WARREN COUNTY
SCHOOL DISTRICT

2012-2013

Preliminary

Budget Presentation

WARREN COUNTY
SCHOOL DISTRICT

Budget Presentation

Budgeted Revenue = $65,783,293

1.224 Increase in Millage

Millage needed to balance the budget
Approximately 13 Mills

We are beginning with a structural deficit of:

$ 5,112,247

Salary Freeze

2012-2013 Without Medical, Dental, Or Life Insurance				
	No Freeze	**Freeze**	**Savings**	
Wage Freeze				
Certificated	27,703,747.65	26,494,822.40	1,208,925.25	80.57%
Support	6,218,762.28	6,025,866.83	192,895.45	12.86%
Act 93	3,414,257.54	3,347,445.16	66,812.38	4.45%
Admin Support	594,037.03	573,948.82	20,088.21	1.34%
Long Term Subs	409,428.52	397,769.54	11,658.97	0.78%
	38,340,233.01	36,839,852.75	1,500,380.26	100.00%

Long-Term Solutions versus Short-Term Cost Savings

- Supply, textbooks, building maintenance and technology cuts are temporary and eventually will need reintroduced to the budget. We are only delaying the expenditure to another fiscal year and actually increase future costs.

- A one year salary freeze is only a one year savings unless the freeze is continued year after year.

- Staffing cuts can be made as long as required/prioritized programs are not eliminated. Staffing cuts fix short-term shortages but create long-term problems.

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SHORT TERM SOLUTIONS TO BALANCE BUDGET

- **Supply cuts**
- **Text book cuts (3rd year)**
- **Technology cuts (3rd year)**
- **Pay freeze**
- **Building maintenance**
- **Fund balance usage**

If the Board cuts or uses these options now, which needs to be done, budgeting for these items will need to occur in a future year. We are delaying these expenditures.

WARREN COUNTY SCHOOL DISTRICT

SHORT TERM SOLUTIONS TO BALANCE BUDGET

Pay Freeze

- **Single Year Solution to fix a short term deficit**
- **Teachers (without additional furlough)**
  $1,200,000
- **Administrators (without a reduction in staff)**
  $66,000
- **Support Staff (without additional layoffs)**
  $190,000
- **Administrative support (without layoffs)**
  $20,000

What Can We Do Right NOW!

Sugar Grove-Russell Reconfiguration

- **Consolidate grade levels in each building**
    - **K-2**
    - **3-5**
- **Class sizes of (See handout)**
- **Cost Savings to the district of $465,000**
- **Concerns with this move:**
    - **Bear Lake/Lottsville students going to Russell**
    - **Scandia students going to Sugar Grove**

What Can We Do Right NOW!

Staffing	RES	SGES	Existing Total	Shuffle	Difference		
All Admin	1	1	2	2		$90,000	$0
Classroom Teachers	12	12	24	18	-6	$60,000	-$360,000
Special Ed Teachers	1.5	1	2.5	2	-0.5	$60,000	-$30,000
Speech	0.4	0.4	0.8				$0
Rdg / Title	0.8	1	1.8	1.8		$60,000	$0
Art	0.4	0.4	0.8	0.6	-0.2	$60,000	$0
Music	0.4	0.4	0.8	0.6	-0.2	$60,000	$0
PE	0.5	0.5	1	0.8	-0.2	$60,000	$0
Library	0.4	0.4	0.8	0.6	-0.2	$60,000	$0
Aides	6	5	11	8	-3	$25,000	-$75,000
Custodians	2	2	4	4		$35,000	$0
Secretaries	1	1	2	2		$35,000	$0
Cafeteria	5	3	8	8			$0
Nurse	0.4	0.4	0.8	0.8		$60,000	$0
Guidance	0.33	0.33	0.66	0.66		$60,000	$0
							-$465,000

LEC MOVE

Move LEC to Allegheny Valley or other unoccupied space in a district building

- **Eliminate utility payment for LEC at $1,200 per month (\$14,400)**
- **Utilize building level administrator to supervise the LEC (\$45,000)**
- **Allows for LEC to utilize nursing, secretarial and cafeteria services in building**

