revenues. Even with a turnaround, there is a 12-18 month lag time before K-12 education sees the impact in its funding.

The following recommendations are based on the best available information at the current time with a clear understanding that the budget situation will change again at the May Budget Revision and again when the Governor signs the final 2010-2011 budget. These recommendations will be modified as further information becomes available.

STATEMENT OF PROBLEM

On January 8, 2010, the Governor released his proposal for the 2010-2011 state Budget. While the Governor indicated his desire "to protect" educational funding, the education community was surprised and shocked to learn that "protecting education" meant an additional \$2.5 billion in unexpected and significant cuts to K-14 education. As recently as the July 2009 revision to the 2009-2010 state budget, the Governor and the Legislature clearly stated that the \$252 per student cut to revenue limit funding for 2009-2010 was a **one-time cut** and that it would be fully restored in the 2010-2011 budget. Unfortunately, this is not the case. Technically, the Governor did restore the \$252 one-time cut, but the Governor immediately turned around and proposed a new, ongoing \$201 per student cut to the revenue limit. Additionally, the Governor proposed a negative Cost of Living Adjustment (COLA). Based on

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all the Governor's statements prior to January 8, 2010, the district had projected a \$3.1 million deficit for 2010-2011, but the Governor's proposal raised the deficit to \$5.1 million with expectations of even further budget cuts due to the Governor's shaky budget assumptions and the economy as a whole.

The Governor's January Proposed Budget, according to most fiscal experts, is based on some very risky assumptions that if they do not materialize, could possibly worsen the state budget situation and, in turn, further reduce funding for K-12 education. The major concern is the Governor's assumption that California will receive an additional \$6.9 billion, 1/3 of the state's budget deficit, in federal funding next year. However, the proposed federal budget currently includes only \$1.5 billion in funding for California, therefore, the \$5.4 billion shortfall, there could be further cuts to the K-12 educational budget.

Since there are so many unpredictable factors affecting state revenues and expenditures coupled with unsound budget assumptions, it is critical that the district develop and utilize budget assumptions based on the best information currently available at the time the district's budget is developed and finally adopted. The on-going uncertainty surrounding the state's current budget situation makes it this more challenging than ever for the district to develop its 2010-2011 budget. All fiscal experts are advising school districts to proceed with great caution and prepare for contingencies to address both the known deficit (currently \$5.1 million for the district) as well as additional state budget cuts this spring and summer, if the state budget deteriorates further. Given the potential of additional state budget cuts, the district will address its current \$5.1 million deficit while positioning itself to make further budget reductions to staff and programs, if the need arises later. In order to effectively prepare for additional budget cuts, the district must notice (i.e., Particular Kind of Service layoff) a sufficient number certificated employees by the March 15 deadline to have the necessary flexibility to react to further budget cuts.

Given the ongoing changes to the state budget that education has experienced the past two years, all budget numbers must be viewed as preliminary until the state budget is finally adopted. However, these recommendations must be implemented to develop a balanced budget by June 30, 2010, and further contingency plans need to be developed to address both the \$5.1 million budget deficit and any further budget cuts that arise from risky state budget assumptions and the economic environment. The next significant budget event will be the release of the Governor's May Budget Revise. Traditionally, the May Budget Revise has helped school districts, but in recent years, the May Budget Revise has made further cuts to education and has increased the district's budget deficit.

Since the district has not concluded negotiations for 2010-2011 with its bargaining units, CVTA and CSEA, no fiscal adjustments are included in the budget assumptions and projections.

CRITERIA FOR DEVELOPING RECOMMENDATIONS

The mission and goals of the district served as the criteria for evaluating more than eighty cost savings ideas generated during the budget development this process. The fundamental goal was to minimize the adverse impact of any recommendations on:

- The ability of all students to improve (including achieving proficiency in standards and closing the achievement gap)

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- Limited-English-proficient students
- Ensuring highly qualified teachers
- Providing a safe, drug-free learning environment
- Ensuring students graduate from high school

Staff evaluated every idea and recommendation based on its impact on student learning and student achievement as well as supporting the development of each student as a well-rounded person with a passion for life-long learning.

Even though staff used criteria to minimize the impact of the budget cuts, these recommendations will have an impact on the district's educational program and operations. Since approximately 90% of the budget involves personnel costs, these recommendations will cause layoffs in all employee groups. Given the severity of the budget crisis, it is not possible to avoid layoffs and program reduction, and develop a balanced budget.

APPROACH

The District has taken a two-step approach to address the \$5.1 million deficit caused by the state's budget crisis and the Governor's January Proposed Budget. The district is addressing the currently identified \$5.1 million deficit and will take additional measures to ensure the flexibility that may be needed to address further budget cuts enacted by the Legislature and Governor. The district has tried to minimize layoff notices to certificate, classified, and administrative staff due to the impact on the moral of staff, students, and parents. Given the current uncertainty with the state budget, budget reserves at the legal minimum, and legal timelines for layoffs, the district has no viable option except to prepare for significant program and personnel cuts until the state and district budget picture is clearer.

