

AAPS Budget Reduction Planning 2009/2010 & 2010/2011



ANN ARBOR PUBLIC SCHOOLS

Tonight's Agenda

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|------|---|------------|
| I. | Welcome and Introduction | 5 minutes |
| II. | Presentation of Funding and Budget; 2009-10 and 2010-2011 Budget Modification Options | 40 minutes |
| III. | Table Discussion and Report Out | 60 minutes |
| IV. | Individual Survey | 15 minutes |

The Goals for Tonight's Meeting

- Budget Information
- Discuss 2009/2010 & 2010/2011 budget reduction options
 - Proposed options for 2009/2010 school year
 - Options for addressing projected deficit for 2010/2011 school year
 - And beyond...
- Feedback regarding possible options
- Gather new ideas, options and questions

AAPS Budget

Funding Reduction

- Unprecedented loss of funding
- Funding will be reduced to 2001-02 level

Funding Reduction

- 2009-10
 - \$165 per pupil reduction in Foundation Allowance
 - \$233 per pupil cut in 20j
 - Total = \$398 per pupil; \$6.5million
 - Possible additional \$127 per pupil reduction (\$525 per pupil)
- 2010-2011
 - Expect an additional \$200 - \$300 per pupil reduction; \$4.9 million
 - Need to address approx \$6 million structural deficit
 - Approximate deficit to be addressed 2009-10 - 2010-11 = \$21 million

Budget Scenarios

Budget Scenarios	2009-2010 1 st Qtr (current) Stable Funding	2009-2010 Nov. 16 Cuts Add'l \$360 (\$525) p.pupil	2010-2011 Add'l \$200 (\$725) p. pupil	2010-2011 Add'l \$300 (\$825 p. pupil)
Student Count	16,489	16,489	16,489	16,489
TOTAL Revenue	\$188.9	\$183.0	\$180.0	\$178.4
Base Educational Expense	\$193.0	\$193.0	\$193.9	\$193.9
Step, FICA, Retirement Adj.	\$1.4	\$1.4	\$2.8	\$2.8
Fringe Increase - Inflation	\$1.6	\$1.6	\$2.2	\$2.2
Early Retirement Inc Pay- out/ Contract Settlements	\$0.6	\$0.6	\$0.4	\$0.4
Budget Reduction Plan	(2.7)	(2.7)		
TOTAL Operating Expenses	\$193.9	\$193.9	\$199.3	\$199.3
Deficit	(\$5.0)	(\$10.9)	(\$19.3)	(\$20.9)
Fund Equity – Beginning Bal.	\$27.0	\$27.0	\$17.0	\$17.0
Fund Equity – Ending Bal.	\$22.0	\$17.0	(\$2.3)	(\$3.9)

