

May 23, 2005

TO: Warren County School District Board of Education

FROM: Dave Stephany

SUBJECT: 2005-06 Budget Considerations

CC: John H. Grant, Superintendent

Per your request through Mr. Grant, following are some potential cost-saving initiatives and District needs that you might consider in your budget review for the 2005-06 school year.

Please recognize that these recommendations are based upon initial interviews and observations that have been conducted in the last couple of months, and do not represent a total review of all the information, data collected and personal observations. All interviews, visits and observations have not been completed to date. More definitive recommendations, a District Needs Assessment, and a Keystone Educational Accountability Standards status report will be provided prior to the completion of the project in August of 2005.

In order to ensure that all involved approach the difficult decision-making process in the same manner due to the realities that exist within the Warren County School District, it is critical that the criteria for all decisions being made focus on the following priorities. The STUDENTS of the District MUST be the first priority; the TAXPAYERS the second priority and the EMPLOYEES the third priority. This does not diminish the importance of employees, but the task is to educate students in the best manner possible with an efficient and cost effective approach.

That being said, I offer the following as potential cost saving initiatives and District needs:

- I. With the hiring of a new Business Administrator and the introduction of Pentamotion software, future efficiencies in the Business Office will be realized. The initial recommendation is to eliminate the position of "Fiscal Accountant" and have the existing staff including the Business Administrator absorb those duties.

- II. With the pending retirement of Mr. James Falvo, this administrative position should be eliminated and be absorbed by the existing professional staff who currently have extra-curricular responsibilities. This does not imply that Mr. Falvo and his staff have not done an exemplary job, but the District MUST evaluate the need to replace every administrative position vacancy in the future and justify its role in the educational process. This statement DOES NOT imply that our current administrators are not functioning at an effective level. Due to many of the mandates that have been imposed on school districts, the role and responsibilities of administrators have expanded and changed greatly. However, we MUST explore ways to be more efficient in the future. It is too early in the process to provide specific recommendations on how to accomplish this.
- III. Consider the consolidation of the Purchasing and Warehousing administrative responsibilities. The Purchasing function was split and absorbed by existing supervisors in the past, and efficiencies could be realized with the consolidation of the supervision of these areas.
- IV. Consider the possibility of the “outsourcing” of the Transportation management and administration process. The actual “busing” has always been outsourced according to the sources interviewed.
- V. In the areas of Food Service and Custodial Services, the following potential options are recommended:
 - A. The most drastic approach is to move ALL custodial staff and cafeteria workers to Aramark and Nutrition, Inc. The cost of providing benefits for part-time employees of the District is cost prohibitive and will continue to bring additional costs for the District in the future. Continue to hold “outsourced” vendors accountable and ensure the best cost by bidding out the services as appropriate.
 - B. Another alternative is to have any “future” Custodial and Food Service employees become employees of Aramark and Nutrition, Inc. Recognizing that a very high percentage of employees are also taxpayers, this approach allows those employees who are currently employed by the District to remain employees until they leave or retire. However, any NEW positions filled will not be District employees and control “future” costs. Thus, the Head Custodian at the new Warren County Elementary Center should be an employee of Aramark. Also, the open Head Custodial position at the Career Center should also be an Aramark employee.

- C. A combination of A and B in the custodial area would be to move all District employees functioning as Head Custodian to Aramark and keep other existing employees as detailed in B. The District should also work with Aramark to investigate alternate staffing schedules, i.e., more work being done in the “off hours” to increase levels of efficiency.

It should be noted that a more definitive recommendation has been provided for the custodial area because more time has been spent in this area due to the existing “outsourcing” already in place.

In addition, those who will become employees of Aramark will continue to receive a paycheck, be provided benefits, participate in some form of a pension vehicle, etc., and cash their checks in Warren County.

- VI. Establish a summer help “work/study” scholarship program for enrolled college students to do summer mowing, painting, cleaning, and other tasks as necessary. This would establish a level of financial assistance for graduated students of the District, provide positive public relations and, hopefully, contain costs.
- VII. Establish an “internal” mediation panel process that will allow an independent group of people to “listen to” and “render” a decision on the grievances that are taken to arbitration. There appears to be an excessive amount of grievances that are filed and moved through the system. This process would reduce the costs of arbitration for both the union and the District.
- VIII. The District (Board and administration) MUST develop and implement an effective public relations/communications process to ensure that the citizens of Warren County are kept informed of what is occurring in the District in a proactive and positive fashion. With the potential and reality of Act 72, it is critical that information is disseminated in a timely and meaningful manner. This includes the ongoing utilization of the website as a “real time” communication vehicle.
- IX. Continue to focus District resources on the K-12 educational process. Programs that support the Adult Learner, GED and other “non-student” roles should be reviewed for their costs and utility. The District cannot continue to be “all things” to “all people”.
- X. Continue the professional development programs that address No Child Left Behind requirements, the District’s mission, succession planning, and increased efficiency in operations. The Warren County School District has developed and implemented an effective governance structure that will be enhanced with the implementation of the Pentamotion software and the improvement in information gathering, reporting and data driven management.

- XI. Provide appropriate Board Development in governance, annual goal development, evaluation of performance, and effective administrative/Board relations and communications that will result in a mutually created "Operating Plan" that will benefit the students in a cost effective and efficient manner. There is a need for periodic retreat meetings with no particular agenda, but just an opportunity to discuss educational and District issues. This will provide positive opportunity for the Board and the Superintendent to share thoughts and ideas.
- XII. In order to address future professional staffing needs and reduce turnover based on the economic realities of the District, give preference to graduates of the Warren County School District who apply for teaching positions providing that they meet the appropriate requirements. The culture of the Warren County School District is that there is a history of those who are "born and raised" in Warren County will remain if suitable employment is available.
- XIII. Establish a plan and a process for Board/Superintendent expectations and evaluation that includes a self-evaluation and appropriate input from those that the Superintendent interacts with in an objective process.

It should be noted that the administrative staff has absorbed additional duties related to the administration of the Gifted/Talented Program and appropriate interaction with the Charter Schools.

As stated earlier, this report reflects areas identified based upon preliminary observations and findings. These serve as a basis for additional review, contemplation and appropriate decisions on your part that will benefit the students of the Warren County School District. I look forward to my continuing work in the District, and I hope that I can objectively provide appropriate recommendations to help the District continue to progress in the future.