



**Stephen F. Vaczovsky**  
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BOARD OF EDUCATION  
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January 22, 2010

Trustees:

I would like to start this letter with a reminder of a quote which I have repeated many times in many different venues from the beginning of our efforts to present to the Board a list of potential budget reductions:

“Do not confuse the ability to give input with the right to make the decisions. Only the Board will decide the specific items which will eventually be cut from the 2010 – 2011 SUSD budget to deal with our expected multi-million dollar shortfall.”

My intent was to remind the entire district that a decision of this magnitude resides solely with the Board. It was also to lay a foundation of thought that when all of the necessary information was collected and presented to you, we could be confident that you would lead us in the decision making process. That time has come.

With this in mind, your management team offers to you budget items for your review, deliberation and decision that will allow SUSD to reduce its present expenditures by over 28 million dollars meeting the anticipated budget deficit for the 2010 – 2011 school year. This list also accounts for a prudent reserve in the event that the State budget process imposes an additional monetary burden on us beyond what we already anticipate.

These budget items were thoughtfully compiled after meetings with the trustees, community, labor unions, administration, staff and others to assure that the thoughts and concerns of our entire community were considered. The structure of the lists is designed to provide you with the amount of money each item would involve as well as the impact on staffing.

There are additional items which are not listed and reside in the various contracts that we have with our many collective bargaining units. Please understand that the absence of these contractual items is not an oversight but rather a matter of law. Rules surrounding negotiations do not allow us to “bargain” these items publicly rather we must release them to you in the proper manner with respect to the law. Such items would be consideration of furlough days, reduction in salary, and other guarantees in the labor unions contracts that are viewed by some as generous considerations when you look at the dollars they represent.

So we now are at the point where we need your direction. The month of February has been set aside to deliberate these matters in public and to give you the opportunity to gain additional information from employees and our community. My staff will be ready at all times to answer any questions regarding these items as it relates to their departments and staff. We are hopeful that you will be able to make a decision on these budget items on February 23<sup>rd</sup> leaving the staff adequate time to send the legally required communication to the certificated employees in the case of a reduction in force.

I want to add my support for any decisions that you make and my assurance that in my role as Interim Superintendent I will carry out your budgetary wishes with the least amount of interruption to the operation of the district and the instruction of our children.

We will be sending similar budget informational packages to our bargaining units and the information will be made available to the public on Monday morning so that everyone is well informed throughout this process. We felt it was important that you received the information first and had the weekend to review the documents prior to their public release.

Please contact me if you have any questions concerning the items we have supplied you with today. We will be contacting you for individual meetings with Jason Willis and me regarding these documents.

Respectfully,

A handwritten signature in black ink, appearing to read "Steve Vaczovsky". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Steve Vaczovsky, Interim Superintendent  
Stockton Unified School District

## **Proposed Board Process for Identifying Necessary Reductions for 2010-11 SUSD Budget**

Beginning at the first special Board meeting on February 2<sup>nd</sup> you will begin the process of review, deliberation and decision-making that will allow SUSD to close the estimated budget gap for the 2010-11 fiscal year and remain fiscally solvent. The preparation and presentation of these materials by the management team is intended to provide you with a clear process to attain this objective.

The lists that follow include a list of potential budget reduction items that represent the best thinking of the SUSD community based on the meetings with the trustees, parents, labor unions, administration, staff and others. Items that do not appear on these lists were either negotiable items – as mentioned above – or items that the school district is required to perform as governed by federal or state law and regulation.

In order to assist in the facilitation of this process, there are two lists attached. The two lists are: (1) List A: Proposed Reductions for 2010-11 FY for Board of Education Consideration and (2) List B: Other Budget Reduction Options for 2010-11 FY for Board of Education Review.

### *List A: Proposed 2010-11 FY Budget Reductions for Board Consideration*

This combination of items identifies sufficient budget reductions that would allow the District to meet its target to close the estimated \$28.5 million dollar budget gap and an additional amount as a reserve for legislative action/contingencies.

### *List B: Other Budget Reduction Options for Board Consideration*

This combination of items provides other options for budget reductions. These items include additional, potential budget savings that may replace items on List A. These items are possible reductions but your management team considers these as more onerous than the items in list A.

The first column provides the number of the item on the list. The second column provides a summary description of the reduction. The third column lists the net, anticipated savings of the item. The fourth column represents the possible FTE reduction if the item were to be approved. Finally, the fifth column identifies the potential positions that are impacted.

### *Net, Anticipated Savings*

The third column of the lists provided is a dollar amount that has been calculated based on the most accurate, recent, and available information to staff on that item to date. It is quite possible that these dollar amounts for the savings will change based on a variety of factors such as implementation of the item, difference between estimated compensation savings versus actual compensation savings, or State budget proposals that directly affect the program.

### *Arriving at Necessary Budget Reductions for 2010-11 school year*

During the Board's discussions beginning on February 2<sup>nd</sup> if a member of the Board would like to remove something from List A they must suggest items from List B of equal or greater value to be moved onto List A. This ensures that the total of the items on List A always remains equal to the currently estimated budget gap identified for SUSD.

It is the intent of staff to ensure Board members are able to see the changes that will occur as items are deliberated and proposals are suggested. Therefore, during these discussions at the meetings each member of the Board will have a screen that will show changes in the lists as items are considered, deliberated, and voted upon.

