

Agenda Report

TO: CITY COUNCIL

DATE: AUGUST 22, 2005

FROM: CITY MANAGER

**SUBJECT: APPROVAL OF JOINT STUDIES OF SERVICES AND PROGRAMS
BETWEEN PASADENA UNIFIED SCHOOL DISTRICT (PUSD) AND
THE CITY OF PASADENA**

RECOMMENDATION

It is recommended that the City Council endorse joint studies of services and programs that are provided by both Pasadena Unified School District (PUSD) and the City of Pasadena for the purpose of identifying potential savings to both entities through improved efficiencies or combined operations.

BACKGROUND

Due in part to declining student enrollment and in part to State Budget recommendations, PUSD is facing substantial revenue shortfalls. Since 2001, enrollment in the District has declined by 1,300 students. It is believed that enrollment declines will continue over the next few years. A significant portion of the District's budget is from per student allotments from the State.

The reduced revenues have forced the District to closely examine program costs. Several audits have been completed to assist the District in understanding how dollars are being spent. This has caused the District to re-examine how it allocates dollars.

On June 28, 2005, the Board of Education approved the 2005-2006 PUSD budget. The recommendation provided a balanced budget for fiscal year 2006, but the revenue required to maintain current service levels for future years is not available. The District has concluded that it should consider new approaches to delivering services to assist in bridging the gap between costs and revenues. Over the past years, the City also struggled with escalating costs for programs while revenues are flat or growing at a slower pace. Therefore, staff recommends that the City explore opportunities to develop shared programs with PUSD to ensure maximum efficiencies while maintaining the level of service currently enjoyed by Pasadena residents.

The District has asked the City to begin joint studies now to determine if combining programs might provide savings for both entities or at a minimum, provide savings for one at no additional costs to the other.

City and District representatives met on June 27, 2005 to discuss where opportunities for partnerships might exist. The areas identified include services that are provided by both organizations. The City also proposed the possibility of taking over the administration of after school programs provided by PUSD grant funding if that resulted in a General Fund administrative saving to the District. The areas suggested for study are:

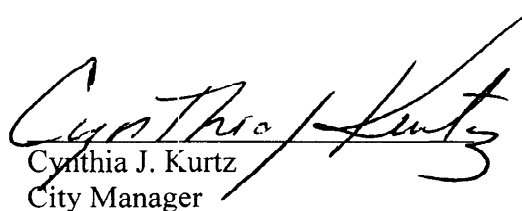
1. Health Services
2. Legal Services
3. Joint Purchasing
4. Technology and Cable Access
5. Health Insurance
6. Transportation
7. Policing
8. After School Programs
9. Facility and Grounds Security
10. Open Space Maintenance
11. Workers Compensation

It would be the intent of the studies to examine all possible scenarios even if the outcome would result in one or both of the entities making organizational changes. Since some of the study areas will require substantial staff time investments, the endorsement of both governing bodies is requested before moving forward. The goal is to have the analysis completed and recommendations prepared in time to be included in the budget deliberations of both entities for Fiscal Year 2007.

FISCAL IMPACT

At this time, it is anticipated that the work can be completed without additional appropriations. If it becomes clear that this work cannot be completed without additional assistance or without delaying other projects, staff will return to the City Council with further recommendations.

Respectfully submitted,


Cynthia J. Kurtz
City Manager