The Board and staff developed the budget recommendations by

- Reviewing the state and district budget situation at several Board meetings from September through February.
- Holding a 6 ½ hour Board Study Session on initial budget recommendations in January.
- Holding Public Forums on the Development of the 2010-2011 Budget in September, November, and January.
- Providing information on the district webpage and via the Budget Newsletter.
- Meeting with the PTA or Parent Club at all schools and the Parent Leadership Council.
- Presenting information to community organizations.
- Meetings with site and district staffs.
-

The feedback and input from all of the meetings generated additional ideas regarding the proposed budget cuts. Using the initial budget proposal and the feedback, staff:

- Brainstormed an initial set of ideas (budget reductions, revenue enhancements)

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- Incorporated additional ideas and listen carefully to the input provided by all stakeholders. These included written and verbal inputs received during staff and community meetings, school board meetings; and via letters, telephone calls, and e-mails. Direct dialogue was held with parents, community members, certificated and classified staff, employee association leadership, and District leadership.
- Prepared an initial set of recommendations based on the above inputs.
- Aligned the initial recommendations against the criteria for budget development.
- Modified and completed a set of recommendations that address the projected scope of the budget deficit.

RECOMMENDATIONS

Taking into account both the criteria used to develop a set of recommendations and the feedback from stakeholders, the following recommendations are intended to strike a balance between developing the legally required balanced budget and maintaining a high quality educational program for all students. Some recommendations call for the complete elimination of a program or service while most of recommendations reduce and/or restructure a program or service until such time that state funding is sufficient to restore the program. Without a doubt, all of the district's educational programs and operations will be impacted by these budget cuts, which in turn affect all students and staff. The state budget crisis leaves no other option.

Staff used the same budget process format that was used to develop the 2009-2010 budget and has been used in all of the budget forums this year. Using this approach results in a set of recommendations that impacts nearly every area of the district. The recommendations are grouped into five categories:

- Category 1: Actions Furthest Away from the Classroom (District-Level or District-Wide)
- Category 2: Actions Closer to the Classroom (School-Level; Indirect Impact to Classroom)
- Category 3: Actions Directly Impacting the Classroom
- Category 4: Actions Still Under Discussion
- Category 5: Actions Discussed – No Action Taken

In developing the recommendations, staff attempted to make most of the recommendations fall into Category 1 followed by Category 2 and then Category 3. While there are a limited number of items in Category 3, increasing class size in K-3 is a significant change as well as a significant budget savings. Table 1 provides a list of the twenty-five recommended budget reductions. A description and assessment of each recommendation is included in Appendix A.

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Table 1. Recommended Actions for 2010-2011 Budget Reductions

		Considerations			
		Full-Time Equivalent (FTE)			\$
		CVTA	CSEA	Mgmt	
Category 1. Actions Furthest Away from Classroom (District-Level or District-Wide)					
1.01	Use Federal Stimulus (SFSF)				(\$1,238,063)
1.02	SOSCV! Donation				(\$60,000)
1.03	GF Contribution to Restricted Program/Mgmt Positions			1.0	(\$101,736)
1.04	Adult Ed (Sweep 07/08 Balance)				(\$200,000)
1.05	PAR (Sweep 07/08 Balance)				(\$100,000)
1.06	Deferred Maintenance (Sweep 07/08 Balance)				(\$150,000)
1.07	Elimination of District Level Mgmt Positions			1.0	(\$100,000)
1.08	Eliminate Transportation Coordinator			1.0	(\$63,000)
1.09	State Elimination Categorical Funding/Tier III				
	SLIP				(\$310,500)
	Community Based English Tutoring				(\$21,050)
	School Safety and Violence Prevention				(\$65,850)
	Instructional Materials, IMFRP				(\$318,938)
	Pupil Retention Block Grant				(\$26,036)
	Professional Development Block Grant				(\$168,448)
1.10	District Office Classified		2.0		(\$100,000)
1.11	District Membership Dues				(\$29,000)
1.12	Reduce Maintenance Services		1.0		(\$50,000)
1.13	Reduce Elementary Principal			0.5	(\$65,000)
	Category 1 Savings Sub-Total	0.0	3.0	3.5	(\$3,167,621)
Category 2. Actions Closer to the Classroom (School-Level; Indirect Impact to Classroom)					
2.01	State Elimination Categorical Funding/Tier III				
2.02	Elementary Prep Period Scheduling Adjustment	0.4			(\$24,000)
2.03	Eliminate Funding for Athletic Program - K-5				(\$17,000)
2.04	Eliminate Funding for Athletic Program - 6-8				(\$35,000)
2.05	Eliminate Funding for Athletic Program - 9-12				(\$100,000)
2.06	Release Periods	1.0			(\$60,000)
2.07	Reduce Counseling Services	3.0			(\$180,000)
2.08	Career Enhancement Incentive Program (CEIP)				(\$50,000)
2.09	Extra Duty Stipends				(\$75,000)
2.10	Site Classified		0.25		(12,500)
2.11	Reduce Assistant Principal			2.0	(\$200,000)
	Category 2 Savings Sub-Total	4.4	0.3	2.0	(\$753,500)
Category 3. Actions Directly Impacting the Classrooms					
3.01	State Elimination Categorical Funding/Tier III				
3.02	K-3 Class Size Reduction (CSR) 30:1	40.0			(\$1,029,000)
3.03	Elementary Music Program	0.9			(\$60,000)
	Category 3 Savings Sub-Total	40.9	0.0	0.0	(\$1,089,000)
	Category 1, 2, and 3 Savings Sub-Total	45.3	3.3	5.5	(\$5,010,121)
	Full-Time Equivalent Sub-Total	45.3	3.3	5.5	54.05
	Number of Employees in Unit	459.0	219.0	46.6	724.6
	Percent of Employees in Unit	9.9%	1.5%	11.8%	7.5%