Total Savings
\$59,400

MEDICAL BENEFITS

- **Look into other consortiums or trusts to see if there is a savings**

- **Negotiate changes in the medical plan offered to employees**

    - **Copay**
    - **Deductibles**
    - **Employee contributions**

- **Alteration would give the district continuous savings**

HEALTH CARE SAVINGS EXAMPLES

- **Current deductible is $200 individual and $400 total**
- **636 employees utilizing district provided insurance**
- **5% premium increase is costing the district $372,055 (active employees)**

Examples

1. $300/$600 deductible model = Savings of $283,969 1.17%
2. $400/$800 deductible model = Savings of $401,123 -.39%
3. $500/$1,000 deductible model = Savings of $501,541 -1.74%
4. $25.00 Employee share increase/month = $190,000
5. $35.00 Employee share increase/month = $267,000
6. $50.00 Employee share increase/month = $381,000

Any one of these or a hybrid could be negotiated for continuous savings every year.

This must be negotiated
See samples

Alternatives to an across the board wage freeze

We need 1.5 million in wage freezes to help balance the preliminary budget

Sample model

Option 1 in benefits = $280,000
Option 5 in benefits = $270,000
Salary freeze of 50% = $750,000

Total cost reduction = $ 1,300,000

Assume a 3% increase across the board for all staff per year

Sample Model

- **1st quarter = no increase**
- **2nd quarter = 1% Increase**
- **3rd quarter = 1% Increase**
- **4th quarter = 1% Increase**

- **Saves approximately $350,00 per year**
- **Staff still end an increase of salary**

WHAT WE KNOW

1. Local tax revenue is declining
2. Pennsylvania is in a revenue shortfall
3. State dollars to support schools has been cut in recent years
4. Salaries, benefits, contracted services are increasing every year
5. The student population is declining

WARREN COUNTY SCHOOL DISTRICT

Long Term Planning

Without a long term plan both financially and academically we will be having the same discussion for many years to come.

- **What do we want to provide for the students of Warren County?**
- **How much are we willing to pay for the desired education?**
- **How will we pay for increasing costs of education in Warren County?**

WHAT DO WE WANT TO HAVE ACCOMPLISHED IN THE NEXT 5 YEARS

1. High school reform
2. Curriculum updates
3. Technology supports
4. Building maintenance and renovation
5. Increasing educational opportunities for students to meet the challenges of the 21st Century
6. All schools will make or exceed AYP

Restructuring the District

Sample Model
(5 Year Plan)

- **Staffing efficiency**
- **Resource efficiency**
- **Increased educational opportunities**

5 Year Plan

- K-12 in Sheffield
- K-12 in Eisenhower
- Restructure the Central Attendance Area
- Building improvements
- Staffing efficiency
- Resource efficiency
- Begin planning for WAHS renovation
- Plan for maintenance of YHS, YEMS, WAEC

Year 1

1. Sugar Grove/Russell re-configuration
2. Start PlanCon at Eisenhower for K-12
3. Start PlanCon at Sheffield for K-12
4. Move LEC to Allegheny Valley

Total Savings

$500,000 (approx)

Year 2

- **Construction begins at SAMHS and EMHS**

Continued Savings of $500,000

Year 3

- Move South Street to WAEC
- Close South Street
- Construction ends at SAMHS and EMHS

Savings $300,000 (approx)
+$500,000 continued savings

Total Savings $800,000

Year 4

Close Sheffield Elementary
Close Allegheny Valley Elementary
Close Sugar Grove Elementary
Close Russell Elementary

Total Savings= $1,911,000 (approx)

Bond repayment = Millage increase of
Year 1 - 1.57 mills
Year 2 - 1.13 mills
Year 3 - 0 mills

Year 5

- **Move CO to Russell Elementary**

Savings

$70,000 (year 6)

- **Start PlanCon process for renovations at WAHS**
- **What consequence is there to not using a building for students while it is still receiving reimbursement from PDE?**

Where do we go from here?

