

Center Grove Community School Corporation

Administrative Fiscal Restructuring Plan

Background

- Our General Fund shortfall is \$2,312,000 in 2010, and it grows to \$3,586,000 in 2011.
- Our overall goal is to re-establish “structural balance” in the General Fund by January 1, 2011. Structural Balance means that our on-going revenue is greater than or equal to our on-going expenses.
- The Cash Balance is the contingency fund used for unforeseen circumstances. The Corporation needs to stop using the Cash Balance for expenditures and instead grow the Cash Balance to at least 8%. Currently, the corporation’s Cash Balance is 5.4%. To pay one month of the Corporation’s expenses, 8% is needed in the Cash Balance.
- Property tax caps will further reduce revenue for schools.
- The Corporation needs to make the following types of reductions: a) permanent cuts b) budget cuts that will be restored when the Referendum passes.
- The following guiding principles were used in establishing items in this plan:
 - Our first priority is to protect students’ needs and core academic classes.
 - All funds will be examined for opportunities to be more efficient and lower costs.
 - We used an approximate guideline of a 10% reduction for all categories.
 - We must proceed in the decision-making process by assuming the Referendum will NOT pass as this will aid in framing priorities.

Why has the shortfall occurred?

- The state transitioned from using property tax to fund education to using sales tax. The poor economy has caused the amount of sales tax collected to decline significantly. As a result, there has been less funding available from the state for K – 12 education.
- The state took over all funding of the General Fund instead of permitting some local funding.
- In December 2009, the governor announced a 4.5% decrease in K – 12 education funding.

Previous Fiscal Reductions Implemented August, 2009

Administrators	\$345,000
Teachers	\$125,000
Support	\$295,000
Other	<u>\$96,000</u>
Total	\$820,000

NOTE: What is proposed in the following pages is in addition to this reduction of \$820,000.

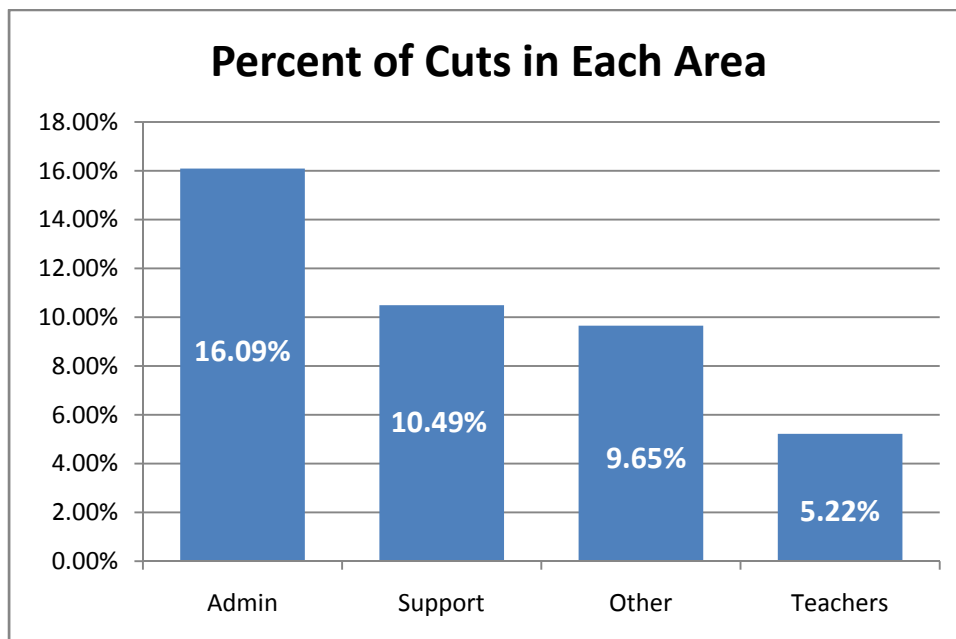
“Double Counting” of Budget Cuts

The administration’s list of recommendations includes over 50 items. In the list there are cuts that overlap with each other. For example, #55 (salary reductions) will not be quite as large if we also do #38 (reduce ECA positions). Most of these interactions are small. In total, this list includes approximately \$20,000 of “double counting.” As a result, we have cut about \$20,000 above our original goal.

