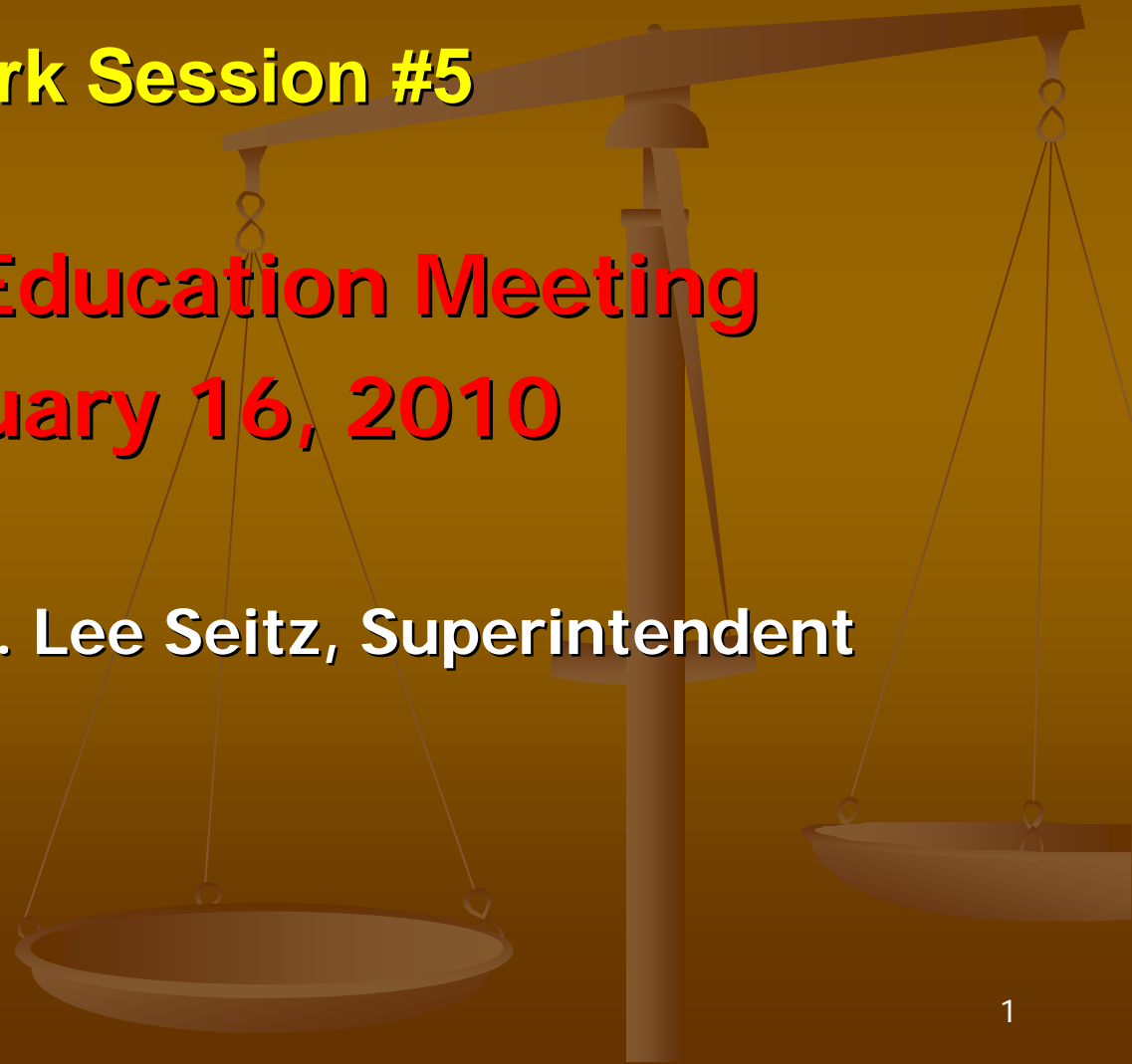


# **2010-2011 Budget Planning**

## **Work Session #5**

**Board of Education Meeting  
February 16, 2010**

**Presented by Dr. Lee Seitz, Superintendent**



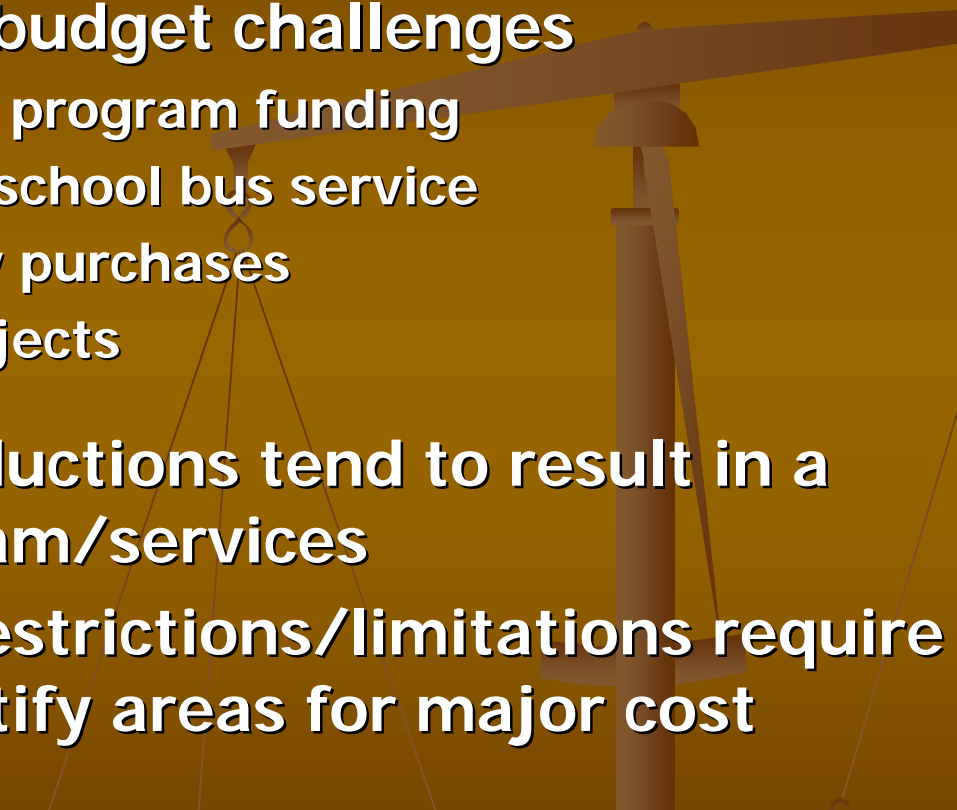
# The 2010-2011 Budget...

- is our financial plan to achieve our district's mission, strategic aims, and objectives
  - **Safe and Open Environment**
  - **High Student Achievement**
  - **Highest Performing Workforce**
  - **Meet or Exceed State and Federal Mandates**

# Clarifiers

- The following information is based on projections and is subject to change
- The administration has not recommended, nor has the Board of Education made any decisions regarding areas that will be reduced in the 2010-2011 budget
- Due to the recession and the financial crisis facing the State, we must be able to live with the reductions for 3 to 5 years

# State of the District 2010-2011 Budget

- **Historically, small reductions in selected line items have solved budget challenges**
    - Reduction in sports program funding
    - Elimination of afterschool bus service
    - Delay in technology purchases
    - Delay in capital projects
  - **These line item reductions tend to result in a reduction in program/services**
  - **Potential budget restrictions/limitations require the district to identify areas for major cost reductions**
- 

