



SAN DIEGO UNIFIED SCHOOL DISTRICT



2017-18 BUDGET UPDATE

**BOARD OF EDUCATION PRESENTATION
FEBRUARY 21, 2017**



Agenda



- Budget Update
- Solutions
- Impacts



Budget Framework



- Protect classroom
 - No change to class size limits
 - No change to instructional year
- Continue to focus resources on achieving Quality Schools in Every Neighborhood
- Goal is financial stability
- Structural challenges



Projected Budget Deficit



	2016-17	2017-18	2018-19
First Interim Deficit		(\$116.6) Mil	(\$49.8) Mil
Proposed Governor's Budget			
Ongoing	0.9	(22.5)	(15.4)
One-time	-	4.8	-
Other income	2.5	3.5	3.4
Expenditures	5.5	(2.5)	1.5
PY Balance	-	8.9	-
Additional 17-18 Reductions	-	-	7.8
Revised	\$8.9 Mil	(\$124.4) Mil	(\$52.5) Mil



Budget Solutions



Potential Budget Strategies*
Continue prior year solutions
Revenue generation
Defer action
Staff to allocation
Transfer to categorical funding/other fund
Reduce/eliminate unrestricted contribution to restricted programs
Eliminate unfunded positions
Central office adjustments/realignments/reductions
Reduce work year (not school year)
Revise health benefits
Schools adjustments/reductions
Revise staffing allocation

*Some items may be subject to negotiations



Background



- **Prior to Governor's Budget (December 2016)**

- Primarily Central Office \$44 million
- Primarily Centralized Support Services \$21 million
- Primarily Schools \$52 million

Total **\$117 million**

- **Post Governor's Budget (January 2017)**

- Primarily Central Office \$63.1 million
- Primarily Centralized Support Services \$31.8 million
- Primarily Schools \$29.5 million

Total **\$124.4 million**



Potential for Change



- **Risks Requiring Fiscal Restraint**

- Second and Third Interim Reports
- May Revise
- Less than anticipated savings in ECE and SE
- Reduction in Federal Funds – Title I, II, III
- Decline in enrollment