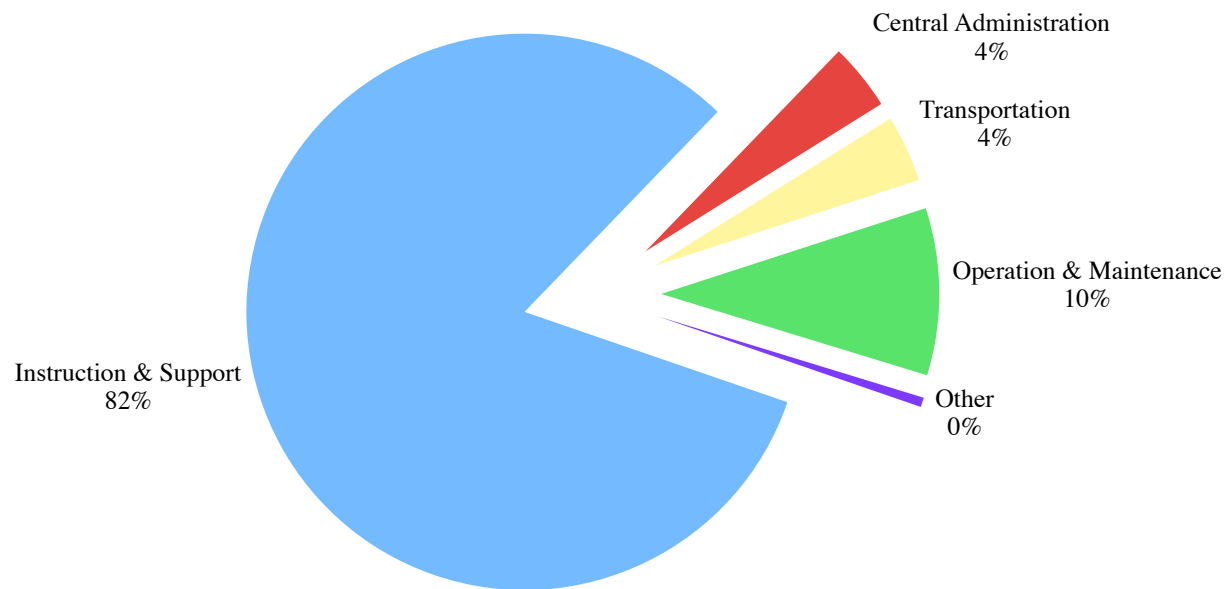
Specific Fund Use

- General Fund – Used for general operating expenditures of the school district such as salaries and benefits, utilities, supplies, equipment etc...,
- Grant Funds- **Restricted** by the grantor, i.e Title I, IDEA , Career & Tech ed., etc..,)
- Bond Funds- **Restricted** by the voters to fund capital projects such as building construction, technology, bus purchases, etc...
- Debt Service- **Restricted** by law to fund debt service for bonds.
- Sinking Fund- **Restricted** by state law to fund capital projects including land acquisition and remodeling and repairing of current facilities by contracted sources.
- Special Revenue Funds- **Restricted** for specific purposes such as Food Service and Rec & Ed.

Total Revenue for the District as a Whole For Fiscal Year End June 30, 2009

COMBINED GENERAL FUND		\$ 197,347,524
General Fund	\$ 181,226,394	
Grants Program	\$ 14,234,624	
Capital Needs	\$ 1,886,506	
BOND FUNDS		\$ 806,389
2004 Bonds	\$ 35,100	
2006 Bonds	\$ 400,316	
2008 Bonds	\$ 369,528	
Prior Year Bonds	\$ 1,445	
OTHER FUNDS		\$ 36,491,129
Special Revenue	\$ 10,548,447	
Debt Service	\$ 17,996,779	
Sinking Fund	\$ 7,945,903	
TOTAL REVENUE		<u>\$ 234,645,042</u>

Expenditures as Percentage of Total Budget FY 2008/09



What's Included?

