



New and Evolving Conditions

The May 25 release of the state quarterly revenue forecast brought another round of bad economic news. The forecast for the second year (2010-11) of the current biennium is significantly less than what had been included in the current state budget. The state is facing a \$563 million revenue shortfall in budgeted funding for 2010-11 programs and services, including K-12 education.

Governor Kulongoski has indicated that he intends to cut spending across the board to balance next year's budget, resulting in a budget shortfall of \$240 million for K-12 education statewide. This would mean a loss of approximately \$2.4 million for LOSD for the 2010-11 school year.

This is in addition to the anticipated economic challenges for the 2011-13 biennium that have been driving district strategic planning efforts.

Strategic Planning Context

The district has been engaged in a strategic planning process prompted by the need to keep expenditures for programs and services in line with budgeted funding for the 2010-11 school year, as well as to prepare for significant projected funding shortfalls for the next biennium. To date, recommendations approved by the School Board for program and staffing changes have been based on the following economic perspectives:

2009-10	2010-11
CURRENT BIENNIUM	
Current Employee Contracts	—————▶
Discussions with all Employee Associations	Negotiations with all Employee Associations

2011-12	2012-13
NEXT BIENNIUM	
State economists project a \$2.5 billion shortfall for the 2011-13 biennium. The district's share of this shortfall is projected to be over \$8 million for the biennium.	

Key Financial Factors for 2010-11

1. Measures 66 and 67 (Retain \$3.1M)
2. Federal Stimulus Funds (Plus approx. \$4M)
3. Foundation Fundraising (Currently at \$1.3M)
4. Student Enrollment (Unknown for 2010-11)

Key Financial Factors for Start of Next Biennium

1. Federal Stimulus Funds to End (Minus approx. \$4M)
2. Anticipated PERS Cost Increase (Minus \$2M)
3. Foundation Fundraising (Unknown for 2011-13)
4. Student Enrollment (Unknown for 2011-13)

New Factor as of 5/25/10

Additional State Budget Shortfall for 2010-11 (Minus approx. \$2.4M)

Key Budget References for Next Year

1. The district currently has 267 FTE in classroom teaching positions district-wide.
2. The district currently has 262 FTE in classified support staff district-wide.
3. For the 2010-11 school year, the district has previously committed to cost reductions of \$2,365,000.
4. With an additional state shortfall of \$2.4M, the district will have to make further reductions for 2010-11.

Phase IV Recommendations

The additional budget shortages announced by the State on May 25 for next year prompted the district to immediately begin developing Phase IV strategic recommendations for implementation in 2010-11. The district is committed to avoiding additional reductions in classroom teacher staffing positions for next year, and will continue to add back positions as funded by Foundation contributions. All previously planned spending for 2010-11 is in the process of being re-examined for cost and service reductions and reorganization. It is anticipated, given the magnitude of the economic challenges the district will be facing, that changes in addition to the following Phase IV recommendations may be needed.

ADMINISTRATION

Staffing: Reduce one administrative position at the secondary level and reorganize roles and responsibilities in combination with the first stage of a redesign of the district's administrative staffing model. The development of the redesigned model should include the reduction of contract days for some administrative positions and the implementation of a teacher on special assignment position for assuming some current administrative role responsibilities.

Timeline: The new model should be developed with phased implementation in concert with the district's cost reduction timelines. The initial stages of implementation should be in place for the beginning of the 2010-2011 school year.

TOTAL REDUCTION \$30,000

COMPUTER NETWORK SERVICES

Staffing: Reduce one technology technician position, which would return district technology support staffing to an essential service level that the district has experienced in the past.

Timeline: This recommended change should be undertaken and in place for the beginning of the 2010-11 school year.

TOTAL REDUCTION \$75,000

COMMUNITY SCHOOL

Staffing: Reduce two Community School assistant director positions: program enrichment assistant director and district swimming pool assistant director. Reorganize roles and responsibilities such that the Community School director assumes responsibility for the enrichment program and the youth sports assistant director assumes responsibility for swimming pool management.

Timeline: These recommended changes in staffing and role responsibilities should be undertaken and be in place for the beginning of the 2010-2011 school year.

TOTAL REDUCTION \$125,000

EXTENDED CARE

Staffing: Relocate the district's extended care administrative operations to the Central Office Community School and begin a collaborative partnership between Extended Care and Community School. The development of pre-school and elementary school enrichment and second language program offerings should be a high priority. These program offerings should include second language summer camps.

This collaborative reorganization will be combined with a 4-hour reduction in support staff FTE.

