

AAPS Budget Reduction Planning 2009/2010 & 2010/2011



ANN ARBOR PUBLIC SCHOOLS

Tonight's Agenda

- | | | |
|------|---|------------|
| 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
- 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 = \$19 million

Budget Scenarios

| Budget Scenarios | 2009/2010 1 st Qtr (current) Stable Funding | 2009/2010 Nov. 16 Cuts Add'l \$233 (\$398) p.pupil | 2010/2011 Add'l \$200 (\$598) p. pupil | 2010/2011 Add'l \$300 (\$698 p. pupil) |
|---|---|---|--|--|
| Student Count | 16,489 | 16,489 | 16,489 | 16,489 |
| TOTAL Revenue | \$188.9 | \$185.1 | \$181.8 | \$180.2 |
| 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) | (\$8.8) | (\$17.5) | (\$19.1) |
| Fund Equity - Beginning Balance | \$27.0 | \$27.0 | \$18.2 | \$18.2 |
| Fund Equity – Ending Balance | \$22.0 | \$18.2 | \$ 0.7 | (\$0.9) |

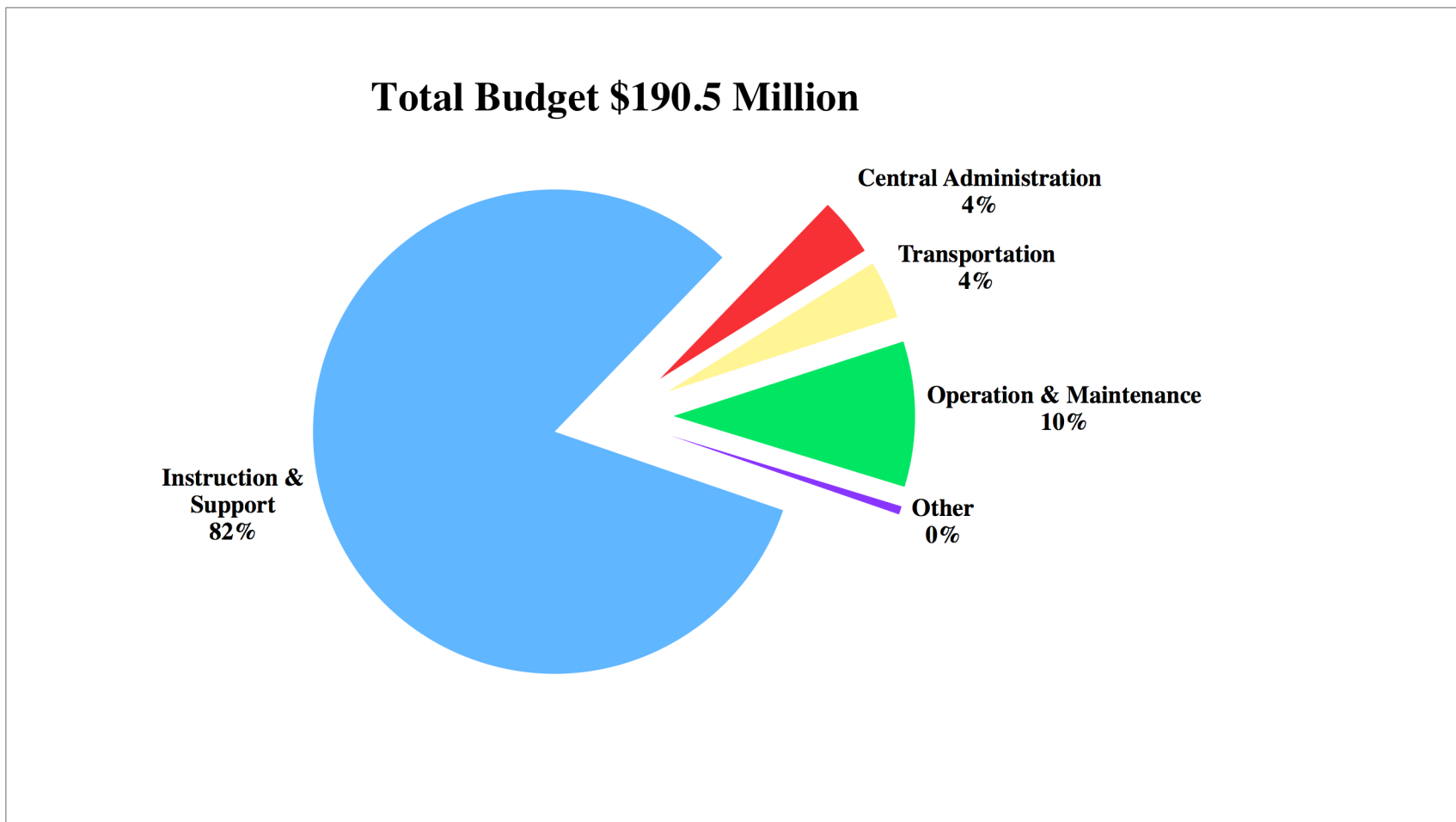
Specific Fund Use

- 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 | | \$ 234,645,042 |

Expenditures as Percentage of Total Budget FY 2008/09



What's Included?