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					Additional Considerations			
					Full-Time Equivalent (FTE)			\$
					CVTA	CSEA	Mgmt	
Category 4. Still Under Discussion								
4.01	Furlough Days - savings per day							
		CVTA						(\$166,076)
		CSEA						(\$24,945)
		Management						(\$22,523)
4.02	Eliminate Career Enhancement Incentive Program							(\$105,000)
4.03	Eliminate Stipends for Exceeding Class Caps/Freeze							
4.04	Renegotiate Regional Occupation Program (ROP)							
				Category 4 Savings Sub-Total	0.0	0.0	0.0	(\$318,544)
Category 5. Discussed - No Action								
5.01	Eliminate K-8 Summer School program							
5.02	Home-to-School Transportation							
5.03	Class Ratio 34:1 at Grade 6-12							
5.04	Zero Period at CVHS							
5.05	Librarian							
5.06	Reduce Adult Ed Classes for Older Adults							
5.07	Increase fees for Adult Education classes							
5.08	Close District Office on Fridays in Summer							
5.09	Reduce the work week to four days							
5.10	District Level Consultants							
5.11	Computer Servers - Life Cycle Replacement							
5.12	Technology Support for Site-Based Initiatives/Support							
5.13	Meeting, Workshop & Conference Expenses							
5.14	District Celebrations/Events							
5.15	Restructure Special Education Services							
5.16	Classroom/Program Aides							
5.17	Expenditures for Utilities							
5.18	Cost of Supplies/Go Paperless							
5.19	Close/Reconfigure Schools							
				Category 5 Savings Sub-Total	0.0	0.0	0.0	\$0

The above recommendations focus on:

- Ensuring that the district addresses the current state budget
- Properly positioning the district for additional state budget challenges (e.g., future budget cuts due to the continuation of the economic downturn)
- Creating recommendations can be approved by the Board of Education
- Acting upon the recommendations in a timely manner
- Supporting deadlines established by State law in notifying employees of potential layoff

Beyond these recommendations, other alternatives will be reviewed regularly as possible offsets to mitigate some of the above recommendations. Such alternatives include negotiable items (e.g., furlough days, class size caps) and voter-approved actions (e.g., parcel tax).

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Other budget ideas also were considered as potential recommendations, but not included for the reasons detailed in Appendix B and Appendix C.

IMPLEMENTING ACTIONS

The Castro Valley Unified School District Board of Education will consider and act upon these recommendations at its regular meeting on Thursday, February 25, 2010.

Once direction is established by the Board of Education, the following actions will take place:

- | | |
|---|-------------------------------|
| • Authorize Certificated/Management Layoffs | February 25 th |
| • Authorize Classified Layoffs | March 25 th |
| • Confirm Certificated/Management Layoffs | Prior to May 15 th |
| • Adopt 2010-2011 Budget | June 26 th |

All budget reductions adopted by the Board will be effective on July 1, 2010, unless otherwise noted.

FUTURE CONSIDERATIONS

Future Considerations. When the Board of Education acts on these recommendations on February 25th, it is not the end of the budget process. Budget discussions will continue until the final district budget is adopted in June. While the state is also required to adopt its final budget by June 30, most fiscal experts do not believe that the state will meet its constitutionally required deadline, which means potential changes to the district adopted budget this summer and in the fall. Some fiscal experts are predicting mid-year cuts in 2010-2011, but until the state budget is adopted the district budget will not be finalized. Since the budget development process is an ongoing process, it is critical that all stakeholders remain informed and engaged as the district reviews and revises the budget in the months ahead. Staff will work to mitigate/minimize the impact of the budget cuts on students and staff, monitor the State budget situation for positive or negative changes, complete the development of the district's 2010-2011 budget, and consider alternative budget solutions, especially if the state budget situation does not improve.

