

After years of budget cuts, Glendale Union High School District is being forced to do more with less.

Fiscal Year 2009 State legislature makes mid-year reductions to school budgets

Like other Arizona school districts, Glendale Union was called upon mid-year in 2009 to reduce operating expenditures to make up for a State revenue shortfall. The district was forced to **cut over \$2 million** in costs through a hiring freeze, soft capital cuts and other program modifications to its maintenance and operations budget for the 2009 school year.

In addition, fiscal year 2009 marked the end of excess utility funding for Arizona school districts. In Glendale Union this resulted in the **loss of \$3.6 million** of utility funding. The district implemented a utility reduction program in the district which has saved the in excess of \$1 million in utility costs since its inception.

Fiscal Year 2010 state budget cuts force Glendale Union High School District to cut programs

Budget cuts forced Glendale Union to cut programs and increase class size at all nine district high schools.

Glendale Union made significant reductions to its 2010 budget in response to growing concerns over state funding. After extensive meetings and processing with full faculty at the nine high schools, the district developed a budget reduction plan which led to the **elimination of 74.4** positions from the 2009 budget to offset anticipated reductions in State funding. Using the following criteria a master budget plan was implemented for the 2010 School year:

1. Make cuts as far from the classroom as possible
2. Preserve as many jobs as possible
3. Make cuts across the board – no one group should suffer more than others
4. Cuts should be consistent from school-to-school
5. District Office should participate in budget reductions alongside schools

The following is a list of positions lost:

Central Office:	
Administrator	1.0
Clerical	1.0
Information and Technology	2.0
Curriculum Coordinators	2.4

District Programs	
School within A School	3.0

Local Schools	
Teachers (increased class size)	20.0
Instructional Aides	20.0
Media Center Assistants	9.0
Counselors	2.5
Equipment Managers	9.0
Counseling Center Assistants	4.5

In addition to the above staffing changes, the district took the following actions:

- The district froze salaries at the 2009 salary schedule rates, giving no increases for longevity or inflation
- The district reduced all Maintenance and Operation budget supply lines by 20%,
- The district eliminated Maintenance and Operation travel budgets
- The district cut memberships to professional organizations
- The district assessed all employees a \$100 charge for their individual medical benefits.
- The district froze all soft capital expenditures
- The district froze all non-emergency building renewal projects
- The district implemented a utility reduction program
- The district developed internal sub program using administrators, social workers, mentors, coordinators and the GUEA President as instructional subs to reduce sub costs to the district

The 2011 school budget takes further cuts

A temporary 1-cent-per-dollar increase in the state sales tax was passed by the voters in May of 2010. Passing the sales tax avoided an additional \$918 million in cuts to the state budget. While the cuts to the state budget would have resulted in severe losses to K-12 funding, its passage did not provide any additional funding to schools. In fact, as a result of reductions made by the state and to offset other program cost increases such as State retirement increases and insurance benefit cost increases, the district took steps to reduce an additional \$4 million in cost reductions for the 2011 school year.

For the second year in a row, the Glendale Union High School District did not increase its salary index base. Salaries for the 2010-2011 school year are based on the 2008-2009 salary schedule index base. This means teachers, support staff and administrators are paid from the same salary schedule as they were paid from in 2008-2009 school year. The district recognized staff experience and professional growth affecting approximately 70% of the staff on the 2008-2009 salary schedule for the 2010-2011 school year

The following is a list of reductions made for the 2011 school year:

	AMOUNT	FTE
Soft Capital reduction of	\$2,825,815	
Staffing decrease to 27.7 to 1	\$400,000	10.0
Mandatory subbing	\$282,000	
District office IT reorganization	\$96,000	1.5
Elimination of school clinics	\$17,828	.6
Elimination of Sweeps program	\$233,000	9.0
Elimination of tuition reimbursement	\$180,000	

Losses to Capital Budgets

As of 2011 the district has lost in excess of \$35 million in building renewal funding as a result of state budget reductions. The district has relied for over a decade on limited resources from its declining unrestricted capital fund and bond proceeds to maintain its nine high schools.

