

2011-12 Budget Reductions **Superintendent's Recommendation to the Board**

I have thoroughly reviewed the work and the recommendations of almost 125 individuals in the five program committees who drew on the expertise of staff and administrators in their areas, strengthened and enhanced by parent and community involvement. I have also observed the work of the 55 members of the District Budget Review Committee that represented a broad cross section of both the schools and community. I reviewed their budget package ranking and their thoughtful messages to the Board about the impact of those packages on our students. Finally, I have carefully reviewed our financial situation with the Director of Business Services and her staff and the Director of Human Resources/Technology and his staff using the most current estimates of funding from state and federal sources available.

Core Beliefs

In making these recommendations, I am focusing on the following core beliefs:

1. The program-based budgeting process provides a strong basis for identifying reductions and potential restorations. Because of the involvement of 180 individuals who represent a true cross section of the staff and community as opposed to groups coming to us with a single focus and not having a broad understanding, the rank ordering needs to be honored to the greatest extent possible.
2. The role of the Superintendent and Board of Education is to identify if there is an individual package or package element that by its nature would have a significant negative impact on the school system if it is not funded and to determine where the dollars should be taken from the budget to provide these funds.
3. The role of the Superintendent and Board of Education is to ensure that the Mission of the Northfield Public Schools continues to be our focus while maintaining a strong financial position that will allow us to weather the uncertainty of the State's current \$5 billion financial crisis.
4. Based on the most recent information from the Minnesota Department of Education, the State continues to be unable to demonstrate how it will be able to balance the State's budget for the 2011-12 and 2012-13 biennium without major increases in taxes or major reductions in expenditures. Since the State's K-12 education budget represents approximately 40% of the State's total budget, it does not seem reasonable that State funding to education will be maintained at its current level. The District Finance Advisory Committee concurred when they recommended that we plan for the worst case scenario of a \$500 per student funding reduction.
5. The District General Fund of \$37,604,210 includes both unrestricted and restricted/fixed costs. Because restricted/fixed costs of \$13,254,289 can only be used for the purposes recognized by statute or best accounting practice, all budget reductions must come from the current General Fund Unrestricted Budget of \$24,349,921. Given that the District Finance Advisory Committee encouraged the District to plan for the worst case scenario of a \$500 per student funding reduction, the District anticipates a \$2.4 million shortfall in 2011-2012. To meet the anticipated District shortfall of \$2.4 million, we proposed the reduction of the Fund Balance by \$1.7 million and the General Fund Unrestricted Budget for 2011-12 school year by \$705,000.

Restorations Reflecting District Budget Committee's Priorities

Based on these core beliefs, I recommend the following list of program packages and budget items to be restored from the \$961,000 target of 4% budget reductions identified by each of the five Program Budget Teams and ranked by the District Budget Review Committee. I believe these adjustments honor the work of the Program and District committees yet reflect the District-wide perspective that the Superintendent and the Board must provide to this process:

1. Based on the rank-ordered recommendations of the District Budget Review Committee, maintain the entire Elementary R3 (3% reduction) package, Secondary R3 (3% reduction) package and Elementary R2 (2% reduction) package reducing the identified budget cut from \$960,846 to \$751,346.
2. To support the smallest negative impact on secondary class sizes, reinstate 0.55 FTE High School teacher and 0.3 FTE Middle School teacher identified in the Secondary R2 (2% reduction) package at a cost of \$46,346. This restoration would reduce the identified budget cut to \$705,000.

The following table represents the Superintendent's restoration proposals in comparison to the current status and the budget teams' recommended R4 (4% reduction) base packages. The Superintendent's proposal would completely restore the R3 (3% reduction) and R2 (2% reduction) packages for the elementary level resulting in a total budget reduction of 2% for the elementary level. The proposal represents the complete restoration of the secondary R3 (3% reduction) package and a substantial restoration of the secondary R2 (2% reduction) package resulting in a total budget reduction of 2.47% for the secondary level.