## List A: Proposed 2010-11 FY Budget Reductions for Board Consideration

#	List A: Description	Amount	Possible FTE Reduction	Positions Impacted
<b>TOTAL OF LIST A: PROPOSED BUDGET REDUCTIONS</b>		<b>\$ 31,786,543</b>	<b>264.1</b>	
A1	Raise class size at grades K-3 from 20:1 to 30:1, magnet at 28:1, and QEIA schools K-3 remaining at 20:1 (eliminate CSR)	\$ 7,630,551	192.0	K-3 Teachers
A2	Reduction of Central Office expenses	\$ 4,539,453	1.0	Community Relations Officer
A3	Use portion of remaining Federal stimulus (State Fiscal Stabilization Fund) monies. This is a one-time reduction.	\$ 5,000,000	None	
A4	Eliminate Professional Development (AB825) Block Grant [Tier III]	\$ 2,059,521	None	Reduction in Staff Develop.
A5	Reduction in Adult Education and Community-based Education Tutoring program [Tier III]. This is a one-time reduction.	\$ 2,000,000	None	
A6	Restructure custodial services at school and Central Office buildings	\$ 1,600,000	32.8	Custodians
A7	Modify Summer School program for K-8 and high schools (credit recovery)	\$ 1,350,000	None	
A8	Reduce funding available for Instructional Materials (IMFRP) [Tier III]	\$ 1,250,000	None	
A9	Modify Transportation program: move to 2-tier start time and eliminate Magnet School transportation	\$ 1,176,359	3.0	Bus drivers
A10	Elimination of Central Office support for library media assistants at K-8 schools [Tier III]	\$ 850,687	21.0	Library media assistants
A11	Shift cost of SLC program to site-based funds for extra classroom teachers, coordinators, and teacher lead time	\$ 559,700	3.0	High school teachers
A12	BTSA/Teacher Credentialing (AB825) shift to Title I HQT and Title II Teacher Quality	\$ 550,000	None	
A13	Reduce energy/utilities spending through an energy management savings program	\$ 500,000	None	
A14	Consolidate counseling services at K-8 schools	\$ 489,520	6.3	K-8 counselors
A15	CalSAFE program (shift student enrollment to outside agency) [Tier III]	\$ 300,000	None	
A16	Expand reimbursable claims for school district through Medical Administration Act (MAA) program	\$ 250,000	None	
A17	Elimination of Parent Volunteer Assistants at 4 comprehensive high schools	\$ 250,000	4.0	Parent volunteer asst
A18	Non-labor expenses reduced for Supplemental School Counseling program [Tier III]	\$ 200,000	None	
A19	No longer contract for health insurance data system given move to CalPERS, function assigned to Information Services	\$ 190,000	None	
A20	End Waterfront lease payment (Special Education moving to Grant school site)	\$ 180,000	None	

## List A: Proposed 2010-11 FY Budget Reductions for Board Consideration

#	List A Description	Amount	Possible FTE Reduction	Positions Impacted
A21	Sweep of all Gifted and talented education (GATE) monies [Tier III]	\$ 128,386	1.0	Program administrator
A22	Funding School Support position on Adult Education funding	\$ 125,000	None	
A23	Funding Facilities Planning positions on Measure Q dollars (Bond Fund) as legally allowed	\$ 124,842	None	
A24	Non-labor expenses reduce for School Safety (AB1113) Program [Tier III]	\$ 113,900	None	
A25	Limit overtime for Central Office staff through more strict approval process	\$ 108,609	None	
A26	End District contributions to Science Camp (SJCOE)	\$ 60,000	None	
A27	Non-labor expenses reduced for Teacher Credential (AB825) Block Grant [Tier III]	\$ 54,006	None	
A28	No longer contract for worker's comp accident investigations, function assigned to existing staff in Risk Management	\$ 50,000	None	
A29	Renegotiate Information Services' vendor contracts (5-10%)	\$ 49,000	None	
A30	Non-labor expenses reduced for Arts & Music Block Grant [Tier III]	\$ 19,184	None	
A31	Non-labor expenses reduced for IB Augmentation Program [Tier III]	\$ 17,825	None	
A32	Conduct enrollment projections analysis with school district staff	\$ 10,000	None	

## List B: Other Budget Reduction Options for Board Consideration

#	List B: Description	Amount	Impact to FTE	Positions Impacted
<b>TOTAL OF LIST B: BUDGET REDUCTION OPTIONS</b>		\$ 10,260,261		
B1	Increase walking limits for school transportation (to 1.50 miles)	\$ 2,033,359	18.0	Bus drivers
B2	Use portion of federal stimulus (State Fiscal Stabilization Fund)	\$ 2,500,000	None	
B3	Reduce routine restricted maintenance (RRM) contribution (Position costs - \$1,438,414. Spending reductions - \$661,586)	\$ 2,100,000	19.0	
B4	Expenses for CSA reduced from Targeted Instructional Improvement Grant (AB825)	\$ 790,319	18.0	Campus Security Assts.
B5	Advertising on cafeteria tables/buses	\$ 720,000	None	
B6	PARS retirement program review; based on analysis initiate offering again for employees	\$ 550,000	None	
B7	Athletic program spending	\$ 500,000	None	
B8	Review worker's compensation claims/administrator contracts	\$ 404,740	None	
B9	Move PDC to open, school campus	\$ 250,823	None	
B10	Reduce police department coverage during the weekend/intersessions	\$ 122,000	None	
B11	Eliminate district reimbursement for mileage (provide miles driven verification for tax purposes)	\$ 80,000	None	
B12	Asset inventory (accounting manual allows for sample)	\$ 75,000	None	
B13	Consider elimination of SJCOE tech (go to break/fix)	\$ 47,000	None	
B14	Limiting travel and conferences (unless essential)	\$ 40,000	None	
B15	Reintroduce internal audit to monitor K-3 CSR	\$ 21,420	None	
B16	Review use or eliminate district cell phones	\$ 19,200	None	
B17	Work with external auditors to identify work that internal audit team can do	\$ 6,400	None	