Timeline: These recommended changes in staffing and role responsibilities should be undertaken and be in place for the beginning of the 2010-11 school year.

TOTAL REDUCTION \$28,000

CENTRAL OFFICE AND BUILDING OFFICE STAFFING

Secretarial: With the relocation of Extended Care to Community School, the Central Office support staffing will undergo a total reduction of six hours per day of secretarial time for 2010-11.

A review of secretarial support staffing in all buildings and at all district operational sites should also be undertaken to determine if positions can be eliminated or reductions in hours should take place for the coming school year.

Timeline: These recommended changes in secretarial support staff should be undertaken and be in place for the beginning of the 2010-2011 school year. The recommendation to review secretarial support staff positions and hours may not be analyzed and brought to the Board until mid-summer.

TOTAL REDUCTION \$TBD

MAINTENANCE STAFFING

Custodial: The district should initiate the development of a custodial staffing model that structures some custodial positions as ten-month contracts and some custodial positions as twelve-month contracts. These recommended changes would include the development of a summer team cleaning approach for all district schools.

A review of custodial staffing in all buildings and at all district operational sites should also be undertaken to determine if positions can be eliminated or reductions in hours should take place for the coming school year.

Timeline: These recommended changes in custodial contracts and roles should be in place for the beginning of next school year, with the team cleaning design in operation during the summer of 2011. The recommendation to review custodial staff positions and hours may not be analyzed and brought to the Board until mid-summer.

TOTAL REDUCTION **\$80,000**

OPERATIONAL ALLOCATIONS

Schools: All schools should have additional reductions of the following percentages in their operational allocations for the 2010-11 school year:

- high schools – minus 10%
- middle schools – minus 10%
- elementary schools – minus 5%

Note: It is recommended that the allocation for River Grove, our district's only Title I school, not be reduced.

Central Services: All central services should take reductions in operational allocations for a combined reduction of 5-10% for the 2010-11 school year.

Timeline: These recommended reductions in operational allocations should be implemented for the 2010-2011 school year.

TOTAL REDUCTION **\$125,000**

TEXTBOOKS

Math: The district's math curriculum is scheduled for review, evolutionary changes, and textbook purchases. It is recommended that math textbook purchases be limited to essential spending.

Timeline: This recommendation should be in place for the 2010-2011 school year. Savings would be realized in the 2011-12 school year.

TOTAL REDUCTION **\$400,000**

SECONDARY SCHOOL CHINESE ELECTIVE CHANGE

Program: The district is currently exploring options for the continuation of the secondary school Mandarin Chinese language elective.

The administration is seeking support to pursue three options for the continuation of the program. The three options are:

1. Hire a Chinese language teacher through the district's normal personnel process
2. Enter a partnership with the Confucius Society to hire a Chinese teacher
3. Offer online Chinese course opportunities through the Michigan Virtual High School

Timeline: The administration is requesting additional time to study options with a goal of making a recommendation to the School Board at the July 14 School Board meeting.

SCHOOL CLASSIFIED SUPPORT STAFF

Nonstudent Days: At this time, June 14, 2010, the administration is recommending the reduction of five days from all Secretary I positions. In general, these reductions in days would be situated at times when students were not in school. Because the secretary I positions span elementary through high school, specific determinations for reduction in days will need to be done on a situational basis given individual level and building needs.

Timeline: These recommended changes in secretarial support staff should be undertaken and in place for the beginning of the 2010-2011 school year. The recommendation to review secretarial support staff positions and hours may not be analyzed and brought to the Board until mid-summer.

TOTAL REDUCTION **\$6,000**

EMPLOYEE CONTRACT DISCUSSIONS

Contract: The district is participating in contract discussions with employee associations, seeking a reduction of three school days in the 2010-11 school year. This potential reduction in days would result in the equivalent of three furlough days for all employees, saving the district approximately \$500K. The following furlough days are being considered:

- November 22, 23, 24: Thanksgiving Week
- November 24, March 18 and March 28: Wednesday of Thanksgiving Week and Friday and Monday surrounding Spring Break
- November 24, March 18 and May 16: Wednesday of Thanksgiving Week, Friday before Spring Break, and Monday in mid-May to make a 3-day weekend.
- November 24, February 18, and March 18: Wednesday of Thanksgiving Week, and Friday before Presidents' Day (makes 4-day weekend), and Friday before Spring Break.

Timeline: This contract change would require a vote of approval by LOEA members. The association's vote is scheduled for June 17. If approved, this recommended reduction in school days would be effective for the 2010-11 school year.

TOTAL REDUCTION **\$500,000**