- **Approve a preliminary budget that allows for exceptions or referendum**
- **Form a study group to review and revise the Master Facility plan to incorporate the future (short and long-term) academic needs of the county**
- **Approve and execute the plan.**

Where do we go from here?

	SAMHS	AVES	SES	Existing Total	K-12 Model	Difference		
Staffing								
Admin	1.5	0.5	0.5	2.5	2	-0.5	$90,000	-$45,000
Classroom Teachers	17	6	6	29	29	-0.5	$60,000	-$30,000
Special Ed Teachers	4.5	1.5	1	7	7	-1	$60,000	-$60,000
Speech	0.25	0.25	0.25	0.75	0.75			$0
Rdg / Title	1.5	1	1	3.5	2.5	-1	$60,000	-$60,000
Art	1.5	0.33	0.5	2.33	2	-0.33	$60,000	-$19,800
Music	1.2	0.5	0.5	2.2	2	-0.2	$60,000	-$12,000
PE	2	0.25	0.25	2.5	2	-0.5	$60,000	-$30,000
Library	1	0.25	0.25	1.5	1	-0.5	$60,000	-$30,000
Tech Ed	0.66							$0
Business	0.5							$0
FCS	1							$0
WL	1							$0
Aides	4	4	2	10	8	-2	$25,000	-$50,000
Custodians	4	2	2	8	5	-3	$35,000	-$105,000
Secretaries	3	1	1	5	3	-2	$35,000	-$70,000
Cafeteria	5	2	3	10	10			$0
Nurse	0.6	0.2	0.2	1	1		$60,000	$0
Guidance	1	0.2	0.2	1.4	1	-0.4	$60,000	-$24,000
								-$535,800

	SAMHS	AVES	SES	Existing Total	K-12 Model	Difference		
Utilities								
Electric		$44,000	$14,400					
Heat		$27,700	$20,700					
Garbage								
Sewage								
Internet / WAN								
Copiers								
Communication / Phones								

Where do we go from here?

	EMHS	RES	SGES	Existing Total	K-12 Model	Difference		
Staffing								
All NAA Admin	2	1	1	4	2	-2	$90,000	-$180,000
Classroom Teachers	24.5	12	12	48.5	42.5	-6	$60,000	-$360,000
Special Ed Teachers	4.5	1.5	1	7	6	-1	$60,000	-$60,000
Speech	0.2	0.4	0.4	1				$0
Rdg / Title	1.7	0.8	1	3.5	3	-0.5	$60,000	-$30,000
Art	1.5	0.4	0.4	2.3	1.8	-0.5	$60,000	-$30,000
Music	2	0.4	0.4	2.8	1.8	-1	$60,000	-$60,000
PE	1.5	0.5	0.5	2.5	2	-0.5	$60,000	-$30,000
Library	1.2	0.4	0.4	2	1	-1	$60,000	-$60,000
Tech Ed	1			1	1			$0
Business	1.25			1.25	1.25			$0
FCS	1			1	1			$0
WL	1			1	1			$0
Aides	5	6	5	16	11	-5	$25,000	-$125,000
Custodians	4	2	2	8	5	-3	$35,000	-$105,000
Secretaries	3	1	1	5	3	-2	$35,000	-$70,000
Cafeteria	6	5	3	14	14			$0
Nurse	0.6	0.4	0.4	1.4	1	-0.4	$60,000	-$24,000
Guidance	2	0.33	0.33	2.66	2	-0.66	$60,000	-$39,600
								-$1,173,600

	EMHS	RES	SGES	Existing Total	K-12 Model	Difference		
Utilities								
Electric	$55,700	$27,800	$19,100	102600	$55,700	-$46,900		
Heat	$125,420	$23,400	$24,500	173320	$125,420	-$47,900		
Garbage								
Sewage								
Internet / WAN	$15,000							
Copiers								
Communication / Phones								
Site based subscriptions / fees / licenses								
Snow plowing								
Maintenance								