. The Board and administration will continue working to:

- Mitigate/minimize the impact of the recommendations on students and staff
- Monitor the state budget for changes for the better or worse
- Finalize the district's 2010-2011 budget
- Consider alternative solutions, especially if the state budget situation does not improve. Possible Revenue enhancements include:
 - Donations (e.g., parent clubs, foundation, individuals)
 - Fees (as permitted by law)
 - Grants (as applicable)

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APPENDIX A. ASSESSMENT OF RECOMMENDATIONS

Category 1. Actions Furthest Away from Classroom (District-Level or District-Wide)

Recommendation #1.01 Use Federal Stimulus (SFSF)

Savings (\$/FTE)	\$1,238,063
Description: One-time State Fiscal Stabilization Funds (SFSF)	
Discussion: The district has received a total of \$3,567,740 in SFSF funding. The district will expend \$2,329,677 of the SFSF funding in 2009-2010 and the balance, \$1,238,063, will be used in 2010-2011 to offset the deficit. This is a one-time resource that is not available after 2010-2011.	

Recommendation #1.02 SOSCV! Donation

Savings (\$/FTE)	\$60,000
Description: Save Our Schools Castro Valley! (SOSCV!) was organized in the spring of 2009 to raise funds to support the district's academic programs. SOSCV! has already donated \$40,000 to the district for use in the 2010-2011 budget and has committed to donate at least another \$20,000 to the district by June 2010. These funds are donated to the district without restrictions on their use. The district will use the \$60,000 to offset potential budget cuts to the academic program.	
Discussion: The district will identify the program(s) to be funded with the SOSCV! donation so that donors to SOSCV! will know how their donations will be spent. The SOSCV! donation is one-time funding, therefore, whatever program(s) the donation funds must be identified as budget cuts in Year 2 and Year 3 of the multi-year budget projection.	

Recommendation #1.03 GF Contribution to Restricted Program/Mgmt Positions

Savings (\$/FTE)	\$101,736; 1.0 FTE Management
Description: The General Fund contribution to the GATE program will no longer be funded. This funding supported a district office administrative position in Curriculum and Instruction.	
Discussion: The GATE Program will no longer have a manager or funds for student services and professional development.	

Recommendation #1.04 Adult Ed (Sweep 07/08 Balance)

Savings (\$/FTE)	\$200,000
Description: Under the rules of Categorical Flexibility, the district can transfer \$200,000 in one-time funds from Adult Education into the unrestricted General Fund to cover operational expenses in FY10/11.	
Discussion: Due to dramatic reductions in K-12 funding the state passed legislation to allow school districts to "sweep" Adult Education 07/08 Fund Balances for use in the K-12 programs. This is a one-time resource that is not available on an on-going basis.	

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Recommendations #1.05 PAR (Sweep 07/08 Balance)

Savings (\$/FTE)	\$100,000
Description: Under the rules of Categorical Flexibility, the district can transfer \$100,000 in one-time funds from the Peer Assistance and Review (PAR) program into the unrestricted General Fund to cover operational expenses in FY10/11.	
Discussion: This action leaves \$17,000 to operate the PAR program for the remainder of FY09/10. This action leaves no funds to continue the PAR program in FY10/11. This is a one-time resource that is not available on an on-going basis.	

Recommendations #1.06 Deferred Maintenance (Sweep 07/08 Balance)

Savings (\$/FTE)	\$150,000
Description: Under the rules of Categorical Flexibility, the district can transfer Deferred Maintenance reserves into the unrestricted General Fund to cover operational expenses. The district intends to transfer \$450,000 from the Deferred Maintenance fund.	
Discussion: This action leaves approximately \$900K in the Deferred Maintenance reserves. This action draws down available funds for projects in the Deferred Maintenance five year plan. New revenues will not be provided for deferred maintenance until FY13/14. Annual expenses in prior years have averaged \$600K. Since FY10/11 is the last year the district can transfer these funds to the General Fund, the district will transfer \$450,000, but distribute the funds over three years, which provides funding for emergency maintenance projects. This is a one-time resource that is not available on an on-going basis.	

Recommendations #1.07 Elimination of District Level Management Positions

Savings (\$/FTE)	\$100,000; 1.0 FTE Management
Description: Eliminate a district level special education coordinator/administrator.	
Discussion: Reducing district level staff will mean less contact with teachers and parents, possibly slower turnaround time, and increased workload for the other staff. Much of the workload deals with monitoring legal compliance issues.	

Recommendations #1.08 Eliminate Transportation Coordinator Position

Savings (\$/FTE)	\$63,000; 1.0 FTE Management
Description: Eliminate the district level Transportation Coordinator position.	
Discussion: The Transportation Coordinator position is responsible to oversee the home to school transportation operation as well as student field trip services. Transportation services will continue in FY10/11, but the elimination of this position will require a redistribution of duties. The Director of Maintenance and Operations will assume all managerial responsibilities for the program while certain clerical duties will be handled by existing clerical staff in the Maintenance Department.	

