

Budget Workshop

January 12, 2015



"Tradition of Excellence"

Topics

- **State Legislative Update**
- **Review of 2015-2016 and 2016-2017 Budget Projections**
- **Eliminating the budget deficit – four categories to consider**
- **Budget Reductions – Identifying options**
 - **Impact on core services**
 - **Grouped by level (Elem, MS, HS, Non-building specific)**
- **Summary**
- **Questions, Discussion, Feedback**

State Legislative Update

- **Road Funding Agreement:**

- Agreement reached requires voter approval (May 12, 2015, regular election)
- Agreement incorporates the House plan to eliminate sales tax from gasoline purchases, convert the motor fuel tax from a specific cents per gallon to a 14.9% ad-valorem tax, and increase the overall sales and use taxes from 6% to 7%.
- School Aid Fund support for higher education will be discontinued; however, support for community colleges will increase. Impact is small net gain for School Aid Fund.

- **Impact on School Aid Fund:**

- Elimination of gasoline sales tax: (\$567 million)
- Increase Sales/Use Tax: \$656 million
- Adjust Use Tax Earmarking: \$151 million
- Internet Sales collections: \$44 million
- Discontinue support for higher education: \$200 million
- Increase support for community colleges: (\$160 million)
- **Net Impact: \$340 million (Approximately \$225/pupil)**

- **January Revenue Estimating Conference:**

- Scheduled for Friday, January 16
- Projected General Fund shortfall, School Aid Fund has a positive balance
- \$378 million growth in SAF for 2015-2016, \$328 million for 2016-2017
 - Before potential impact of road funding agreement

Budget Forecast

	<u>2015-2016</u>	<u>2016-2017</u>
Revenue	\$27,902,265	\$27,954,485
Expenses	<u>\$29,314,907</u>	<u>\$29,260,039</u>
Net Change	(\$1,412,642)	(\$1,305,554)
Operational Change	(\$1,245,642)	(\$1,305,554)
Change in IB Reserve	(\$167,000)	\$0
Ending Fund Balance	\$139,444	\$1,838,571
Fund Balance	0.5%	(4.0%)
Per Pupil Funding	\$7,500	\$7,500
EGRNow! Funding	\$0	\$0
Enrollment	2,925	2,930
Scale/Step Increase	0%/0	0%/0

2015-2016 Budget Preview

- **Fund Balance will be down to approximately 5% at end of 2014-2015**
- **Current fund balance policy in financial audit stipulates a minimum of 10%**
 - **Policy states if fund balance falls to 5% to 7.5%, fund balance shall be replenished to 10% over a period not to exceed 3 years**
 - **If fund balance falls below 5%, shall be replenished to 10% over a period not to exceed 5 years**
- **Goals for 2015-2016 Budget:**
 - **At a minimum, 2015-2016 budget must be structurally balanced (no further use of fund balance)**
 - **Recommendation: Develop 2015-2016 budget that begins the process of replenishing the fund balance per the policy in the district's financial audit**
 - **Future years: Develop plan to complete the process of replenishing fund balance per district policy target**

Becoming Structurally Balanced

State Funding

**Schools of
Choice**

**Program &
Service
Reductions**

**Personnel Cost
Reductions**

Budget Reduction Limitations

- **Budget reduction options were subject to the following limitations:**
 - State requirements
 - Board policy requirements
 - Collective bargaining agreements
 - Maintaining continuity of operations
- **Areas not included:**
 - Personnel cost reductions
 - i.e.: Salaries and Benefits
 - Administration staffing levels
 - Superintendent/Board of Education decision

Note: All options presented are meant for discussion to determine viability of reduction and impact on teaching and learning. A proposed budget with final elimination and reduction recommendations will be presented to the BOE in the spring.

Budget Reduction Options: High School

- **Teaching Staff Reduction, 1.0-1.2 FTEs: (\$115,000)**
 - Board of Education and state credit requirements along with contractual class size limitations prohibit elimination of courses. Given such requirements, the schedule is close to full efficiency.
 - Reductions in staffing would come in parts of FTEs, not full FTEs. For example: 0.2 FTEs from several different teachers throughout the building.
 - Additional waivers for PE would result in a reduction in the number of PE sections. Class size for those sections could also increase.
 - Potential likely reductions would be to the Hybrid world language, PE, as well as support classes (Math Lab, Guided Studies)
 - **Impacts:**
 - Reduced support for students who need additional assistance
 - Reduced world language opportunities
 - Several staff members reduced to less than full-time
 - **Implementation:** Any adjustments to FTEs and staffing will need to be based on certifications and highly qualified status.

