

School District of the City of Royal Oak  
**MEMORANDUM**

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TO: Thomas L. Moline

FROM: John R. Schwartz

DATE: March 3, 2011

SUBJECT: 2011-12 Budget Recommendations

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On the March 10<sup>th</sup> Board of Education Meeting agenda, a recommendation to adopt necessary budget reduction and revenue enhancement initiatives will be made. This recommendation is the first in a series of budget reductions and revenue enhancements that must be enacted to reduce the projected operating deficiency. Currently, the operating deficiency is projected to be in excess of \$4.0 million for 2011-12. The following is a summary of the proposed recommendations for the March 10<sup>th</sup> meeting:

- **Elimination of the position of Director of Transportation and Maintenance Operations (1.0 fte)**  
This will achieve total compensation savings of approximately \$128,000. The elimination of this position has been planned for over a year and is made possible with the privatization of custodial, maintenance, grounds, and transportation services. One administrative position will remain at MTC. The remaining administrative position is extremely important and fulfills the duties necessary to ensure the District is receiving full value from the privatized services.
- **Elimination of the position of Secretary, Maintenance and Transportation Center (1.0 fte)**  
This will achieve total compensation savings of approximately \$73,000. This recommendation has also been planned for over a year and is also the direct result of the privatization of support services.
- **Elimination of the Enrichment Program**  
The most recent financial analysis of the Continuing Education Adult Enrichment Program indicates that the program is currently operating with a projected loss for 2010-11 of over \$10,000. In addition to the projected operating loss, the program also carries a significant “paper pushing” workload resulting from accepting payment for classes, depositing payments in the bank, canceling classes due to lack of enrollment, requesting refunds, and processing refund checks.

➤ **Elimination of ROHS Attendance Office position (.8 fte), NCA position (.2 fte) and Student Government position (.2 fte)**

The restructuring of the Attendance Office duties will allow for the elimination of the current .8 fte position. The elimination of the position will yield projected savings of approximately \$55,000.

The elimination of the .2 fte NCA position and the .2 fte Student Government position will yield savings of approximately \$14,000 each (\$28,000 total). Students will continue to have the opportunity to participate in Student Council activities outside of the school day. NCA/School Improvement activities will also continue at ROHS.

➤ **Increase fees for tuition-based programs, Open Swim and Swim Program**

An increase in fees for tuition-based programs by approximately 3% and increasing District swim fees is recommended. The attached schedules provide the recommended 2011-12 fees for each program. The fee increase in the tuition-based programs (Childcare, Latchkey, Preschool, Acorn, and Summer Camp) is necessary to cover the increased costs of operating the programs. Swim Program fees have not been increased in a number of years. The projected additional revenue expected to be generated for the tuition-based programs is approximately \$31,000 and \$9,000 for the Swim Program.

A resolution to adopt the above mentioned recommendations will be prepared and presented to the Board of Education for approval. As always, if there are any questions or if additional information is needed, Board Members should feel free to contact me directly.

attachments

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