

**GOVERNING BOARD AGENDA ITEM  
AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10**

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**DATE OF MEETING:** March 9, 2010

**TITLE:** 2010-2011 Budget Development -- Enrollment Projections, Site Staffing and Non-Staffing Allocations; Expenditure Reductions

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**BACKGROUND:** Basic elements of the district budget which the Governing Board considers and studies at this same time each year include staffing and non-staffing allocations for our schools. With approximately 86% of the District's entire maintenance and operations budget spent on the employment of staff required to implement programs and services, employee expenses are the single greatest component of the budget.

Both staff and non-staff resources are allocated to school sites based primarily upon enrollment. Other factors such as number of teachers or school size (square footage) are also utilized. The District has long-established formulas for these allocations that ensure consistency and fairness across all schools.

To facilitate initial discussion for development of next year's budget, this item traditionally includes enrollment projections for each school, as well as sample allocations for a school from each school level – elementary, middle and high. These items are again attached.

Board members will note that the draft enrollment projections (still under review and subject to adjustment) which are attached reflect a decrease in enrollment of approximately 700 students. This is due in large part to the anticipated loss of all-day Kindergarten; Kindergarten students only count as a 0.5 full time student in a half-day scenario.

All sample allocations reflect current formulas and levels.

**The State Budget Crisis**

The proverbial elephant in the room as allocations and enrollment are studied this year is the status of the state budget and the implications it holds for public schools and Amphitheater specifically.

The budget cuts already made to and proposed for our state's public education system by the Arizona Legislature have had and will continue to have a substantially negative impact upon district programs, services, and the students they serve.

As Governing Board members will recall, the Board approved necessary budget reductions totaling \$1,595,056 for the current fiscal year due to budget reductions imposed by the legislature for this year. Approximately half of this amount came from reductions to central administration and functions, affecting all levels of the administration, including the Board's senior staff members who volunteered for five-day unpaid furloughs.

Apart from state-imposed budgetary reductions, the District also had to reduce staffing and non-staffing allocations for this year due to declining enrollment – a reality predicted by the 2007 Applied Economics Growth Study commissioned by the Board. While these reductions were not required due to legislative mandates, their combined impact with those of legislative origin dramatically affected operations of the District.

Thus, it is nothing short of alarming to consider the scale of public school reductions now proposed by the Governor and the legislature for next fiscal year. At the Governing Board's regular meeting last month, the Administration reviewed the separate proposals which Governor Brewer and the Joint Legislative Budget Committee (JLBC) have proposed for next year's K-12 budget and the substantial agreement between those two proposals.

There are now indications that a special session is close at hand and that the purpose of the special session will be to resolve the state budget for next year. The available information suggests that there is already agreement to pass two alternative budgets – one which assumes passage of the one cent sales tax increase and one which assumes failure of the sales tax measure (Prop 100). It is also very clear at this point that the first budget option will involve the commonalities between the Governor and JLBC proposals as previously reviewed:

Governor's Proposal	Impact on Amphitheater
<ul style="list-style-type: none"> <li>■ Suspend extra funding for excess utilities costs</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>No impact.</b> Amphi has been without this extra funding for five years, unlike many other districts in the state.</li> </ul>
<ul style="list-style-type: none"> <li>■ Reduce funding for textbooks, computers and equipment for students by \$180,000,000.</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>\$3,360,000 funding loss;</b> A second year of no new materials and equipment for students.</li> </ul>
<ul style="list-style-type: none"> <li>■ Eliminate state level education grants</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>\$942,000 funding loss;</b> loss of programs like gifted ed, summer school, tutoring and preschool.</li> </ul>
<ul style="list-style-type: none"> <li>■ Eliminate all-day Kindergarten</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>\$2,638,158 funding decrease;</b> loss of this very valuable service for our newest students and their families.</li> </ul>
<ul style="list-style-type: none"> <li>■ No building renewal funding.</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>\$5,712,373 funding loss</b> for next year, but bringing total loss in four years to <b>more than \$16,000,000.</b></li> </ul>
<ul style="list-style-type: none"> <li>■ Delay deposit of state funds to school district bank accounts</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Amphi must borrow funds and pay interest.</b></li> </ul>

What is – again, without any doubt – alarming about the common features between the proposals made by the Governor and legislature to date is the reality that they will result in at least \$6,580,158 in funding losses for Amphitheater next year.

