

Budget Recommendations 2010/2011

Board Of Education Overview

December 10, 2009

The Challenge of LPS's 2010/2011 Budget

Less
Revenues

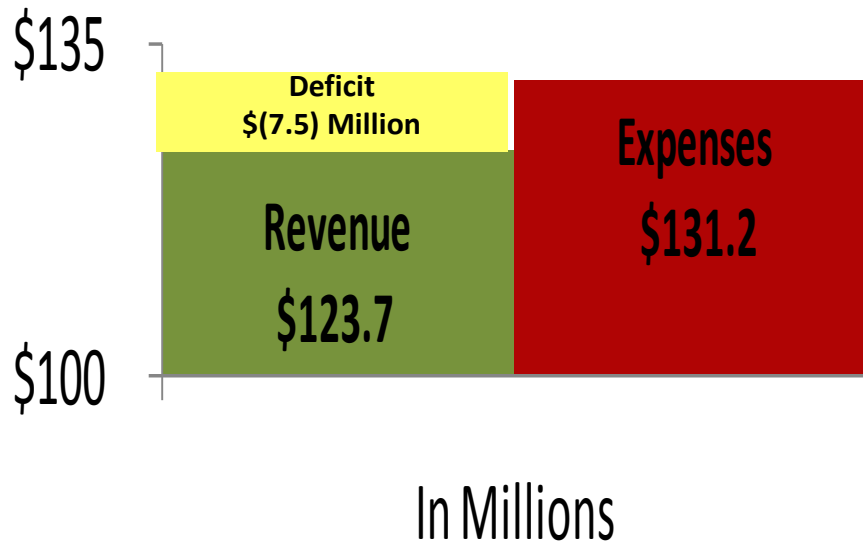


Expectations,
mandates,
PERA, and increasing
costs

State Funding,
declining enrollment,
and depressed local
revenue.

More
Expenses

Forecast Without Budget Balancing Plan for FY 2010/2011



Revenue Impacts - Economic Changes and Assumption

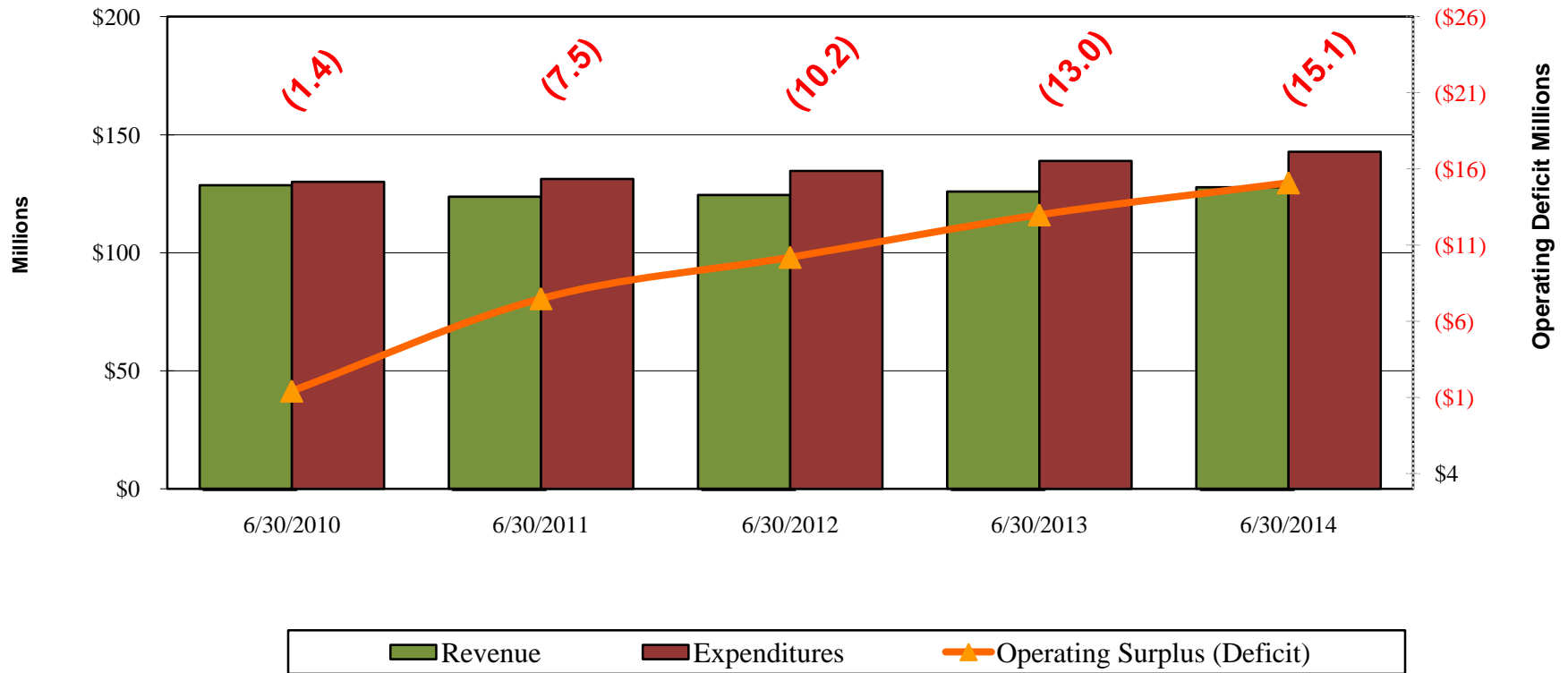
- \$360 million state SFA cut and enrollment changes = \$7.2 million negative impact to LPS School Finance Program Revenues:
 - \$260 million state net cuts to SFA = \$4.6 million
 - \$100 million state cost avoidance = \$1.8 million
 - Enrollment & averaging impact \$.8 million