Summary of Reductions

All amounts shown on the attached pages represent on-going savings in the General Fund. Reductions have been made in the each of the following budget categories:

<u>Area</u>	<u>2011 Budget</u>	<u>Reduction Amount</u>	<u>Reduction Percent</u>
Administration	\$3,457,184	\$556,300	16.09%
Support staff	\$8,223,968	\$863,100	10.49%
Other items	\$3,951,166	\$381,400	9.65%
Teachers	<u>\$28,898,681</u>	<u>\$1,508,900</u>	5.22%
Total	\$44,532,000	\$3,309,700	



In addition to these budget cuts, we have identified \$311,000 in cost avoidance and/or additional revenue to support the 2011 budget. This brings the total support for the 2011 budget to \$3,620,700.

Recommended Budget Reductions

1. Close West Grove:

Administrators: eliminate 1 principal -	\$90,000
Teachers: 1 counselor -	\$50,000
Cost Avoidance: 3 “specials” teachers**	\$150,000
Support: eliminate 6 support staff -	\$172,500
Other: utility savings -	\$64,300
Other: supplies savings -	<u>\$14,900</u>
	\$541,700

** Current elementary specials teachers sharing NG and PG will be reassigned to only one building. This will avoid the cost to add 3 specials teachers when we redistrict.

2. Administrators:

Reduce previous Superintendent annuity -	\$20,000
Eliminate 2 MS deans -	\$170,000
Eliminate 1 elementary assistant principal -	\$79,000
Reduce administrators’ health insurance benefit -	\$66,000
Eliminate special programs coordinator -	\$45,000
Reduce all salaries by 1% -	\$27,000
Eliminate insurance retirement benefit -	\$21,600
Eliminate cancer insurance -	\$7,700
Move parts of some positions to Food Service Fund -	\$30,000
Eliminate administrator professional memberships -	<u>\$4,000</u>
	\$470,300

3. Other Cuts:

Heightened energy practices -	\$90,000
Reduce community newsletter -	\$25,000
Reduce travel -	\$37,000
Eliminate staff recognition -	\$7,200
Move payment for band uniforms to Rainy Day -	\$10,000
Reduce supply accounts -	\$54,000
Reduce the number of cell phones -	\$10,000
Reduce Dues/Fees accounts -	\$15,000
Eliminate gas for the superintendent -	\$3,000
Reduce consultants and contracted services -	\$47,000
Reduce professional development -	<u>\$29,000</u>
	\$327,200

4. Support Staff:

Eliminate temporary grounds position -	\$16,000
Reduce days worked for some custodians -	\$74,000
Eliminate corporation PR specialist -	\$24,900
Eliminate corporation receptionist positions -	\$44,000
Eliminate corporation purchasing agent -	\$43,400
Move part of Curr. Sec. to Title 1 -	\$12,000
Eliminate some office assistants -	\$75,000
Eliminate some elementary instr. assistants -	\$67,500
Eliminate benefits for part-time staff -	\$67,000
Do not fill some extra-curricular assignments -	\$90,000
Reduce overtime -	\$10,000
Reduce Alt. Ed. Asst. to part time -	\$8,300
Reduce school board stipends -	\$1,500
Reduce salaries by 1% -	\$56,000
Move security costs to Title 4 and parking fees -	\$35,000
Reduce finance secretary to part time -	\$30,000
Reduce high school clinic assistant -	\$20,000
Eliminate nurses uniform allowances -	<u>\$1,500</u>
	\$676,100

5. Teachers:

Do not fill some extra-curricular assignments -	\$135,000
Do not put literacy coaches in General Fund -	\$275,000
*Reduce extended contracts by 20% -	\$34,000
*Reduce salaries by ½% -	\$250,000
Savings from a retirement incentive -	\$170,400
Move parts of some positions to Food Service Fund -	\$30,000
Eliminate 11 teaching positions -	<u>\$550,000</u>
	\$1,494,400

* Some of the above reductions would require negotiations with teachers. UTACG would need to make a determination through an M.O.U. to accept some of these reductions in order to save teacher jobs. The number of teaching positions eliminated would be higher than 12 if other concessions were not agreed to. It could be lower than 12 if deeper concessions were agreed to.

6. Cost Avoidance and Additional Revenue:

Additional full-day KG revenue	\$35,000
Pay-to-participate fee at the secondary schools -	<u>\$126,000</u>
	\$161,000