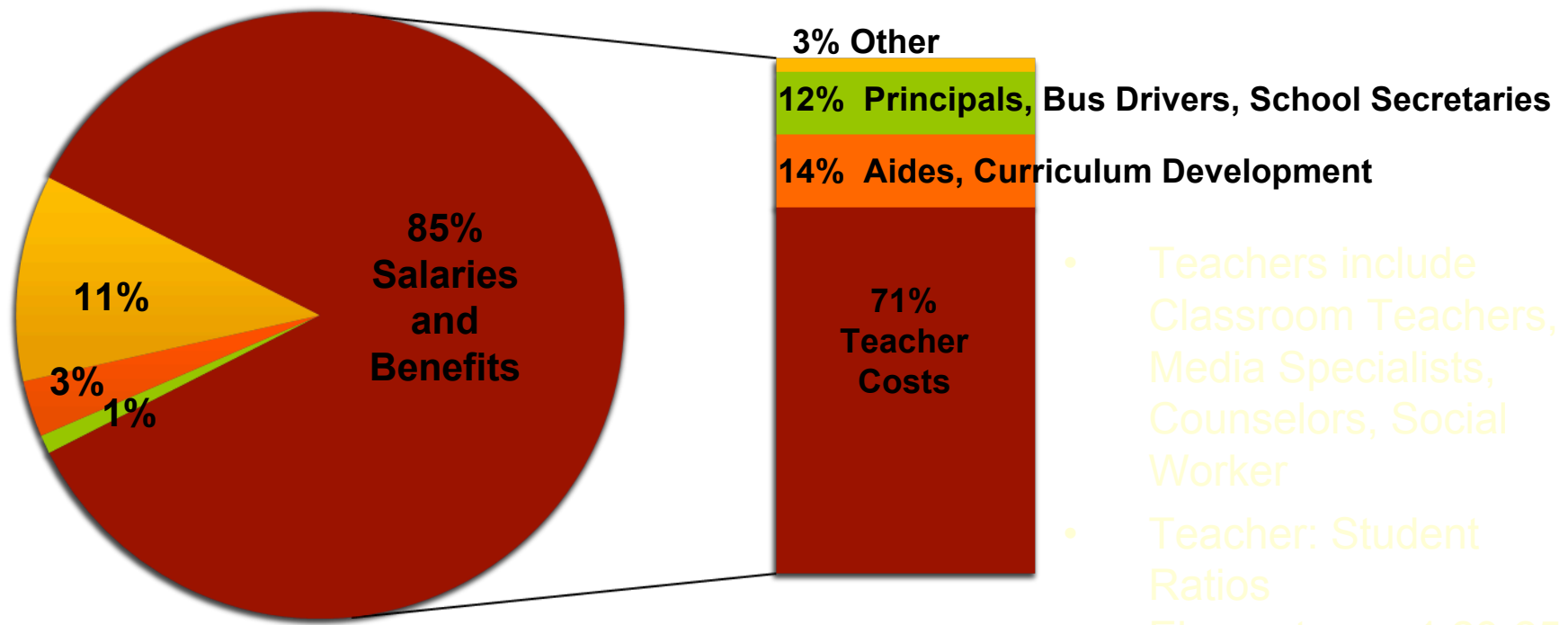
Instruction & Support

- 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



- Contracted Services
- Utilities & Insurance
- Supplies & Equip.
- Salaries and Benefits

- 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 2009/10
- 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
 - Ann Arbor Public Schools Educational Foundation
www.aapsef.org
- 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

| <u>Item</u> | <u>Cost</u> |
|---|--------------------|
| 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 | \$70,000 |
| 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 | |

For More Information on School Funding

Save Our Students, Schools and State

www.sosmichigan.org

Michigan Parents for Schools

www.mipfs.org

How to Contact Your Legislator

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Governor

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Table Discussions