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Recommendations #1.09 State Elimination Categorical Funding/Tier III – SLIP

Savings (\$/FTE)	\$310,500
Description: Under the rules of Categorical Flexibility, the district can transfer \$310,500 in one-time funds from the School and Library Improvement Program (SLIP) into the unrestricted General Fund to cover operational expenses in FY10/11.	
Discussion: Categorical funding was allocated to sites to use for student programs, services, instructional materials and professional development. The majority of SLIP funding went to hire instructional aides to assist teachers in providing small group instruction, class sections, and support materials and programs.	

Recommendations #1.09 State Elimination Categorical Funding/Tier III – Community Based English Tutoring

Savings (\$/FTE)	\$21,050
Description: Under the rules of Categorical Flexibility, the district can transfer \$21,000 in one-time funds from the Community Based English Tutoring (CBET) program into the unrestricted General Fund to cover operational expenses in FY10/11.	
Discussion: The CBET program works with second-language parents in the schools to help them acquire English language skills. The English language tutoring program will be able to remain in operation next year.	

Recommendations #1.09 State Elimination Categorical Funding/Tier III – School Safety and Violence Prevention

Savings (\$/FTE)	\$65,850
Description: Under the rules of Categorical Flexibility, the district can transfer \$65,850 in one-time funds from the School Safety and Violence program into the unrestricted General Fund to cover operational expenses in FY10/11.	
Discussion: Elimination of the School Safety and Violence Prevention funds will reduce the number of campus patrollers.	

Recommendations #1.09 State Elimination Categorical Funding/Tier III – Instructional Materials

Savings (\$/FTE)	\$318,938
Description: Under the rules of Categorical Flexibility, the district can transfer \$318,938 in one-time funds from the Instructional Materials Fund (IMF) into the unrestricted General Fund to cover operational expenses in FY10/11.	
Discussion: Funds for instructional materials will no longer be available in FY10/11. However, current curriculum adoptions are up-to-date and will not need to be replaced for four to five years. Restricted lottery funds will be used to purchase the English-Language Arts adoption.	

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Recommendations #1.09 State Elimination Categorical Funding/Tier III – Pupil Retention Block Grant

Savings (\$/FTE)	\$26,036
Description: Under the rules of Categorical Flexibility, the district can transfer \$65,850 in one-time funds from the Pupil Retention Block Grant resource into the unrestricted General Fund to cover operational expenses in FY10/11.	
Discussion: The Pupil Retention Block Grant is used to support the TOPS Program at CVHS. The TOPS Program is a 9 th grade transitional program that supports students who are having difficulty with academics and the transition from middle school to a more rigorous high school curriculum. The program will no longer be funded and staff will explore options for students currently served by the TOPS Program.	

Recommendations #1.09 State Elimination Categorical Funding/Tier III – Professional Development Block Grant (PDBG)

Savings (\$/FTE)	\$168,448; 1.0 FTE
Description: PDBG funding is used to support the new teacher induction program, Tri-Valley Teacher Induction Program (TV-TIP).	
Discussion: First and second year teachers need to clear their credential with specific course work and/or professional development. TV-TIP provides the necessary training. Since there will be fewer new teachers requiring an induction program to clear their credential, the PDBG funds may be transferred to the General Fund and used for other services.	

Recommendations #1.10 District Office Classified

Savings (\$/FTE)	\$100,000; 2.0 FTE CSEA
Description: Reduce two district office 12 month clerical positions to 11 months. Eliminate 1.0 FTE district office receptionist. Eliminate 1.0 FTE personnel clerk.	
Discussion: The reduced work year will result in less service during the summer months or one other month during a less impacted time of year. Coverage of the receptionist desk will become shared responsibility with reduced coverage between departments. Elimination of personnel clerk will result in less district support to sites and staff in terms of personnel issues.	

Recommendations #1.11 District Membership Dues

Savings (\$/FTE)	\$29,000
Description: The district will eliminate the payment of Association of California School Administrators (ACSA) dues for all district administrators.	
Discussion: No professional dues will be paid for administrators who will lose all ACSA services, including professional development and current information on relevant topics. Individuals will be able to pay individual dues.	

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Recommendation #1.12 Reduce Maintenance Services

Savings (\$/FTE)	\$50,000; 1.0 FTE CSEA
Description: Eliminate one Maintenance Worker position	
Discussion: The elimination of one worker would result in a reduction of maintenance service to district facilities, which will impact response time and may result in an increased backlog of work orders. The department's primary emphasis will be on health and safety issues. Less staff time will be available for special requests from sites and departments.	

Recommendation #1.13 Reduce Elementary Principal

Savings (\$/FTE)	\$65,000; 0.5 FTE Management
Description: Eliminate the .5 FTE principal position at Jensen Ranch. Assign the existing 1.0 FTE Jensen Ranch principal to cover both Jensen Ranch and Palomares.	
Discussion: The Jensen Ranch principal resigned from the district in FY09/10. The district assigned the Palomares principal to the Jensen Ranch position, implemented a hiring freeze on the Palomares position, and assigned both schools to one person for FY09/10.	