Expenditure Assumption Impacts:

- Salary Steps and Cost of Living Adjustment
0% Net Increase
- Employer PERA additional pickup = \$.8 million
- Health insurance no employer share increase
- No new program cost or one-time expenditures

General Fund Long Term Forecast

REVENUE, EXPENDITURES AND OPERATING DEFICIT



LPS History of Budget Cuts and Mill Levy Elections

Year	Outcome	Year	Outcome
1988	\$3 million mill levy passed	2004-2005	\$3.5 million in cuts
1992-1993	\$2.7 million in cuts	2004	\$6.5 million mill levy passed
1993-1994	\$2.6 million in cuts	2008-2009	\$1.5 million in cuts; \$1.5 million from reserves
1994-1995	\$1.3 million in cuts	2008-2009	\$532,000 mid-year rescission
1995-1996	\$3 million in cuts	2009-2010	\$4 million in cuts
1997	\$5 million mill levy passed	2010-2011	\$ 7.5 million in cuts proposed
2001-2002	\$3 million in cuts	2011-2012	\$3 million+ in cuts forecasted

Budget Balancing Strategies

FY 2008/09 & 2009/10

- Cut central office positions \$1,000,000
- Reduced central office budgets \$500,000
- Subsidy for Food Service program \$100,000
- Absorbed a mid-year cut from the state
2008/2009 \$530,000
- Reduced staffing levels in the schools (31.5
positions) \$1,700,000 2009/2010

Budget Balancing Strategies

FY 2008/09 & 2009/10 (Continued)

- Reduced district contributions for health benefits and salaries \$1,100,000
- Closed two elementary schools \$850,000
- Reduced school supplies \$67,000
- Less heat, less air conditioning \$60,000
- Increased instrument rental fees \$40,000
- Reduced subsidy to athletic/activity programs \$118,000 with fee increases