- **Opportunities**

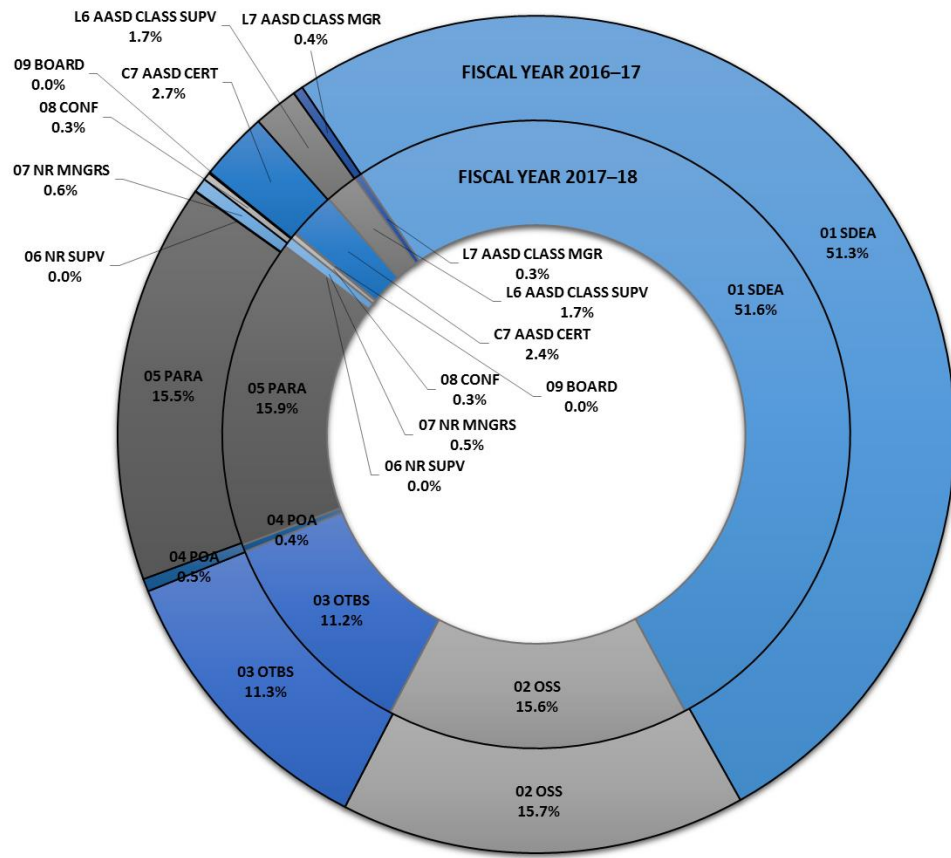
- May Revise
- Hiring/spending freezes



Impacts to Staffing



YEAR-OVER-YEAR PERCENT OF TOTAL BUDGETED FTE BY BARGAINING UNIT

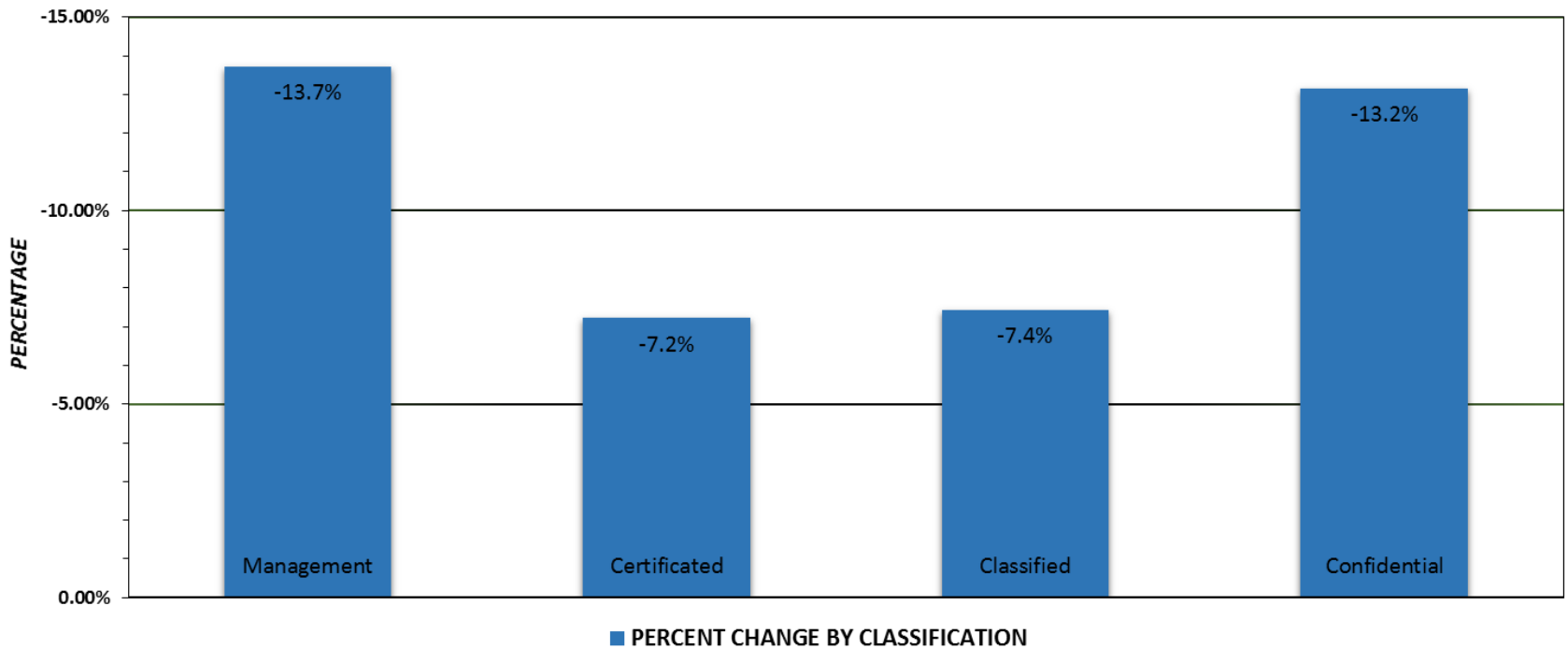




Impacts to Staffing



FTE BUDGET (REDUCTION) CHANGE BY CLASSIFICATION





Human Resources

- **Actions For Permanent, Probationary, and Temporary Employees**
- **Certificated Layoff Procedure**
 - Particular Kinds of Service (PKS) calculation
 - Employee impacts
 - Timelines
- **Classified Layoff Procedure**
 - Employee impacts
 - Timelines

Certificated Employee Status: Permanent, Probationary, and Temporary



- Three different types of employment status for certificated employees and three different types of release procedures:
 - Permanent employees- Education Code layoff procedure
 - Probationary employees- Contractual layoff procedure
 - Temporary employees- Guarantee of work is only 1 year, employees are annually released from employment

Certificated Layoff Procedures

12

Permanent Employees

- Education Code 44955
- Employees are laid off in order of least seniority and reemployed in the inverse
- Employees are entitled to a hearing

Probationary Employees

- SDUSD/SDEA CBA Article 19
- Employees are laid off in order of least seniority and reemployed in the inverse
- Employees are not entitled to a hearing

Particular Kinds of Service Calculation



- In order to lay off certificated staff, the Board of Education must make the decision to reduce or eliminate particular kinds of service (PKS).
- To calculate the PKS:
 - Sites and departments identify the credential areas needed to teach courses or provide services in the Site Based Budgeting process (SBB)
 - Employees whose credential areas are no longer needed in the District; or there are more staff with the same type of credential than needed based on SBB are the credential areas listed in the PKS

PKS and Layoff Process



What were the factors in determining the sum of FTE of the PKS?

