

ATTACHMENT X-A

ATTACHMENT X-A: 2013 Budget Recommendations

Suggested Motion: Motion to approve 2013 Budget Recommendations

Recommended Action: Approve as presented.

Pursuant to requests made by the Board of Education at the February 27, 2012 Board meeting, the Administrative Team has put together a set of recommendations which we feel are reasonable cost containment measures. At the same time, we have included additional reductions in order to balance the budget.

Obviously, there are other potential ways to balance the budget, but these recommendations have the least direct impact on students, although students in certain programs would be impacted.

Item	Recommended Cost Reduction Options For FY 2013	Potential Savings
	Reorganization in administrative staffing; Combine the business manager and transportation coordinator positions, leave technology director vacant; grounds responsibilities to be part of facilities position	107,000.00
Staffing	Reductions realized in special education tuition by bringing students back into district	158,431.00
Educ.	Eliminate remaining NBMS team leader position	867.00
Staffing	Reduce NBMS secretarial staffing from 1.63 to 1.0	12,118.00
Staffing	Reduce transportation secretary from 6.5 to 4 hours per day	12,000.00
Educ.	Reduce outsourced technology support	34,000.00
Staffing	Reduce a teaching assistant position	12,500.00
Staffing	Reduce 3.8 certified teaching positions based upon enrollment	159,507.00
O&M	Defer non-critical maintenance projects	127,875.00
O&M	Reduce supply costs based upon energy cost projections (using IEC)	92,458.00
Educ.	Reduce educational supplies 5% (excepting text book adoptions)	30,000.00
	Reductions - Sub-total	746,756.00
	Additional Costs since 1/18/2012	
Educ.	Actual CPI was 3.0 not 3.2 as projected	58,805.00
Educ.	GSA reduction to 92% per ISBE / Gov. s Speech	158,441.00
Educ.	Math textbook adoption	127,066.00
Trans.	Transportation software	12,000.00
Trans.	Transportation insurance increases	10,000.00
Trans.	Transportation funding to be 75% of 2012 (this was our projection)	-
O&M	O&M liability insurance	20,702.00
Misc	Other changes between PMA projections and current anticipations	34,142.00
	Sub-total	362,351.00
	Summary	
	PMA Projections	731,669.00
	Additional changes to the budget	362,351.00
		1,094,020.00
	Recommended reductions	790,016.00
	Potential Deficit	304,004.00

Item	Additional Cost Reduction Options Necessary to Balance the Budget	Potential Savings
Staffing	Reduce library assistants from 4.14 to 2.14	61,862.00
Educ.	Eliminate the Pre-K program (grant was \$76680 in FY '11)	14,000.00
Educ.	Eliminate the MS Yearbook	1,922.00
Educ.	Eliminate wrestling, soccer (MS & HS) and golf	27,495.00
Educ.	Eliminate Scholastic Bowl	1,192.00
Educ.	Provide PE uniforms only for 7th and 10th graders	7,200.00
Educ.	Reduce 1.5 additional K-4 classrooms	65,156.00
Educ.	Athletic capital outlay (total)	3,500.00
Educ.	Reduce technology capital costs (SMART Boards and cpus)	18,000.00
Educ.	Half of desk replacement at NBUE	4,100.00
Educ.	Reduce breakfast staffing at Capron (Bilingual assistant)	750.00
Educ.	Reduction of .75 hours per day of food service staffing at Capron	1,250.00
Educ.	Reduce NBHS capital request furniture	5,200.00
Educ.	Wireless interactive technology equipment (PG & UE)	2,700.00
Trans.	Reduce transportation routes (one route)	16,000.00
Trans.	Transportation capital equipment (reduce from Yukon to van)	17,000.00
O&M	Eliminate generator for district office	15,000.00
O&M	Reduced cell phone costs	250.00
Staffing	Reduce contingent special education staffing	18,000.00
	Reductions - Sub-total	280,577.00
	Potential Revenue Enhancement Options	Potential Revenue
Educ.	Include a technology fee within general registration fee at all levels	20,400.00
O&M	Increase farm land rental	2,800.00
Educ.	Increase lunch fees \$.25 per lunch 2.00 to 2.25 for students	15,000.00
	Revenue Increases - Sub-total	38,200.00
	Total Additional Reductions	318,777.00