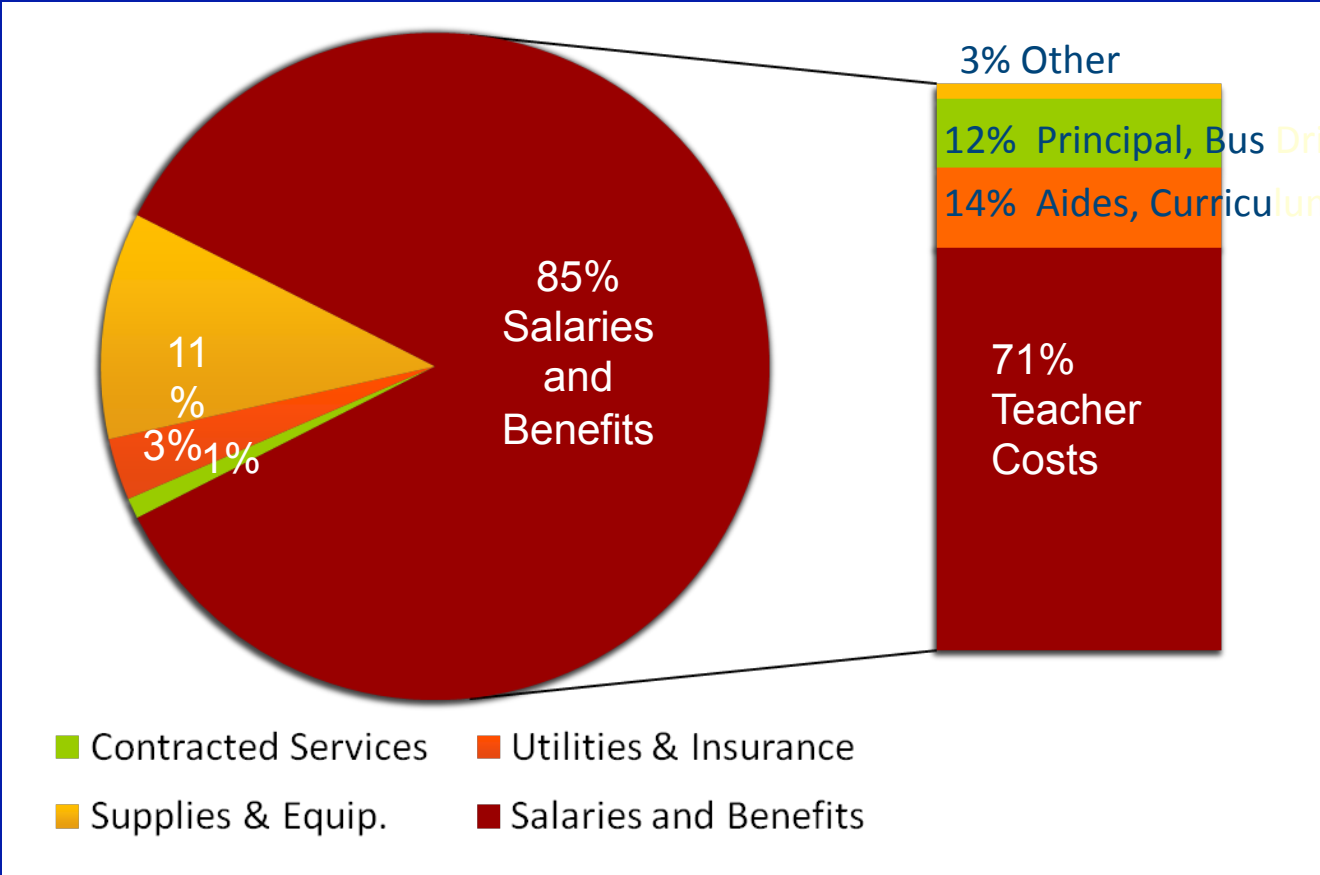
Instruction & Support

- Teachers
- Teacher Assistants
- Technical Assistants
- Coordinators
- Building Administration
- Building Secretaries

Administration & Support

- Central Administration
- Directors/Supervisors
- Administrative Support (Executive Secretaries)
- Custodial/Maintenance
- Transportation

The Driving Cost in our District is People



Teachers include Classroom Teachers, Media Specialists, Counselors, Social Worker

Teacher: Student Ratios

Elementary – 1:23-25

Middle School – 1:28

High School – 1:29

Analysis of Operating Costs

• Basic & Added Instructional Needs	\$110,365,357	57.92%
• Adult Education	128,293	0.07
• Student Support Services	43,466,894	22.81
• Executive Administration	1,723,384	0.90
• Central Administration	3,778,797	1.98
• Operations & Maintenance	18,877,113	9.91
• Business Services	1,858,426	0.98
• Transportation	7,186,333	3.77
• Community Services	563,548	0.30
• Outgoing Transfers	2,580,826	1.35
Total	190,528,971	100.00%

Budget Development

- Addressing 2009-2010
- Planning for 2010-11
- Strategic Planning Process in Spring for Planning 2011-12 and Beyond

Guiding Principles for Addressing Budget Deficit

- Mission, Beliefs Parameters, Strategies in the District Strategic Plan
- Focus on student achievement and academic excellence
- Maintaining a variety of educational programs and learning opportunities for students

Mission

The mission of the Ann Arbor Public Schools, a world-class system of innovative teaching and learning, is to ensure each student realizes his or her aspirations while advancing the common good through a community dynamic distinguished by:

- Personalized learning that is curiosity driven, student directed, teacher inspired
- Challenging and provocative curriculum
- Individualized and group creative expression
- The nurturing of the human spirit
- Culturally congruent instruction
- Forging alliances with families and communities

Guiding Principles for Addressing Budget Deficit

- Look at how to provide services and programs differently at a high quality while reducing costs
- Focus on new revenue options as well as cost savings

Considerations for Developing Budget

- New Revenue Options
 - Identify Capacity for Schools of Choice Enrollment
- Wage and Benefit Reductions
- Administrative Functions
 - Reductions in central administration
 - Reductions in school administration

Considerations for Developing the Budget

- Non-Instructional Areas
 - Maintaining service levels and providing the service differently
 - Changing service levels
 - Combination of the first two
 - Consolidation with other districts
- Instruction and Student Programs
 - Impact on student achievement
 - Number of students impacted
 - Equity
 - Opportunity to provide instruction/learning differently