Category 2. Actions Closer to the Classroom (School-Level; Indirect Impact to Classroom)

Recommendation #2.01 State Elimination Categorical Funding/Tier III

Savings (\$/FTE)	To Be Determined
Description: With the reduction of categorical funding, sites will need to reduce staff that is currently paid for with categorical funding. This will be a site decision.	
Discussion: See Recommendation #1.09	

Recommendation #2.02 Elementary Prep Period Scheduling Adjustment

Savings (\$/FTE)	\$24,000; 0.4 FTE CVTA
Description: Re-distribute staffing allocation for 4th & 5 th grade science prep periods	
Discussion: Students will receive the same amount of science instruction. Staffing allocations will be re-distributed and reduced .4 FTE.	

Recommendation #2.03 Eliminate Funding for Athletic Program – K-5

Savings (\$/FTE)	\$17,000
Description: The 2009-2010 budget cut K-5 athletic funding by 50% eliminating volleyball. This recommendation eliminates the remaining \$17,000 in the K-5 athletic budget, which is used primarily for coaching stipends. There will not be a district funded K-5 athletic program.	
Discussion: Due to this year's budget crisis, the K-5 principals decided to cancel the K-5 track season, therefore, the \$17,000 in the 2009-2010 budget will not be spent. If any K-5 athletic program is offered in 2010-2011, it will be run on donations and by volunteers. The district will need to decide if individual schools can run programs if not all the schools offer the program, which could be an equity issue. The use of volunteers needs to be coordinated with the provisions of the collective bargaining agreement. The elimination of K-5 athletic funding eliminates an extra-curricular option for K-5 students.	

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Recommendation #2.04 Eliminate Funding for Athletic Program – 6-8

Savings (\$/FTE)	\$35,000
Description: The 2009-2010 budget cut 6-8 athletic funding by 50%. This recommendation eliminates the remaining \$35,000 in the 6-8 athletic budget, which is used primarily for coaching stipends. There will not be a district funded 6-8 athletic program.	
Discussion: When the 6-8 athletic budget was cut by 50% for 2009-2010, there was an understanding with the district, schools and parents that student-athletes would donate \$50 per student per sport to make up the \$35,000 budget cut. The donations have not materialized at the expected level, \$35,000. Besides the per student-athlete donation, the booster clubs at the middle school also fundraise to support the program. If any 6-8 athletic program is offered in 2010-2011, it will be run on donations and by volunteers, subject to the collective bargaining agreement. The district will need to decide if an individual school can run a program if the other school is not participating due to the lack of funds, which could be an equity issue. The use of volunteers needs to be coordinated with the provisions of the collective bargaining agreement. The elimination of 6-8 athletic funding eliminates an extra-curricular option for 6-8 students.	

Recommendation #2.05 Eliminate Funding for Athletic Program – 9-12

Savings (\$/FTE)	\$100,000
Description: The 2009-2010 budget cut 9-12 athletic funding by 50%. This recommendation eliminates the remaining \$100,000 in the 9-12 athletic budget, which covers all aspects of an inter-scholastic athletic program. There will not be a district funded high school, inter-scholastic athletic program.	
Discussion: When the 9-12 athletic budget was cut by 50% for 2009-2010, there was an understanding with the district, the school and parents that student-athletes would donate \$150 per student per sport to make up the \$100,000 budget cut. The donations have not materialized at the expected level, \$100,000. In fact, the amount of the donations has been so small that the high school canceled all athletic transportation starting in December 2009 in order to operate within the reduced budget. Besides the per student-athlete donation, the booster club also fundraises to support the athletic program. If any high school athletic program is offered in 2010-2011, it will be run on donations. The district will need to decide if an individual sport will be offered if the sport can cover the cost of the sport. The district will need to consider equity issues, especially Title IX, as well as North Coast Section (NCS) and California Interscholastic Federation (CIF) requirements and regulations. The loss of revenue from athletic events will impact funding for the Associated Student Body (ASB) accounts and thus reduce what ASB can provide for all students, not just athletes. The elimination of high school athletic funding eliminates an extra-curricular option for students and could result in student-athletes transferring out of the district causing a further loss of revenue for the district.	

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Recommendation #2.06 Release Periods

Savings (\$/FTE)	\$60,000; 1.0 FTE CVTA
Description: Athletic directors and the high school leadership teacher are currently released from other teaching duties as well as paid an additional stipend for performing these services.	
Discussion: The number of release periods for these services will be reduced. At the high school, the AD and leadership teacher may still have a release period based on need. Without the release periods, the levels of services will be reduced or eliminated. If the positions remain, there is a stipend for the position.	

Recommendation #2.07 Counseling Services

Savings (\$/FTE)	\$180,000; 3.0 FTE CVTA
Description: Reduction of counseling services by 3.0 FTE.	
Discussion: The reduction of counseling services will reduce limit students' access to their counselor and counseling services including the maintenance of ongoing social groups counseling, college advising, academic counseling, and positive adult contacts for students.	

