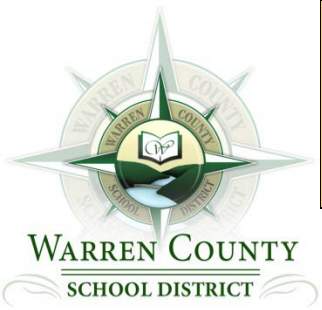
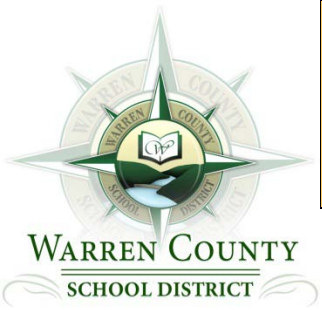




2012-2013

Preliminary

Budget Presentation

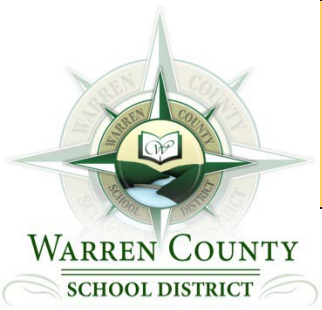


Budget Presentation

Budgeted Revenue = \$65,783,293

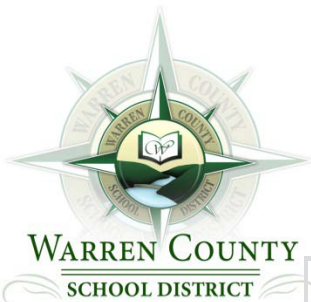
1.224 Increase in Millage

Millage needed to balance the budget
Approximately 13 Mills



We are beginning with a structural deficit of:

\$ 5,112,247



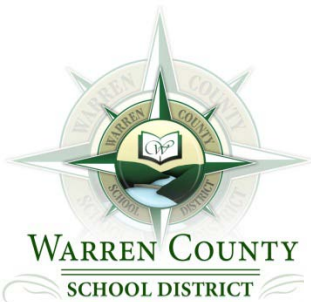
Salary Freeze

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

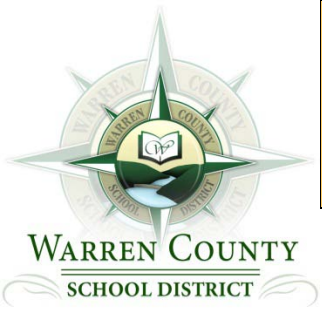
- **Supply, textbooks, building maintenance and technology cuts are temporary and eventually will need reintroduced to the budget. We are only delaying the expenditure to another fiscal year and actually increase future costs.**
- **A one year salary freeze is only a one year savings unless the freeze 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.**



SHORT TERM SOLUTIONS TO BALANCE BUDGET

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

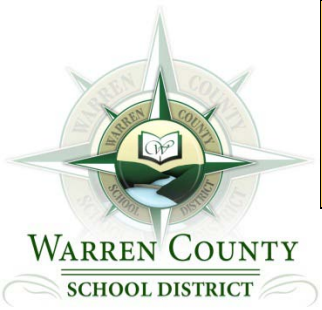
If the Board cuts or uses these options now, which needs to be done, budgeting for these items will need to occur in a future year. We are delaying these expenditures.



SHORT TERM SOLUTIONS TO BALANCE BUDGET

Pay Freeze

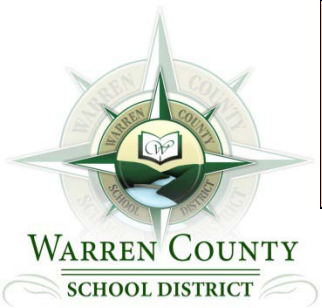
- **Single Year Solution to fix a short term deficit**
- **Teachers (without additional furlough)**
\$1,200,000
- **Administrators (without a reduction in staff)**
\$66,000
- **Support Staff (without additional layoffs)**
\$190,000
- **Administrative support (without layoffs)**
\$20,000



What Can We Do Right NOW!

