

DeForest Area School District
 2011-12 Budget Development
Board of Education Approved Staffing and Programming Adjustments
 (derived from Areas of Consideration 6-3-11)

Developing the 2011-12 school budget presents many challenges for the DeForest Area School District Board of Education. The Governor's proposed biennium budget calls for approximately \$1.7 million less in revenue for the DASD for each of the next two years. ([See School Finance 101](#)) While the District has been in static enrollment the last few years and declining in the revenue it is allowed by the state, the level of these proposed cuts is beyond what the District has experienced previously. The Board is charged with finding a way to cut expenses, preserve highly qualified staff, change programs and delivery of programs while providing the same quality for less money, and sustain the effectiveness of the system as resources diminish.

At the beginning of the process this spring, the Board and staff established a set of [guiding principles](#) to shape the budget development process. Using these guidelines, there are several major areas being examined. Below are a set of options for consideration in each area that might address the budget reductions. Following is information about how you can share your thoughts on these options.

OPERATIONAL

The district allocates its budget resources into identifiable budget centers. Some are large in scope, such as system buildings and grounds while others are narrow, such as a budget center for an individual elementary school. Each budget center has a responsible and accountable administrator assigned. The district is examining reductions in all district-wide budget centers while leaving school level budget centers in tact for 2011-12.

Current Areas of Consideration

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| Reduction in budget center allocations | 5% - 10% for all district-wide budget centers (1% = \$20,000) 5% reduction in district-wide budget centers e.g. buildings and grounds, wellness, testing services, general administration Approximate Reduced Budget = 5% = \$100,000 |
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STAFFING

Education is a people business. Any school district's dominant expenditures are in people – custodians, aides, secretaries, administrators, teachers, etc. All are necessary to operate schools. With nearly 70% of our expenditures on people, a \$1.7 million reduction to our operating revenue cannot be addressed in an ongoing way without reducing the number of people we employ. Since the Board had said that it wanted to avoid layoffs, the only mechanism to reduce the number of employees is to leave vacancies created by retirements or attrition unfilled where possible. You will note that the list of considerations below includes a number of positions that would be unfilled in 2011-12. These could be reinstated at a point in the future when enrollment again begins to grow. Operating with the existing levels of staff means people may be realigned throughout the system and delivery methods may be modified. For example, if we previously employed five librarians and we left one retirement vacancy unfilled, we would have to examine how we could continue to provide quality services by redistributing the four librarians differently and still provide quality service. Staff are exploring all of these considerations now. Proposed staffing reductions at various levels are being evaluated for impacts such as building cleanliness, student support, class size, learning outcomes, and management.

Current Areas of Consideration

| <i>Staffing for 2011-12 (tied to declining enrollment and program delivery)</i> | |
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| Early Childhood FTE* | -0.50 – declining enrollment and delivery change with 4K program Approximate Reduced Cost = \$35,000 |
| Elementary FTE | -2.0 – declining enrollment; Federal Jobs Funds provided \$\$ for kindergarten positions in 2010-11; funding ends in 2011-12 Approximate Reduced Cost = No savings due to one-time federal money |
| Elementary FTE (removed) | -2.0 – declining enrollment; eliminate two sections in elementary; overall class size in elementary remains at last years level Approximate Reduced Cost = \$140,000 |
| DAHS Social Studies | Transfer position to DAMS; declining enrollment at DAHS Approximate Reduced Cost = \$70,000 |
| LMC Department | Unfilled vacancy; increase .67 position to 1.0 and realign people to cover libraries (net reduction, -.67) Approximate Reduced Cost = \$46,900 |
| Guidance Department | Unfilled vacancy (1.0); transfer 1.0 from DAMS to Elementary; transfer partial from DAHS to assist at DAMS Approximate Reduced Cost = \$70,000 |
| Reading Specialist (changed to Math Specialist) | -1.0 – change delivery from 4 to 3 FTE and realign people to cover needs Approximate Reduced Cost = \$70,000 |
| DAHS Secretary | -1.0 – reduce office staff at HS; transfer 1.0 to elementary vacancy Approximate value = \$50,000 |
| DAMS Educational Asst. | -1.0 – reduce building allocation based on need (completed in January 2011) Approximate Reduced Cost = \$43,000 No cost savings due to loss of grant |
| DAHS Custodian | -1.0 – reduce DAHS crew size Approximate Reduced Cost = \$54,000 |
| YES Custodian | -1.0 - transfer DAMS custodian to YES; reduce DAMS crew size Approximate Reduced Cost = \$54,000 |
| Elementary Phy. Ed. (changed) | -.40 – declining enrollment; fewer sections needed changed to -.18 Approximate Reduced Cost = \$28,000 |

*FTE = Full-time equivalent position

NOTE: Approximately 14 positions generated by retirements will be rehired; about \$10K savings each.

PROGRAM SCOPE AND DELIVERY

As resources diminish, enrollment declines, and new curricular areas emerge, considerable study goes into evaluating current offerings to students and those that may need to be added as well as the manner in which we design instruction. District staff are focused on the vision of the community identified through the Framework for Our Future process and develop instructional methods and content based upon continuous improvement in our effectiveness for students. Items being considered here include the reduction in the number of sections of some global language offerings or the possible elimination of some languages in traditional course offerings. Also included here would be changes in how we group students in classes, e.g. multi-age versus one age in one grade. Not all changes like this contribute to budget considerations, but do give us flexibility to improve the relevance of programming as well as the effectiveness.