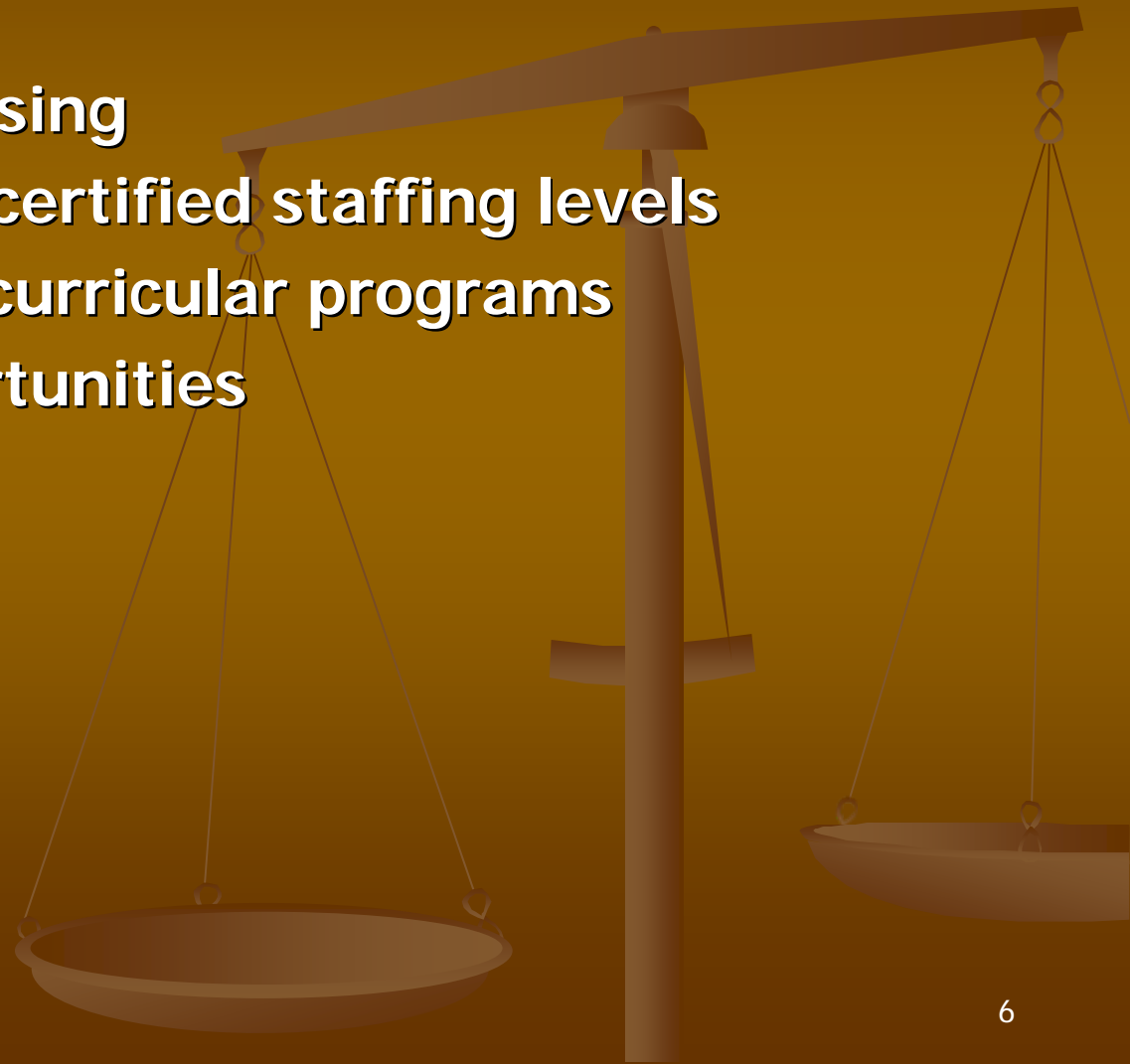


# **Previously Presented Budget Reduction Considerations**

**Presented to Board of Education October 14, 2009**

# Reassessing Staffing and Programs

- **Class Size**
- **Non-hazardous busing**
- **Certified and non-certified staffing levels**
- **Curricular and co-curricular programs**
- **Outsourcing opportunities**



