

**Board of Education  
LONG BEACH UNIFIED SCHOOL DISTRICT**

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SUBJECT: Budget Reductions and Revisions, Phase III

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CATEGORY: New Business

Reason for Board

Consideration: Action

Business Department

Date: December 7, 2010

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**BACKGROUND:**

In accordance with California Education Code 42127, the District's governing board approved the 2010-2011 Adopted Budget at its June 14, 2010 meeting and submitted it to the Los Angeles County Superintendent of Schools. In the absence of a state-approved budget, the District's Adopted Budget included budget assumptions consistent with the Governor's May Revisions to the Proposed Budget.

The state has experienced dramatic declines in revenue due to the severe economic downturn which began in the fall of 2007 and has made extensive reductions to public education funding as a result of the decline in state revenue. Based on the current status of the state budget and staff multi-year projections, the District faces major budget deficits.

Staff has received information that, due to budget reductions not specified but included in the Adopted Budget and two subsequent years, the county office has required the District to submit specific Board-approved revenue enhancements, expenditure reductions and/or flexibility transfers that allow the District to project a reserve level that meets the minimum requirements of the State Criteria and Standards for 2011-12 and 2012-13.

In order to meet this requirement and to prepare for reduced revenues, staff is engaged in a procedure to identify efficiencies designed to reduce expenditures, maximize flexibility for state categorical programs, and increase revenues. These efforts are enhanced by input and suggestions from on-line budget surveys, Budget Advisory Committee, and numerous meetings held with stakeholders.

The Board may consider budget reductions and revisions in any department, division, program, or service in the District, including, but not limited to items listed as well as reductions in force or in hours for management and non-management certificated and classified positions. In addition, recommended actions of reducing unrestricted General Fund expenditures may include utilization of categorical funding, revenue enhancements, realignment of priorities, and implementation of other reductions.

**RECOMMENDATION:**

Approve staff recommendations for budget reductions and revisions.

Approved and Recommended:

Christopher J. Steinhauser  
Superintendent of Schools

**Long Beach Unified School District  
 Budget Expenditure Information  
 Proposed Staff Recommendation for Reductions  
 December 7, 2010**

No.	Description	On-Going	One-Time	Estimates
1	Implement CSEA Unit B contract changes. One-time savings include furlough days and suspension of step advancement. On-going savings include health & welfare plan changes effective 1-1-2011 and 5% employee contribution effective 1-1-2012. (The contribution estimate for FY 2011-12 is \$64,638 and a full-year estimate is \$129,275.)	\$ 115,324	\$ 462,867	\$ 578,191
	<b>Total</b>	<b>\$ 115,324</b>	<b>\$ 462,867</b>	<b>\$ 578,191</b>