Current Areas of Consideration

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| DAMS German language | - .40 FTE – declining student interest; reduce by an additional .60 in 2012-13 to close out program review in 2011-12 ; some students currently involuntarily placed into German sections, not elective Approximate Reduced Cost = \$28,000 in 2011-12; \$42,000 in 2012-13 |
| DAHS French language | - .60 FTE – declining student interest; reduce by an additional .40 in 2012-13 to close out program review in 2011-12 ; enrollment too low to sustain Approximate Reduced Cost = \$42,000 in 2011-12; \$28,000 in 2012-13 |

EMPLOYEE COMPENSATION

Some steps can be taken to reduce the level of future compensation as a short term fix to budget issues. However, this is not a good long term solution as it has effects on the hiring competitiveness of the district and the ability to maintain a reasonable level of compensation in the highly competitive market of school districts in Dane County. It also obviously effects employee satisfaction with the workplace. While all employees, support staff, teachers and administrators, received [compensation increases \(p. 3\)](#) for the 2010-11 school year, both teachers and administrators are anticipated to receive no new increment in the year 2011-12. In addition, these employees will need to contribute 5.8% of their salary to their Wisconsin Retirement System account. While this fact serves to help the budget in the short term, it is a significant impact to the income of our employees and will challenge our competitiveness in the market if other districts begin to compensate workers for that loss. The board has been able to establish a compensation threshold for its employees that place everyone at the average pay level for their position when compared against other districts in the county. Sustaining this level will be a significant challenge moving forward. The salary and benefit concessions by staff are largely in response to the Governor's Budget Repair Bill and proposed biennium budget. Areas of savings for the District include:

Wisconsin Retirement System, 5.8% Share

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| DAEA (teacher's union) | Included in part of extended contract agreement Approximate Reduced Cost = \$802,624 |
| Non-represented administrative staff | Aligns with other staff Approximate Reduced Cost = \$122,161 |
| Non-represented support staff | Aligns with other staff Approximate Reduced Cost = \$38,270 |
| DASS (support staff union) | Aligns with other staff Approximate Reduced Cost = \$206,370 in 2012-13 |

Health Insurance, 10% Single (matches current 10% employee contribution for Family)

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| DAEA (teacher's union) | Included in part of extended contract agreement Approximate Reduced Cost = \$52,180 |
| Non-represented administrative staff | Aligns with teaching staff Approximate Reduced Cost = \$1,000 |

INCREASED REVENUE

The Board has had an emphasis on maintaining low fee structures for school related services and activities. For example, we are at the lowest level of activity fee participation costs among our Badger Conference school districts. However, we are for the first time in years evaluating changing the fee structure for students and families. The additional revenue would go toward offsetting the cost of extra- and co-curriculars.

There are also new opportunities for state and federal level grants that can support effective programming. The district is also exploring the processing of reimbursement for Medicaid eligible services provided to students as a part of their instructional day. The district plans to be more aggressive in pursuing external revenue so long as it does not adversely effect long term finances and programming in unwanted ways.

Current Areas of Consideration for Revenue Generation

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| Increased 1 st sport participation fee | 20 years at current rate; conference comparability; 2 nd activity remains at \$15 Approximate Increased Revenue = \$12,000 |
| Increase pass fees | Comparability; family \$125 (from \$100); adult \$50 (from \$45); single \$35 (no change) Approximate Increased Revenue = \$12,000 when combined with spousal fee |
| Employee spouse fee to single rate | Currently free; remains free to employee spouse when accompanied with staff member via district ID Approximate Increased Revenue = See above item |
| Increase participant fee in high cost/low participation sport | Share gymnastic co-op fee between DASD and participants Approximate Increased Revenue = \$1,000 |
| Eliminate transportation to non-sanctioned events | Cheer and Pom Team busing to competition(s) that are not school related or sponsored Approximate Reduced Cost = \$5,000 |
| Secure Medicaid reimbursement for eligible services | Add operational function for processing this reimbursement Approximate Increased Revenue = \$120,000 \$100,000 (fully realized in 2012-13) |
| 4 Year Old Kindergarten in third year | Adds to FTE enrollment; two years up front costs covered through fund balance, with third year recovery to the budget Approximate Increased Revenue = TBD based upon enrollment |

Additional Areas of Study Moving Forward

- Staffing reductions where possible based upon attrition at all levels (no layoffs)
- Program delivery modifications (efficiencies)
- Building level (school) budget center reductions
- Transportation eligibility guidelines – bus fewer students to school
- Morrisonville Elementary School continued operation; redraw boundaries; charter status; close
- Re-bid all outside vendor services on annual basis
- Travel and related costs for employee professional development
- Modification of post retirement benefits or restructuring retirement program
- Evaluate opportunities for part time versus full time employment
- Allow for advertising/sponsorship/naming rights
- Health Insurance provider or plan changes
- Modified work day or calendar
- Generating increased revenue through grants

FEEDBACK

Please click on the [Feedback](#) link here (also available on the DASD website and DASD News Blog) to share your thoughts or ideas about the "Areas of Consideration", as well as what you would like staff and school board members to consider as decisions are made.

All comments will be reviewed by the board of education and district staff. As common themes emerge, questions and answers will be added to the "FAQ".

Thank you for taking the time to read the information and for your thoughtful input.