### **Understanding a Bitter Reality**

What does it mean for a school district with a budget in excess of \$100 million to lose \$6,580,158 in one budget year? The perspective of some may be that it is a simple and straightforward loss of approximately 6.1% in some “across the board” fashion. The little understood reality for school districts, however, is that district budgets are composed of many specifically allocated fund types that can only be used for certain purposes. Loss of those specific funds, in turn, often means loss of the programs they alone support.

Because many of the Governor and JLBC proposed reductions are program specific (affecting certain aspects of our district services), it can be difficult to put them into perspective and scale and understand their real magnitude. To provide examples which only serve to establish scale and perspective, \$6,580,158 in lost District funding could be considered equivalent to:

- 165 full time employees with compensation of \$40,000 per year; or
- Approximately 4.6% of the district’s entire payroll in the current fiscal year; or
- Turning off all the lights, heating and air conditioning in all District facilities... for a year and a half.

As devastating as the presumably settled cuts of \$6.5 million for Amphi are, there remains the considerable possibility that more cuts will be required unless the state receives new revenues. The Governor has announced that an additional 20% decrease in funding to K-12 education in Arizona will be required if Proposition 100 (the \$00.01 sales tax rate increase) is not approved by Arizona voters in June. The alternative budget to be adopted through the anticipated special session will apparently reflect that. An additional loss of 20% is approximately \$15.347 million for Amphi. Using the same examples as before, that’s akin to:

- 384 full time employees with compensation of \$40,000 per year; or
- Approximately 20% of the district’s base payroll in the current fiscal year; or
- Unplugging everything in the District and turning off the water for several years to come.

### **Dealing with Our Reality**

These dire budget conditions compel consideration of very difficult issues. And, frankly, the enormity of the numbers involved quickly demonstrates that these are not cuts that can be achieved through implementation of commonly proposed

efficiencies alone (like modifications in electricity use, reductions in supplies, decreases in field trips or travel, or reduced copying expenses).

Another frequently proposed "efficiency" for reducing school district budgets is administrative reductions. In Amphitheater's case, however, great effort has already been made over the last several years to reduce administrative costs – even before this financial crisis. As a result of this effort, according to the Auditor General's figures, Amphitheater's administrative costs were only 7.9% of the total budget in 2008 -- which is 14% below the state average and 27% below the 2006 national average. Notably, these low administrative cost figures preceded the additional administrative reductions made for this fiscal year.

While a combination of various and further "efficiencies" might well help establish a small portion of the \$6.5 million in reductions likely required for next year, the scale of the proposed cuts necessitates development of an approach which enables broader and more substantial savings potential. The level of reductions required, in short, will inevitably and dramatically impact our staff in some measure.

Consultation with staff on these issues, therefore, is essential, and the Administration will be soliciting stakeholder input through a process to be facilitated at each work site over the next few weeks.


This initial discussion of this item and the issues it presents will be followed by further study and/or action items in April and, perhaps, May.

In the interim, the tentative and as yet uncertain nature of the final state budget will require a great deal of tolerance for ambiguity, will necessitate planning for multiple possibilities, and will call upon our solidarity and common commitment to serving the community.

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**RECOMMENDATION:** This item is presented for the Board's consideration, information and direction.

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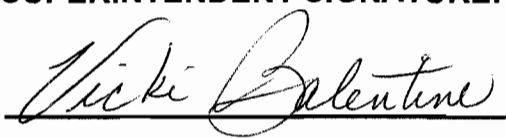
<b>INITIATOR:</b>		Todd A. Jaeger Associate to the Supt.	3/5/2010
	<b>Signature</b>	<b>Name/Title</b>	<b>Date</b>

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**ASSOCIATE SUPERINTENDENT SIGNATURE:**

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**SUPERINTENDENT SIGNATURE:**



