

2010-2011 and 2011-2012
Budget Work Session
March 8, 2011
Superintendent's Notes

FOR DISCUSSION ONLY

2010-2011 Budget Review

- Budget was adopted with \$8,306,851 in State School Fund (SSF) revenue estimate
- May 2010 SSF indicated revenue would be \$7,876,809
 - Recommendation was to reduce budget expense after adoption to account for \$430,042 revenue loss. \$452,000 in targeted reductions were made in early July using:
 - \$152,000 salaries/benefits shifted to Facility Bond Budget
 - \$195,000 five-day all staff work calendar reduction (furlough days)
 - \$ 70,000 certified staff reduction (1/2 Kindergarten; part of Principal/Sped Director – other part is in IDEA Grant, which is helping reduces some Sped costs)
 - \$ 35,000 building & department supplies, materials, services reductions
 - September 2010 SSF indicated revenue would be reduced to \$7,543,407, which created an additional <\$333,402> budget problem – total revenue reduction <\$763,444>.
 - Decision will need to be made with regards to Business Manager's current expense projection, which indicates 2010-2011 budget will be under spent by \$756,280, which will offset most of our revenue reduction. However, according our Business Manager, there was a planned spend-down of cash reserves of approximately \$400,000 built into the 2010-2011 budget. A \$226,863 Contingency, and our \$485,595 Unappropriated Balance, along with unanticipated federal Education Jobs Bill revenue of approximately \$366,000 will provide an estimated \$1,078,361 ending fund/cash balance to start the 2011-2012 budget development.
 - Therefore, without any action, the Revenue and Expense difference would lower our cash savings by <\$725,137> this year.
 - Considerations to manage this year:
 - Consider last weather closure as an additional furlough day = \$39,000 savings
 - Consider additional furlough days as provided by formula in contract
 - Currently reviewing expenses and looking at additional ways to reduce spending – delay supply purchases, reduce non-reimbursed athletic trips, etc.
 - Consider spending down the cash, as budgeted, with, or without additional reductions and work on more significant reductions in the 2011-2012 budget.

2011-2012 Program and Staffing Administrator's Discussion

- Align PHS schedule with PMS using semesters to allow for increased staff sharing
 - Career & Technical
 - Second Language
 - Music
 - Math Remediation
- Consider 4-Day school week
 - Provides equal instruction time to present 5-day schedule with fewer costs – approximately \$130,000 to \$150,000 preliminary estimate.

- Transportation cost reduction at 20% = \$36,000
- Utilities use reduction at roughly 20% = \$60,000-\$80,000
- Personnel hourly wage reductions roughly \$34,000
- Probable savings due to:
 - Reduced absentee rate
 - Reduced medical and personal appointment time
- Enhancements
 - Greater blocks of professional development time
 - Allows greater construction schedule flexibility
- Reductions in Force under consideration (approximate cost savings \$345,000)
 - Sped= 1.5 FTE certified = \$120,000 (life skills to K-6 & 7-12 – relocate staff to self-contained elementary classroom - retirements; PHS resource room to 1.0 FTE from 1.5 FTE)
 - PHS= 1.0 FTE certified= \$78,000 (reduce some forestry periods (flex to science), media specialist time (flex to business), combine some alt ed./credit recovery options – reduce part-time, retiree science and business positions)
 - PMS= 1.0 FTE certified= \$78,000 (not replacing LA resignation)
 - PES= 1.0 FTE certified= \$78,000 (eliminate RTI staff position – move to self-contained due to retirement)

Estimated Potential 2011-2012 Budget/Program Savings: \$504,000 with aforementioned considerations.

Other potential cost savings discussed with business manager and building administrators (for future discussion and cost analysis):

- Reduce calendar work days
- Reduce supply budgets
- Encourage share-down of current supplies between buildings
- Review/implement energy savings measures
- Reduce field trips
- Review extracurricular activities spending/costs and fees
- Review Pool programs, operation costs, fees
- Review potential collective bargaining agreement cost savings through negotiations
- Encourage more Section 125 and 403b participation
- Examine Graduation Requirements and current PHS course offerings

Revenue Generation Considerations

- Grow and promote Beyond PHS program to increase enrollment
- Increase facility use rental rates
- Consider Local Option Levy
- Consider Construction Excise Tax
- Work with City of Philomath and Developers to build affordable single family homes
- Consider establishing a district Charter School-Within-a-School program for Career and Technical/Applied Sciences and Technology programs; or other programs.