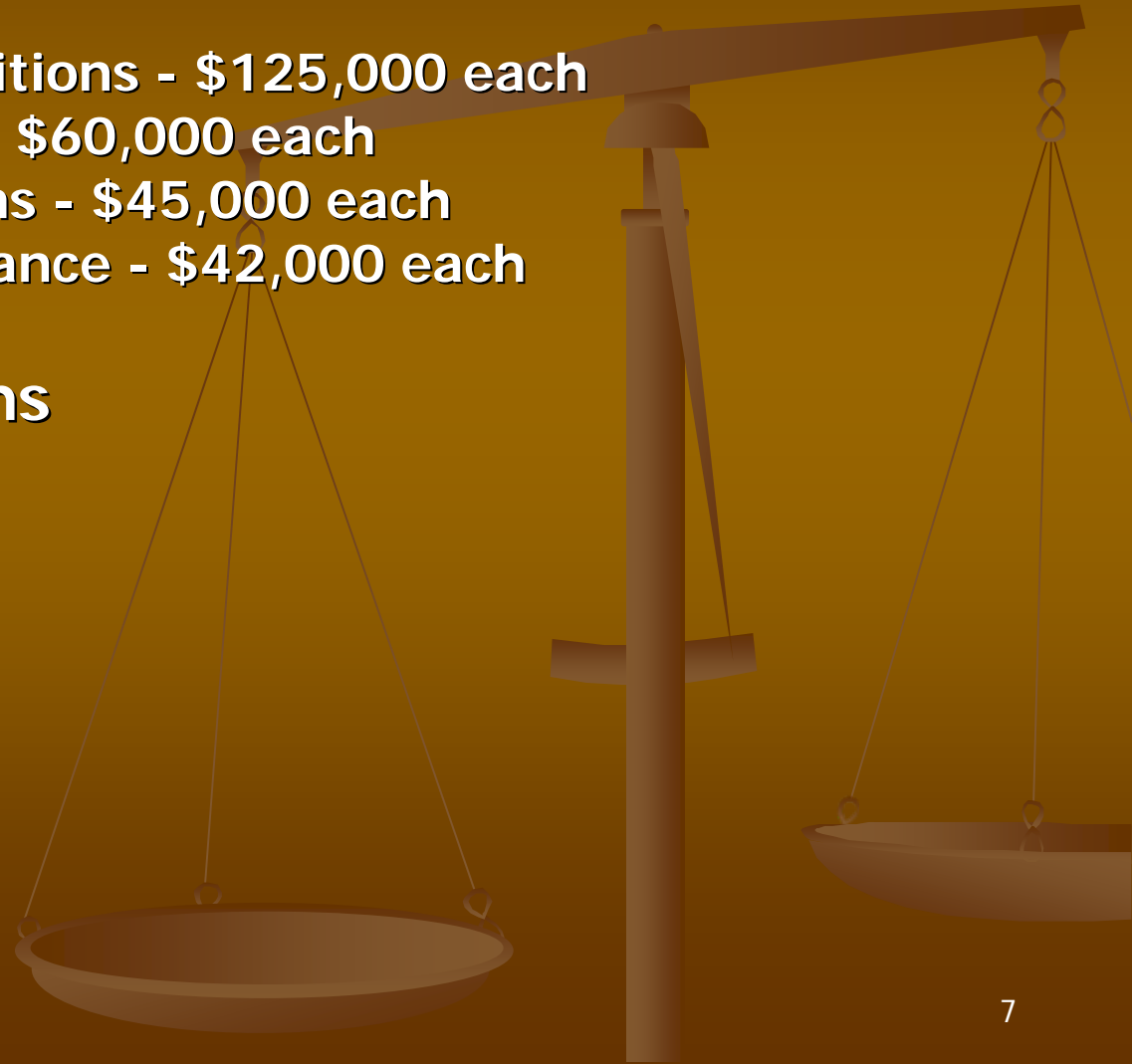
# Budget Reduction Considerations

## ■ Staffing

- Administrative Positions - \$125,000 each
- Teacher Positions - \$60,000 each
- Secretarial Positions - \$45,000 each
- Custodial/Maintenance - \$42,000 each

