

Superintendent's Budget Advisory Committee (SBAC)

Advisory Process, Work Completed, and Ongoing Role

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Today's Agenda



Review SBAC Board Report



Bond Update



Budget Update



Next Steps

Purpose of SBAC

Why SBAC Was Convened

- Established as a **formal advisory body** to support the District during fiscal stabilization
- Designed to:
 - Build **shared financial literacy**
 - Provide **stakeholder perspective** on budget decisions
 - Review and advise on the **Fiscal Stabilization Plan (FSP)**
- Operates under **county oversight expectations** for transparency and stakeholder engagement
- Serves as a **working partner**, not a decision-making body

Role of the Committee

What SBAC Is Responsible For

- Review fiscal data, including:
 - Enrollment trends
 - Multi-Year Projections (MYP)
 - Structural deficit drivers
- Provide **advisory feedback** on:
 - Budget reductions
 - Implementation strategies
 - Long-term sustainability
- Identify:
 - Operational efficiencies
 - Areas of concern (student impact, staffing, compliance)
- Support **ongoing monitoring and transparency**

Committee Composition

Who Is Represented

SBAC includes a **cross-section of stakeholders:**

Students

Parents

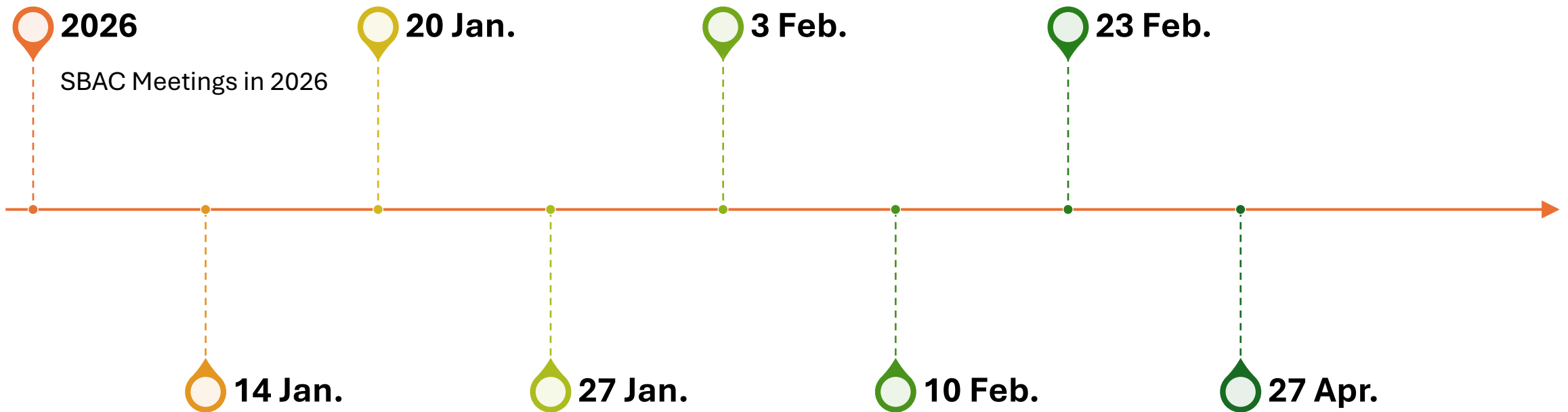
Site Administrators

District Administrators

California School Employees Association (CSEA)

Burbank Teachers Association (BTA)

SBAC Meetings YTD



SBAC Meeting Progression — From Learning to Advisory Action

PHASE	MEETING DATES	FOCUS AREA	KEY WORK COMPLETED	OUTCOME
Phase 1: Financial Foundations	Jan 14, Jan 20	Budget Literacy	- Overview of school finance (LCFF)- Introduction to SACS Form 01- Understanding revenues, expenditures, and reserves	Established a common baseline understanding of district finances
Phase 2: Fiscal Context & Projections	Jan 27	Multi-Year Planning	- Review of Multi-Year Projections (MYP)- State budget context- Key cost drivers (SpEd, staffing)	Built understanding of long-term fiscal sustainability and pressures
Phase 3: Structural Analysis	Feb 3	Deficit Drivers	- Review of prior stabilization efforts- Analysis of enrollment decline- Examination of spending patterns and structural costs	Identified that the deficit is structural, not temporary
Phase 4: Plan Review (Draft FSP)	Feb 10	Advisory Input	- Review of draft Fiscal Stabilization Plan- Evaluation of proposed reductions- Section-by-section feedback	Provided targeted input to refine implementation
Phase 5: Updated Analysis (Second Interim)	Feb 23	Real-Time Data Review	- Updated enrollment decline (400+ students)- Revised revenue projections- Reserve trajectory analysis	Reinforced urgency and fragility of fiscal position
Phase 6: Reflection & Validation	Feb 24 (Survey)	Stakeholder Feedback	- Anonymous survey across all groups- Validation of themes and concerns- Identification of priorities and risks	Confirmed broad support with implementation considerations