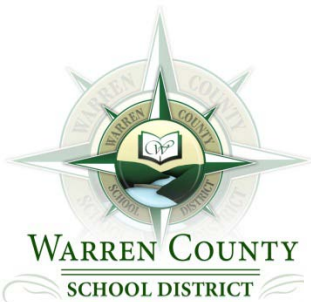
Sugar Grove-Russell Reconfiguration

- **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!

	RES	SGES	Existing Total	Shuffle	Difference		
Staffing							
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

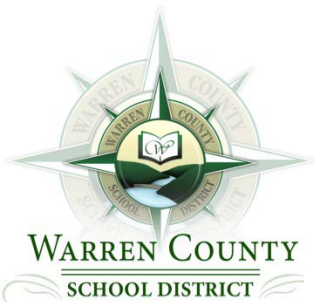


LEC MOVE

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

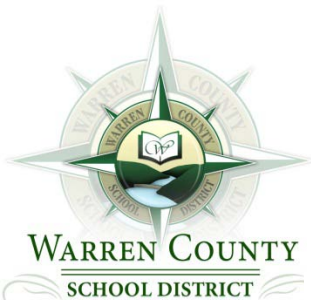
- **Eliminate utility payment for LEC at \$1,200 per month (\$14,400)**
- **Utilize building level administrator to supervise the LEC (\$45,000)**
- **Allows for LEC to utilize nursing, secretarial and cafeteria services in building**

**Total Savings
\$59,400**



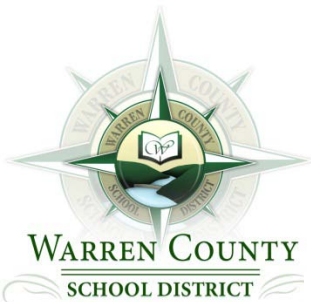
MEDICAL BENEFITS

- **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)**

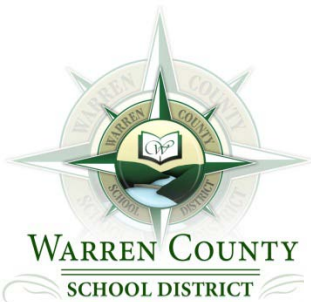


Examples

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

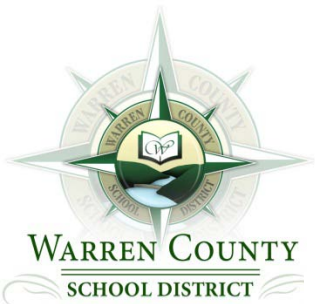
Sample model

Option 1 in benefits = \$280,000

Option 5 in benefits = \$270,000

Salary freeze of 50% = \$750,000

Total cost reduction = \$ 1,300,000

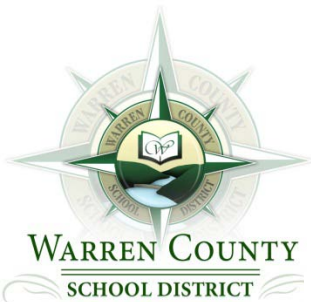


**Assume a 3% increase across the board
for all staff per year**

Sample Model

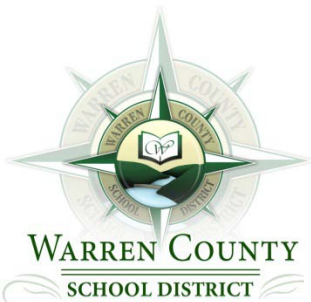
- **1st quarter = no increase**
- **2nd quarter = 1% Increase**
- **3rd quarter = 1% Increase**
- **4th quarter = 1% Increase**

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



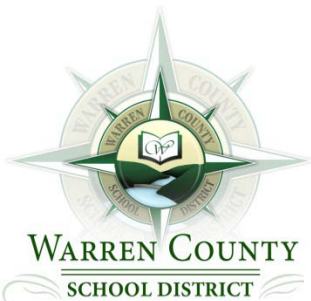
WHAT WE KNOW

- 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**



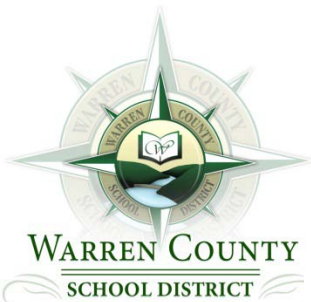
Without a long term plan both financially and academically we will be having the same discussion for many years to come.