Suggestions from the Budget Survey completed 2/2012		Explanation
Remove \$55,000 worth of athletic transportation out of the budget and take it out of the Education Fund. ("All districts do this...")	3	Currently, the district diverts about \$75,000 in General State Aid (GSA), money intended primarily for the Education Fund, into the Transportation Fund to help cover the shortfall in transportation funding. In fact, only one of the area districts reimburses such costs to the transportation fund and they don't provide any GSA funding to transportation. They plan to end that practice this year. Moving expenses from funds in one account to another will not solve the district's bottom line budget issues. Last year, the district put \$85,000 into the Transportation Fund from GSA and plans to put in \$127,000 from GSA next year due to reductions in state transportation funding.
Don't renovate the buildings		The renovation projects being conducted this summer are roof replacements and a potential kitchen renovation. The roofs need to be replaced so that it doesn't rain inside the buildings and the kitchen is significantly out of compliance with current health, safety and ADA regulations. These projects are primarily taken out of construction funding that couldn't be used for non-building maintenance purposes under any circumstances. Providing a safe and secure environment for our children must be a priority.
Close Manchester/ Close a School/Look at cost of returning to K-8 buildings to save costs	7	<p>Some of this information was shared at the April 2011 Town Hall meeting and posted on the district's website last year. Closing Manchester would provide short term savings most likely less than \$300,000 per year. A complete analysis would take significant time and energy. Most of the savings would come from eliminating a core building staff including the principal, a custodian, a secretary and some food service staff. Based on current enrollment projections, there would be no reduction in classrooms, but since all of the students can't fit at Poplar Grove, some students would have to be shifted to Capron, potentially costing additional classrooms at Capron unless class sizes were raised. It would also most likely require a second reading teacher at Poplar Grove due to student needs. Additional food service and custodial staff would likely also be needed to support the students moved from Manchester.</p> <p>One of the most significant factors would be that once Manchester is closed, if the building was reopened, it would need to be made compliant with current building, health and safety codes. According to an estimate by Concept 3 Architectural Group, if the building was needed to be reopened, for enrollment expansion, it would cost the district approximately \$1,620,755 (in 2011 dollars) to bring the facility up to the current building codes. For instance, it would need to have sprinklers installed. Currently, there would be space to house Manchester's students between the 1890s section of Poplar Grove and Capron. However, it might only take 80 new elementary students</p>

	<p>to potentially create a situation where we would need to either add mobile classrooms at those schools or reopen Manchester. Clearly, the economies of scale aren't there with either Capron or Manchester, but if the district anticipates growth in the next few years, closing Manchester may actually cost the district more money in the long run although there would be some short term savings.</p> <p>Since grade level centers generally save money over neighborhood schools, moving to K-8s would most likely cost more money than the current structure. However, there would almost certainly be a loss of academic integrity in returning to a K-8 structure from the current K-4 / 5-8 plan. Staffing electives under a K-8 structure would also be more expensive and difficult to organize without the use of multiple part-time staff.</p> <p>Another long term plan would be to retain 5th graders at the current K-4 buildings and reorganized the NBUS/MS into a 6-8 grade middle school in one building.</p> <p>If the Board wishes to consider any of these options seriously, it should create a study group to look at options and report back to the Board next fall.</p>
Review technology expenses	<p>Technology expenses have been significantly reduced over the past two and a half years. However, much of the district's installed computer base is in need of replacement. About 60% of the district's current computers are past the end of their functional life. The district has a current replacement cycle plan in place and is working on the standardization of equipment as well to make replacement and repair easier and sustainable going forward. In 2009, the district spent over \$900,000 on technology resources. This past year, the district has budgeted \$471,160, though it might in the end spend less than that. The district cannot ignore technology innovation. We must ensure that our students are prepared for a technology rich world. In a recent survey of staff 83% asked for additional training on using technology in their classrooms. Over 50% stated additional technology resources were needed for their classrooms. Only 60% of parents and community members and 50% of staff felt students had adequate technology resources in the recent budget survey.</p>
Consider outsourcing food service and custodians not only transportation	<p>Currently, food service and custodial staff are covered under a collective bargaining agreement. The Board may choose to consider outsourcing after that agreement is up. In further review of the transportation outsourcing proposal last year, there were a number of flawed assumptions in the comparison of proposals to the current organization. For instance, the comparison assumed that the transportation director and secretary would remain in addition to the requirement for the outsourcing company to</p>

