

BUDGET WORKSHOP

Focus on

FY 2008-2009

Tuesday May 13, 2008

Financial Operations
Office of Budget Management



OBJECTIVES

- Update the Board on Legislative Developments, Since the April 28, 2008 Board Budget Workshop that Could Impact the FY 2008-09 Budget.
- Follow Up Discussion on the Sale/Lease of WLRN Spectrum.
- Recommendations to balance the remaining Budget Shortfall of \$27.8 million from the April Budget Workshop.
- Board Decisions and Directives on Proposals (Accept, Reject or Amend).

Category A - Further Reduction of Administrative Budgets

\$ Millions

Projected Budget Shortfall

\$ 27.8

DECISION

10	Eliminate all General Fund Support for WLRN	\$ 3.1
11	Reduction in work year for School Police Force from 12 months to 10 months for all officers	2.1
12		
13		
14		
15		
16		
	Sub Total	\$ 5.2

ACCEPT	REJECT

Remaining Budget Shortfall

\$ 22.6

Category E: Elimination/ Downsizing Programs and Initiatives

\$ Millions

Projected Budget Shortfall

\$ 22.6

DECISION

7	ESE Placement Specialists change from 12 month to 10 month employment	\$ 1.8
8	Educational Enhancement Student Advisory Council (EESAC) allocation change from \$10 to \$5 per FTE (341,424) in FY 2008 Appropriations Act	1.5
9	Physical Education Elementary Teachers-change allocation from 1:21 to an average of 1:30	6.8
10	Gifted teachers - change ratio from 15.41:1 to an average of 18:1 (class size) by changing to a full time model from a two day pull out model	7.3
11	Magnet Program - reconfigure program including unique requirements included in the School Allocation Plan since the 1980's as delineated in pages 87 to 101 of the Plan	9.0
12	Align Alternative Education class size ratios to 15:1	5.0
13	Eliminate selected ESE positions open during FY 2007/08	1.2
14		
15		
Sub Total		\$ 32.6

ACCEPT	REJECT

Remaining Budget Shortfall

\$ (10.0)

Category I: Reductions to School Allocation Plans

\$ Millions

DECISION

Projected Budget Shortfall

\$ (10.0)

	<i>ACCEPT</i>	<i>REJECT</i>

13	Senior High School Activities and Athletic Supplements reduced 10% from \$5.1M to \$4.6M	\$ 0.5
14	Middle School Activities and Athletic Supplements reduced 10% from \$1.3M to \$1.1M	0.2
15	Reduction of Special Allocations for Elementary Schools as delineated on page 15 of the School Allocation Plan	0.1
16	Reduction of Special Allocations for Middle Schools as delineated on page 38 of the School Allocation Plan	0.2
17		
18		
19		
20		
Sub Total		\$ 1.0

Criteria: The School Allocation Manual allocates funds to schools based upon the enrollment, school size, number of buildings, programs and other conditions. The total allocation under the School Allocation Manual is \$2.4 billion. The last major revision the School Allocation Plan occurred on March 3, 2003. The revision is now ongoing. The above revision was approved unanimously by the SAP committee which includes Regional Superintendents, Principals and one parent.

Remaining Budget Shortfall

\$ (11.0)

Category L: Contingency Reserve

\$ Millions

DECISION

Projected Budget Shortfall

\$ (11.0)

		ACCEPT		REJECT
1				
2				
3				
4				
5				
6				
7				
8				
Sub Total				

1	Increase contingency reserve in anticipation of November 2008 Budget reductions and/or cost increases	\$ 11.0
2		-
3		-
4		-
5		
6		
7		
8		
Sub Total		\$ 11.0

Remaining Budget Shortfall

\$ 0.0

ISSUES FOR BOARD CLARIFICATION

- Collective Bargaining Agreements to be discussed at a Special Board Meeting.
- Class Size Reform (CSR) Compliance Options:
 - Use the \$35 million in FY 2008-09 to continue working towards CSR compliance by FY 2009-10.
 - No investment in FY 2008-09 and defer the entire compliance burden to FY 2009-10.
 - Hold the \$35 million in contingency in the event of a mid-year State reduction.

ISSUES FOR BOARD CLARIFICATION

(continued)

- Food & Nutrition:
 - Increase lunch price by .50 cents per meal which generates \$3.7 million of revenue (this was discussed at the April Board Workshop).
 - Increase the meals per labor hour standard to reduce labor costs:
 - a. Align all schools to current standard if they are below it (saves \$1.4 million and has a potential Reduction in Force of 125 employees).
 - b. Discuss a higher labor standard hours with the union for a potential additional savings of up to \$3.7 million if standards are raised to between 19 and 22 meals per hour.
 - Change menu options to reduce food costs for FY 08-09.

- Salary Lapse Options:
 - Discontinue use of current lapse assumptions in the FY 2008-09 budget development and reduce salary budget by \$75 million dollars (with an additional reduction in force of 1,190 positions).
 - Discontinue use of current lapse assumptions by FY 2009-10 and absorb impact over two years.