- **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

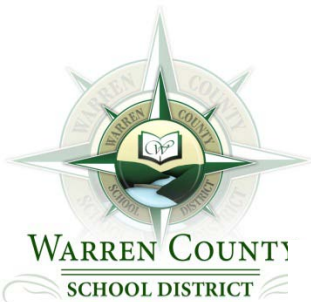
- 1. High school reform**
- 2. Curriculum updates**
- 3. Technology supports**
- 4. Building maintenance and renovation**
- 5. Increasing educational opportunities for students to meet the challenges of the 21st Century**
- 6. All schools will make or exceed AYP**



Restructuring the District

Sample Model (5 Year Plan)

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



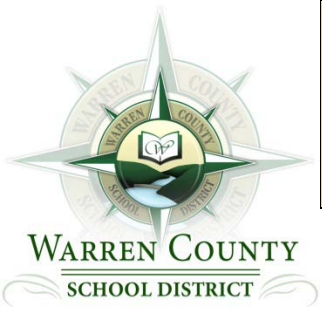
5 Year Plan

- **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**

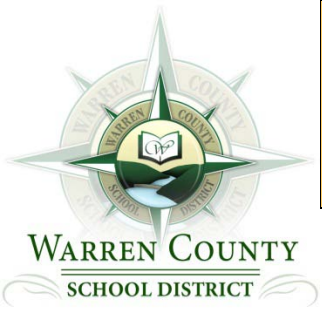
Total Savings
\$500,000 (approx)



Year 2

- **Construction begins at SAMHS and EMHS**

Continued Savings of \$500,000

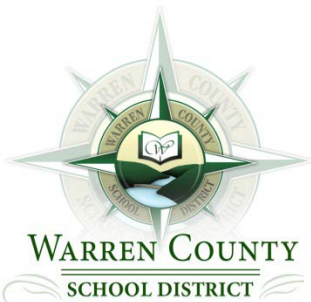


Year 3

- **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

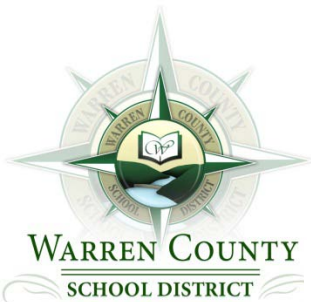


Year 4

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

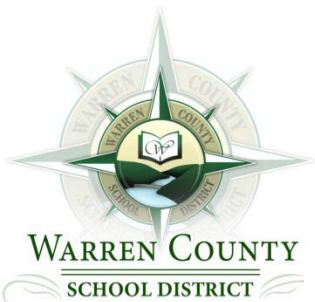


Year 5

- **Move CO to Russell Elementary Savings**

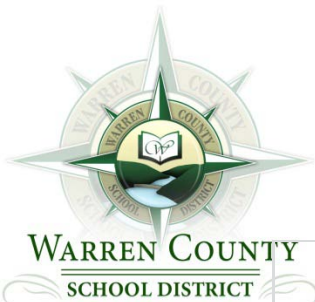
\$70,000 (year 6)

- **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?**



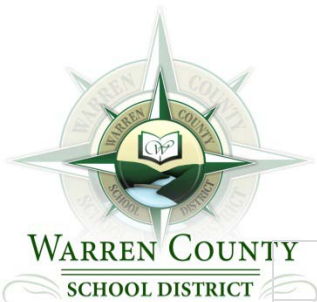
Where do we go from here?

- **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								