

**Burbank Unified School District
Business Services**

REPORT TO THE BOARD

TO: Members of the Board of Education

FROM: Mariam Abdelhamid, Assistant Superintendent, Business Services

PREPARED BY: Mariam Abdelhamid, Assistant Superintendent, Business Services

SUBMITTED BY: Cheretta Wade, Administrative Secretary II, Fiscal Services

DATE: December 11, 2025

SUBJECT: Approval of the Fiscal Stabilization Plan Required by Los Angeles County Office of Education (LACOE) Based on the Adopted Budget

Background:

Los Angeles County Office of Education (LACOE) required the District approve a Fiscal Stabilization Plan at 1st Interim based on its 2025-2026 Adopted Budget submitted in June 2025. The plan is being updated based on the most current information available to demonstrate the District's ability to address adverse scenarios.

Discussion/Issues:

In the letter to the Board President in August, LACOE concurred with the District's positive certification in the Adopted Budget (25-26). However, concern was expressed regarding the projected trend of deficit spending and its impact on the District's ability to maintain the required reserve for economic uncertainty levels in future years. Because of the impact of these potential shortfalls, LACOE specifically requires an updated Fiscal Stabilization Plan that provides the implementation status of planned reductions, alternative options for contingent expenditure reductions and specific revenue enhancements with the 2025-26 First Interim Report.

The District's fiscal stabilization plan currently includes placeholder reductions of \$1 million and \$2.5 million. Work is underway to evaluate the most effective strategies for achieving these reductions. This process involves close collaboration with departments to review fulltime equivalent (FTE) positions and assess nonpersonnel expenditures, with the goal of identifying areas that can be mitigated without compromising core instructional services. At the same time, we are engaging with union partners over the coming months to reach determinations prior to the March 15th layoff notification deadline and the submission of the Second Interim Report.

By the time of the Second Interim, the District will have identified and specified the exact reductions to be implemented. These decisions will reflect both immediate fiscal needs and long-term sustainability. To support this work, the Board, in partnership with the Superintendent, has established a Budget Advisory Committee. The Committee will provide guidance on the objectives for long-term budget adjustments and help identify reductions that may be required in future fiscal years.

Examples of cost-cutting measures currently under review include consolidating roles where feasible, evaluating vacant positions for potential elimination, reducing contracted services not tied to instructional priorities, streamlining travel and professional development budgets, and pursuing energy efficiency initiatives to lower utility costs. There remains a lot of uncertainty in projecting the out-years of the District budget, particularly due to budget shortfalls at the State level and decreased COLA rates. Based on these updates to the District budget, the First Interim 2025-26 budget that will be presented to the Board in June will include the implementation of the following staffing reduction plan for the next three fiscal/school years through the 2027-2028 school year.

Fiscal Impact:

Across the next four fiscal years, this equates to \$10,475,848 in reductions, as detailed in the attachment.

Recommendation:

Mariam Abdelhamid, Ph.D., Assistant Superintendent, Business Services, recommends that the Board of Education approve the Fiscal Stabilization Plan, as presented.

Attachment A: Fiscal Stability Plan

Fiscal Stabilization Plan	2026-27	2027-28	2028-29	2029-30
Certificated				
A. Classroom Teacher Reductions				
• Teacher Single Subject – 5.6 FTE in 26-27	\$603,993			
• Teacher Multiple Subject – 5.0 FTE in 26-27	\$539,279			
• Eliminate Elementary PE – 5.0 FTE in 27-28		\$539,279		
CSEA				
A. Eliminate Elementary PE Aides in 27-28		\$293,297		
Placeholder (Currently in Services/Contracts Objects 5000-5999)	\$1,000,000	\$2,500,000	\$2,500,000	\$2,500,000
Total (for the Fiscal Year)	\$2,143,272	\$3,332,576	\$2,500,000	\$2,500,000

Assumptions:

- **Teacher Cost:** Based on an average position cost for a teacher - Step 8 (out of 15) and a column 4 (Bachelors + 45 credits), we applied the percentage rate for our benefit factors (STRS, Medicare contribution, workers comp insurance, etc.) and an average H&W factor (see table below for breakdown) to compute the average cost for a teacher FTE. Note: We do not pay into social security for these employees as they are exempt based on CALSTRS.

	Rate	Amount
Salary Cost		\$79,364.00
STRS (State Teacher Retirement System)	19.1%	\$15,158.52
Medicare Contribution	1.45%	\$1,150.78
State Unemployment Insurance	0.05%	\$39.68
Workers Comp Insurance	2.40%	\$1,904.74
Retiree Benefit Contribution	0.30%	\$238.09
Health & Welfare (H&W) Assumption		\$10,000.00
Total		\$107,855.81

- **PE Aide Cost:** Based on an average position cost for a PE Aide – Range 36 (9.5 month employee) and a Step 4, we applied the percentage rate for our benefit factors (PERS, Medicare contribution, workers comp insurance, social security, etc.) and an average H&W factor (see table below for breakdown) to compute the average cost for a teacher FTE

	Rate	Amount
Salary Cost		\$35,463.50
PERS (Public Employees’ Retirement System)	26.81%	\$9,507.76
Social Security	6.20%	\$2,198.74
Medicare Contribution	1.45%	\$514.22
State Unemployment Insurance	0.05%	\$17.73
Workers Comp Insurance	2.40%	\$851.12
Retiree Benefit Contribution	0.30%	\$106.39
Health & Welfare (H&W) Assumption		\$10,000.00
Total		\$58,659.47