

South Kingstown Schools

Budget Review
March 9, 2010

Preliminary Factors

- 4th budget developed to fit within the state's property tax cap
- Tax cap legislation (Senate 3050) prohibits more that 4.5% of the dollar amount received in the previous year
- Given the current economic situation (nation, state and community) it makes even the revenue available under the tax cap unaffordable
- Facing a potential mid-year aid reduction

Expenditure Assumptions

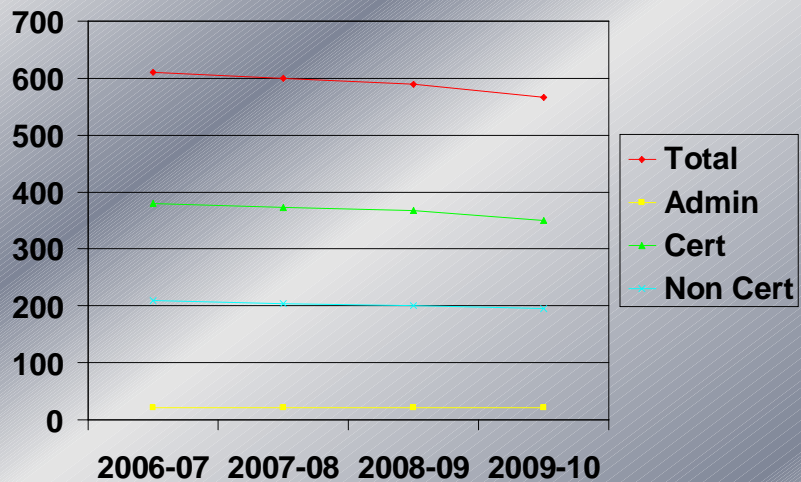
- Current CBA's (1 more year) exp 2011
 - Salary Information (does not include teacher steps required by law)
 - NEASK, ESP, Council 94----885K (Salary Increase Amount)
- \$500,000 turnover allowance
- Materials (P-Accounts) allowance (previously increased by 3%) now flat
- Utilities increase by 5% (amount 40K)
- Health care increase by 10% (amount 689K)
- Insurance increase by 5% (amount 15K)
- Transportation 4% increase (amount 130K)
- Pension 1.6% increase (amount 91K)

Original Revenue Assumptions as of 12-2009

- State Aid (budget assumption is a 3% reduction)
- Local revenues (budget assumption is a 2% increase)

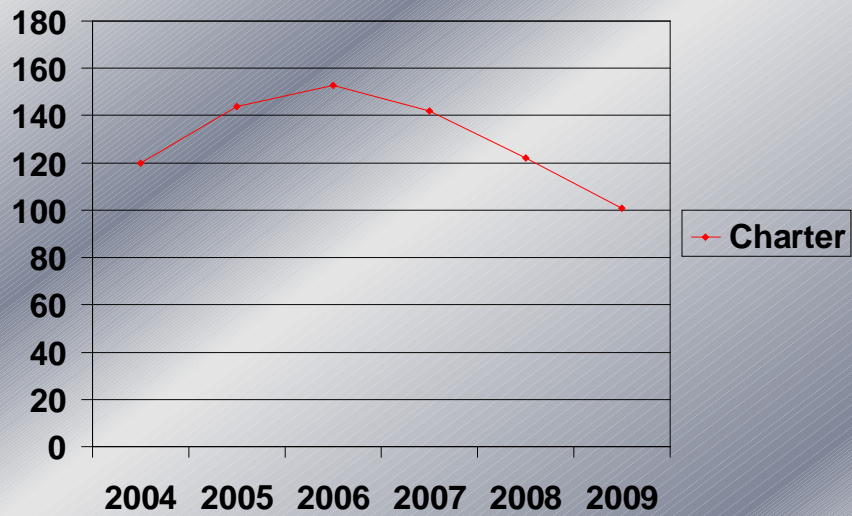
District FTEs

Description	06-07	07-08	08-09	09-10	Projected 10-11
Total Administrators	21.5	21.5	21.5	20.5	20.5
Total Certified (Teachers)	380.1	373.3	366.8	350.8	346.8
Total Non-Certified (TA, Clerk, Cust, etc.)	208.5	204.3	201.3	195.8	181.8
Total FTEs	610.1	599.1	589.6	567.1	549.1



