

2004-2005 Proposed Budget Reductions

Board of Education Meeting

February 23, 2004





Presentation Agenda

- Getting to This Point
- Philosophy Behind Recommendations
- Assumptions
- Estimated Necessary Reductions
- 2004-05 Reduction Summary
- General Comments
- Recommended 2004-05 Reductions with Details & Impact Statements
- Next Steps
- Closing Comments
- Processes for Collecting Feedback

This is a long report with a lot of information. For the sake of time, please allow me to get through the entire presentation before asking questions or making comments.



Getting to This Point

- The recommendations in this presentation are a culmination of:
 - Four Employee Meetings
 - Numerous Administrative Meetings
 - “Superintendent for the Day” Activities
 - Administrators 
 - Employees
 - Data
 - Comments 
 - Numerous unsolicited comments
 - Review of Entire District Budget (4,400+ lines)
 - Reflecting On:
 - Past Budget Activities
 - Past Reduction Information



Past Budget Activities & Reductions

| Fiscal Year | Previous Abatements by Board of Education | Previous Budget Reductions |
|--------------|---|----------------------------|
| 99 | \$546,880 | |
| 00 | \$878,546 | |
| 01 | \$878,587 | |
| 02 | \$878,587 | \$1,150,000 |
| 03 | \$878,587 | \$500,000 |
| 04 | | \$1,387,027 |
| 05 | | \$1,766,799 |
| Total | \$4,061,187 | \$4,801,826 |

Note: District 108 is in the people business and has been committed to reducing “things” instead of “people” in previous years. To date, the reductions above have resulted in only two people not being re-employed.



Philosophy Behind Recommendations

Slide 1 of 2

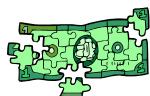
- The District's mission, goals, and values guide this process
- Maintain quality instructional services in core content areas
 - Reading, Math, Writing, Social Studies, & Science
- Stay within the district's class size guidelines
 - K-3...20-25 students
 - 4-8...26-32 students
- "Things before People" – unfortunately, we are forced to shift to more "people"
- Every \$40,000 saves one teaching position
- Every \$15,000 saves one assistant or clerk position
- Combination of "Percentage" & "Program/Service" reductions
- Take a conservative approach when developing the budget
 - Slightly underestimate revenue
 - Slightly overestimate expenses



Philosophy Behind Recommendations

Slide 2 of 2

- If not these reductions, then what?
- Seek input up until the final recommendation to the BOE in March
 - The feedback received tonight will be considered a part of all the other data collected during this process.
 - This is a very complicated process – much like putting together a very intricate puzzle. All pieces need to be considered in light of the entire puzzle.
 - I will do my best to consider all input in light of the big picture and develop a recommendation that reflects the needs of children, the organization, and the Board's wishes.
- We choose our attitude. We must choose to remain positive and look for ways to make District 108 stronger during difficult times.



Assumptions

Slide 1 of 2

- Local funding sources will not provide relief.
 - Tax Caps limit our ability to increase revenue sources to a level that will solve this situation.
 - Corporate Personal Property Replacement Taxes have been declining and it is quite possible they will decline for another year.
- The State will not provide relief.
 - The projected budget is based on no increase in general state aid.
- The Federal Government will not provide relief.
 - The proposed budget is based on no increase in NCLB Grants.
 - In fact, the proposed budget reflects decreased federal funding.




Assumptions


Slide 2 of 2

- It is quite possible that the necessary reductions may increase as all indications show that NCLB grants may decrease.
- Reductions will be necessary every year unless revenue increases.
- These reductions reduce our ability to meet the needs of all children.
- These reductions are contrary to the mandates of NCLB.
- It is quite possible that the district will have to employ an additional special education teacher to maintain compliance with special education guidelines.



Estimated Necessary Reductions

| <u>Fund</u> |  | <u>Amount</u> |
|---|---|------------------------------|
| • Education Fund | | \$910,464 |
| • Poverty Grant (calculated with General State Aid) | | \$320,000 |
| • Transportation | | \$90,199 |
| • NCLB (Title I) | | \$361,856 |
| | | Total.....\$1,682,519 |




"Now" Reduction Summary

Slide 1 of 3

| <u>Item</u> | <u>Percent</u> | <u>Total</u> |
|-------------|----------------|------------------------------|
| • Things | 36% | \$656,557 |
| • People | 64% | \$1,188,936 |
| | | Total.....\$1,845,493 |

Notes: 1) It was possible to reduce "things" in previous years. We are now forced to consider larger proportions of "people."