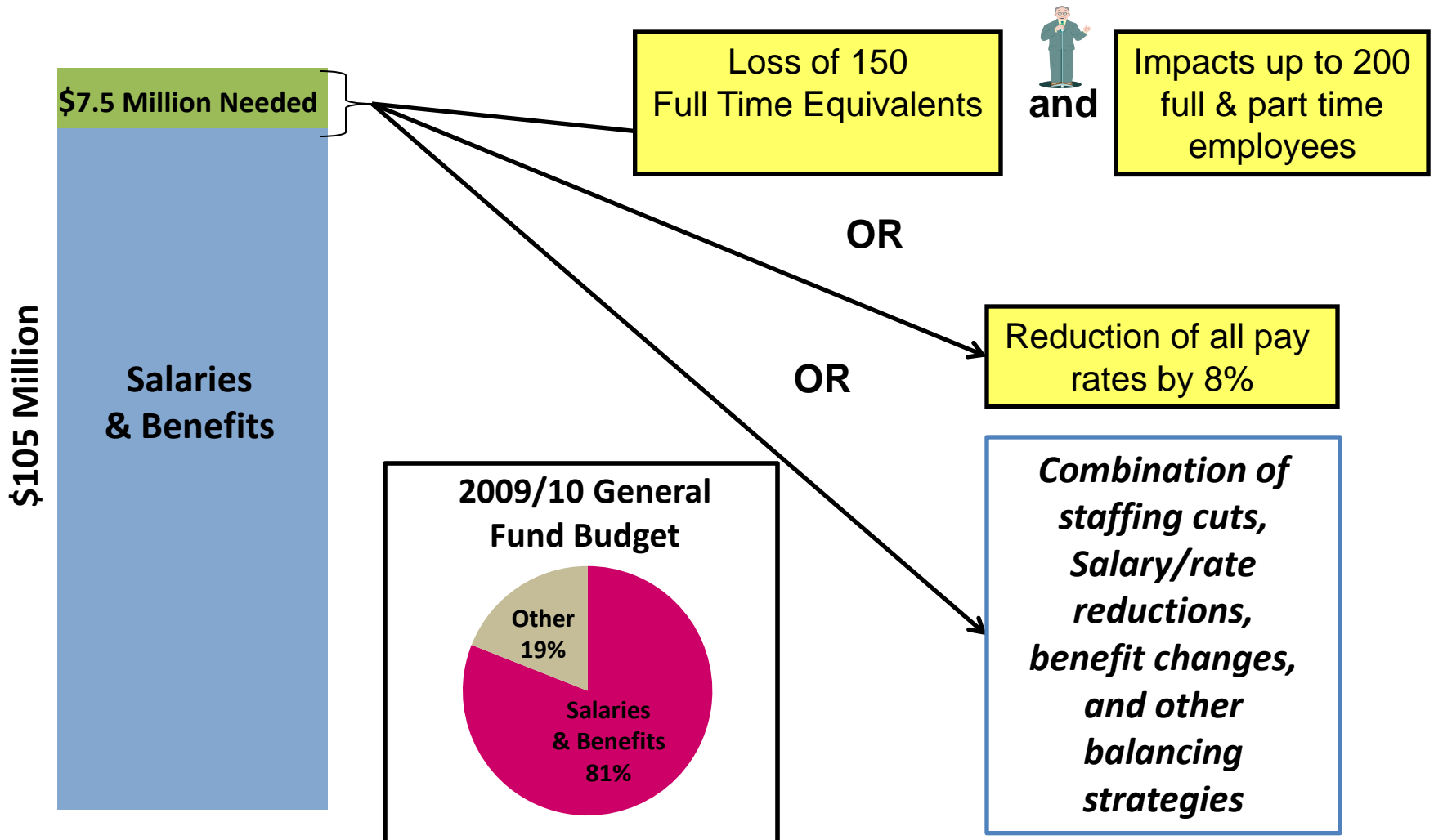
Guiding Principles

- Maintain safety
- Keep staffing reductions to a minimum
- Maintain support for those most at risk
- Don't use one-time money for on-going costs
- Consider a mill levy override election

Budget Matters Presentations

- Concerns about losing teachers, raising class size and losing programs
- Concerns about additional school closures
- Value for programs that make LPS the preferred choice
- Concerns that solutions must be found at state level
- Interest in pursuing a mill levy override for additional local funding

\$7.5 Million Solution Employees Will be Impacted



Recommendations for School Year 2010-2011

Recommendation	Negotiated	FTE Impact	Amount
Eliminate LPS Foundation subsidy	No	0.0	\$50,000
Eliminate HVAC technician position	No	1.0	\$70,000
Reduction of transportation fuel	No	0.0	\$76,000
Eliminate AVID program	No	0.25	\$84,000