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<b>Enrollment Projections 10-11</b>	<b>09-10 100th Day</b>	<b>10-11 DRAFT PROJECTION</b>
<b>Elementary Attendance Areas</b>		
Copper Creek	770	607
Coronado K-8	473	423
Donaldson	432	378
Harelson	532	499
Holaway	430	392
Keeling	433	405
Mesa Verde	417	364
Nash	560	520
Painted Sky	792	725
Prince	623	570
Rio Vista	549	503
Walker	675	593
Wilson K-8	564	472
<b>Sub-total</b>	<b>7250</b>	<b>6451</b>
<b>Out of District</b>	<b>incl</b>	<b>incl</b>
<b>Total Elem.</b>	<b>7250</b>	<b>6451</b>
<b>Middle School Attendance Areas</b>		
Amphitheater	703	700
Cross	808	800
La Cima	611	600
Coronado K-8	659	660
Wilson K-8	641	640
<b>Sub-total</b>	<b>3422</b>	<b>3400</b>
<b>Out of District</b>	<b>incl</b>	<b>incl</b>
<b>Total M.S.</b>	<b>3,422</b>	<b>3400</b>
<b>High School Attendance Areas</b>		
Amphitheater	1317	1300
Canyon del Oro	1762	1750
Ironwood Ridge	1922	1950
<b>Sub-total</b>	<b>5,001</b>	<b>5000</b>
<b>Out of District</b>	<b>incl</b>	<b>incl</b>
<b>Total H.S.</b>	<b>5,001</b>	<b>5000</b>
<b>K-12 TOTAL</b>	<b>15,673</b>	<b>14851</b>

**Sample Elementary School  
Staffing Allocations (M&O) for Projected Enrollment of 520**

<b>Job Classification</b>	<b>09-10 FORMULA FTE</b>
Principal	1.0000
Teachers	17.5000
Art	0.6000
Band	0.2000
Music	0.6000
Orchestra	0.2000
P.E.	0.8000
Academic Intervention	0.5000
Asst. to Elem. Principal	1.0000
Educational Assistant	0.5000
Clerk Typist II or Clerk II	0.5000
Computer Repair Tech.	0.6000
Behavior Intervention Monitor	1.0000
School Health Assistant	1.0000
Library Assistant	1.0000
Library Clerk	0.0000
Campus Monitor	0.7500
Crossing Guard	1.0000
Custodian II	1.0000
Custodian I	2.0000
Groundskeeper I	0.5000

Amphitheater Public Schools  
 Non-staff Allocations  
 Sample Elementary School 2010-11

**587 - Sample Elementary**

<u>Factors used for calculations:</u>	<u>Projected</u>	
Student FTE, incl. Sp. Ed.	520	
Students Heads, incl. Sp. Ed.	520	
Certified Regular Education FTE	18.00	Assumption
Building Square Footage	69,299	Assumption

**M & O Allocations**

		<u>Per Unit</u>		<u>Unit</u>	<u>Allocation</u>
001.00.100.1001.587.6611	Supplies	\$23.70	X	Student FTE	= \$12,324.00
001.00.100.1001.587.6615	Graphics & Printing	\$20.70	X	Student FTE	= 12,324.00
001.00.100.1001.587.6432	Copier Maint. Agreements	\$4.70	X	Student FTE	= 2,444.00
001.00.100.2210.587.6811	Staff Development, Cert	\$90.00	X	Rglr. Ed. Tchrs.	= 1,620.00
001.00.100.2410.587.6153	Summer Clerical Hours			Flat Rate	= 380.00
001.00.100.2410.587.6532	Postage	\$1.50	X	Student Heads	= 780.00
001.00.100.1001.587.6515	Field Trips	\$6.50	X	Student FTE	= 3,380.00
001.00.100.2220.587.6611	Library Supplies	\$1.00	X	Student FTE	= 520.00
001.00.100.2620.587.6616	Custodial Uniforms			Flat Rate	= 696.00
001.00.100.2620.587.6611	Custodial Supplies	\$0.09	X	Sq. Ft.	= 6,236.91
<b>Total M &amp; O Allocation</b>					<u>40,704.91</u>

**Capital Outlay**

625.00.100.1001.587.6700	Carry-over from previous year*				
625.00.100.1001.587.6731	Furniture and Equipment	13.65	X	Student FTE	= 7,098.00
625.00.100.1001.587.6642	Textbooks	39.60	X	Student Heads	= 20,592.00
625.00.100.1001.587.6645	Textbook Adoption	14.30	X	Student FTE	= 7,436.00
<b>Total Capital Outlay Allocation</b>					<u>35,126.00</u>

**Total Net Allocation**

\$75,830.91

\*Carryover to be determined after the Annual Financial Report (AFR) is prepared.