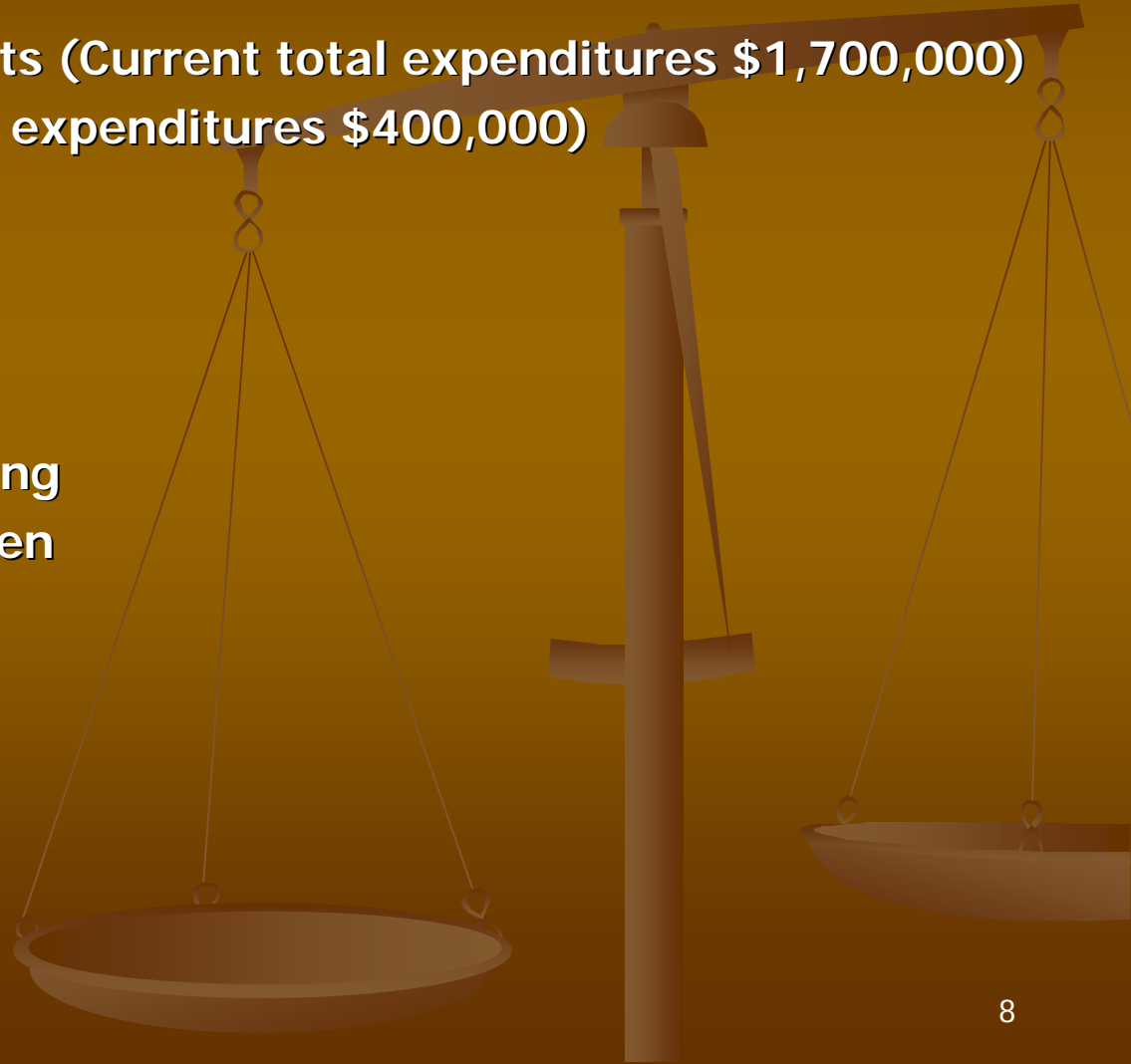
## ■ Curricular Programs

- Textbooks
- Supplies
- Technology
- Class Size

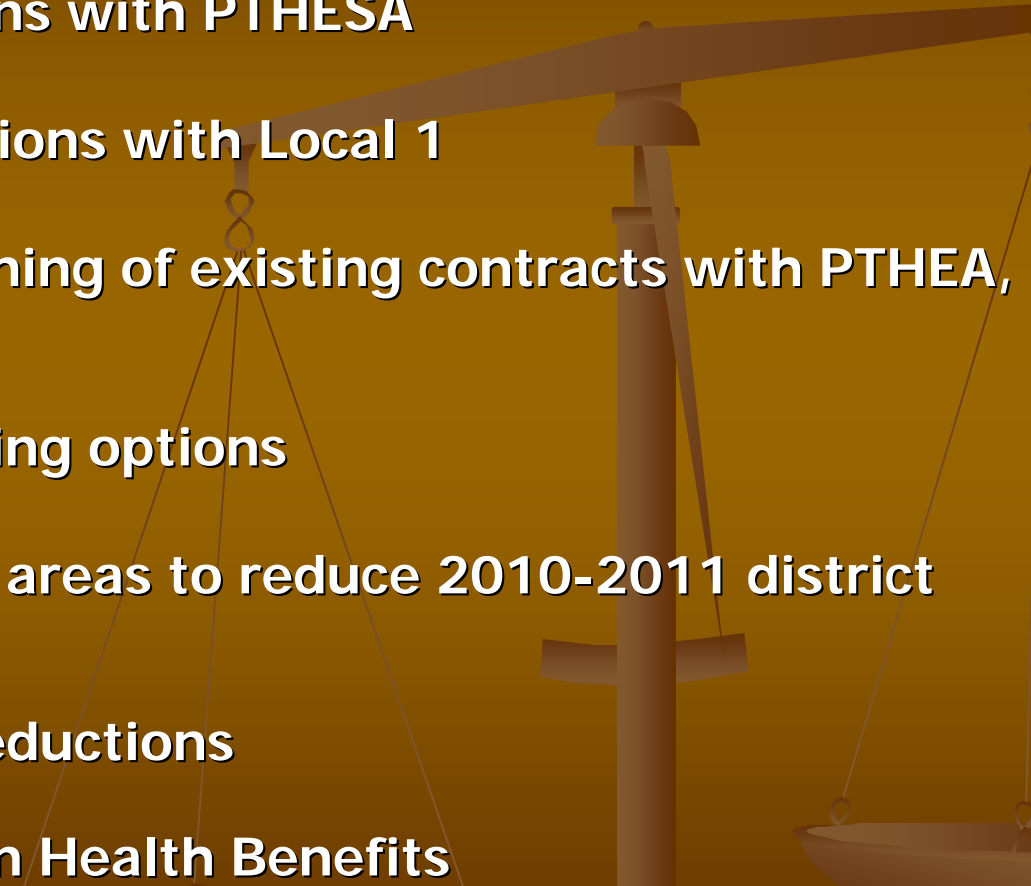


# Budget Reduction Considerations

- Co-curricular Programs
  - Interscholastic sports (Current total expenditures \$1,700,000)
  - Clubs (Current total expenditures \$400,000)
- Facilities
  - Capital Projects
  - Architects Fees
- Miscellaneous
  - Non-hazardous busing
  - Half-day Kindergarten



# What Are We Doing to Reduce Expenditures?

- Continuing negotiations with PTHESA
  - Entering into negotiations with Local 1
  - Discussing the re-opening of existing contracts with PTHEA, APSA, and ESAPTH
  - Researching outsourcing options
  - Identifying additional areas to reduce 2010-2011 district expenditures
    - -\$941,394 line item reductions
    - -\$725,000 reduction in Health Benefits
- 

