

STATE OF THE BUDGET: MERIDIAN CUSD 223

January 2014

Objectives of the Presentation:

- Inform BOE of ramifications of financial decision
- Provide enough data to sufficiently inform BOE and the public of financial situation and options
- Create a financial solution that is fiscally responsible and best adheres to the mission of the District

"Our mission is to educate students to be self-directed learners, collaborative workers, complex thinkers, quality producers and community contributors"

What We Know About 13-14

Starting overall fund balance as of July 1, 2013 =	\$5,512,938
Budgeted expenditures for 13-14 =	\$17,888,084
Budgeted revenues for 13-14 =	\$16,812,992

Current Deficit = \$1,075,092
Fund Balance
after 13-14 = \$4,437,846

What We Know About 14-15

Projected beginning overall fund balance = \$4,437,846

Increased revenue via permissible levies and Tort =
~\$287,000

Decreased revenue due to 4% EAV decline = (~240,000)

Landfill repayment decrease = \$35,000

Assumptions –

State funding level and a general 2% inflation in
expenditures

\$1,350,853 Deficit

What happens if we do nothing?

	Beginning Fund Balance	Annual Deficit	Ending Fund Balance
14-15	\$4,437,848	\$1,350,853	\$3,086,995
15-16	\$3,086,995	\$1,565,770	\$1,521,225
16-17	\$1,521,225	\$1,627,985	(\$106,760)

What happens if we cut \$300,000?

	Beginning Fund Balance	Annual Deficit	Ending Fund Balance
14-15	\$4,437,848	\$1,044,853	\$3,392,995
15-16	\$3,392,995	\$1,253,650	\$2,139,345
16-17	\$2,139,345	\$1,309,623	\$829,722
17-18	\$829,722	\$1,682,915	(\$853,193)

What happens if we cut \$650,000?

	Beginning Fund Balance	Annual Deficit	Ending Fund Balance
14-15	\$4,437,848	\$687,853	\$3,749,995
15-16	\$3,749,995	\$889,510	\$2,860,485
16-17	\$2,860,485	\$938,200	\$1,922,285
17-18	\$1,922,285	\$1,304,064	\$618,221

What happens if we cut \$1,000,000?

	Beginning Fund Balance	Annual Deficit	Ending Fund Balance
14-15	\$4,437,848	\$330,853	\$4,106,995
15-16	\$4,106,995	\$525,370	\$3,581,625
16-17	\$3,581,625	\$566,777	\$3,014,848
17-18	\$3,014,848	\$925,213	\$2,089,635

Please note:

- These projections are based on the best, current data the District has . . .
- Based upon BOE recommendation, we will have PMA work to confirm projections . . .



POTENTIAL REDUCTIONS: MENU OF OPTIONS

Teaching Staff

Options:

- Increase class sizes up to 30 at elementary level (equals 6 teachers)
- Change schedule at Jr. High and eliminate study halls
- Eliminate certain electives/courses of study at high school
- Replace retiring teachers with less experienced (cheaper) options

Impact:

- Less options for students to take
- Decreased ability to provide individual support
- Potential contractual issues
- Less attention to whole child

Potential Cost Savings:

Up to ~\$360,000 - ~\$500,000 (with re-formatting of MJH schedule)

Response to questions provided by public

- I think teacher x or teacher y is paid too much
 - Nature of Unions and salary schedules
- Our teachers make too much money
 - Regionally competitive salary schedule
- What are the teachers going to give up?
 - Soft, Hard, Hard

Administration

Options:

- Eliminate one to two positions, inclusive of building-level employees and District Office employee

Impact:

- Increased work-load for other administrators
- Decrease in overall expertise of administrative team