**Sample Middle School  
Staffing Allocations (M&O) for Projected Enrollment of 761**

<b>Job Classification</b>	<b>09-10 FORMULA FTE</b>
Principal	1.0000
Assistant Principal	1.0000
Instructional Support Asst.	0.0000
Teachers	28.6000
Orchestra Teacher	0.4000
Counselor	1.0000
Librarian	1.0000
School Nurse	1.0000
Computer Repair Tech	0.6000
Library Clerk	0.0000
Middle School Secretary	1.0000
Registrar	1.0000
Attendance Clerk	1.0000
Clerk Typist II or Clerk II	0.2500
School Health Assistant	0.0000
Security Officer	1.2500
Behav. Intvn./ISS Monitor	1.0000
Campus Monitor	0.7500
Crossing Guard	1.0000
Custodian II	1.0000
Custodian I	3.8000
Groundskeeper II	1.0000
Groundskeeper I	2.0000



Amphitheater Public Schools  
 Non-staff Allocations  
 Sample Middle School 2010-11

**588 - Sample Middle School**

<u>Factors used for calculations:</u>	<u>Projected</u>	
Student FTE, incl. Sp. Ed.	761	
Students (Heads), incl. Sp. Ed.	761	
Certified Regular Education FTE	27.00	Assumption
Building Square Footage	104,060	Assumption
Athletic Supply Rate	\$11,580.00	
Athletic Equipment Rate	\$9,180.00	

**M & O Allocations**

	<u>Per Unit</u>	<u>Unit</u>	<u>Preliminary</u>
			<u>Allocation</u>
001.00.100.1001.588.6611 Supplies	\$29.20	X Student FTE	= \$22,221.20
001.00.100.1001.588.6615 Graphics & Printing	\$20.70	X Student FTE	= 15,752.70
001.00.100.1001.587.6432 Copier Maint. Agreements	\$4.70	X Student FTE	= \$3,576.70
001.00.100.2210.588.6811 Staff Development, Cert.	\$90.00	X Rglr. Ed. Tchrs.	= 2,430.00
001.00.100.2410.588.6532 Postage	\$3.00	X Student Heads	= 2,283.00
001.00.100.1001.588.6515 Field Trips	\$3.50	X Student FTE	= 2,663.50
001.00.100.2220.588.6611 Library Supplies	\$4.00	X Student FTE	= 3,044.00
001.00.620.1001.588.6611 Athletic Supplies		Flat Rate	= 11,580.00
001.00.620.1001.588.6333 Referees		Flat Rate	= 6,200.00
001.00.100.2620.588.6616 Custodial Uniforms		Flat Rate	= 1,218.00
001.00.100.2620.588.6611 Custodial Supplies	\$0.09	X Sq. Ft.	= 9,365.40
001.00.100.2630.588.6611 Grounds Supplies		Formula	= 9,704.54
<b>Total M &amp; O Allocation</b>			<u>91,639.04</u>

**Capital Outlay**

625.00.100.1001.588.6700 Carry-over from previous year*			
625.00.100.1001.588.6731 Furniture and Equipment	13.65	X Student FTE	= 10,387.65
625.00.100.1001.588.6642 Textbooks	39.60	X Student Heads	= 30,135.60
625.00.100.1001.588.6645 Textbook Adoption	14.30	X Student FTE	10,882.30
625.00.100.2220.588.6641 Library Books	14.00	X Student FTE	= 10,654.00
625.00.620.1001.588.6732 Athletic Equipment		Flat Rate	= 9,180.00
<b>Total Capital Outlay Allocation</b>			<u>71,239.55</u>

**Total Net Allocation**

\$162,878.59

\*Carryover amounts will be determined after the Annual Financial Report (AFR) is prepared.

