

# FISCAL STABILIZATION PLAN

June 27, 2024



**PASADENA**  
Unified School District



# Goals

## Begin to Address a “Then” Problem Now

- **FSP is to address 2026-27 budget gap starting now to minimize impact**
- **Strengthen our financial status for sustainable and effective operations**

Los Angeles County Office of Education (LACOE) requires a board-approved fiscal stabilization plan (FSP) identifying specific expenditure reductions and/or revenue enhancements with associated cost savings and timelines. On the board agenda, the FSP must be approved as a separate action item.

**The Superintendent and her cabinet request that the board approve this FSP action item as presented.**

The district is undergoing a holistic review to right-size operations post “covid/one time funding”, declining enrollment and dwindling state revenues.

The Superintendent plans to initiate a “district-wide” engagement of stakeholders via a budget advisory committee as part of this process in the new school year and as a continuation of the internal work already done, to date.

# FSP at a glance

Fiscal Stabilization Plan (FSP) Summary			
Revenue Enhancement	2024-25	2025-26	2026-27
Fund 17 Reserve		11,038,129	0
Attendance recovery (1%)		1,700,000	3,400,000
Revenue Enhancement (Leases/rentals)		2,000,000	2,000,000
		0	0
		14,738,129	5,400,000
Expenditure realignment/reductions	2024-25	2025-26	2026-27
Reduction in Resource Teachers		(2,424,013)	(2,424,013)
Reduction in Wellness Teachers		(695,380)	(695,380)
SPED Contract reductions (bring back svcs)		(5,000,000)	(5,000,000)
Redesign Central Office (TOSA I)		(750,000)	(750,000)
Redesign Central Office (TOSA II)		(230,000)	(230,000)
Overstaffing/CTE Efficiencies		(750,000)	(750,000)
Department Restructure (Director)		(263,000)	(263,000)
Other Department Restructure		(170,000)	(170,000)
Transportation efficiencies		(1,000,000)	(1,000,000)
Teacher Reduction - Enrollment Decline		(750,000)	(1,500,000)
Hourly, Materials and Supplies		(9,400,000)	(9,400,000)
RRM to reduced to Allocation	0	(1,027,835)	(1,270,299)
	0	(22,460,228)	(23,452,692)

# Realignment of Services:

## *Out of Classroom Certificated Staff and Administration*

Restructure Out of the Classroom Certificated Staff	73.50 FTE
Examples: Instructional Coaches, RTI Wellness Teachers, English Learner Coaches, Data Facilitators, Intervention, Grant positions, IB Coordinators	Superintendent's Budget Advisory Team will review all positions Based on: <ul style="list-style-type: none"><li>❖ Enrollments</li><li>❖ Data (Academic, Attendance, Behavior)</li><li>❖ Academic Achievements</li><li>❖ Need Intake</li></ul>
Restructure Central Office Staff	Assessment and analysis will be conducted for all departments

# Reduce Overstaffing

- ❖ Staff to ratios provided in CBA and in accordance with Education Code
- ❖ Reduce staffing through attrition (retirements, resignations, etc.)
- ❖ Utilize temporary contracts to “backfill” employees on leave from the classroom or in specially funded positions
- ❖ Proposed Targets:
  - Reduce 5.0 FTEs for 2025-2026 SY
  - Reduce additional 5.0 FTEs for 2026-2027 SY

# Hourly Payroll

Reduction in hourly payroll will amount to \$5,000,00 in 25-26 and \$5,000,000 in 26-27.

- Currently we spend over \$15,000,000 on hourly payroll.
- We will continue to study our operational processes in order to improve our operational efficiency across all departments.

# Special Education

Pre-COVID (prior to 2020-2021), SPED cost increases were \$3 - \$5mil annually.

In past few years (Post-COVID), SPED cost increases were \$8 - \$10mil annually.

The goal is a strategic ongoing reduction of \$5,000,000 over next three years

- ❖ Reductions in Contracted NPA/NPS Services (\$22.06mil paid as at 4/2024)
- ❖ Services brought in-house, to be provided by employees
- ❖ Staff to ratios provided in accordance with Education Code

## Facilities

Reduce General Fund contribution to Reduce Routine Maintenance (RRM), to legally required allocation of 3% of General Fund Cost.

- ❖ Currently, excess cost is projected at over \$1mil annually
- ❖ \$500K for 24-25 and \$1mil in two out years - \$2.3M net



# Revenue Enhancement

- ❖ Grow BTSA Program and offer services to other districts to become self-sufficient
- ❖ Review upward, Civic Center permit charges to enhance revenue - \$700,000 net
- ❖ Generate \$1,000,000 more in local revenue through asset management review in 25-26 and ongoing.
- ❖ Opening more TK classrooms to enhance enrollment and revenue.
- ❖ Recapture attendance lost – Saturday school - 1% increase per year on ADA revenue \$1.78M

Estimated effect on Fund balance - **\$5.34mil** over three years.

24.25 \$1.78M; 25.26 \$1.78M; 26.27 \$1.78M

## **OTHER Enhancements** (not used in the budget)

- Parcel Tax -\$5mil annually
- Bond Measure - \$900mil

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