2) The recommended reductions exceed necessary reductions by \$162,974. This amount provides some flexibility for addressing increased enrollment, a potential need to employ additional special education staff, and to comply with the Title I "set aside." This is 0.56% of the total budget.



2004-05 Reduction Summary

Slide 2 of 3

| <u>Category</u> | <u>%</u> | <u>Amount</u> | <u>FTE</u> |
|-----------------------|--------------|--------------------|-------------|
| • Things | 36 | \$656,557 | NA |
| • Certified Personnel | 55 | \$1,016,130 | 17.0 |
| • Support Personnel | 8 | \$148,306 | 14.0 |
| • Other Personnel | 1 | \$24,500 | 0 |
| | Total | \$1,845,493 | 31.0 |



2004-05 Reduction Summary

Slide 3 of 3

- The "Operating Funds" are the only funds being considered for reductions.
 - Education
 - Transportation
 - Operations & Maintenance (Building)
- All recommended reductions come from the Education Fund
 - The district has already reduced expenses beyond reasonable limits in the Transportation and Operations & Maintenance Funds.



General Comments

- These recommendations dramatically change District 108
- Unless something changes, reductions will be necessary every year
- If these reductions are implemented, it is also recommend that the Board move forward with placing a referendum on the next ballot
- The Board has a couple of options to consider:
 - Use of reserves
 - Seek revenue sources
 - sale of property
 - user fees
 - increased fees
 - develop and lease district property
 - Seek corporate sponsorship
 - Allow more than one fundraiser per school per year
- The recommendations are categorized as:
 - Things
 - People



These items are not in priority order.

If we learn that our revenue will be more than currently predicted, I will revise my recommendation to the Board based on these factors:

1. Data collected up to that point.
2. The impact on students, classroom instruction, and the district as a whole.
3. Actual reductions that are ultimately implemented.



2004-05 – Things

Slide 1 of 4

| <u>Description</u> (not in priority order) | <u>Estimated Savings</u> |
|---|--------------------------|
| • Board Supplies & Materials (diploma, etc.) | \$1,500 |
| • Board Professional Conferences | \$12,000 |
| • Board Professional Memberships | \$500 |
| • Board Holiday Reception | \$1,500 |
| • Professional Texts (Supt. Office) | \$500 |
| • Travel/Expense Allowance (Supt. Office) | \$1,960 |
| • Professional Registration (Supt. Office) | \$1,600 |
| • Professional Membership (Supt. Office) | \$1,000 |
| • General Supplies for Instruction (Asst. Supt. Office) | \$3,000 |



2004-05 – Things

Slide 2 of 4

| <u>Description</u> (not in priority order) | <u>Estimated Savings</u> |
|---|--------------------------|
| • General Supplies for Prof. Dev. (Asst. Supt. Office) | \$1,000 |
| • Equipment (Asst. Supt. Office) | \$800 |
| • Dues & Membership (Asst. Supt. Office) | \$1,000 |
| • ITBS & CogAT Testing (Asst. Supt. Office) | \$15,000 |
| • Use Title I Carryover (Asst. Supt. Office) | \$146,000 |
| • District Wide Prof. Dev. (Human Resource Office) | \$37,200 |
| • DILT Budget Reduction (Human Resource Office) | \$10,000 |
| • Reduce Prof. Dev. Purchased Services (Human Resource Office) | \$20,220 |
| • Reduce Staff Relations (Human Resource Office) | \$3,000 |
| • District Printing – Dist. Cal. Production (Human Resource Office) | \$888 |



2004-05 – Things

Slide 3 of 4

| <u>Description</u> (not in priority order) | <u>Estimated Savings</u> |
|---|--------------------------|
| • Travel/Expense Allowance (Business Office) | \$3,000 |
| • Software Support/Data Processing Services (Business Office) | \$1,500 |
| • Professional Conference/Membership (Business Office) | \$800 |
| • Equipment (Business Office) | \$1,000 |
| • Print Services/Forms (Business Office) | \$1,000 |
| • Capital Expenses (Special Education Office) | \$2,000 |
| • Purchased Services (Special Education Office) | \$3,450 |
| • Supplies and Materials (Special Education Office) | \$2,000 |
| • Substitutes (Special Education Office) | \$1,815 |