**Sample High School  
Staffing Allocations (M&O) for Projected Enrollment of 1,677**

<b>Job Classification</b>	<b>09-10 FORMULA FTE</b>
Principal	1.0000
Assistant Principal	3.0000
Instructional Support Asst.	0.0000
Teachers(less non-JTED CTE)	53.8000
CTE Teachers (non-JTED)	6.8000
Teacher Aims Intervention	1.0000
Orchestra Teacher	0.2000
Counselor	4.5000
Librarian	2.0000
School Nurse	1.0000
Athletic Trainer	1.0000
Behavior Intervention Mtr	0.6000
School Admin. Asst.	1.0000
High School Registrar	1.0000
Secretary I	3.0000
Attendance Clerk	1.0000
Clerk II	1.0000
Bookstore Clerk	0.5000
Bookstore Manager	1.0000
Library Assistant	1.0000
Computer Systems Operator	1.0000
Bookkeeper I	1.0000
Equipment Manager	0.5000
School Health Assistant	1.0000
Library Clerk	0.5000
Library Media Technician I	0.5000
Computer Repair Technician	1.0000
Security Officer	3.0000
Campus Monitor	0.5000
Custodian III	1.0000
Custodian II	2.0000
Custodian I	11.3000
Groundskeeper II	1.0000
Groundskeeper I	3.0000
Assistant Plant Engineer	1.0000

Amphitheater Public Schools  
Non-staff Allocatins  
Sample High School 2010-11

**589 - Sample High School**

<u>Factors used for calculations:</u>	<u>Projected</u>	
Student FTE, incl. Sp. Ed.	1677	
Students (Heads), incl. Sp. Ed.	1677	
Certified Regular Education FTE	68.00	Assumption
Building Square Footage	326,218.00	Assumption
Athletic Supply Rate	\$24,880.00	
Athletic Equipment Rate	\$37,120.00	

**M & O Allocations**

	<u>Per Unit</u>	<u>Unit</u>	<u>Preliminary</u>	
			<u>Allocation</u>	
001.00.100.1001.589.6611	\$31.20	X Student FTE	= \$52,322.40	
001.00.100.1001.589.6615	\$20.70	X Student FTE	= 34,713.90	
001.00.100.1001.587.6432	\$4.70	X Student FTE	= 7,881.90	
001.00.100.2210.589.6811	\$90.00	X Rglr. Ed. Tchrs.	= 6,120.00	
001.00.100.1001.589.6339		Flat Rate	= 7,500.00	
001.00.100.2410.589.6532	\$3.00	X Student Heads	= 5,031.00	
001.00.100.1001.589.6515	\$2.50	X Student FTE	= 4,192.50	
001.00.100.2220.589.6611	\$4.70	X Student FTE	= 7,881.90	
001.00.620.1001.589.6611		Flat Rate	= 24,880.00	
001.00.620.1001.589.6333		Flat Rate	= 10,500.00	
001.00.620.1001.589.6431		Flat Rate	= 2,800.00	
001.00.620.1001.589.6811		Flat Rate	= 8,000.00	
001.00.100.2620.589.6616		Flat Rate	= 2,958.00	
001.00.100.2620.589.6611	\$0.09	X Sq. Ft.	= 29,359.62	
001.00.100.2630.589.6611		Formula	= 13,476.23	
Total M & O Allocation			<u>227,697.45</u>	

**Capital Outlay**

625.00.100.1001.589.6700	Carry-over from previous year*			
625.00.100.1001.589.6731	21.85	X Student FTE	= 36,642.45	
625.00.100.1001.589.6642	66.00	X Student Heads	= 110,682.00	
625.00.100.1001.589.6645	7.15	X Student FTE	= 11,990.55	
625.00.100.2220.589.6641	14.00	X Student FTE	= 23,478.00	
625.00.620.1001.589.6732		Flat Rate	= 37,120.00	
Total Capital Outlay Allocation			<u>219,913.00</u>	

**Total Net Allocation**

\$447,610.45

\*Carryover amounts will be determined after the Annual Financial Report (AFR) is prepared.