



**GOVERNING BOARD AGENDA ITEM  
AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10**

**DATE OF MEETING:** April 12, 2011

**TITLE:** Study and/or Approval of Reduction in Force Plan, Pursuant to Governing Board Policy GCQA, for Fiscal Year 2011-2012.

**BACKGROUND:** For several years now, the District has experienced substantial legislative cuts and funding shortages that have dramatically impacted the District's programs and services. Just this current fiscal year alone, even after passage of Prop 100, the District experienced funding cuts of nearly \$11,000,000 – detailed in Table 1.

Budget Cut	Amphi Impact
80% cut to soft capital	\$2,827,568
All Day K funding loss	\$2,629,290
Building Renewal	\$2,180,897
Grant Reductions	\$ 942,000
Career Ladder Cut	\$ 325,408
Reduced 301	\$1,934,000
<b>Total Reductions</b>	<b>\$10,839,163</b>

Table 1

But, as has repeatedly been the case in recent years, the very real cuts detailed in Table 1 were not the “end of the story”. Only just days ago, the Arizona Legislature passed an additional cut of \$101,000,000 to public education *for the current fiscal year* with less than three months remaining in the year. Amphitheater’s portion of that cut approximates \$1.5 million, and with more than 75% of the fiscal year already past, the District must now absorb that cut in a matter of days.

Many times, numbers involved in state budget matters are thrown about with little context or perspective, and their meaning and real impact can consequently be lost. To provide some perspective on the scale of cuts the District has been experiencing and continues to experience, one might consider the equivalents for \$1,000,000 in lost District funding which are listed in Table 2. As Table 2 demonstrates, a budget cut on the order of the recent \$1,500,000 just imposed by the legislature is no small matter.

<b>\$1,000,000 in District Funding is Equivalent to...</b>
25 employees with compensation of \$40,000 per year
The district’s electric bill for 1/6 <sup>th</sup> of the entire year.
An increase of class size of 1.5 per classroom
The costs for all athletic programs for an entire year

Table 2

The total budget cut for Amphitheater District for the current fiscal year after the most recent cut made last week now total \$12,347,243. This extraordinary amount follows reductions made in previous years – also at astounding levels. Two years ago, for example, the legislature cut more than \$4 million dollars from the Amphitheater budget. And, just last year, it cut a total of \$7,846,333. (See Table 3)

<b>Recent Budget Cut History for Amphitheater</b>	
<b>Funding Category Cut by State</b>	<b>Amount Cut</b>
<b>2008-2009</b>	
Maintenance and Operations	\$1,769,748
Soft Capital (Textbooks, Computers)	\$ 364,276
Building Renewal	\$2,180,897
Total Cuts for 2008-2009	\$4,314,921
<b>2009-2010</b>	
Career Ladder (Teacher Pay)	\$ 340,416
Soft Capital	\$2,686,862
Building Renewal	\$2,180,897
Total Cuts for 2009-2010	\$5,208,175

Table 3

Thus, in the last three fiscal years (inclusive of the current fiscal year), the District has lost a total of \$21,870,339 in funding due to state budget cuts.

This year, the tremendous impact of accumulated state budget cuts combined with impact of decreasing enrollment to compel the first full scale reduction in force which the district had experienced in decades. The reduction in force eliminated approximately 60 FTE positions and combined with more than \$5,000,000 of other budget cuts and program modifications to help ensure the District could balance its budget on the funding received. Many additional reductions simply put off for yet another year many vital physical plant improvements that denial of building renewal funding again made impossible.

Last week, the Arizona legislature passed (and the Governor signed into law) another set of sweeping and significant budget cuts for public schools for next fiscal year (2011-2012). While their specific financial effect upon the Amphitheater District was still being estimated at the time this agenda item was released, a description of the cuts made is known. The reductions for next year include:

1. Phase out of the Career Ladder Program over the next 5 years, reducing the formula percentage used by 1% per year (going to 4% for FY 2012, 3% for FY 2013, etc.);
2. Reduction of the Capital Outlay Revenue Limit by approximately \$62 per student;
3. Additional reduction in soft capital of \$23 million (added to the current \$165 reduction, this results in a total soft capital cut of \$188 million or roughly 85%);
4. No inflationary increase to the base level as provided for by Prop 301;
5. Continuation of suspended building renewal funding;
6. A FY 2012 reduction of \$35 million in state funding and budget reduction for districts using Edu Jobs funds to cover the reduction;
7. Elimination of the 50/50 split in retirement contribution between districts and employees, with 3% of the total burden shifting from the District to employees, and the District's savings from the shift going to the state.

The ongoing impact of these dramatic and enormous budget reductions again combine with decreasing enrollment to necessitate programmatic reductions for next fiscal year that will unfortunately affect employees in the district by reducing jobs.

A reduction in the certificated work force ("RIF") is governed by Governing Board policy GCQA which was recently revised through the meet and confer process and after district wide input from employees. The resulting regulation (GCQF-R) requires initiation of a RIF through the Governing Board's study and approval of a written RIF plan which must contain certain information:

1. a detailed description of the cause(s) necessitating a RIF;
2. a description of other measures, if any, already implemented to avoid or minimize a RIF (e.g. reduction by attrition, district initiated transfers, etc.);
3. a designation of the part(s) of the total educational program or particular program or activity in which the RIF is necessary and the number of positions to be reduced in each program or activity; and
4. a timetable for the implementation of the RIF.

When a RIF for certificated staff is required, the new policy directs that certain criteria be used to determine the particular staff members whose positions will be eliminated or reduced. The criteria to be used for any RIF affecting next year are:

- Disciplinary action (Letters of Reprimand and Suspensions without Pay Only)
- Performance as determined by formal evaluation
- Certifications
- Experience
- Attendance
- Student achievement

These criteria were also developed through the meet and confer process and correspond directly to the input received from teachers throughout the District by survey. These criteria were developed after the Arizona legislature passed a law prohibiting use of seniority or tenure (continuing) status as a criteria.

This item is presented for the Board's consideration and approval of a RIF plan for the 2011-2012 fiscal year. At the time this agenda item was submitted, the RIF plan was still being drafted, pending completion of budgetary and staffing reviews that are currently ongoing and unresolved, particularly in light of the recent legislative budget cuts made just days ago.

A proposed RIF plan for certificated staff will be presented to the Governing Board by supplement to this item within the coming days.

Support staff reductions are governed by a separate policy – GDQF – and are determined primarily by seniority among employees holding an affected position within a work site. Support staff positions are generally more affected by matters of attrition and mobility than contracted positions. Consequently, the actual impact of budgetary reductions on support positions is often a tentative matter throughout a fiscal year. Nonetheless, it is anticipated that the budgetary realities facing the District will result in reductions in support staff positions. While Policy GDQF does not provide for a "RIF plan" for support positions, the supplement to this agenda item to be provided will also describe the support staff classifications which are anticipated to require reduction.

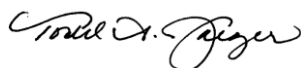
It is anticipated that this item will be supplemented on or before Friday, April 8.

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**RECOMMENDATION:** This item is presented to permit the Board to study, discuss and approve the proposed Reduction in Force Plan, which the administration recommends.

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**INITIATED BY:**



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Todd A. Jaeger, Associate to the Superintendent

Date: April 6, 2011



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Vicki Balentine, Ph.D., Superintendent