



## SUSTAINABLE BUDGET STRATEGY OPTIONS

### Superintendent's REVISED Recommendations

December 8, 2010

### BOARD GOAL: SUSTAINABLE BUDGET STRATEGY

By 2014-15, the district will implement a **sustainable budget** that:

- maintains reserves at or above board targets,
- minimizes the use of one-time funds for ongoing expenses,
- optimizes the use of short-term resources to improve student achievement, and
- increases operational efficiency while reducing long-term capital needs.

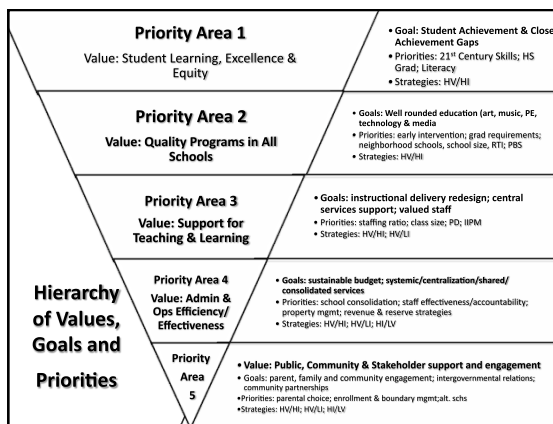
**Superintendent goal:**  
*Develop strategy options for achieving the board's sustainable budget goal and present a proposal to the board and budget committee by February 2011.*

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### 4J's Financial Forecast

- Operating shortfall of **15-23%** next year.
  - Based on a state funding level ranging from the same as this biennium to a 15% reduction
- Continuing shortfalls through 2014 assuming use of one-time strategies 2011-12 and 2012-13.

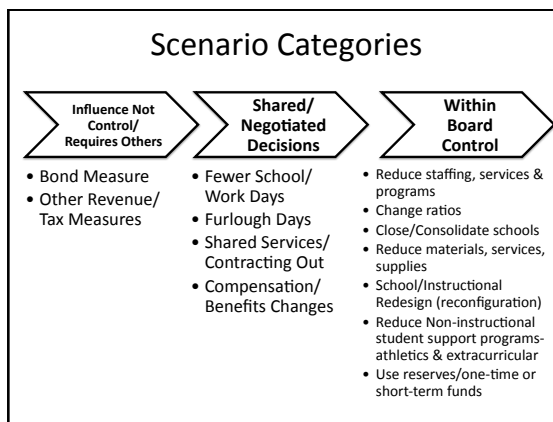
2011-12	2012-13	2013-14
-\$22 million	-\$9.1 million	-\$2.7 million
to	to	to
-\$33 million	-\$22.0 million	-\$3.0 million



### Strategy Options

<ol style="list-style-type: none"> <li>1. Revenue Enhancements</li> <li>2. Fewer School/Work Days *</li> <li>3. Reduced Staffing</li> <li>4. School Closure/Consolidation</li> <li>5. School/Instructional Redesign</li> </ol>	<ol style="list-style-type: none"> <li>6. Non-Instructional/ Student Support Programs</li> <li>7. Materials/Supplies &amp; Services</li> <li>8. Reserves/One-Time Funds</li> <li>9. Shared Services/ Contracting Out *</li> <li>10. Compensation/Benefits*</li> </ol>
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\* Requires negotiation with labor organizations. Others could involve impact bargaining.



**Strategic Disinvestment/Reinvestment**  
2011-12 to 2013-14

**Target: \$22 Million**

**Revised Scenarios**  
Combination of:

1. Ongoing & Sustainable Reductions
2. One-time and short-term “bridging” strategies



**Strategy Options**

Year One Strategy goal is \$22 million:

- a) 50% ongoing reductions: \$11.0 million
- b) 25% reserves/one-time funds: \$5.5 million
- c) 25% compensation-related: \$5.5 million