Charter School Enrollments

DATE	TOTAL
2004	120
2005	144
2006	153
2007	142
2008	122
2009	101



Enrollment Trending Downward

Year	K-12 Enrollment
1999-00	4383
2001-02	4321
2003-04	4085
2005-06	3817
2007-08	3601
2009-10	Current—3459
Total	-925 or -21.1%
Projected 2019	3020

Undesignated Funds

ITEM	AMOUNT	BALANCE
Undesignated Funds 6-09		\$2,311,890
Applied to 09-10 operations (1/3)	\$(374,600)	
Anticipated undesignated 6-10		\$1,937,290
Applied to 10-11 operations	\$ (484,322)	
Anticipated undesignated 6-11		\$1,452,968

Superintendent's Budget

Original Reductions to School District Programs Made in Superintendent's Budget (Early Dec 2009)

Tuition Out of District	-247,067
Charter Schools	-134,798
IDEA Reduction Shifted HC benefit	-117,000
Total Reductions	-498,865

State Aid Trend

Year	State Aid	% Budget
1996	\$7,433,939	28.90%
1999	\$7,925,315	25.30%
2002	\$9,221,139	22.30%
2005	\$9,766,903	20.20%
2006	\$9,948,816	19.10%
2007	\$10,428,698	18.80%
2008	\$10,548,698	18.20%
2009	\$10,548,698	17.62%
2010	\$9,742,699	16.34%
2011	\$9,255,564	15.78%

CHANGE

- December 14th Governor Carcieri announces FY2011
- Changed revenue assumptions
- Schools and Municipalities hit hard
- Town now projecting to only able to provide a zero -0- levy increase to schools
- State aid assumption now -5%

- Superintendent's Budget
 - Was (as presented) \$59,800,926
- School Committee Budget
 - Will be (as recommended) \$58,647,873
 - Necessitating additional 1.2 million dollar decrease in expenditures

From Superintendent's Budget to School Committee Budget

Reduction to Budget Made Before S/C Adoption

	Substitute Custodian Account Reduction	\$10K	\$10,000
	Pay as you go Tech and Maintenance Reduction	\$100K	\$100,000
	Maintenance Equip Replace	\$20K	\$20,000
	Elementary Itinerant Consolidation	\$72K	\$72,000
8	School TA/Clerks (2HS, 1 each other school)	\$30K each	\$240,000
1	Maintenance Position	\$74K	\$74,000
3	Custodians (FTE)	\$47K each	\$141,000
1	Central Office Clerk	\$53K	\$53,250

	Prof Dev Account Reduction	\$80K	\$80,000
	Mentor Program Supplies	\$7K	\$7,000
3	FTE High School (Section Consolidation)	\$70K each	\$210,000
	P-Acct 10% Reduction	\$77K	\$77,785
	Pupil Personnel Clerk	\$53K	\$53,000
	Crossing Guards	\$11K	\$11,000
	Reading Tutor Services	\$40K	\$40,000
	Tuition Account Reduction	\$50K	\$50,000
	HS Sports Invitationals (transportation)	\$10K	\$10,500
	TOTAL		\$1,249,535

CHANGE

Additional Budget Reduction Plan for FY2010 as a result of Gov. Supplemental Budget in the amount of 95K

- Frozen current 09-10 P-Accounts
- Frozen all non-contractual subs
- Frozen professional dev (not initiated)
- Further reduction in Special Education tuitions (based on current actual and length of time left in school year)

CHANGE

*one or both of the following revenue concerns are likely to affect our budget:

- February 2009 Governor's FY2011 budget included an assumption of pension COLA changes now assume no pension change (plan budget reduction of 458K)
- February 26, 2010 RIDE announces Funding Formula loss of \$3,843,206 by 2020 (468K annually)
- Total budget reduction plan needed in the amount of 926K

Other considerations

- Town may lose 4th quarter motor vehicle tax for current fiscal year
- Town of SK may lose motor vehicle tax FY2011 in the amount of 1 million dollars
- We may need to share in that burden because we represent 79% of town budget
- Federal ARRA (grant) funds expire FY2012
- Federal SFSF (used currently as a supplement to state aid) expires FY2012—Governor determines whether that amount will be considered in the base of our state aid or whether it is eliminated.