		provide similar staff and added additional requirements which wouldn't allow an outsourcing company to utilize current district facilities, etc.
Cut administrative staff / Manchester and Capron should share a principal / Rescind administrative raises/ Cut Ed's job /(pay reductions for all excluding teachers and assistants)/ Cut various management positions	12	<p>Recommendations for the 2013 school year show administrative salaries down almost \$110,000 from the total cost of administrative salaries in 2010. Administrative staffing has already been reduced by two positions since 2010. The technology director position remains vacant and the district facilitator position cut eliminated at that time. The superintendent is further recommending reducing one more administrative position for next year. Each of the principals has some district responsibilities beyond their building responsibilities. If one principal were to be assigned between two buildings, those additional responsibilities would have to be picked up by another administrator. Additionally there are a number of reasons why the district stopped using shared principals in the past. They are not as effective. This will become even more important with the upcoming changes in teacher evaluation mandated by the state that will require principals to be in classrooms more often. Most similar sized districts have a full time special education and curriculum director in addition to the staff North Boone has. North Boone utilizes the BCSEC director to handle special education and reduce our costs. The principals share the curriculum responsibilities. Many districts have an ESL coordinator; Mr. Klett handles those responsibilities. Most of the administrators will be receiving about a 3% to 4% pay raise in July 2012. They haven't received a raise in three years. During the same period, teachers received minimally a 21% raise and some who took additional graduate courses earned significantly more. Similarly, in the past three years, support staff earned at least 7.5% increases in their hourly wage. Currently, the administrators are generally paid below average in comparison with their peers in other similar districts. Only one administrator has a salary above average among conference peers. Several teachers have commented on the "revolving door of administrators" over the past two years. Similarly, an NBEA officer has publically asked if the Board would pay a new administrator enough to stay. Retaining good administrators is essential to curriculum development, teacher recruitment and evaluation, etc. North Boone teacher salaries are above average in comparison with similar districts. Salary recommendations for administrators are focused on paying administrators fair wages based on their education and experience. Several of the administrators in the district would make more per day if they were on the teacher salary scale.</p>
Across the board wage reductions	4	The difficulty with this item is that the majority of positions in the district are collectively bargained. Any wage reductions would have to be agreed to by

		staff unions. Of the district's 232 regular employees, only 16 staff members aren't covered by a union. The vast majority of those staff members are getting a raise for the first time in four years; meanwhile all of the NBEA and NBESS employees have received annual raises.
Implement service learning to off-set grounds and maintenance costs	2	Although this isn't an option in its entirety, we have discussed developing a landscape design course as part of the agriculture program, which would allow for some student involvement in maintaining our grounds. Such a proposal may come forward in the fall as part of the normal curriculum development process.
Additional fundraisers		The Community Involvement Committee is constantly looking for ideas to raise money. In the last two years, the CIC has brought in about \$27,000 in additional revenues for the district. Those additional funds helped to offset cuts over the past two years. If anyone has specific suggestions or fund raisers they would like to organize, please contact the district office.
Apply for private grants		The district can do better in this area, but over the past two years the district has brought in more than \$200,000 in competitive grant funding from both government and private sources. Some grants have been as little as \$250; the largest was just under \$100,000. Last spring, the staff all had the opportunity to attend a grant writing session on an in-service day. Fewer than 20% of our teaching staff have applied for a grant this year.
Adjust school schedules to make fewer bus runs		This issue was raised earlier in the year, and the transportation staff stated that moving schedules wouldn't allow them to reduce any bus routes. The district will continue to look at consolidating or otherwise reducing the number of routes in order to provide transportation services as efficiently as possible.
Discontinue the activity bus		Discontinuing the activity buses at the end of the extended school day, may seem like a simple cut, but eliminating these buses would impact many other programs including both formal and informal tutoring in grades 5-12. More than 50 students a week receive tutoring at NBHS. Slightly smaller numbers participate in grades 5-8. Chess club, student council, homework club and other programs rely on the activity buses and cutting them would impact some of our neediest children the most. Although, this might be an "easy" cut, it will create hardships for many families and impact a number of programs.
Don't provide annual gym uniforms, only one in 7 th & 10 th grades		Currently, the district includes \$15 in the registration fee for these uniforms. We are able to buy in bulk and that provides some savings to parents as opposed to each parent purchasing individually. We could potentially not provide those uniforms in 8 th , 9 th , 11 th or 12 th grades and realize a savings of \$7200 if we didn't lower the registration fee.