# Why Are We Considering Outsourcing?

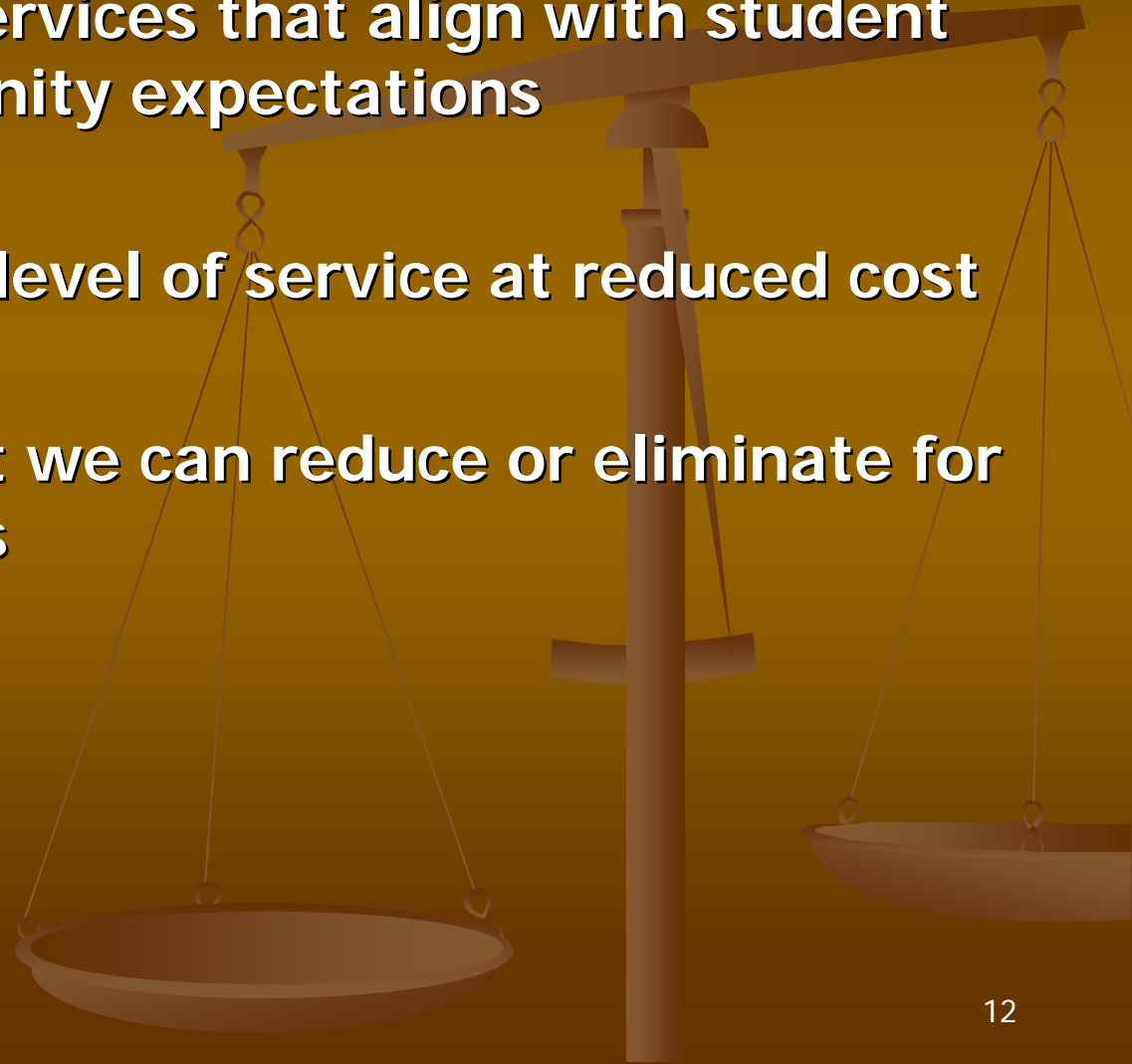
- The 2010-2011 budget is dramatically different due to the magnitude of the State's financial crisis
- Latest State directive that requires us to use current fund balance to offset loss of State aid in the current school year has a major impact on the 2010-2011 budget
- Now, \$2,400,000 of the current fund balance will be used to offset the loss of State aid in this school year
- This significantly impacts the 2010-2011 budget since we were planning on using \$3,200,000 to offset property taxes in the 2010-2011 budget
- This means we will have only \$800,000 to offset 2010-2011 property taxes resulting in a need to reduce spending or increase taxes

# Outsourcing of Custodial Services - Status

- Initial analysis completed
- Consultant doing comprehensive, independent study
- Current custodians would have opportunity to apply for jobs with successful vendor
- Adequate time available to implement by July 1, 2010
- District has options that need to be considered
- District currently outsources food services and the majority of transportation services

# The Criteria for Determining Reductions

- Keep Programs/Services that align with student needs and community expectations
- Maintains current level of service at reduced cost
- Identify areas that we can reduce or eliminate for three-to-five years



# Impact of Executive Order and Rumored Solutions to 2010-2011 Budget

## ■ Worst case scenario:

- 3% hard cap
- State aid reduction
- Extraordinary aid reduction
- Appropriation of Fund Balance reduction