Except for the exchange of reduced hours per day for reduced days per year in the Student Services Budget Team recommendations, all remaining General Fund budget reduction package cuts from Student Services, District Services and Co-Curricular would remain at 4%. The cut in funding from the General Fund for each budget area would be as follows:

Elementary Education	\$136,680	2.00%
Secondary Education	\$201,813	2.47%
District Services	\$255,120	4.00%
Student Services	\$66,459	4.00%
Co-Curricular	<u>\$44,928</u>	4.00%
Total	\$705,000	

Specific information on reductions in each of the budget team packages is available on the District website's home page (www.nfld.k12.mn.us), in the article titled "School District Budget Review Committee Recommends Cuts for 2011-12." Posted 3-3-11

Current Level of Funding 2010-11 School Year	4% base package cuts as recommended by the Program Budget Teams	District Budget Review Committee Restoration Priorities with modifications recommended by the Superintendent
Elementary classroom teachers @ 68.50 FTE*	Reduces 1.00 elementary classroom teacher	Reinstates 1.00 elementary classroom teacher
Elementary band teacher @1.00 FTE*	Eliminates elementary band teacher (1.00 FTE*)	Reinstates elementary band teacher (1.00 FTE*)
Elementary Office Specialist @ 8.0 hours/day	Reduces each elementary office specialist by 0.5 hours/day	Reinstates each elementary office specialist @ 8.0 hours/day
Secondary classroom teachers @ 95.70 FTE*	Reduces High School classroom teachers by 2.20 FTE* & Middle School classroom teachers by 2.10 FTE*	Restores 1.35 FTE* classroom teachers to High School & 1.00 FTE* classroom teacher to Middle School
Secondary Middle School Counseling Office Specialist @ 8.0 hours/day, 216 days/year	Secondary Middle School Counseling Office Specialist @ 7.0 hours/day, 198 days/year	Secondary Middle School Counseling Office Specialist @ 8.0 hours/day, 183 days/year

* FTE = Full Time Equivalent

These recommendations honor the program budgeting process by maintaining the top three restoration packages intact and funding several items from the Secondary R2 (2% reduction) package that would have been the next package eligible for funding based on the rank order assigned by the District Budget Review Committee. The proposed modification in the days of service and not the hours per day for the Secondary Middle School Counseling Office Specialist ensures that the individual is available throughout the school day, but reduces her days of service beyond the student calendar year. While not providing any significant cushion against a State funding reduction larger than the worst case scenario identified by the District Finance Advisory Committee, these recommendations do meet our \$705,000 cut target even with the add-backs listed above.

Other Restorations for Consideration

Beyond the restoration of the rank ordered budget packages, the Board should consider addressing two individual budget elements that were not restored as part of the District Budget Review Committee's priorities. These two items were identified in Messages to the Board by 3 or more of the 7 tables of 8 members each. Based on the District Budget Review Committee's restoration priorities, neither of these

items was restored. At the same time, both of these items directly or indirectly impact students in multiple building at both the elementary and secondary level across the District.

The first item would be the potential restoration of 5 building nurses from 6 hours and 40 minutes per day to 7 hours per day at a cost of \$8,215. The number of students in our schools with significant medical issues necessitates that we have nurses on duty throughout the entire school day. The safety of our students and the ability to react effectively in medical emergencies makes this restoration worthy of consideration.

The second item is the potential restoration of a 1.00 FTE elementary orchestra position. I believe that the recommended elimination of this position by the Elementary Budget Team and the resulting delay in starting orchestra programming until 6th grade will have a major negative impact on the viability of the entire 4-12 orchestra program. While I appreciate the willingness of the Community Services division to respond to the Elementary team's proposal and attempt to create a fee-based elementary orchestra experience with parents transporting students to one elementary site for practice and lessons, I do not believe that this proposed replacement for the current 4th and 5th grade program will be feasible in the long term. Without a viable elementary orchestra program, I believe that secondary orchestra numbers and program quality will be significantly diminished and the Board will need to prepare to drop orchestra from the curriculum altogether. The restoration of the 1.0 FTE elementary orchestra position would be \$56,000.