- **Guidance Office/Front Office Secretarial: (\$90,000)**
 - Total cost of high school guidance is approximately \$385,000
 - Guidance is not required by state but highly encouraged and necessary to meet the needs of our college bound population. Proposed savings:
 - Reduction of one guidance counselor (\$120,000)
 - Addition of one secretary to support Guidance and provide support to Main Office secretary given .5 reduction there. (0.5 secretary increase = \$30,000)
 - **Impacts:**
 - Reduced support for social & emotional counseling
 - Caseloads would increase to 500 students per counselor (currently 325:1)
 - Restructuring the post-secondary/college application process. Student and parent access to counselors would be reduced.
 - Counselor roles in IEP and 504 meetings would be reduced
 - Restructuring of Junior Conferences
 - **Implementation:**
 - It is not possible to reduce a counselor without providing the remaining two counselors with clerical and secretarial support; that is a necessity
 - Addition of an automated attendance calling system through student information system (Skyward) \$5,000 annual cost

- **Co-Curriculars:**

- **Current cost to provide co-curricular opportunities:**

- Athletics: \$375,000 to \$400,000
- Non-Athletic (District-wide): \$93,000. (Of this total amount, \$45,000 is not associated with a class: Band, Yearbook, Vision.)

- **Options:**

- Increase “self-funding model”
- Increase pay to participate fees
- Reduce opportunities for students
 - Brings the risk of students/families choosing other schools, and loss of per student revenue

Note: Reductions/revenue increases which have already been implemented:

- Pay to participate, increase in self funding, MS Athletics to city, elimination of district support for many non-athletic clubs, etc.
- Booster support helps control district financial burden
- Current structure is very efficient for the amount of opportunities provided for our students
 - 1.5% of total general fund budget

- **Performing Arts Center Management:**
 - Current expenses: \$100,000
 - Current revenue from rentals: \$25,000
 - Net cost of PAC management: \$75,000

- **Options to reduce district financial burden**
 - Reduce expenses, and therefore services available for programs
 - Develop plan to increase revenues – ramp up rentals
 - Explore cost of contracting on as-needed basis
 - Current services provided are beyond the performances in the PAC; many other needs exist throughout the school day/year
 - Reduction in services puts the current quality of fine arts programs at risk

Budget Reduction Options: Middle School

- **Teaching Staff Reduction, 1.0 FTEs: (\$90,000)**
 - Reductions would come in 0.2 FTE components throughout the staff
 - Potential reductions would include support classes (Math Lab, Study Skills)
 - **Impacts:**
 - Reduced support for students who need additional assistance
 - Several staff members reduced to less than full-time
 - **Implementation:** Adjustment to the scheduling process & staffing based on certifications and highly qualified status

- **Intervention Specialist Position: (\$80,000)**
 - Position provides valuable support for students academically, emotionally, and socially
 - **Impacts:**
 - Decrease in Parent/student/staff communication
 - Lunch bunch meetings
 - Check & Connect program
 - Identification of students for Student Assistance Team process (SAT)
 - **Implementation:** Loss of service & staffing realignment
- **Secretarial Support, 0.5 FTE reduction: (\$30,000)**
 - Restructuring of the current secretarial support provided reduction of .5 FTE
 - Addition of an automated attendance calling system through student information system (Skyward) \$5,000 annual cost
 - Increase use of volunteers

- **Guidance Counseling:**

- No state requirement to offer guidance counseling at the middle school
- Current cost of counselor position is \$120,000 (salary & benefits)
- Services provided are crucial to support students who are in need
- To eliminate this position and the Intervention Specialist position would leave no support services in place for struggling students at the middle school
- Recommendation would be to not reduce or eliminate this position if the Intervention Specialist position is reduced or eliminated

Budget Reduction Options: Elementary

- **Restructure Elementary World Language to replace a current special (PE, Art, Music) (2.9 FTE = \$260,000):**
 - Current model of 20 minutes a day, 4 days a week would be adjusted to 55 minutes, one time per week
 - One of the three existing elementary specials (PE, Art, Music) would be discontinued (TBD)
 - Elementary world language program currently allows the district to qualify for Best Practices Funding grant.
 - **Impacts:**
 - Loss of a “special” opportunity will be impactful to students
 - Potential world language curriculum modifications/alignment
 - Loss of 2 full staff members and partial reduction to the world language teaching staff (2.9 FTE)
 - 80 additional minutes available for core content areas (reading, math, etc.) within the instructional time
 - **Implementation:** Current school day model would remain in place, with World Language replacing one of the three specials.

- **Part-time elementary secretarial positions: (\$35,000)**
 - Each building has between 15 and 20 hours per week in a part time secretarial position
 - **Impacts:**
 - Person is responsible for attendance involving checking with the teachers for absent students and calling parents to verify their location
 - Person is trained to handle health concerns such as students with diabetes and asthma. Also administers medications and first aid.
 - Loss of support for projects and services.
 - **Implementation:**
 - Further reliance on volunteers, but confidentiality would be a concern
 - Addition of an automated attendance calling system through student information system (Skyward) \$5,000 annual cost
 - Only trained and available substitute in the absence of the building secretary. An all-volunteer office would occur a number of school days each year.