How will we get to the 926K reduction (if needed)?

Items that cannot be reduced...

- | | |
|-------------------------------|--|
| ■ Salaries (contractual) | ■ Workers' Compensation (Direct pay 100%) |
| ■ Advertising/media costs | ■ Purchased Services (legal, auditor, police, fire, physician, dental, etc.) |
| ■ Health Insurance | ■ Rubbish Disposal |
| ■ Life Insurance | ■ Water, telephone, sewage |
| ■ Dental Insurance | ■ Transportation |
| ■ Retiree Health/Medical OPEB | ■ Liability and Vehicle Insurance |
| ■ Teacher and MERS Pension | ■ Gasoline, Fuel & Electricity |
| ■ FICA | |
| ■ Unemployment Benefits | |

Items eligible for consideration

- **RED**---Already reduced in 1.2M reduction
- **BLUE**---Being considered in 926K reduction planning
- **BLACK**---Not yet being considered
- **GREEN**---Already reduced and being considered again

STAFF

- | | |
|--|---------------------------------|
| ■ Administrators | ■ Maintenance |
| ■ Central Office Support | ■ Reading/Math Coaches |
| ■ Custodians/Custodial Roving Crew | ■ Pupil Personnel Clerks |
| ■ Guidance Counselors | ■ School Nurse Teachers |
| ■ HS Section Consolidation Efficiencies | ■ Teacher Asst/Clerks |
| ■ Itinerant Efficiencies | ■ Tech Support |
| ■ Librarians | ■ Truant Officer |
| | ■ Sub Custodian |

Sports, Music, Supplies & Renovation

- High School Sports
- High School Sport Invitational and Transportation
- Middle School Sports
- Intramurals
- Elementary Band
- Elementary Orchestra
- P-Accounts
- Maintenance Equip Replacement
- Pay as you go Technology and Maintenance

PROGRAMS

- All Day Kindergarten
- CARES
- Club Advisors
- Crossing Guards
- Curriculum Work
- ESP & ESY
- Family & Community Engagement
- Late Buses
- Teacher Mentor Program
- PBGR Coordinator
- PD Funds
- Reading Tutors
- SMILE
- Student Assistance Counselors
- Therapist/Outside Evals
- Tuition Category Reduction

3 Options for Consideration in creating a 926K budget reduction plan

- Option #1 Reduce Line Items 468K
- Option #2 Consolidate Elem Schl 488K
- Option #3 Eliminate ADK 450K

- These options are in no recommended order

Possible changes to our revenue stream will necessitate the need to choose 1 or more of the following options to balance our budget

- Ex: If the funding formula is passed and we lose 468K of revenue, we will need to choose 468K worth of reductions from our list (1 option)
- Ex: If the funding formula is passed and COLA offset is not realized, we will need to choose 926K worth of reductions from our list (2 options)

Option# 1

Choose approx 468K from list of 668K

	Item	Cost	Info
Eliminate	Float SNT Nurse	63K	Salary & Benefits
Elim/Reduce	Elem Orchestra	73K	Gr 4/5
Elim/Reduce	Intramural Sports	30K	6-12
Shift Funding	Family/Community Engagement	40K	
Elim/Reduce	Student Asst Counselor	58K	2 FTE MS/HS
Reduce	Contracted Therapy Services	16K	
Eliminate	HS Librarian (1FTE)	66K	Salary & Benefits
Elim/Reduce	1.0 Administrator	120K	Salary & Benefits
Elim/Reduce	MS Sports	50K	
Eliminate	1.0 CO Support	40K	Salary & Benefits
Reduce	ESY (Extended School Year)	11K	
Elim/Reduce	Custodians/Custodial Roving Crew	101K	2.0 FTE
TOTAL		668K	

Option #2 Elementary School Consolidation

Salary---Projected Savings	473,061
Operational---Projected Savings	246,260
Transportation---Projected Increase	-126,000
Projected One Time Expenses	-105,000
TOTAL	488,321

Option #3

Elimination of All Day Kindergarten

- Total Projected Savings 450K (includes salary & transportation)
- This option will impose a compounding expense of 300K in additional Charter School tuition