Work Completed: Phase 1 (Capacity Building)

Building Financial Understanding

- Training on:
 - School finance and LCFF
 - SACS Form 01
 - Multi-Year Projections (MYP)
- Review of:
 - Revenue vs. expenditure structure
 - Reserve requirements
- Alignment on:
 - Structural vs. one-time deficits

Outcome: All members developed a **common understanding of the budget**

Work Completed: Phase 2 (Fiscal Analysis)

Understanding the Problem

- Analysis of:
 - Enrollment decline (400+ students)
 - Special Education cost pressures
 - Structural deficit drivers
- Review of:
 - Prior stabilization efforts
 - Spending patterns (including large POs)
- Identification of:
 - Long-term fiscal risks

Outcome: Committee understood the issue is **structural, not temporary**

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- **Work Completed:
Phase 3
(Advisory
Input)**

Review of Draft Fiscal Stabilization Plan

- Evaluated:
 - ~\$6M in ongoing reductions
 - Staffing and program impacts
- Provided **section-by-section feedback** on:
 - Guiding principles
 - Reductions
 - Special Education strategy
 - Implementation timeline

Outcome: Feedback refined **how** the plan is implemented—not whether it is needed

Key Advisory Themes

**What SBAC
Consistently
Recommended**

Align reductions to
**enrollment trends and
cohort data**

Maintain focus on:

- Student engagement
- Academic opportunity

Ensure:

- **Equity across organizational levels**
- Administrative restructuring alongside site reductions

Require:

- Clear dashboards and monitoring
- Ongoing transparency

Key Message: Support for stabilization **with expectations for disciplined execution**

Survey Results (February 2026)

Overall Sentiment

- 50% → Reductions are appropriate/necessary
- 43% → Mixed support (concerns about implementation)
- 7% → Suggested deeper reductions

Interpretation:

- Broad agreement on **need for action**
- Differences focused on:
 - Distribution
 - Sequencing
 - Operational impact

Key Concerns Identified

Where SBAC Raised Caution

Site-level administrative reductions (Assistant Principals)

Student impact:

- IEP compliance
- Supervision
- Course offerings (AP/electives)

Workload redistribution

Note: Concerns were **operational**, not **oppositional**



Forward-Looking Recommendations

What SBAC Is Advising Next

- Conduct **cohort-based enrollment analysis**
 - Evaluate:
 - School consolidation scenarios (67% referenced)
 - Administrative structure
 - Prioritize:
 - Operational efficiencies before staffing reductions
 - Develop:
 - Monitoring dashboards
 - Clear implementation guardrails
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Ongoing Role of SBAC

How SBAC Will Continue to Support the District

- Provide input on:
 - Future reductions (2027–28 and beyond)
- Monitor:
 - Enrollment trends
 - Fiscal performance
- Review:
 - Scenario modeling (including consolidation)
- Support:
 - Transparent communication with stakeholders

Key Message: SBAC is an **ongoing advisory partner**, not a one-time committee

Closing Message

What This Means for the District

- The fiscal challenge is:
 - **Structural and enrollment-driven**
- SBAC confirms:
 - The need for **ongoing correction**
- The path forward requires:
 - Data-driven decisions
 - Transparent implementation
 - Continued stakeholder engagement

Final Takeaway: The District is taking a **disciplined, transparent, and collaborative approach** to long-term fiscal sustainability.

Bond Program Update – SBAC

Current Status

- Measure ABC program progressing with strong fiscal discipline
- Net \$3.48M in savings from change orders, trending under budget
- Focus on Priority 1A projects: roofing, infrastructure, and technology upgrades

Upcoming Board Actions (May)

- Muir MS Water Main (Design – ~\$4K)
- Miller ES TK Play Equipment (Change Order – ~\$9K)
- Disney ES Shade Structure (Design – ~\$30K)
- On-Call Civil Engineering Pool (No upfront cost)
- Total Immediate Impact: ~\$43K (planning-level costs)

Planning & Prioritization

- Projects organized across Series 1, 2, and 3
- Project ranking/prioritization framework coming to Board for input
- Focus on aligning scope, funding, and long-term facility needs