- **Reduce Elementary Reading Support from 3.0 FTE to 1.0 FTE: (\$180,000)**
 - We have one reading teacher in each elementary building
 - One current position is funded by state restricted At-Risk funding
 - Students below grade level receive support (Grades 1-5)
 - A sub-tier of students would have to be selected to receive support
 - Focus on the lower grade levels (1st & 2nd)
 - **Impacts:**
 - Loss of ability to assist students early to get them at reading grade level
 - Potential increase in students requiring special education services over time
 - Potential 3rd grade reading proficiency legislation: How would this be handled?
 - Potential impact on of performance funding dollars
 - Loss of assistance in Child Study Team process
 - **Implementation:** Loss of services for students
- **General Education Social Work:**
 - Currently elementary social workers have a combined general education and special education students caseload
 - Social Workers are the only trained personnel in the building that can offer mental health services
 - Although general education services are not required, we do not recommend a reduction in services

Budget Reduction Options: All levels

- **10% Building/Department discretionary budget reduction: (\$51,000)**
 - 10% reduction has occurred four times out of the last eight years
 - **Impacts:**
 - Replacement of aging textbooks/on-line resources & updates as needed, reduced supply budgets for teachers, less flexibility to provide specific professional development
 - Decrease the ability to provide interventions & building specific services for students (before school math interventions, science lab setup, MS after school security)
 - **Implementation:**
 - Principals working with teachers to adjust budgets
 - Curriculum Implementation teams will meet less often
 - Added impact on the PTOs

Budget Reduction Options: Special Education

- **Restructure elementary special education programs and services: (\$70,000)**
 - Elementary Autistic Spectrum Disorder (ASD) room (2 students currently would be combined with resource room at Breton Downs Elementary)
 - Reduction of one teacher and one teacher assistant from the ASD room
 - Addition of paraprofessional help in the combined Resource Room
 - **Impacts:**
 - This restructuring would not result in a loss of service for special education students at the elementary level, ASD/CI students would continue to receive appropriate services
 - Staffing realignment
- **Implementation:**
 - Administration and building team will work together to ensure student needs are met

- **Rightsizing of Middle and High School Resource Rooms: (\$36,000)**
 - Due to student counts and needs, resource room teaching staff could be reduced by 0.2 FTE at both the middle and high schools
 - **Impacts:**
 - This restructuring would not result in a loss of service for special education students
 - Restructuring of co-teaching and co-supported instructional model
 - **Implementation:**
 - Administration and building team working together to ensure students needs are met

Budget Reduction Options: Custodial

- **Outsourcing of 2nd/3rd shift staff: (\$100,000 - \$200,000)**
 - Savings based on what we currently pay per FTE for outsourced service at Woodcliff and high school pool and also maintaining the same level of staff FTE
 - Issues that could lower savings:
 - Number of FTE outsourced company would want to provide to complete work
 - Level of service we want provided in school buildings
 - Impact of Affordable Care Act going forward as 30 hr./wk. requirement becomes applicable
 - **Impacts:**
 - Greater turnover of staff
 - Learning process to get outsourced staff/company to understand our expectations
 - Impact of a transition while bond construction program is ongoing
 - **Implementation:**
 - Request for Proposals from companies and union
 - If decision to outsource is made, a timeline for transition will need to be determined

Budget Reduction Options: Tech Staff

- **Reduction of tech support staff: (\$94,000)**
 - Reduction of 1.0 FTE
 - Reduction to the secretarial position in the high school learning commons
 - Delivery of services would be restructured with less dedicated staff to a building and greater emphasis on sharing staff across buildings
 - **Impacts:**
 - Response times will be increased
 - Loss of efficiency for tech support staff
 - Slower install of refreshed and new technology from construction program
 - Possible need to contract in for some technology installs from construction program
 - Risk of increase in lost materials at high school learning commons
 - **Implementation:**
 - Administration working with staff to determine school year services
 - Review of construction program to schedule installation of new technology

Budget Reduction Options: Woodcliff

- **Combining of Early Childhood secretary and receptionist: (\$55,000)**
 - Position would most likely be located at the main entrance front desk
 - Business office to pick up the financial aspects of Early Childhood (billing, receipts, etc.)
 - **Impacts:**
 - Large workload for one person
 - Increase in workload for business office
 - Coverage or parent questions in Early Childhood
 - Impact on support receptionist position which provides support for transportation, security, and Director of Operations
 - **Implementation:**
 - Transition to business office of financial needs
 - Finalize logistics of the two front desks (main entrance, early childhood), and determine how both will be covered
- **Reduction in Business Office staffing: (\$15,000)**
 - 0.3 FTE reduction in staff
 - Workload will be redistributed amongst staff to accommodate the reduction as well as the possible addition of early childhood finances

Budget Reduction Options: Summary

- **Total Reductions: (\$1,401,000)**
 - Items are not listed in this summary to avoid any implication of priority preference
 - The intent is to show all of the possibilities, based on the constraints established
 - Between now and spring, items could be revised, removed, or enhanced as we continue to work on ideas and get input from staff and community
- **Total of other items not specifically listed: (\$710,000)**
 - Athletics & other co-curriculars
 - General Ed Social Work
 - Middle School Guidance Counselor
- **Proposed budget in spring might include reductions that could be removed during the summer due to:**
 - State funding: Impact of May 12 election
 - Enrollment
 - Collective bargaining

Questions/Discussion/Feedback