2004-05 – Things

Slide 4 of 4

| <u>Description</u> (not in priority order) | <u>Estimated Savings</u> |
|--|--------------------------|
| • Eliminate Tech. Purchased Services (Tech. Dept.) | \$17,500 |
| • Eliminate Tech. Hardware Purchases (Tech. Dept.) | \$137,824 |
| • Attrition | \$180,000 |
| • Costs for Summer Installation of Tech. | \$8,000 |
| • Close Rdg. Rec. Training Site & Eliminate Costs Related to Rdg. Recert. | \$10,000 |
| • Reduce Building's Supplies, Materials, & Textbook Allocations | \$28,000 |



2004-05 – Things Summary

Total Savings from
"Things"

\$656,557



2004-05 – People

Slide 1 of 2

| <u>Description</u> (not in priority order) | <u>Est. Savings</u> | <u>FTE</u> |
|--|---------------------|------------|
| • Administrative Salary Concessions | \$73,000 | |
| • Administrative Reduction of One Central Office Position (NCLB Coordinator) | \$98,500 | 1.0 |
| • Eliminate Building Web Masters | \$14,500 | |
| • Eliminate Jr. High Industrial Technology | \$50,000 | 1.0 |
| • Eliminate Orchestra/Suzuki, Band, & Extra-Curricular Programs | \$375,030 | 5.0 |
| • Eliminate Two Intermediate 5.75 Learning Center Assistant Positions | \$20,000 | 2.0 |
| • Eliminate Two Jr. High Office Clerk Positions | \$24,000 | 2.0 |
| • Reduce Cost of Classified Substitutes | \$10,000 | |

Handout
Available
On Web



2004-05 – People

Slide 2 of 2

| <u>Description</u> (not in priority order) | <u>Est. Savings</u> | <u>FTE</u> |
|---|---------------------|------------|
| • Reduce Food/Ancillary Positions to Keep Costs at 2003-04 Budget Level | \$0 | |
| • Reduce Four Intermediate Connections Teachers | \$160,000 | 4.0 |
| • Reduce Learning Consultant Positions by One | \$59,600 | 1.0 |
| • Reduce Half-Time Reading Recovery Teacher / Half-Time Reading Recovery Lead Teacher | \$40,000 | 1.0 |
| • Reduce Ten Educational Assistants | \$104,306 | 10.0 |
| • Reduce Two Counselor Positions | \$80,000 | 2.0 |
| • Reduce Two Int. Classroom Teaching Positions Based on current projections, class sizes will stay within district guidelines | \$80,000 | 2.0 |



2004-05 – People Summary

**Total Savings from
“People”**

\$1,188,936

17.0 certified FTE

14.0 support FTE



2004-05 NCLB (Title I) Reduction Summary

Slide 1 of 1

Necessary Reductions – \$361,856

| <u>Category</u> | <u>Amount</u> |
|---|------------------|
| • Central Office Administrator | \$98,500 |
| • Rollover* | \$146,000 |
| • Reading Recover Site & Certification | \$10,000 |
| • Reading Recover Teacher/Reading Recovery Lead Teacher | \$40,000 |
| • Title I Teaching Assistants* | \$104,306 |
| Total | \$398,806 |

Note: The recommended reductions in Title I exceed the necessary amount by \$36,950. This amount may be necessary due to the possibility that the NCLB grants will be reduced further. It is quite possible that some (*) of these reductions will be reinstated after the costs of "choice" are determined.



Other Recommendations

1. Study all non-mandated positions and departments during the 2004-05 school year to develop recommendations for further reductions **if** they are needed. These include but may not be limited to:
 - Learning Consultant
 - Learning Center
 - Counseling
2. Reduce in force (RIF) grant related positions whose funding is at risk. These include but may not be limited to:
 - Early Childhood Continuing Block Grant
 - Infant/Toddler Grant
 - Early Childhood Block Grant
 - Reading Improvement Block Grant
 - Adult Education ICCB Grant



Next Steps

What?

