




South Kingstown 2009-2010 School Budget

Budget Workshop #1
January 20, 2008



This Presentation

- Key issues
- Budget process
- Revenues
- Expense budget summary
- Budget at risk
- Responding to bad scenarios

Open Questions

- Ability of Town to provide support (PTA)
- Reductions in state aid for 2009-2010
- Mandate relief available
- Health care costs
- Still a work in progress

Budget Schedule

Date	Meeting	Activity
January 13	Regular School Committee Meeting	Budget Delivered To SC
January 20	Budget Workshop	Budget Presentation
January 21	Joint Town Council/School Committee	Capital Budget Review
January 27	Regular School Committee Meeting	Agenda Item
February 3	Budget Workshop	Budget Presentation
February 10	Regular School Committee Meeting	Budget Adoption
February 17	School Department Budget due to Town Manager	Budget Delivered
March 11	Town Council Budget Session	Review School Budget
April 6 and 7	Public Budget Hearings	Public Comment

Current Year Status

- “Lottery Aid” eliminated (\$65,913)
- Article 31 payment eliminated (\$159,933)
- Total Reduction (\$225,846)
- Statement shows capacity to accommodate reduction with frozen accounts
- Teacher Retirement “wash” of \$1,245,858
 - Impact on future years?

What We Will See This Year

- Restricted purchasing to secure funds against the state aid reduction.
- A concerted administrative effort to reduce contracted expenditures. Every dollar that goes outside the district for a contracted service is a dollar that is not available to use to support our own programs.
- Many teachers receiving non-renewal letters in February. The potential for reductions means that many must be noticed in advance of March 1 in order to keep options open.
- Scrutiny of all open staff positions to determine if they provide an opportunity for savings, either in the short term by delayed replacement or in the long term by elimination.

Revenue Assumptions

- State Aid at 2008 level (\$10,548,698)
 - Excludes lottery proceeds (withdrawn in supplemental)
 - Includes Article 31 funds (withdrawn in supplemental)
- PTA increases by 2% to \$48,868,127
 - Not a certainty, a goal
- Medicaid and other revenue level
- Total revenue increases 1.5% (\$912,799)

Historic State Aid

Year	State Aid	% Budget
1996	\$ 7,433,939	28.90%
1999	\$ 7,925,315	25.30%
2002	\$ 9,221,139	22.30%
2005	\$ 9,766,903	20.20%
2006	\$ 9,948,816	19.10%
2007	\$10,428,698	18.80%
2008	\$10,548,698	18.20%
2009	\$10,388,785	16.95%
2010	\$10,548,698	17.36%

Undesignated Funds

Undesignated Fund Recent History and Projected – 2008 to 2011		
Undesignated Funds 6/30/08		1,918,430
Applied to 08-09 operations	(335,000)	1,583,430
Applied to 08-09 capital	(85,000)	1,498,430
Anticipated undesignated funds 6-30-09		1,498,430
One-third available 09-10	499,477	
Applied to 09-10 capital	0	
Applied to 09-10 operations	(374,600)	
Anticipated undesignated funds 6-30-10		1,123,830
One third available 10-11	374,610	

Undesignated Fund Option

- \$499,477 available under “one-third rule”
- \$374,600 recommended utilization
 - No unexpended balance in current year
 - Matching utilization reserved for 2010-11
- If maximum amount used in 2009-2010
 - \$332,984 available in 2010-2011
 - \$166,493 to “make up” elsewhere

Expense Budget Summary

- Increases 2.35% (\$1,406,293)
- Wage costs increase by 3.07%
 - Misleadingly high since some increases were budgeted elsewhere due to negotiations
- Benefit costs up by 3.46%
 - Slight decrease in pension
 - 10% health care increase
- Purchase services decrease by 0.49%
 - Charter and Special Needs tuition reductions

Expense Summary (continued)

- Supplies increase by 2.13%
 - Per pupil allocation
- Capital decreases by 28.16%
 - WKES parking lot and vehicle replacement eliminated
- “Other” category increases by 11.34%
 - Insurance rate projection

Pension Rate

- Small decrease in certified and non-certified contribution rate
- Impact of \$241,934 vs. current rate
- Concern over impact of market on 2010-2011 contribution

Health Care

- Changeover to cost plus with town
 - Working rates leveled in 08-09 with plan to build reserve account
- Poor experience the first few months
 - Trend or aberration?
- Will not have formal “working rates” until April
- Experience will be reviewed in February

Athletics (Hockey)

- Added 5 years ago, supported by boosters
- Discussion of eventual district support, no unequivocal commitment
- Budget moves team expenses to district, leaves ice time with boosters
- Shift accommodated within athletic budget
- Places team level with others, considered as reductions are necessary

Different than pro-forma budget

- \$720,250 reduction
- 6.5 positions
- Capital projects (parking lot, vehicle)
- Tuition accounts (Charter, special education)
- Supply reductions

Where is the reduced staffing?

