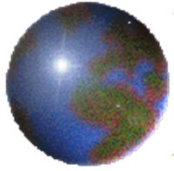


*Budget and Economic
Update*
2011-12

Thursday,
April 14, 2011



Historical Perspective

- ✦ Budget reductions are nothing new:

- On-going for at least 17 years
- More and more difficult

- ✦ Historical perspective of General Fund expenditures:

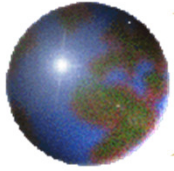
	<u>Expenditures</u>	
1994-95	\$60,374,131	actual
2011-12	55,174,287	projected 04-14-11

- ✦ What if we adjust for inflation (2% per year):

	<u>Inflation Adjusted Expenditures</u>
1994-95	\$84,538,359
2011-12	55,174,287

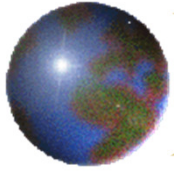
- ✦ Expenditures are significantly less now than 17 years ago

- Dramatic cost reductions
- Remarkable feat
- Tough decisions
- At the same time, instructional programs are stronger



Budget Challenges *2011-12*

- ✦ Budget development is based upon Governor's budget recommendation
- ✦ Reduction in Per Pupil Foundation Allowance
 - \$470 per student reduction
 - \$2.4 million in lost revenue
- ✦ Reduction in Special Education Funding (PA 18)
 - County-wide special education millage
 - \$0.8 million reduced revenue

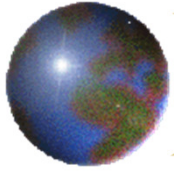


Budget Challenges *2011-12*

- ❖ Declining Enrollment
 - Projected blended student loss of 108.5 fte
 - \$0.9 million in lost revenue

- ❖ Increase in Retirement Contribution Percentage
 - New rate of 24.46% of wages
 - \$1.1 million increased costs

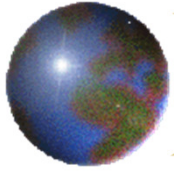
- ❖ Health Insurance Premium Costs
 - Anticipate a 10% increase in premiums
 - \$0.6 million increased costs



Budget Challenges *2011-12*

- ❖ Began budget development with projected shortfall of over \$4.0 million
 - Results from combination of reduced revenue and increased costs
 - This operating deficiency must be addressed

- ❖ Second in a series of budget recommendations will be presented this evening.
 - Significant
 - Necessary
 - And will handle most of the budget shortfall



Budget Recommendations

2011-12

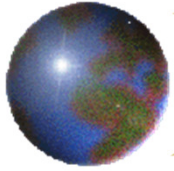
✦ Use of Fund Equity

- \$1.0 million
- Helps preserve instructional programs
- Acknowledges uncertainty of State funding

✦ Reduction of teaching positions - Elementary

- Class size ratio 30:1 used to determine staff allocations

- Northwood -2.1 fte
- Oak Ridge -1.2 fte
- Oakland -
- Upton -1.5 fte
- Addams -1.1 fte
- Keller +1.4 fte
- 4.5 fte



Budget Recommendations

2011-12

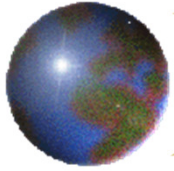
✦ **Reduction of teaching positions - ROMS**

- Class size ratio 30:1 used to determine staff allocations
- Classroom -6.3 fte
- Foreign Language +0.8 fte
- 5.5 fte

✦ **Reduction of teaching positions – ROHS**

- Class size ratio 30:1 used to determine staff allocations
- Classroom -11.6 fte
- Department Chair - 1.2 fte
- 12.8 fte*

*In addition to -1.2 fte recommended in March



Budget Recommendations

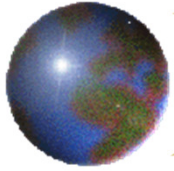
2011-12

⊕ **Athletic Program Changes**

- ROMS – combine football teams
- ROMS – reduce one wrestling coach
- ROHS – provide funding for coaching positions only (golf teams)

⊕ **Pay-to-Participate Athletics - ROMS**

- Currently one-time, annual fee of \$100
- Change to per-sport fee
 - \$100 first sport
 - \$ 50 second sport
- Lower fees for reduced meal eligible students
- No fees for free meal eligible students

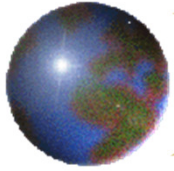


Budget Recommendations

2011-12

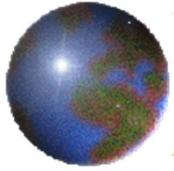
✦ **Secretarial, Clerical and Paraprofessional Changes**

- -1.0 fte Churchill Secretary
- -1.0 fte Career Technical Education Paraprofessional
- +6.0 fte Class Size Relief Paraprofessionals



Budget Status *2011-12*

✦ Projected Revenues	\$54,041,567
Projected Expenditures	<u>55,174,287</u>
	\$(1,132,720)
Use of Fund Equity	<u>1,000,000</u>
Operating Deficiency as of April 14	<u><u>\$ (132,720)</u></u>



Budget Status *2011-12*

- ❖ Open budget impact items:
 - State funding
 - Health insurance premiums
 - Taxable valuations
 - Will determine Hold-Harmless Millage Rate

- ❖ Important Dates:
 - Line item budget reports – May 6
 - Distributed electronically to Board of Education
 - Posted on website
 - Public Hearing – May 25
 - Millage rate adoption – May 25
 - Budget Adoption – June 9