School district capital budgets have been severely restricted. Since 2009, our local schools have not had capital budgets for the purchase of textbooks, desks, chairs and other capital needs. The district has made do with limited expenditure of funds to address only emergency health, safety and academic needs. The State's building renewal funding has been suspended for the third year in a row, leaving only limited carry over funds to address school district building needs. The following chart shows the losses of building renewal funds since the year 1999:

GUHSD #205 Building Renewal History

Fiscal Year	Formula Amount	Amount Received	Percent Received	Cumulative Shortfall
1999	2,822,059	2,032,313	72%	789,746
2000	2,944,060	2,240,230	76%	1,493,576
2001	3,369,764	3,368,087	100%	1,495,253
2002	3,369,764	1,703,327	51%	3,161,690
2003	3,376,852	1,097,003	32%	5,441,539
2004	2,435,279	0	0%	7,876,818
2005	2,580,125	1,338,889	52%	9,118,054
2006	3,935,918	2,098,922	53%	10,955,050
2007	4,610,787	2,463,902	53%	13,101,935
2008	5,164,322	1,171,265	23%	17,094,992
2009	6,036,791	0	0%	23,131,783
2010	6,418,943	0	0%	29,550,726
2011	5,898,148	0	0%	35,448,874
Total to Date	<u>52,962,812</u>	<u>17,513,938</u>	33%	

Soft Capital budgets were reduced as follows:

Fiscal Year	Formula Amount	Adjustment	Percent Received	Cumulative Shortfall
2009	\$3,351,433	\$351,088	90%	\$351,088
2010	\$3,305,727	\$2,407,336	27%	\$2,758,424
2011	\$3,324,782	\$2,825,815	15%	\$5,584,239

Current Fiscal Trends and Concerns

Auditor General reports Glendale Union spending on administration decreases while classroom spending remains fairly constant:

In her recent report on classroom expenditures, the Auditor General reported that Glendale Union High School District's expenditure for administration is below both the State and national average for fiscal year 2009.

Glendale Union High School District

Maricopa County
Operational peer group: B
Legislative districts: 6, 10, 11, 12, 13, 14, 15

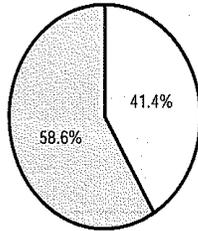
District size: Large
Students attending: 14,705
Number of schools: 10

OPERATIONAL EFFICIENCY

Average per-pupil spending

District
State

Classroom
\$4,690
\$4,497



Nonclassroom
\$3,318
\$3,411

Total
\$8,008
\$7,908

5-year trend

Total spending per pupil increased by 20 percent. Spending in the classroom was fairly stable and decreased overall from 60.1 to 58.6 percent. Spending on administration decreased, spending on plant operations and student support increased, and spending in other nonclassroom areas remained fairly stable.

District's cost measures relative to peer group

Operational Area	Measure	District	Peer Average	State Average
Administration	Cost per pupil	\$639	\$634	\$729
	Students per administrator	74	67	66
Plant Operations	Cost per square foot	\$7.40	\$6.67	\$6.40
	Square footage per student	155	142	144
Food Service	Cost per meal equivalent	\$2.76	\$2.64	\$2.53
Transportation	Cost per mile	\$4.43	\$3.44	\$3.36
	Miles per rider	487	290	271

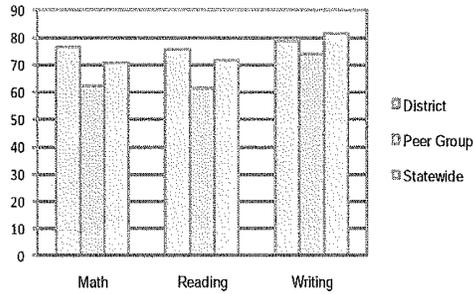
Very Low Low Comparable High Very High

Per-pupil spending by function

	District		Peer	State	National
	2008	2009	2009	2009	2007
Total	\$7,959	\$8,008	\$7,523	\$7,908	\$9,683
Classroom dollars	\$4,624	\$4,690	\$4,247	\$4,497	\$5,903
Nonclassroom dollars:	\$3,335	\$3,318	\$3,276	\$3,411	\$3,780
Administration	662	639	634	729	1,050
Plant Operations	1,157	1,147	936	920	951
Food Service	291	310	310	382	369
Transportation	251	250	359	343	406
Student Support	507	517	571	594	512
Instruction Support	432	419	443	431	470
Other	35	36	23	12	22