- Consolidate two elementary classrooms
 - Two and one-half teachers, one teaching assistant (projected smaller K cohort)
- One teaching assistant from each middle school
- One teacher FTE in high school courses
- Already reduced one administration and one high school clerical position (total 2)

Staffing Trend

School Department FTE Counts - Historic, Current, and Budgeted

	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10
Description	actual	actual	actual	actual	actual	actual	budget	budget
Administrators	23.0	22.0	22.0	21.0	21.5	21.5	21.5	21.5
Certified	385.3	382.4	379.2	373.1	380.1	373.3	367.3	363.3
Non-certified	212.4	210.5	203.5	198.8	208.5	204.3	203.3	199.7
Total all FTE's	620.6	614.8	604.7	592.9	610.1	599.1	592.1	584.5

Where Is This Budget At Risk?

- State Aid
 - Projected level – 10% is one million \$
- Property tax Appropriation
 - Goal of a 2% increase - level is one million \$
- Health care
 - Budgeted 10% is one-half million \$

Reduction Scenario Grid

		Property Tax Appropriation vs. Current Year				
		102.00%	101.50%	101.00%	100.50%	100.00%
State Aid vs. Current	100%	\$ (493,495)	\$ (733,045)	\$ (972,595)	\$ (1,212,144)	\$ (1,451,694)
	98%	\$ (704,469)	\$ (944,019)	\$ (1,183,569)	\$ (1,423,118)	\$ (1,662,668)
	96%	\$ (915,443)	\$ (1,154,993)	\$ (1,394,543)	\$ (1,634,092)	\$ (1,873,642)
	94%	\$ (1,126,417)	\$ (1,365,967)	\$ (1,605,517)	\$ (1,845,066)	\$ (2,084,616)
	92%	\$ (1,337,391)	\$ (1,576,941)	\$ (1,816,491)	\$ (2,056,040)	\$ (2,295,590)
	90%	\$ (1,548,365)	\$ (1,787,915)	\$ (2,027,465)	\$ (2,267,014)	\$ (2,506,564)

Scale of Reductions

- \$1 million equates to approximately 13 certified positions
 - High School course structure
 - Support personnel
 - Administrators
 - Unified Arts
- Student Programs (music, athletics)
- Supply, textbook, and technology purchasing
- Professional Development

In the Face of Large Scale Reductions - Could We Reorganize to Save Programs?

- One Scenario – far from ideal
 - Return sixth grade to elementary
 - Create one grade 7-8 middle school
- Could save approximately \$600,000
 - Mostly in support and unified arts positions
 - Grade 6 would not have middle school type program in unified arts

If We Reorganize...

- What Questions arise?
 - Sixth grade as integrated or separate school?
 - If separate school, instructional organization?
 - If integrated – redistricting?
 - How to utilize facilities (space, transportation, bond reimbursements, tenants)?
 - At what point is it worth the pain?

Where are the Savings?

- Eight Certified Positions
 - 1 Administrator
 - 3.5 Support teachers
 - 3.5 Unified Arts teachers
- Five Non-Certified Positions
 - 3 clerical positions
 - 2 custodial positions
- These could vary (see previous slide)

Recommended Decision Points

- For budget reductions below \$400,000, staffing and program cuts would be less disruptive than a reorganization
- As cuts exceed \$400,000, discussion of the relative merits of program cuts and reorganization should begin
- When cut exceed \$500,000, serious consideration is warranted

Decision Points

Cuts Needed	Scenario
Up to \$500,000	Reductions to current structure
Over \$500,000	Reorganization with modified current program
Over \$600,000	Reorganization with increasing program reductions
Over \$1.1 million	Reorganization with very extensive program eliminations and increasingly un-envisioned cuts

Final Considerations – We Should

- Search for better options.
- Involve the community in decision points
- Not let our schools become a hollow shell to avoid difficult decisions