

Budget Discussion

Item 1: Personnel Reductions – See “Proposed Budget Reductions” posted on Web

Item #2: Administrators Got Raises

Many concerns were expressed alleging that it appeared that administrators did in fact receive raises for FY 11 12

The only adjustment made to administrators’ salaries was the 6% adjustment made in February of 2011 to switch the Employee Contribution to PERS from District paid to Employee paid. This same adjustment was made the licensed salary schedule. The following example may serve to demonstrate that the District is not budgeting for administrative raises.

For this example, please look to page 55 of 220:

Adopted budget for FY 10/11
1.0 FTE (220 days) 79,056 = 359.34/day
Proposed for FY 11/12
1.00 FTE (215 days) \$81,895 = 380.90/day

FY 10/11 – District paid employee contribution to PERS up till February.
In February, licensed and administrative salary schedules were increased by 6% and the Employee paid the employee contribution.

Therefore, $\$359.34 \times 1.06 = \380.90

In conclusion – As I prepared the FY 11/12 budget, no employee, including administrators, were given a step increment or was any COLA applied to any of the salary schedules.

Item #2: Cash Carry Over and Contingency

On page 3 of 220 Under Beginning Fund Balance you will see \$1,804,852 as a budgeted Resource. On page 186 of 220 you will see \$700,000 expenditure for planned reserve. This is commonly referred to as a “contingency”. Contingency

funds can only be spent by a resolution from the Board of Directors. Therefore, this is basically the District's essential savings for an unplanned emergency. The difference between the contingency line item and the Beginning Fund Balance is what additional money the district has been able to not spend from one year to the next. This amount has drastically reduced in the past two years.

In FY 09/10 the District had a 2.6 million dollar Beginning Fund Balance. In FY 10/11, the budget was adopted with a 2.5 million dollar Beginning Fund Balance. Unfortunately, that Beginning Fund Balance was only 2.2 million dollars.

Essentially, this indicates that the district did a very good job in building up a savings account in the previous years, but has been forced to use this savings account in the past couple of years at a significant rate to mitigate the loss of revenue and the increased cost of doing business. Building a reserve is basically done by being very conservative in estimating revenue and estimating expenses based upon the "worse case" scenarios.

Item #3: Splitting a principal between two elementary schools

Currently the proposed budget does show a reduction in administrative assignments. The current proposal being evaluated is to split a principal between two elementary schools. Personnel regulations prevent a more thorough explanation of this topic.

Item #4: Blending classes vs. closing an elementary school

Most of the recent discussions have centered around the wisdom of blending classes from grades 1 – 6 at all three elementary schools.

This budget was built using that model; however, as long as the district stays within its approved budget, the teaching model can change at any point in time.

In order to determine how much would be saved in closing a school, several decisions would need to be made. These include, but are not limited to the following:

1. Would you simply close a building and RIF all positions that were located in that building?
2. How would the model above impact facility capacities and class sizes?

3. If you wanted to maintain a certain class size, that would need to be determined and then you could calculate the number of positions the district could eliminate.

Additional questions:

1. What is the line item for additional salary for?

Additional salary usually pays for a variety of extra duty assigned to staff. These include, but are not limited to:

Coaching/Assistant Coach – The majority of coaching is located in the special revenue fund and in the General Fund under function 1122 for the Junior High School.

Department Chairs are also paid for through additional salary. A small amount is located at the Junior High and the majority is at the High School.

Other miscellaneous additional contracts are for ASPIRE coordination, special event monitoring, building technology support and support for our State and Federal reporting requirements.

2. Questions regarding the “ceiling” we set if we get additional funds.

On page 3 of 220, there is a line item for Restricted Grants (3299). In FY 10/11 we included 1.2 million. The comparable expense can be found on page 131 and 182. They are categorized as Misc. Expenses. These line items would only be available in the amount of any additional resources that might be received. Last year, the District was not sure how much federal stimulus money would be funneled through the State; therefore, we wanted to budget enough to accommodate the most generous allowance. However, this year, we know that there is no more “Federal bailout money. Therefore, I reduced this amount to \$600,000 just in case we have a influx of students. The expense is budgeted on page 184 of 220 under Misc. Objects. Again, this money is not used unless we are very firm on having received the revenue.