Reduce substitute costs by reducing teacher vacations		Teachers don't get vacation days. They are allowed 12 sick days and four personal days as part of their collective bargaining agreement. In fact, the Board tried to reduce those in the last negotiations but was unable to get the teachers to agree to those cuts.
Make rental rates more competitive	2	The district raised rental costs last year in order to try to at least cover its cost. The district expected to gain about \$2500 in additional revenue but due to increased rentals will bring in about \$4000 additional in rental fees this year. The total anticipated for rental revenue this year is \$25,200. Other revenue enhancements didn't go as well. The transportation staff anticipated gathering \$10,000 in additional fees for day care drop offs and other route changes. No income has been realized in either area. We have gathered \$3450 in paid bus riders this year.
Reduce energy costs/don't allow sports to have AC, etc. Add wind turbine at NBHS	6	We actually did review our energy costs last year as part of the budget reductions. We anticipated approximately \$41,900 in savings but anticipate closer to \$45,000 in savings through our partnership with Illinois Energy Consortium which buys power en mass for several school districts. We project more than \$90,000 in savings for next year. We will continue to look into ways to reduce our energy costs including staff and student education to turn off unused lights, computers, etc.
Cut district office staff hours in the summer		Unfortunately, even when school isn't in session there is much work to do in the district office. The district has to complete all of the same compliance reporting that a larger district does. Recent changes due to educational reforms have greatly increased reporting requirements in many areas. Much of the federal and state reporting is done over the summer. The district is required to conduct a financial audit each summer; staff has to be hired, parents and other community members have informational needs that have to be addressed; summer maintenance and other projects have to be supervised, etc. Most of the district's commodities, paper, fuel, etc. are bid over the summer. Payroll, insurance management, technology services, etc. are all year round functions. Last year, a number of staff hours were reduced for the summer to be as lean as possible.
Increase class size		Increasing class size is an option, but it does have some problems associated with it. At NBHS, many of the rooms aren't big enough to make substantial increases. Also scheduling at NBHS requires some sections to be smaller based upon other offerings. At the elementary level, larger classes can have an impact on teacher productivity and in classes of over 35 students; student learning has been shown to decrease. We will continue to run as tight of a schedule as possible. Over the last two years, we have been able to tighten up teacher schedules to reduce over three teaching positions. The Board was

		also able to negotiate more classes for PE and health teachers in the last teacher contract which saves about another half of a teacher at NBHS.
Have more at home athletic contests or tournaments		Tournaments can bring in additional funding when run by volunteers. All athletic conferences require a balance in home and away games so each school has a balanced schedule. So additional home contests aren't a realistic possibility.
Verify income of those receiving free/reduced fees		Unfortunately, federal law doesn't allow the district to verify more than a random 3% sample of free/reduced lunch applications. To verify a higher percentage will cause compliance issues with the federal auditors. Previously, the rule was that a district could verify a random sample. Some districts tried to verify all applications. Since technically, verification of every application is a random sample, the federal government changed its guidance to the 3% rule. Frankly, the district would love to be able to conduct more stringent verifications than currently allowed by law.
Have all stipend positions be volunteer		These positions are collectively bargained by the NBEA, the teachers' union, and such a change would have to be bargained.
Have teachers pay for their own professional development		In the last NBEA negotiations, teachers did agree to pay for their own tuition for graduate courses. This will save the district approximately \$32,000 per year going forward. Many staff do pay for a range of personal professional development opportunities. The district's professional development budget has been reduced from \$172,050 in 2010 to \$81,942 this year.
Monitor printing; remove excess printers		Last year, several people questioned the need for new copiers and printers which were to reduce the district's overall printing costs. In fact, the copier budget has been reduced from \$78,900.87 in 2010 to \$30,157.73 this year. This has saved the district nearly \$50,000 although the projected savings were only \$20,000. One of the reasons for the increased savings is that staff are able to easily manipulate documents with the new equipment.
E-classrooms for small classes		Again, this is a good idea in some cases. We currently are using online learning opportunities or "e-classrooms" for many students who need to make up courses. This allows for them to be successful where returning them to a classroom where they failed doesn't necessarily. It has allowed the district to reduce some staff at the high school level. We used the e-classroom concept in summer school last year for grades 5-12 which allowed the district to run a summer program without additional cost to the district. The district will do the same this summer and is looking into other ways to use technology effectively.