Recommendation #2.08 Career Enhancement Incentive Program (CEIP)

Savings (\$/FTE)	\$50,000
Description: Reduce the budget for the CEIP program by \$50,000 based on FY09/10 projected expenses.	
Discussion: The district allows sites to request specific CEIP subs, if the site pays the additional cost from site funds. As a result CEIP retirees have fewer opportunities to substitute to earn their maximum, \$7500, but can serve in other roles t earn their \$7500.	

Recommendation #2.09 Extra Duty Stipends

Savings (\$/FTE)	\$75,000
Description: Certificated staff members are compensated for additional duties performed outside of their work day according to established rates in the collective bargaining agreement.	
Discussion: Elimination of these stipends will result in the elimination of services and programs (e.g., elementary school music and drama productions, lead teachers, student extra-curricular activities).	

Recommendations #2.10 Site Classified

Savings (\$/FTE)	\$12,500; 0.25 FTE CSEA
Description: Reduce 12 month clerical positions to 11 months including three secondary secretaries	
Discussion: The reduced work year will result in fewer services during the summer months. Middle school offices will be closed during the month of July. CVHS will remain open during the summer with coverage by summer school personnel. Students and parents may need to wait until August for services and will not have the level of service that has existed in the past. Some work in July could be shifted to the district office staff.	

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Recommendation #2.11 Assistant Principals

Savings (\$/FTE)	\$200,000; 2.0 FTE Management
Description: Eliminate 2 assistant principals at the secondary levels	
Discussion: One assistant principal position will be eliminated from the middle schools resulting in one shared position (1.5 FTE @ Canyon, .5 FTE @ Creekside). One position will be eliminated from the high school. The loss in administrative positions will result in a reduction of administrative services to students, staff, and parents and create an additional work for the remaining administrative team or the service will not be provided.	

Category 3. Actions Directly Impacting the Classrooms

Recommendation #3.01 State Elimination Categorical Funding/Tier III

Savings (\$/FTE)	To Be Determined
Description: See Recommendation #1.09.	

Recommendation #3.02 K-3 Class Size Reduction (CSR) 30:1

Savings (\$/FTE)	\$1,029,000; reduce 40.0 FTE CVTA
Description: Increase class size in grades K- 3 from 20:1 to 30:1.	
Discussion: Given the scope and severity of the budget cuts and the state’s budget crisis, it does not appear possible to maintain the CSR program at 20:1 in K-3. There will be more students per classroom and some instructional space will be lost. Depending on the number of students at a particular grade level, there may be combination classes.	

Recommendation #3.03 Elementary Music Program

Savings (\$/FTE)	\$60,000; reduce 0.9 FTE CVTA
Description: Reduce the general fund contribution to the elementary music program.	
Discussion: The proposed music reductions are at the elementary level, but will undoubtedly impact the music program at the middle and high schools. Since the music program is a district program, the music teachers will not be able to offer the depth and breadth of program they have in the past due to a reduction in staff.	

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APPENDIX B. AREAS STILL UNDER DISCUSSION OR CONSIDERED BUT NOT
INCLUDED IN RECOMMENDATIONS

The following areas were identified either during the original budget solution brainstorming process or during subsequent feedback from staff, parents, or community members. All were discussed and reviewed. For the reasons specified, these areas were not included in the recommendations contained in this report.

Category 4. Still Under Discussion

Recommendation #4.01 Furlough Days - CVTA

Savings (\$/FTE)	\$166,076;
Description: Each furlough day from a CVTA member produces a savings of \$166,076.	
Discussion: The work year calendar, which includes furlough days, is a negotiated item under the collective bargaining agreement. The district plans to negotiate the work year calendar.	

Recommendation #4.01 Furlough Days - CSEA

Savings (\$/FTE)	\$24,945;
Description: Each furlough day from a CSEA member produces a savings of \$24,945.	
Discussion: The work year calendar, which includes furlough days, is a negotiated item under the collective bargaining agreement. The district plans to negotiate the work year calendar.	

Recommendation #4.01 - Furlough Days - Mangement

Savings (\$/FTE)	\$22,523;
Description: Each furlough day from an administrator or manager produces a savings of \$22,523.	
Discussion: The work year calendar for administrators and managers is not subject to collective bargaining. Management will take at least the same number of furlough days as CVTA and CSEA, if negotiated.	

Recommendation #4.02 Eliminate Career Enhancement Incentive Program (CEIP)

Savings (\$/FTE)	\$105,000;
Description: The CEIP provides CVTA retirees with up to \$7500 per year for work performed.	
Discussion: Any change to the retirement benefit is subject to negotiations under the collective bargaining agreement.	

Recommendation #4.03 Eliminate Stipends for Exceeding Class Caps/Freeze

Savings (\$/FTE)	
Description: When teacher's class size or number of student contacts exceeds the limit in the collective bargaining agreement, the teacher receives a stipend.	
Discussion: Any change to the class size, number of student contacts, and/or the amount of the stipend is subject to negotiations under the collective bargaining agreement.	