2009/2010 Proposed Reductions

Item	Cost
Limit conference attendance unless funded through grants and approved	\$100,000
Limit all overtime	\$600,000
6 FTE vacancies not filled	\$400,000
Reduce discretionary fund budget	\$700,000
Limit textbook replacements	\$200,000
Reduce administrative costs	\$100,000
High school noon hour staff reduced	\$50,000
Reduce substitute teacher costs	\$50,000
Reduce summer school costs	\$100,000
Reschedule low enrolled 2nd semester classes	\$80,000
Change to November elections	\$90,000,
Reduce athletic transportation	\$50,000
Reduce Heating and cooling costs	<u>\$70,000</u>
Total	\$2,590,000

2010-2011 Budget Planning

Item	Area	Est. FTE	Est. Reduction	Impact
INSTRUCTIONAL				
Reduce Textbook Budget	K-12		\$200,000	Reduce textbook purchases (29%)
Reduce Summer School Costs	K-12		\$100,000	Reduce transportation costs, reduce some services (21%)
Reduce Substitute Teacher Costs	K-12		\$200,000	Reduce some professional development that requires substitutes (10%)
Restructure Elem. Specials	Elem.	8	\$640,000	Staffing efficiencies; reduction and restructuring of media and technology program
Restructure ESL	K-12	4	\$320,000	Alignment of staff to caseloads and restructuring of the delivery model
Redesign Alternative Programs	HS		\$400,000	Redesign alternative programs at Clemente and Stone based on current student needs, graduation requirements and post-secondary goals
Restructure MS Planning Center	MS	5	\$360,000	Need to have alternative options for addressing in-school discipline issues
Offer more classes on-line	HS	5	\$400,000	More on-line courses offered for students at the high school level which provides greater flexibility for students and greater efficiency in staffing
K-12 Staffing Efficiency	K-12	12	\$960,000	Reduce need for teachers to travel, staff some targeted classes at a higher student to teacher ratio
Subtotal			\$3,580,000	

NON-INSTRUCTIONAL				
Reduce Overtime Costs			\$700,000	Overtime costs for activities on the weekend and other non-school times must be funded by the activity (10%)
Eliminate HS Noon Hour Supervisors	HS		\$50,000	Cafeteria supervision assumed by administrative staff and community assistants
Reduce Transportation Costs	Dist-wide		\$1,500,000	Consolidation county-wide; Potential reduction in services: eliminate shuttle buses from Pioneer and Huron to Community; eliminate noon hour kindergarten transportation; expand walkzones at high school level and consolidate bus stops; eliminate 1 tier of bussing with middle and high school students riding on same buses
Reduce Custodial & Maintenance Costs	Dist-wide		\$2,500,000	Potential modification of service delivery, salary and health care cost reductions and/or privatization of these services (23%)
Energy Cost Savings	Dist-wide		\$400,000	Implement an energy education and monitoring program (6.2%)
Reduce Athletic Costs	HS; MS		\$500,000	Pay for participation at HS (\$150) per year, MS (\$50) per year, need based scholarships; eliminate weekend transportation for events in Washtenaw County; Reduce MS Administrative Costs; Reduce the number of Freshman games by 2; rental and facility savings
Subtotal			\$5,650,000	

INSTRUCTIONAL & NON-INSTRUCTIONAL				
Limit District Funded Conference Attendance	Dist-wide		\$150,000	Less opportunity to attend conferences that require overnight stay or travel expenses unless funded by grants. Requires getting information from different sources. (70%)
Reduce Discretionary Budgets			\$900,000	Reduced funds for supplies and materials.... (10%)
Salary & Benefit Costs Savings	Dist-wide		\$5,000,000	Reduces health care and salary costs by approximately 4%
Reduce Administrative Staffing	Cent Admin; HS	7	\$600,000	Reduction of 5 positions in central administration and 2 HS class principal positions (9%)
Reduce Clerical Staffing	Cent Admin; HS	8	\$320,000	Reduce 6 clerical staff in central administration and two building clerical staff at the HS level. (7%)
	Subtotal		\$6,970,000	
	Total		\$16,200,000	

<i>New Revenue</i>				
Targeted Schools of Choice	Elem;MS	150	\$1,050,000	Open 100 spaces for students from outside the district at schools where there is space available at K-1 and 6th grade. Open 50 spaces for Stone and Clemente
Options Magnet Enrollment Increase	HS	20	\$180,000	Increase enrollment in this program of in-district students currently not attending AAPS.
	Total		\$1,230,000	
Total Cost Savings & New Revenue			\$17,430,000	

Table Discussions