- Solicit Feedback From BOE,
Association, Community, & Employees
- Distribute Feedback to BOE
- Potential Special BOE Meeting
- Make Final 2004-05 Recommendation to BOE
- Develop "Next" list

When

Late Feb.
Early March
Early March
March 15, 2004
Spring 2004



Closing Comments

- Obviously, these reductions dramatically impact the quality of services and programs we offer our students.
- These reductions take away valuable support services necessary to respond to NCLB.
- We will do our best to maintain the quality of remaining programs and services.
- Many of these reductions require us to rethink our current level of services and tasks. Some departments and/or service models will be studied and restructured.
- Now more than ever, we need to be very clear about our goals, core services, who we are, and who we are not.
- **It takes people to run a people business!**



Closing Comments

Why did I lump all extra-curricular programs into one item?

- In order to maintain class sizes within target ranges, it is necessary to make all recommended reductions.
- Not making one or all of these reductions results in additional reductions in personnel and/or "things" to the point of completely ruining program effectiveness in other areas.
 - Reducing additional support and/or teaching positions will have an even more negative impact on academic services.
 - Reducing additional administrators increase our liability and ability to provide adequate supervision, management of district programs, and proactive leadership.
- Frankly, I am not comfortable stating that one extra/co-curricular program is more important than another.



Closing Comments

Why are more administrators not included on the list?

- I realize it is not politically correct to defend administrators.
- Some would have us believe that we are "top heavy."
- According to the 2003-04 District Report Card, the pupil-administrator ratio in District 108 is 212.0:1. The state average is 221.1:1.
- Our ratios is a little higher because we have a few schools small schools.
- Administrators serve many roles:
 - Instructional leadership
 - Supervision
 - Addressing liability
 - Implementation of District/Board goals
 - Mediation
- Perception of administrators is impacted by the nature of the position
 - Make unpopular decisions and recommendations
 - Work in one-to-one environments more than with larger groups



Closing Comments

How about reducing and/or eliminating the Professional Development School (ISU Intern Program)?

- This year, there are 22 elementary and 11 early childhood interns for a total of 33.
- From my perspective, the costs of this program are more than justified given that we have 33 sets of hands to help in the classroom.
- Reducing or eliminating this program will place an additional burden on numerous classrooms.
- The ISU students have already signed up for next year and we have begun the registration process for the following year.
 - We have over 50 interns registered for 2004-05 and about the same projected for 2005-06.



Closing Comments

- Our partnership with ISU is very strong and we are working to increase our opportunities.
- This relationship/program provides valuable, free professional development opportunities for many employees.
- The PDS is internationally recognized and used as the model program.
 - Dr. Michael Fullen uses this model in his world-wide travels.
- The PDS costs District 108 approximately \$105,000 for FY04.
- Changing this relationship impacts us in many ways that are not quantifiable in budgetary terms.



Closing Comments

Why did I not include reductions and/or elimination of the programs at the Pre-School Family Education Center (PFEC)?

- Research is very clear about the impact of early intervention, especially when working with pre-school at risk children.
- While it would be wonderful if all children entered kindergarten with equal skills, that is not our reality.
- Eliminating these programs/services will have an extremely negative impact on many children for years to come.
- District 108 has a contract with Head Start that lasts until 2007.



Closing Comments

- There are five Early Childhood classrooms at PFEC.
 - The district must maintain these classrooms to provide mandated special education services to eligible students.
 - At least one combination early childhood classroom must be maintained to provide a continuum of services for these students.
- District 108 accepted \$9.8 million in State Construction money under an agreement that Wilson Intermediate was an extension to an already existing facility.
 - Closing PFEC could create a need for the State to reconsider the money received.
- The added cost to the district for all programs housed at PFEC is approximately \$3,000.

Handout
Available
On Web



Two methods for collecting more data:

1. The **continuing dialogue** with the Board, Education Association of Pekin representatives, parents, community members, and employees to hear reactions and provide clarifying information that addresses your questions
2. Data submitted from those that choose to complete "**budget reduction feedback survey**"
 - <http://www.pekin.net/pekin108>
 - Internet submission much preferred!