Current Level of Funding 2010-11 School Year	4% base package cuts as recommended by the Program Budget Teams	Additional modifications recommended by the Superintendent
5 Building Nurses @ 7 hours/day	Reduce 5 Building Nurses to 6 hours and 40 minutes/day	Reinstates 5 Building Nurses @ 7 hours/day
Elementary orchestra teacher @1.00 FTE*	Eliminates elementary orchestra teacher (1.00 FTE*)	Reinstates elementary orchestra teacher (1.00 FTE*)

* FTE = Full Time Equivalent

If the Board is interested in restoring either of these items, it would not be appropriate to capture savings from the current budget reductions. To do so would undo the budget priorities established by the District Budget Review Committee. This process has determined the following levels of General Fund budget reduction that have been accomplished:

Elementary Education	2.00%
Secondary Education	2.47%
District Services	4.00%
Student Services	4.00%
Co-Curricular	4.00%

If either of these restorations is to be made, the Board will need to use dollars from the current fund balance. While dollars from other sources, such as savings from the early retirement incentive or smaller than anticipated reductions in State aid may be available at a future date, they should not be counted on at this time. Board action on either of these items should be made based on your belief in the appropriateness of these restorations.

**Superintendent's Recommendation to the Board
Summary of Budget Reductions with All Recommended Restorations
2011-2012**

Listed below are the budget reductions for 2011-2012 if, on April 11, 2011, the School Board approves all the Superintendent's recommendations for budget reductions and restorations as presented to the Board on March 14, 2011.

Program Name: Elementary

Eliminate

- Eliminate Volunteer Coordinator positions
- Eliminate 1.0 FTE Elementary Gifted Education (GATES) Teacher

Program Name: Secondary

Reduce or Eliminate

- Reduce 0.4 FTE High School Security Monitor
- Eliminate 0.4 FTE Cognitive Coaching at High School
- Reduce .85 FTE High School Classroom Teachers
- Increase High School parking fees by \$50 per car
- Reduce Middle School Student Life Generalist
- Move Middle School newsletter to eNewsletter
- Reduce 1.10 FTE Middle School Classroom Teachers
- Share Middle School/High School Production Assistant
- Reduce Middle School/High School non-salary budget

Program Name: District Services

Reduce or Eliminate

- Eliminate Human Resources advertising budget
- Reimbursement for portion of Word/Web Design Specialist's salary used for production of Community Services Brochure from Community Services budget
- Eliminate vacant Workstation Specialist position from Technology Services budget
- Eliminate funding for Schools for Energy Efficiency (SEE) consulting services for energy reductions
- Reduce communications budget
- Eliminate vacant Business Office Accounting Generalist position and consultant fees paid from those funds
- Increase Background Check fee by \$15
- Reimbursement for repair and maintenance costs from Food Service budget
- Charge salary and benefits for Network Manager to the Operating Capital budget reducing resources available for District-wide technology and capital projects
- Access State and Federal fuel rebates
- Reduce District Consulting Fees for administrative professional development
- Reschedule custodial staff and activities to reduce overtime
- Elimination of Employee Assistance program
- Reduction in Staff Development general operating costs
- Reduction of Contingency Fund by \$45,000

Program Name: Student Services

Reduce or Eliminate

ALC

- Reduce consultant services
- Eliminate equipment purchased
- Eliminate payment to non-Ed Agencies

Pupil Services

- Reduce Minority Liaison consulting fees
- Reduce Minority Liaison special supplies
- Reduce Minority Liaison food for parent meetings
- Reduce Middle School Counseling Office Specialist @ 8 hours per day from 216 days per year to 183 days per year

Special Education

- Reduce Autism Resource Specialist's contract from 209 to 200 days per year

Program Name: Extra-curricularReduce or Eliminate

- Increase High School athletic fee - \$15 increase
- Increase High School academic fee - \$5 increase
- Increase Middle School athletic fee - \$15 increase
- Increase Middle School academic fee - \$5 increase
- Increase Family Cap for Activities - \$85 increase
- Increase passes - \$5 increase
- Reduce High School Game workers
- Reduce Middle School Basketball

The Community Services Division and Child Nutrition Department are not a part of the General Fund budget, but rather are in separate budget areas. These programs submitted costs savings or new revenue sources for the General Fund in support of the school district that are within the guidelines and limitations for the use of the funds in these programs.

Program Name: Community Services

- Shift costs of communication work for Community Services brochure from General Fund to Community Services budget

Program Name: Child Nutrition

- Shift Kitchen custodial maintenance costs from General Fund to Food Service Fund.