<b>Reduce Staffing/Services &amp; Programs</b>		
<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
<ul style="list-style-type: none"> <li>• Reduce admin and classified staff by 7.0% – 43 fte</li> <li>• Change staffing ratio by range of 2/3, or 3/4* (e.g.: 3@HS; 3@MS; 2@ES) = 56 - 75 fte</li> <li>• Eliminate or reduce teachers on special assignment and staff development specialists</li> <li>• <b>Cost/Savings Target: \$7.7 – 9.2M</b></li> </ul>	<ul style="list-style-type: none"> <li>• Additional admin and classified staff reductions of 3% or more as needed</li> <li>• Change staffing ratio by additional 1.0 or more</li> </ul>	<ul style="list-style-type: none"> <li>• Additional reductions as needed</li> </ul>

<b>Fewer School/Work Days</b>		
<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
<ul style="list-style-type: none"> <li>• 9-12 Furlough Days (6 less school days) – one/month based on work year and school-based staff reduced 9/10 days (6 fewer school days) -</li> <li>• <b>Cost/Savings Target: \$4.0M</b></li> </ul>	<ul style="list-style-type: none"> <li>• Continue 9-12 Furlough Days (6 less school days) – one/month based on work year -</li> <li>• Consider 4-day work (32 hrs) and school weeks if necessary</li> <li>• <b>Cost/Savings Target: \$4.0M</b></li> </ul>	<ul style="list-style-type: none"> <li>• Continued 9-12 Furlough Days (6 less school days) – one/month based on work year</li> <li>• Continued 4-day work (32 hrs) and school weeks if necessary</li> <li>• <b>Cost/Savings Target: \$4.0M</b></li> </ul>

<b>School Closures/Consolidations</b>		
<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
<ul style="list-style-type: none"> <li>• Close Coburg, Crest Drive and Parker in 2011</li> <li>• Consolidate Meadowlark at Willagillespie</li> <li>• Move Charlemagne K-5 to Parker</li> <li>• <b>Cost/Savings Target: \$1.0M</b></li> </ul>	<ul style="list-style-type: none"> <li>• Close Twin Oaks</li> <li>• if Bond Measure passes, consolidate Twin Oaks with McCornack after addition</li> <li>• <b>Cost/Savings Target: \$0.3M</b></li> </ul>	<ul style="list-style-type: none"> <li>• Possible closure/merger of non-language alternative schools with neighborhood schools</li> </ul>

<b>Shared Services/Contracting Out</b>		
<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
<ul style="list-style-type: none"> <li>• Identify additional services that can be provided by Lane ESD</li> <li>• Determine what current services can be transferred to Lane ESD</li> <li>• <b>Cost/Savings Target: \$500K</b></li> </ul>	<ul style="list-style-type: none"> <li>• Explore service sharing options with other districts that could reduce costs</li> <li>• Look at contracting out some services</li> <li>• <b>Cost/Savings Target: TBD</b></li> </ul>	<ul style="list-style-type: none"> <li>• Contract out or consolidate some services with other school districts or provide through private sector</li> <li>• <b>Cost/Savings Target: TBD</b></li> </ul>

<b>Materials &amp; Supplies/Services</b>		
<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
<ul style="list-style-type: none"> <li>• 15% reduction in materials &amp; supplies, contracted services budget</li> <li>• Centralize purchasing of materials &amp; supplies, equipment</li> <li>• <b>Cost/Savings Target: \$1.1M</b></li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>

<b>School/Instruction Redesign</b>		
<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
<ul style="list-style-type: none"> <li>• Stakeholder Task Force to recommend reconfiguration to Supt and Board for implementation 2012-13</li> <li>• Redesign instructional delivery model for secondary schools to accommodate fewer students &amp; less resources</li> <li>• <b>Cost/Savings Target: TBD</b></li> </ul>	<ul style="list-style-type: none"> <li>• Revise school calendar</li> <li>• Shorter summer breaks</li> <li>• Consider 4 day school weeks</li> <li>• Implementation of reconfiguration recommendations, if any</li> <li>• <b>Cost/Savings Target: TBD</b></li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>

