

## 2010-2011 EXPENDITURE CUTS WORKSHEET

- Instructions:**
1. Review each type of reduction.
  2. Select the amount of each type of reduction.
  3. Enter the dollar-figure savings for each type of reduction in the **TOTALS** column.
  4. Add all three categories together to get a grand total.

### WORKSHEET

TYPE OF REDUCTION	AMOUNT OF REDUCTION	TOTALS
<p>Each 0.1% reduction of the reserve saves \$52,000.</p>	<p>Reduce reserve by 0.1% → Save \$52,000            Reduce reserve by 0.2% → Save \$104,000            Reduce reserve by 0.3% → Save \$156,000            Reduce reserve by 0.4% → Save \$208,000            Reduce reserve by 0.5% → Save \$260,000  <u>Rationale:</u> It is called the “reserve for economic uncertainty” for a reason. These are definitely uncertain times right now for California public education. If the reserve can be used to buy us a year’s worth of time to save teachers’ jobs, then we’re using the reserve for its intended purpose. State law allows the district to drop the reserve temporarily below 3% to deal with this economic crisis.</p>	
<p>Each 1% reduction in expenditures in “Services and Operating Expenses” saves \$75,000.</p>	<p>Cut expenses by 1% → Save \$75,000            Cut expenses by 2% → Save \$150,000            Cut expenses by 3% → Save \$225,000            Cut expenses by 4% → Save \$300,000            Cut expenses by 5% → Save \$375,000            Cut expenses by 6% → Save \$450,000            Cut expenses by 7% → Save \$525,000  <u>Rationale:</u> If cuts need to be made, let’s keep them away from the classroom, away from students. Cuts to services don’t lower morale the way layoffs do. Plus, cuts to services can spur the district to operate in a more efficient manner, leaving a greater percentage of funds to be spent on students. Three areas to consider for reductions:</p> <ol style="list-style-type: none"> <li>1. Legal costs: The district has generated a lot of legal costs over the years through its rather combative stance in labor relations. For example, the district refused to bargain the impacts and effects that the 2008 layoffs had on affected employees. This has resulted in thousands of dollars of legal expenses in PERB. Commit right now to a change in attitude on the district’s part toward labor relations. Reduce the need for expensive legal battles. By the way, the district could probably save \$20,000 or so in legal fees just by abandoning this current layoff process.</li> <li>2. Adopt a conservation plan to reduce utility costs. This will require</li> </ol>	

	<p>a commitment to “go green.” What better message to send to the community: Commit right now to a green workplace. Free up more spending for the classroom. It will have the added benefit of reducing the need to lay off employees.</p> <p>3. Train administrators. The more that the administration can perform needed work in-house, the less need the district will have to hire outside consultants for expertise and advise. Although it may be more convenient to pay for these sorts of services, it has the ultimate effect of draining money away from the classroom. Commit to professional development right now for administrators, target two or three areas of service expenditures for reduction, and train our administrators to take on these responsibilities in-house.</p>	
<p>Each reduction of an administrative position* saves \$125,000 to \$150,000.</p>	<p>Cut 1 admin position → Save \$125,000 to \$150,000          Cut 2 admin positions → Save \$250,000 to \$300,000          Cut 3 admin positions → Save \$375,000 to \$450,000  <u>Rationale:</u> Layoffs in any segment of the workforce are painful. However, if it must come down to layoffs, then the impact to the classroom is most directly felt by students when teachers are laid off. Therefore, consolidation and/or redeployment of a smaller administrative staff is a more educationally sound decision. Possible models include:</p> <ol style="list-style-type: none"> <li>1. Sharing of K-8 assistant principals among schools.</li> <li>2. Reducing one high school assistant principal.</li> <li>3. Further consolidation of the Educational Services Department, perhaps modeled after the Human Resources Department, with one Director and two administrative assistants.</li> <li>4. Reducing the Business Office. There are currently three finance administrators and two maintenance and operation administrators. Consolidate these services. Remember that we will have facilities expertise from a facilities manager for several years because of Measure E.</li> </ol>	
	<p><b>GOAL = \$720,000 OF SAVINGS TO STOP NINE TEACHER LAYOFFS! →</b></p>	

*Maximum potential savings from these expenditure reductions are \$1,160,000 to \$1,235,000.*

\* Areas for potential administrative position cuts include: K-8 assistant principals, high school assistant principal, coordinator of special projects, interim director of child welfare and attendance, director of business services, purchasing agent, director of maintenance and operations, and custodial manager.

Source: BHEA. Date: Feb. 25, 2010.