Program Structure – Next Steps

- Bringing forward bond program reorganization options
- Internal vs. Hybrid program management models
- Goal: strengthen oversight, efficiency, and long-term sustainability

Facilities Alignment

- New Director of Facilities onboard; site assessments underway
- Developing a Deferred Maintenance Plan to address needs outside the bond

Budget Update - Structural Adjustments (Ongoing)

Base Reductions (Previously Identified)

- Ongoing reductions beginning 2026–27: **~\$5.9M annually**

New Structural Adjustment

- **Solar Lease Transfer to Fund 40**
- Monthly payments:
 - ~\$66,606 (July–March)
 - ~\$70,152 (April–June)
- Estimated annual cost: **~\$810,000**

Action

- Shift full cost from General Fund to Fund 40 beginning 2026–27

Result: ~\$0.8M ongoing General Fund relief

Revised Fiscal Stabilization Plan (Draft)

RDA/Fund 40 Offset for RRM

- The District may apply allowable offsets to meet Routine Restricted Maintenance (RRM) requirements at closing.
- Potential relief: **up to ~\$6.8M**
- Applied at year-end (2025–26 closing)

Purpose

- Preserve General Fund reserves
- Reduce immediate fiscal pressure

Limitation

- One-time in nature
- Must be evaluated annually based on eligibility

Revised Fiscal Stabilization Plan (Draft)

Student Support and Recovery (60190) One-Time Funds

- Approximately **\$4.2M** (*Discretionary*) is currently budgeted as revenue but not aligned to expenditures

Action

- Reconcile during Estimated Actuals:
 - Either recognize expenditures or formally carry forward

Purpose

- Provides **one-time flexibility at close**
- Improves reserve position entering 2026–27

Limitation

- Not ongoing; cannot support recurring costs

General Fund Impact Summary – Fiscal Stabilization Plan

Strategy / Adjustment	Description	Estimated Impact to General Fund	Type	Notes
Structural Reductions	Staffing, SpEd, management, and contracted service reductions already identified in FSP	\$5,900,000	Ongoing	Base correction to align expenditures with enrollment
Solar Lease Shift to Fund 40	Transfer of solar lease obligation out of General Fund	\$800,000	Ongoing	Based on ~\$66K–\$70K monthly payments
RDA / RRM Offset	Use of allowable 3% offset to meet Routine Restricted Maintenance at closing	Up to \$6,800,000	One-Time	Year-end strategy; dependent on eligibility and execution
Resource 60190 (Student Success / One-Time Funds)	One-time state allocation currently unexpended	\$4,200,000	One-Time	Must be used for intended purposes or carried over properly
AB 2509 (Proposed Revenue)	additional state funding (not enacted)	~\$4,000,000	One-Time (Contingent)	Not included in adopted budget; scenario only

+ • Fiscal Reality & Required Action

Current Conditions

- **Salary & Benefits = 89%** of General Fund (Target: **86%**)
- **Enrollment Decline: -400+ students** → Reduced ongoing revenue
- **Structural Deficit: ~\$11M annually**
- **Cash Flow Pressure:** Low cash points throughout the year

Temporary Relief (Not Ongoing)

- One-time funds: ~\$4.2M
 - RDA / RRM offset: up to ~\$6.8M
 - Potential State funding (not adopted): ~\$4.0M
- Note: Provides short-term stability only

Ongoing Structural Correction

- Reductions already identified: ~\$5.9M annually
- Remaining gap in salary & benefits: ~\$3.0M
- Needed to move from 89% → toward 86% benchmark

Why Action Is Required?

- Costs are outpacing declining revenues
- One-time funds do not solve structural imbalance
- Cash flow risk requires:
 - Intra-fund borrowing
 - Potential TRAN

Bottom Line: *To stabilize finances and align with a shrinking revenue base, the District must implement an additional ~\$3.0M in ongoing salary and benefit reductions while managing short-term cash flow.*

SBAC Next Steps

Immediate Actions

- SBAC Board Presentation Update in May
- Meet in May with SBAC to review the updated Fiscal Stabilization Plan (FSP)

Ongoing Work

- Continue to identify additional savings through:
 - Organizational realignment
 - Operational efficiencies
 - Targeted reductions aligned to enrollment
- Evaluate how organizational changes may:
 - Improve efficiency
 - Reduce redundancy
 - Ultimately result in sustainable expenditure reductions

Focus Moving Forward

- Align staffing and resources to declining enrollment
- Reduce deficit spending
- Support a multi-year approach to fiscal stability

SBAC will play a key role in refining the plan and identifying sustainable solutions that align expenditures with ongoing revenues.