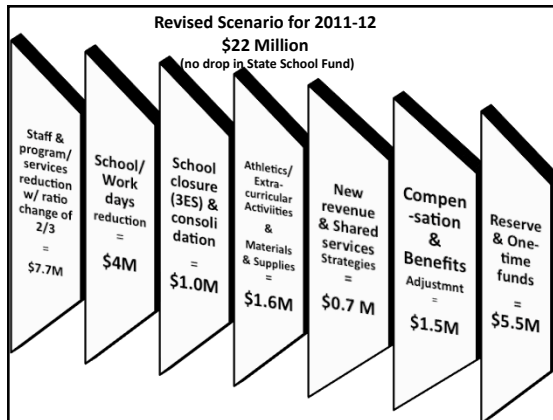
<b>Non-Instructional/Student Support Programs</b>		
<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
<ul style="list-style-type: none"> <li>• Reduce GF support for athletics programs and other extracurricular offerings by 25%</li> <li>• <b>Cost/Savings Target: \$500K</b></li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>

<b>Reserves/One-time Funds</b>		
<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
<ul style="list-style-type: none"> <li>• Use up to \$5.5M reserves/one-time funds to maintain and bridge to 2012-13</li> <li>• <b>Cost/Savings Target: \$5.5M</b></li> </ul>	<ul style="list-style-type: none"> <li>• Use up to \$3M from sales of surplus property or lease revenue</li> <li>• <b>Cost/Savings Target: \$3.0 M</b></li> </ul>	<ul style="list-style-type: none"> <li>• GF Reserve and Contingency = 90% of Board Targets</li> <li>• <b>Cost/Savings Target: TBD</b></li> </ul>

<b>Compensation/Benefits</b>		
<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
<ul style="list-style-type: none"> <li>• Negotiate pay freeze, including no step/column increase</li> <li>• Negotiate no increased benefits costs</li> <li>• <b>GF Costs/Savings Target: \$1.5M</b></li> </ul>	<ul style="list-style-type: none"> <li>• Negotiate contract adjustments that minimize and contain ongoing costs to district</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>

<b>Revenue Enhancement</b>		
<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
<ul style="list-style-type: none"> <li>• Bond Measure \$130M in May 2011 for critical needs, technology &amp; new school (offload of GF = \$1M)</li> <li>• Increase community use fees by 20% (\$20K)</li> <li>• Lease closed schools to charters/others (\$200K)</li> <li>• <b>Revenue Target: \$1.2M GF</b></li> </ul>	<ul style="list-style-type: none"> <li>• Sell Civic, Willard, or other vacant facilities w/50% proceeds to GF Reserve (\$3 -5M)</li> <li>• Local tax to support local schools in 2012-13 (\$10 M for 3 yrs) – Nov 2011</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of any new revenue sources to mitigate reductions</li> </ul>

<u>Other Options</u>
<p><b>Options</b></p> <ul style="list-style-type: none"> <li>• Consider early retirement incentives</li> <li>• Adopt single-platform technology systems for centralized purchasing &amp; technical support</li> <li>• Minimize site-based decision making and increase centralized direction for staffing; e.g., program staffing for student support services                             <ul style="list-style-type: none"> <li>• <b>GF Costs/Savings Target: TBD</b></li> </ul> </li> </ul>



Impacts/Implications	
<p><b><u>Parents/Students</u></b></p> <ul style="list-style-type: none"> <li>• Fewer Schools &amp; choices</li> <li>• Larger class sizes</li> <li>• Possible new grade configurations</li> <li>• Shorter school year</li> <li>• New ways of learning</li> </ul>	<p><b><u>Staff</u></b></p> <ul style="list-style-type: none"> <li>• Fewer staff &amp; increased workload</li> <li>• Larger class sizes</li> <li>• New school/work teams resulting from:                             <ul style="list-style-type: none"> <li>• School closures and consolidations</li> <li>• Staff reductions and bumping</li> </ul> </li> <li>• Reduced compensation and more furlough days</li> </ul>

**Sustainable Budget**

**REVISED  
Strategy Options  
Questions**

Board Meeting  
December 8, 2010