STUDENT ACHIEVEMENT AND TEACHER INFORMATION

Percentage of students meeting state standards (AIMS)



Adequate Yearly Progress (AYP) toward federal goals

5 schools met all applicable AYP objectives for NCLB. 4 did not because some students did not demonstrate sufficient academic progress. 1 did not have a sufficient graduation rate.

Student and teacher information

Measure	District	Peer average	State average
Attendance rate	95%	95%	95%
Graduation rate (2008)	87%	74%	75%
Poverty rate	22%	28%	19%
Student/teacher ratio	19.0	18.0	17.1
Average teacher salary	\$50,149	\$48,318	\$45,209
Average years' experience	11.7	8.9	8.3
Percent of teachers in first 3 years	14%	33%	16%

Proposition 301

Teacher pay

On average, each teacher, librarian, and counselor earned between \$6,767 and \$8,443 in additional salary, which includes performance pay for fiscal year 2008 performance.

Performance pay plan goals and results

Type of goal	Goal met?
Student achievement	■
Dropout/ graduation rates	■
Student attendance	■
Parent/student satisfaction	■
Teacher attendance	■
Teacher professional development	■
Teacher evaluations	■
Tutoring	■
Other	■

■ = yes, □ = no, and ▬ = partially

Fiscal Year 2011 – \$530 million budget shortfall

This estimate is improved from earlier estimates by JLBC. It shows a marked improvement in the economic forecast and the state revenue picture.

Other Arizona-specific economic indicators:

- Unemployment rate declined for the 2nd consecutive month from 9.5% to 9.4%
- Because of November job gains, Arizona now has lost 9.8% (down from 12.3%) of its workforce since the beginning of the recession in December 2007
- Foreclosure notices (initial step) for Maricopa County declined by 16.8% -- this is the lowest for a single month since March 2008
- Pending foreclosures (inventory at risk) in Maricopa County increased slightly in November – the 2nd slight increase in the past two months
- There was a small decrease (0.7%) over the prior month in AHCCCS (Arizona’s Medicaid System) caseloads as well in food stamps (0.5%) this month – there are 1.35 million persons on AHCCCS and 1.08 million persons receiving food stamps

Impact on Education Funding:

The State Budget Shortfall for 2011 is projected to be \$530 million. For 2012 it is projected to be \$975 million.

State General Fund Spending FY 2011		Fiscal Year 2011 Share of Cuts – Formula:	
• K-12 Education	37%	• K-12 Education (37%) Million	\$196
• Medicaid	29%	• Medicaid (29%) Million	\$154
• Higher Ed	11%	• Higher Ed (11%) Million	\$58
• Prisons	11%	• Prisons (11%) Million	\$58
• State Workers	5%	• State Workers (5%) Million	\$27
• Debt Service	3%	• Debt Service (3%) Million	\$16
• <u>Other</u>	<u>4%</u>		
• Total	100%		

Fiscal Year 2012 Share of Cuts – Formula:	
• K-12 Education (37%)	\$361 Million
• Medicaid (29%)	\$283 Million
• Higher Ed (11%)	\$107 Million
• Prisons (11%)	\$107 Million
• State Workers (5%)	\$49 Million
• Debt Service (3%)	\$29 Million
• <u>Other (4%)</u>	<u>\$39 Million</u>
• Total	975 Million

Additional Issues:

- For FY11 K-12 education and higher education have federal maintenance of effort (MOE) protection
- Cutting Medicaid means loss of federal dollars (\$7 billion)

Funding Already Suspended for FY 2011:

- Soft Capital \$165 Million
- New Utility Formula \$100 Million
- Building Renewal \$231 Million
- Charter School
Additional Assistance \$10 Million
- Total \$506 Million