## ■ Total reductions required

-\$357,577

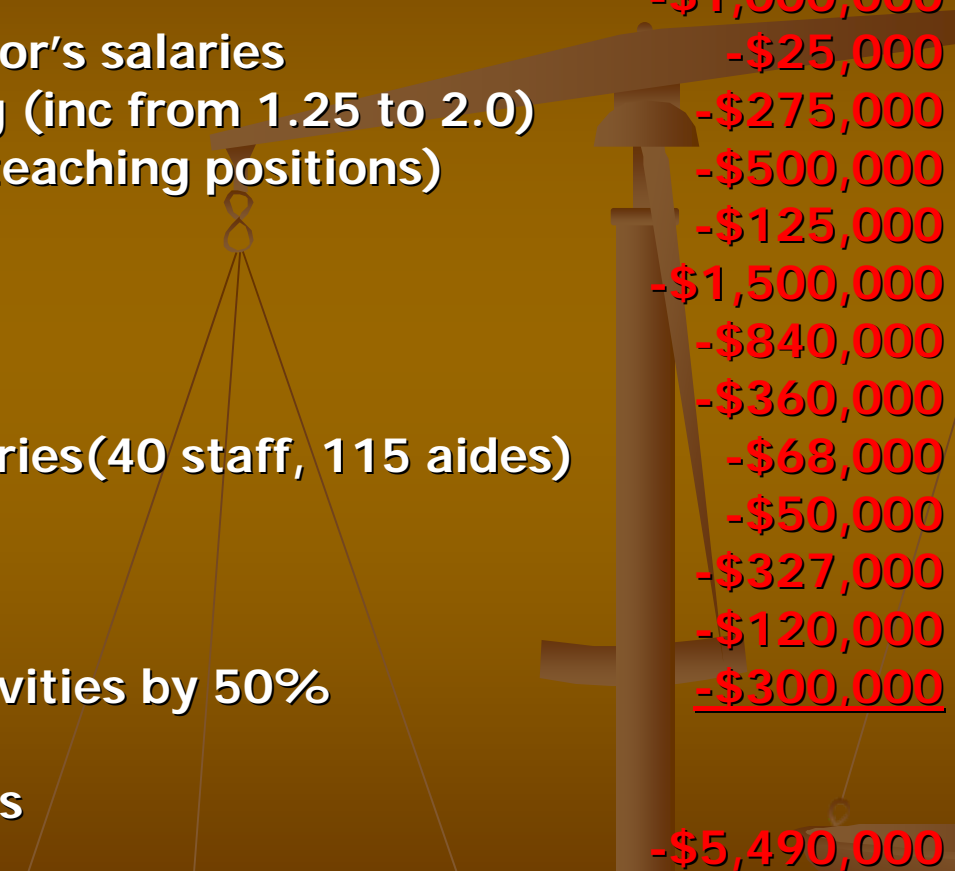
-\$700,000

-\$490,000

-\$2,400,000

**-\$3,947,577**

# Where Can We Reduce District Expenditures by \$5,490,000?



Eliminate capital projects	-\$1,000,000
Freeze senior administrator's salaries	-\$25,000
Eliminate courtesy busing (inc from 1.25 to 2.0)	-\$275,000
½ Day kindergarten (12 teaching positions)	-\$500,000
1 Administrator	-\$125,000
Outsource custodians	-\$1,500,000
14 Teaching positions	-\$840,000
8 Secretaries	-\$360,000
Freeze non-affiliated salaries(40 staff, 115 aides)	-\$68,000
Late bus routes	-\$50,000
Reduce supplies by 10%	-\$327,000
Eliminate some field trips	-\$120,000
Reduce Co-curricular Activities by 50%	<u>-\$300,000</u>
<b>Total of possible reductions</b>	<b>-\$5,490,000</b>

# What if the Budget Fails?

- Last year the Town Council was very clear about future defeated budgets
- Even if we are somehow able to keep some or all of our custodians in the 2010-2011 budget, cuts by the Town Council could result in...
  - Outsourcing the custodians
  - Additional staff reductions across the board
  - Increase in class size
  - Reduction in programs

# Comments, Questions, Recommendations