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Recommendation #4.04 Renegotiate Regional Occupation Program (ROP)

Savings (\$/FTE)	
Description: The Eden Valley Regional Occupation Program (EAROP) is established under a Joint Powers Agreement (JPA) which details the distribution of state funds to the EAROP and the districts as well as the charges for operating the EAROP.	
Discussion: The district is discussing funding options with EAROP, but until EAROP knows it's funding from the state, it is not possible to make any significant changes.	

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APPENDIX C. AREAS DISCUSSED OR CONSIDERED BUT NO ACTION TAKEN

Category 5. Discussed - No Action

Recommendation #5.01 Eliminate K-8 Summer School Program

Discussion: The district will offer a K-5 summer school program for students at the three Title I schools funded with Title I funds. Special Education will offer the legally required extended year program based on student's IEP's. Adult Education will offer an enrichment K-5 summer program. The net fiscal impact is budget neutral since all programs will be paid from restricted funds.

Recommendation #5.02 Home to School Transportation

Discussion: Adverse impacts on student enrollment, student safety, and vehicle traffic around schools outweigh potential budget savings.

Recommendation #5.03 Class Ratio 34:1 at Grade 6-12

Discussion: Class size at these grades is already near 32 and further reductions would require eliminating specific subject area classes.

Recommendation #5.04 Zero Period at CVHS

Discussion: The high school seven-period day was eliminated for 2009-2010. Zero period allows the school to accommodate students with impacted class schedules.

Recommendation #5.05 Librarian

Discussion: The district is legally required to have one certificated librarian; therefore, this position may not be eliminated.

Recommendation #5.06 Reduce Adult Ed Classes for Older Adults

Discussion: Certain classes were reduced or eliminated in 2009-2010 and additional staffing reductions for these classes are under discussion. Increased fees for these classes are also under discussion. However, reducing services and/or increasing fees could reduce enrollment and revenue.

Recommendation #5.07 Increase fees for Adult Education classes

Discussion: Fees were increased in 2008-2009 and 2009-2010. Fee based community interest classes not supported by state funds and are closely monitored to ensure that they break even. Increasing fees too high could reduce enrollment and revenue.

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Recommendation #5.08 Close District office on Fridays in Summer

Discussion: The closure would not be possible with summer programs in session and early August school office activities. The district cannot require a bargaining unit member to take a day off unless the district and employee bargaining unit negotiate furlough days.

Recommendation #5.09 Reduce the work week to four days

Discussion: The collective bargaining agreements include a number of days for the work year. Any change to the work year calendar must be negotiated. The potential savings from utility costs would be minimal since the schools are required to meet the same instructional minutes.

Recommendation #5.10 District Level Consultants

Discussion: District level consultants are needed to perform various functions that are necessary for the operation of the District and for which the district does not employ individuals with the necessary expertise (e.g., legal counsel, auditors mandated by law). Additionally, many contracted services provide ongoing support to the schools and district (e.g., School Resource Officers, finger printing services). The district uses consultants as needed to complete mandated and other required work.

Recommendation #5.11 Computer Services – Life Cycle Replacement

Discussion: Not replacing computer servers in a timely and appropriate manner will jeopardize the district's computer network which includes student's records, financial and payroll systems, personnel records, email, and other technology services.

Recommendation #5.12 Technology Support for Site Based Initiatives/Support District Programs Only

Discussion: There is a negligible savings since the issue is the use of existing staff's time. If necessary, this recommendation can implement without board action.

Recommendation #5.13 Meeting, Workshop & Conference Expenses

Discussion: Expenses for this category already have been reduced. Professional development remains an important need for the district and cannot be eliminated entirely. Federal Title II funding pays for much of the professional development and Title II funds cannot be used for any other purpose. Additionally, the normal operation of the district required professional development in order for staff to remain current with operational systems and programs.

Recommendation #5.14 District Celebrations/Events

Discussion: There is a negligible savings and district celebrations and events have already been curtailed in FY09/10. This recommendation can implement without board action.

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Recommendation #5.15 Restructure Special Education Services

Discussion: The district is currently reviewing Special Education services for potential changes that could reduce expenditures while providing students with the appropriate and necessary level of services.

Recommendation #5.16 Classroom/Program Aides

Discussion: Certain classroom aides are required as part of individual education plans (IEPs) for special education students. Other aides will be reduced in Recommendation #1.09.

Recommendation #5.17 Expenditures for Utilities

Discussion: There is an on-going process to reduce energy and water usage.

Recommendation #5.18 Cost of Supplies/Go Paperless

Discussion: Certain improvements have been implemented, and more are underway that move some district processes to towards becoming paperless. The district would have to purchase additional equipment (e.g., computers, network systems) to go totally paperless.

Recommendation #5.19 Close/Reconfigure Schools

Discussion: Given the lead time necessary to close and/or reconfigure a school, the district is not pursuing this option at this time.