- + The number of administrators returning to a classroom.
- + The number of Central Office repost for resource teachers
- + The number of vacancies to be staffed due to changes in the master schedule
- + The number of FTE identified by credential area due to the budget solutions
- = The number of FTE identified in the PKS

The number of FTE no longer needed by credential area is a result of:

- The elimination or reduction of programs
- The service model has changed

What are the variables between March and June that influence who will be identified within the staff who are impacted? These variables will change who is impacted during this process.

- Master Schedule Changes (February)
- People who take or return from a leave of absence (March)
- Staff who fill Central Office vacancies (April)
- Retirees (May and ongoing)
- Resignations (Ongoing)

How do we determine who is impacted by the elimination of positions?

The credentials of staff are evaluated and matched to the specific positions needed for the 17-18 school year.

How do we determine who is finally impacted at the end of the process?

Staff who hold credentials that no longer match the needs of the district will be impacted by the layoff process.

Certificated Timelines



February 28	Approves resolution to issue the Notice of Intent to Dismiss to Certificated employees
March 1- March 13 <i>(Target date of March 10)</i>	<ul style="list-style-type: none">• HR to prepare Notices of Intent to Dismiss and send notices to impacted employees via certified mail• Principals and Managers hand deliver notices
April TBD	Permanent Teacher Hearing
May 7	Last date Administrative Law Judge may issue the decision from the hearing
Before May 15	<ul style="list-style-type: none">• The board approves decision of Notice to Dismiss• HR sends out Notices to Dismiss

Classified Layoff Procedure



The elimination or reduction of positions in the Classified Service is governed by Education Code 45114 and the applicable CBA.

- Employees are required to be given a 60 day notice
- Each bargaining unit contract (AASD, OSS, OTBS, PARA, and POA) also have specific layoff procedures.
- Classified employees are not entitled to a hearing prior to layoff.
- Employees may be eligible to be reemployed in another position for which they are qualified (bumping).

Classified Employee Impacts

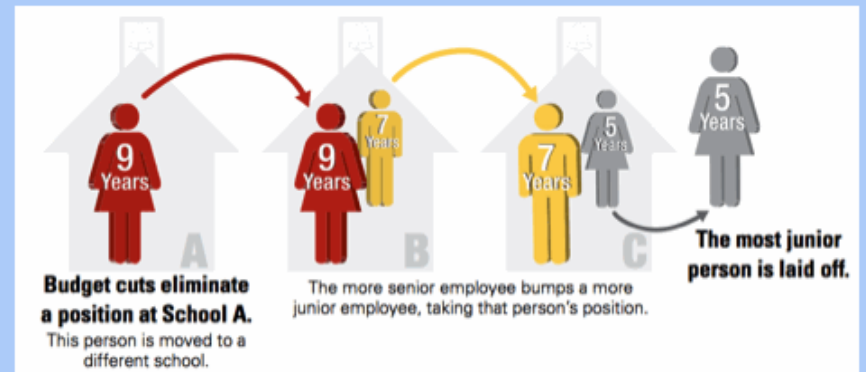


- The elimination or reduction of positions is specific by position title, work year, and hours for Classified positions. Positions are identified in the following ways:
 - Vacant positions that have never been filled or are now vacant due to resignation or retirement.
 - End of grant/foundation funding.
 - Department reorganization.
 - School site priorities change.
- Employees with the least seniority are affected first.

Seniority Placement of Employees

18

- Employees in positions impacted by the reduction or elimination of positions are placed in existing positions based on their seniority. This is known as the “bumping” process.
- Bumping impacts more than the individual in the position identified to be eliminated or reduced since employees with more seniority can take a position of an employee with less seniority. People who are bumped also have rights to bump another employee with less seniority.



Classified Timelines



February 28	Board decision regarding the issuance of layoff notices to Classified employees
March 1- March 3	<ul style="list-style-type: none">• HR to prepare Notices to send via mail. This includes employees whose positions were eliminated or reduced and also those employees affected by bumping.• Principals and Managers hand deliver notices.
March 6	Information meeting for Classified employees impacted by the Layoff
March 10- 16	Options notices due back to HR for all Classified Employees. HR reviews the choices made by employees to determine placement based on seniority. The bumping process is then redone based on the options notices and retirements/ resignations.
March 17	Assignment letters sent to affected classified employees
	Assignment letters are due back to HR. Employees must accept the new assignment or they will be laid off.
June 30	Last day for classified employees in their current positions
July 1	Effective date of layoff

Supports for Employees



- Online, In-person, or via telephone supports through the Employee Assistance Program.
- Frequently Asked Questions
- Informational meetings to be held in March
- Transition workshops for classified employees and their supervisors who have been impacted by the layoff- June 2017



Board Action Requested



- First Reading of the proposed solutions to balance the 2017-18 budget totaling \$124.4 million, including specific budget solutions and resolutions to reduce and/or eliminate certificated and classified services
- Action on these items will be on February 28, 2017