Recommendations for School Year 2010-2011

(continued)

Recommendation	Negotiated	FTE Impact	Amount
Eliminate General Fund support for coordinator of instruction and shift funding to Title II	No	1.0	\$100,000
Reduce administration at designated sites	No	2.0	\$100,000
Reduce Options/Pathways staffing	No	2.0	\$100,000
Eliminate computer/AV repair support position and related supplies	No	1.0	\$100,000

Recommendations for School Year 2010-2011

(continued)

Recommendation	Negotiated	FTE Impact	Amount
Reduce professional technical training for staff by 25% and eliminate out of state travel	No	0.0	\$125,000
Reduce all supply & material budgets 10%	No	0.0	\$300,000
Reduce custodial support services <ul style="list-style-type: none"> • Elementary – ¼ FTE • Middle – ½ FTE • High – ½ FTE 	No	7.5	\$310,000

Recommendations for School Year 2010-2011

(continued)

Recommendation	Negotiated	FTE Impact	Amount
Eliminate staffing for International Baccalaureate program at Field and Newton	No	7.1	\$355,000
Reduce designated administrators' contract (8.5% - 25% salary reduction) and eliminate designated administrator and instructional support positions	No	4.0	\$380,000
Eliminate district supported portion of Dental Insurance	Yes	0.0	\$450,000

Recommendations for School Year 2010-2011

(continued)

Recommendation	Negotiated	FTE Impact	Amount
Reduce instructional coaches (ICs) and literacy staff support to schools	No	14.0	\$700,000
Furlough all employees 3 days	Yes	0.0	\$1,300,000
Reduce weighted staffing formulas by 6.53% at all levels	No	58.0	\$2,900,000

Decision Time Line

- **December 10th Board of Education Meeting** – Budget Recommendation Report for the 2010/11 school year
- **January 14th Board of Education Meeting** – Financial Plan and Recommendations for 2010/11 school year discussion and decisions
- **January 21st Budget Workshop**
- **January 28th Board of Education Meeting** – Concluding conversation regarding financial plan and recommendations for 2010-2011 school year
- **January 29th General Assembly** – SFA 2009/10 “Restricted Fiscal Emergency Reserve” rescission decision deadline

Decision Time Line

(Continued)

- **March 10th Board of Education Meeting** – Discussion of public opinion survey results
- **April/May General Assembly** – Adopts School Finance Act for 2010/11
- **May 20th Completion of Employee Compensation Negotiations** (Tentative)
- **May 27th Board of Education Meeting** – Proposed 2010/11 Budget presented
- **June 24th Board of Education Meeting** – Adoption of 2010/11 Budget

Supplemental Slides

Major Reductions for Alternative Considerations

Alternative Considerations	Negotiated	FTE Impact	Amount
Decrease in salaries and related benefits to all employees district wide from 1% up to 5%	Yes	0.0	\$940,000 to \$4,700,000
Lobby state to reduce number of statutory student contact minutes; if approved, increase furlough to 5 days	Yes	0.0	Additional \$800,000
Eliminate middle school intramurals and activities and move to parent-paid school activities and club sports	No	0.0	\$175,000

Major Reductions Reviewed and Not Included for Future Consideration

Not being recommended	Negotiated	FTE Impact	Amount
Instructional supplies fee of \$125 per student	No	0.0	\$1,800,000
Transportation reductions	No	Various	\$380,000 to \$2,000,000
Change purchasing practices to co-ops	No	0.0	
Increase athletic fees	No	0.0	

Governor's Tough Choices Shared Sacrifices Plan November, 2010

- \$2.04 billion FY 2009-2010 state shortfall addressed including K12 fiscal emergency restricted reserve.
- The FY 2010-2011 \$1.02 billion shortfall plan:
 - Utilizes federal stimulus for higher ed.
 - Avoids \$256.6 million in increases including k12 student counts
 - Suspends \$132 million in tax exemptions
 - Reduces general fund \$708.6 million

LPS Per Pupil Revenues (PPR) Expected With and Without State Cuts

