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5/3/11

BSD 2011/12 Alternate Budget Revenue and CSL Assumptions – ~~May 2, 2011~~ May 3 @ 3:30 PM

Revenue from Proposed Budget (per District) \$ 323,600,000  
Includes Items 1, 4, and 5 from Proposed Reductions...not reductions as in revenue)

CSL Assumptions

|  |                   |
|--|-------------------|
| 2010/11 Projected Expenses (adj - \$1.9M capital)  | \$ 296,400,000    |
| PERS additional ( revised estimate per District)   | 13,000,000        |
| Insurance Increase (not a current contract obligation)   | 2,400,000         |
| Budget Additions (per District List)   | 1,300,000         |
| Addback of IDEA (revised estimate per District)  | 3,100,000         |
| Staffing Increased Enrollment 2010/11 increase of 404  | 1,360,000         |
| Staffing Increased Enrollment 2011/12 increase of 542<br>(staffing classroom teachers at 1/24 ratio) | 1,840,000         |
| 2011/12 Salary Adjustment (COLA) and step increase   | 5,500,000         |
| Full day Kindergarten  | <u>407,000</u>    |
|  | \$ 325,307,000    |
| 3.5% Contingency   | <u>11,386,000</u> |
|  | \$ 336,693,000    |
| Deficit (Reductions required to offset)  | (\$ 13,093,000)   |

Refer to Staff Savings & Reductions Items April 12<sup>th</sup> Sheet 1 through 25, and Sheet A through EE. This list is intended to function as a complete balanced budget alternative. A full step is assumed in both years. Salary freeze (COLA) is assumed in both years. 2012/13 lists all items again as deductions from the alternate 2011/12 CSL \$ 335,858,000. The second year is provided to track items which are non-recurring and items which may take a year to implement. 2012/13 needs adjustments for additional enrollment revenue and one full step expense. Additional Comments & References on page 2

| ( ) Item (refers to staff sheets)  | 2011/12                    | 2012/13       |
|--|----------------------------|---------------|
| (1) Balance of State Facility Grant  | 0                          | 0             |
| (C) Salary Freeze (COLA)   | <i>3,300,000</i> 4,036,200 | 4,036,200     |
| (4) Limit District transfers to 1/1  | 0                          | 0 +?          |
| (5) Transfer Fund Gains from Printing  | 0                          | 0             |
| (6) Recoup Open positions savings  | 500,000                    | 500,000       |
| (15) Early retirement  | 462,000                    | 462,000       |
| <i>Central 3 MS Asst</i><br>(8) (10) (B) Reduce FTE at Indirect Cost Centers<br>See CAFR page 118 NIC custodial reorg (see EE below) | 6,000,000                  | 6,000,000     |
| (9) End HS Standards facilitators  | 525,360                    | 525,360       |
| (13) ESL Budget reduction (re: decreased enrollment)   | 1,433,178                  | 1,433,178     |
| (14) ONE Furlough Day  | 1,186,000                  | 0             |
| (U) Reduce Bus Routes 10% (10% is \$475k)  | 293,000                    | 293,000       |
| (S) One MS/HS Schedule   | 0                          | 400,000       |
| (A) Shared Administration at two small schools   | 160,757                    | 160,757       |
| (DD & EE) 300 positions from 260 to 11 months  | 0                          | 2,637,620     |
|  | ST \$ 16,090,000           | \$ 18,561,000 |

2010/11 Add Backs

MS World Language, Guidance Counselor, Prevention/Intervention Specialists, School Staffing Convertible Funding

|  |                  |                  |
|--|------------------|------------------|
|  | ( \$ 2,997,000 ) | ( \$ 5,468,000 ) |
| Total reductions and add-backs = (deficit) | \$ 13,093,000    | \$ 13,093,000    |

The following comments refer to Items presented on Page 1 that are variances from District rationale.

(C) Salary Freeze (COLA). The Budget Co-Chairs message stated clearly that the budget did not include money for merit increases or inflation (COLA). In our local context Portland Public Schools new agreement has no COLA and I believe that is in part motivated by asking for Option Levy Support. The amount of a COLA freeze is less than the four furlough days, thus beneficial to employees and does not impact instruction and preparation.

(4) Does the savings on transfer increase over the first few years? Add to 2012/13.

(8) (10) (B) refer to 2010 CAFR sheet 118. Teaching positions increased proportionally to enrollment growth but Classroom Support went down. Nutrition sets an excellent example serving 3400 additional students in 3? more locations with five fewer personnel. 75 FTE in Administrative and Central functions exceed the enrollment growth or are in positions not driven by enrollment change. Includes (10) 3 K-12 Assistant Principals and (B) 5 Middle School Assistant Principals.

(U) Reduce Bus Routes by 10% is a challenging Item but deserves the effort. Our bus fleet and FTE count has gone up 28% against enrollment growth of 8.66%. There are serious challenges from Spec Ed demands and the Option schools shuttle legs, but transportation is already doing excellent work to trim inefficient routes. I do not understand the \$293,000 figure vs. \$475,000 which would be 10%. As drive time, maintenance, fuel and even new bus leases are driven by route mileage I believe our savings should be much closer to \$475,000.

(S) Settling on either semester or trimester schedules has been discussed but 'put off' as it can't be accomplished in one summer. On this list for action in 2012/13. Savings from uniform grading days, testing days and staff days; impacts on transportation, food service/maintenance and soft \$ for staff collaboration between sites.

(A) On this list for action in 2012/13. Small elementary schools are targeted by staffing ratios for loss of positions. As an option to closing a school(s) implement (A). Examine this concept for application to high administrative ratios in Magnet programs (NIC this estimate).

(DD & EE) On this list for action in 2012/13. The district has 421 employees on 260 day contracts. This Item proposes 300 of 421 be revised to 11 months. This is NOT a July shutdown. Depending upon the positions the time can be specified so that no District closure is required.