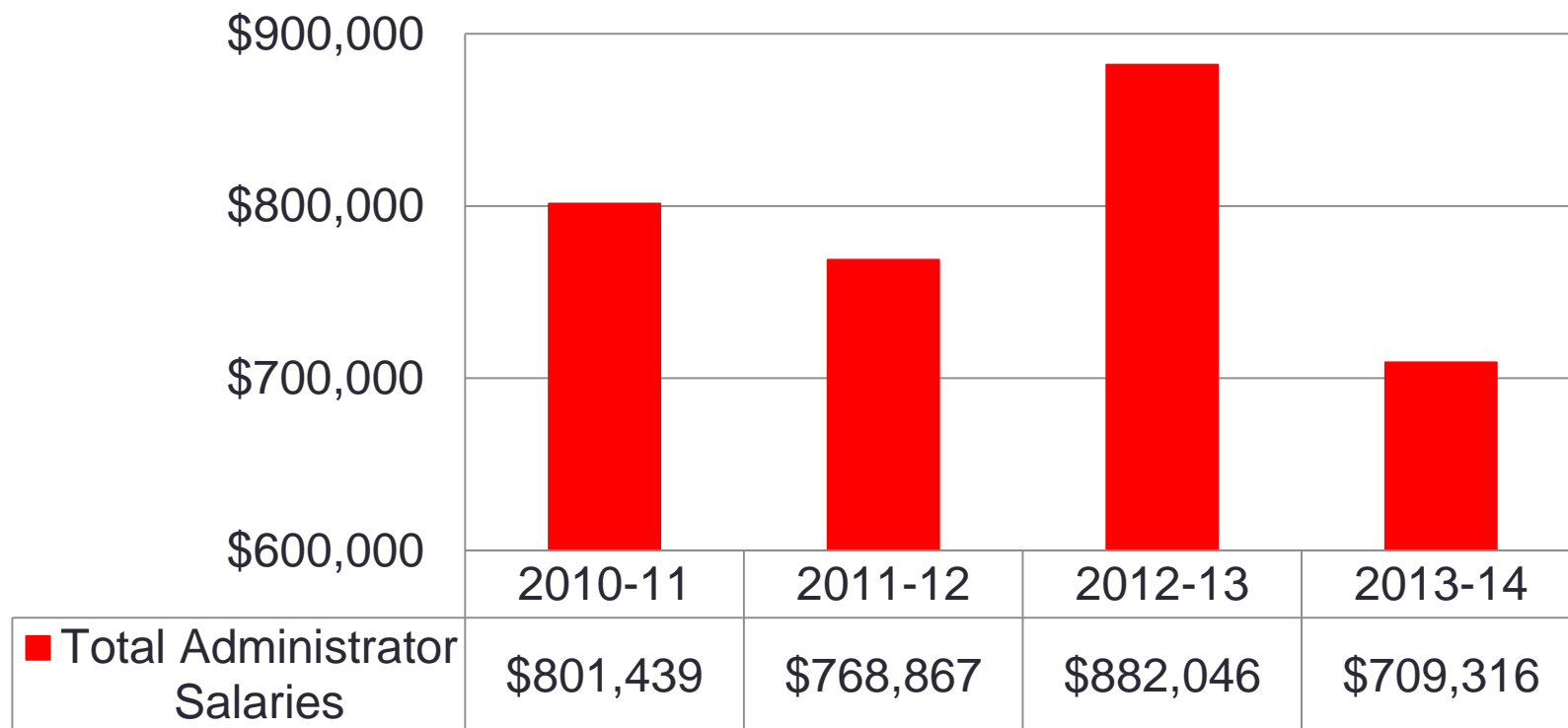
Potential Cost Savings:

Approximately ~\$75,000

Response to questions by public

- If we are in time of economic difficulty, why do we keep hiring expensive administrators?

Total Administrator Salaries



Instructional aides

Options:

- Decrease whenever possible and educationally sound
- Eliminate all except when directly mandated by IEP

Impact:

- Less individual attention
- Decreased fulfillment of providing mandated support for struggling learners
- Decrease in coverage

Other information:

- We have 40 instructional aides in the district
- Some instructional aides are mandated directly by IEP, others are inferred, and others are in place to help support struggling learners or enrich advanced learners

Potential Cost Savings:

Between ~\$60,000 and ~\$150,000 (with elimination of all non-mandated aides)

Building and Grounds

Options:

- Decrease custodial coverage
- Investigate benefits of sub-contracting some work

Impact:

- Less than 1st class sanitization efforts
- Items currently done daily, would be done every 2nd or 3rd day
- Decrease in building coverage for security purposes

Potential Cost Savings:

Approximately ~\$100,000+

Transportation

Options:

- Decrease supply line item
- Move to one-tier bussing system



Impact:

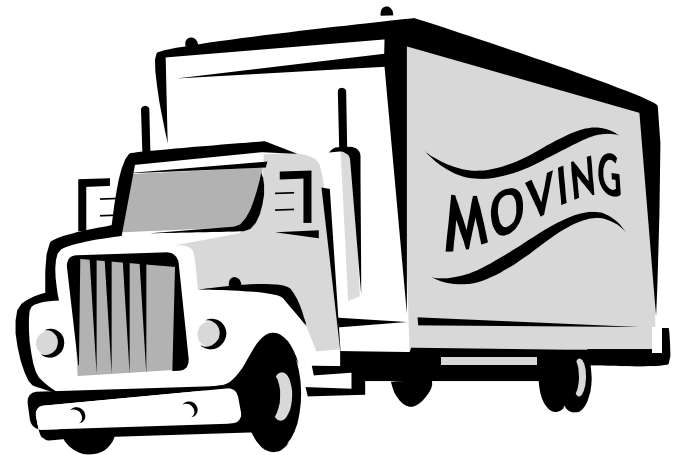
- Less prepared for catastrophic events or maintenance
- Longer student time on busses
- Potential initial expense for long-term savings

Potential Cost Savings:

\$169,000 in total savings per year

Response to questions from public

- Could you save money by placing the transportation garage in a central location?
 - Investigating this currently, but do not expect to see savings through a re-location



Technology

Options:

- Do not hire technician previously budgeted for

Impact:

- Less customer service for students and teachers
- Decreased technology efficiency

Potential Cost Savings:

\$21,000 in savings

Response to questions from public

- Technology seems like a luxury, why do we have so much of it?
 - Actually, we don't have much of it at all. In fact, state testing is supposed to be done next year using technology and we have to ask for a waiver because of our current state of technology.
- The BOE have computers, that seems like a waste?
 - Those are not the BOE computers – they are computers used for other purposes within the District that the BOE uses during meetings
- My kids did not have computers going through school and turned out fine . . . (not really a question, but a comment)
 - Times have changed and we are falling behind – many schools around us have gone 1 to 1 – we struggle at SVHS to have a classroom set of computers for the English Department

Nursing

Options:

- Decrease each nurse by two hours, making coverage 9-1
- Eliminate Nursing program in entirety

Impact:

- Potential liability
- Decrease in care for students
- Increase burden for principals and office staff

Potential Cost Savings:

\$18,000 in hourly savings— \$100,000 for elimination of program

Programmatic Cuts

Options:

- Eliminate Summer School
- Eliminate Ombudsman
- Eliminate Division Leaders

Impact:

- Burden on families to travel and potentially pay for lost credits
- Lack of additional options for struggling learners
- No denoted leadership structure for teachers

Potential Cost Savings:

Up to ~\$65,000 in costs – not including transportation

Food Service

Options:

- Eliminate 3 part time employees

Impact:

- Greater burden on current staff
- More sharing of duties

Potential Cost Savings:

\$16,000 in hourly savings

Weekend shutdown during summer

Options:

- Prohibit any building use from Friday – Sunday during Summer months

Impact:

- Decrease utility needs
- Eliminate opportunities for work completion

Potential Cost Savings:

\$6,000 in annual savings

Directors

Options:

- Eliminate some or all Departmental Directors

Impact:

- Decrease District leadership capacity
- Impact work of District Office personnel
- Would need to hire back other employees – not a clean savings

Potential Cost Savings:

\$100,000 in annual savings (after replacement hires made)

Athletics and Activities

Options:

- Eliminate all MJH athletics and activities
- Eliminate all MCUSD athletics and activities
- Eliminate non-cost efficient athletics and activities

Impact:

- Decreased opportunities for students
- Changing fabric of what it means to be MCUSD student

Potential Cost Savings:

Up to \$400,000 in total savings if all activities and athletics are eliminated

Athletics and Activities Details

- Audited amount of activities = ~\$679,000, but includes PEP grant at ~\$220,000
- Sustained annual cost to District \$450,000
- Sustainable revenue to District ~\$50,000 (fees and gates)
- Total cost to District for all Interscholastic programs = ~\$400,000
- No single program brings in net revenue to the District
- Cost to district ~\$300,000 in salaries and stipends
- Additional costs include officials, tournament fees, and game workers

OTHER REVENUE CREATING OPTIONS

Sale of Land

Options:

- Sell all land currently held
- Create schematic that would allow for sale of land not needed for new school in the future
- Hold land

Impact:

- Elimination of asset
- Taxpayer contempt selling asset for approximately 50 cents on the dollar

Potential Revenue gained:

~\$800,000 in a one-time influx

Athletic and Activity Fee Increase

Options:

- Raise fee from \$50 per sport to an increased amount

Impact:

- Family burden
- Potential decrease in activity numbers

Potential Revenue gained:

Approximate revenue if fee went to 100 total would be \$20,000, if it went to \$100 per activity would be approximately \$30,000

Reference information: Conference schools range in fees from \$0 to \$360 per year

Technology Fee Increase

Options:

- Create a fee that feeds only the line item of technology (perhaps \$25)

Impact:

- Family burden
- Potential school family displeasure

Potential Revenue gained:

~\$36,000 per year, considering F+R population would not pay

School Fee Increase

Options:

- Increase the school fee

Impact:

- Family burden
- Potential decrease inactivity numbers

Potential Revenue Gained:

For every \$25 dollars of fees increased, the District sees approximately \$36,000 in revenue

Actively seek payment of late fees

- Late fees per building
 - Highland - \$2,842
 - Monroe Center - \$10,927
 - Meridian Junior High School - \$ 24,229
 - Stillman Valley High School - \$42,618
- Fees owed from families no longer being served by MCUSD
 - ~\$34,000



FIRST LATE FEE
CALL TO GO
OUT THIS
WEEK!!

SUMMARY OF DATA

Potential Reductions

- Teaching Staff - \$360 – 500k
- Administration - \$75k
- Instructional aides - \$65k
- Buildings and Grounds - \$80k
- Transportation - \$169k
- Technology – 21k
- Food Service – 16k
- Nursing – 18k
- Athletics - \$50 and 400k
- Summer Friday shutdown – 6k
- Directors – 100k

Potential Increase in Revenues

- Sale of Land - \$800k
- Increase of school fees - \$36k per \$25 dollars
- Increase in athletic fees - \$20k

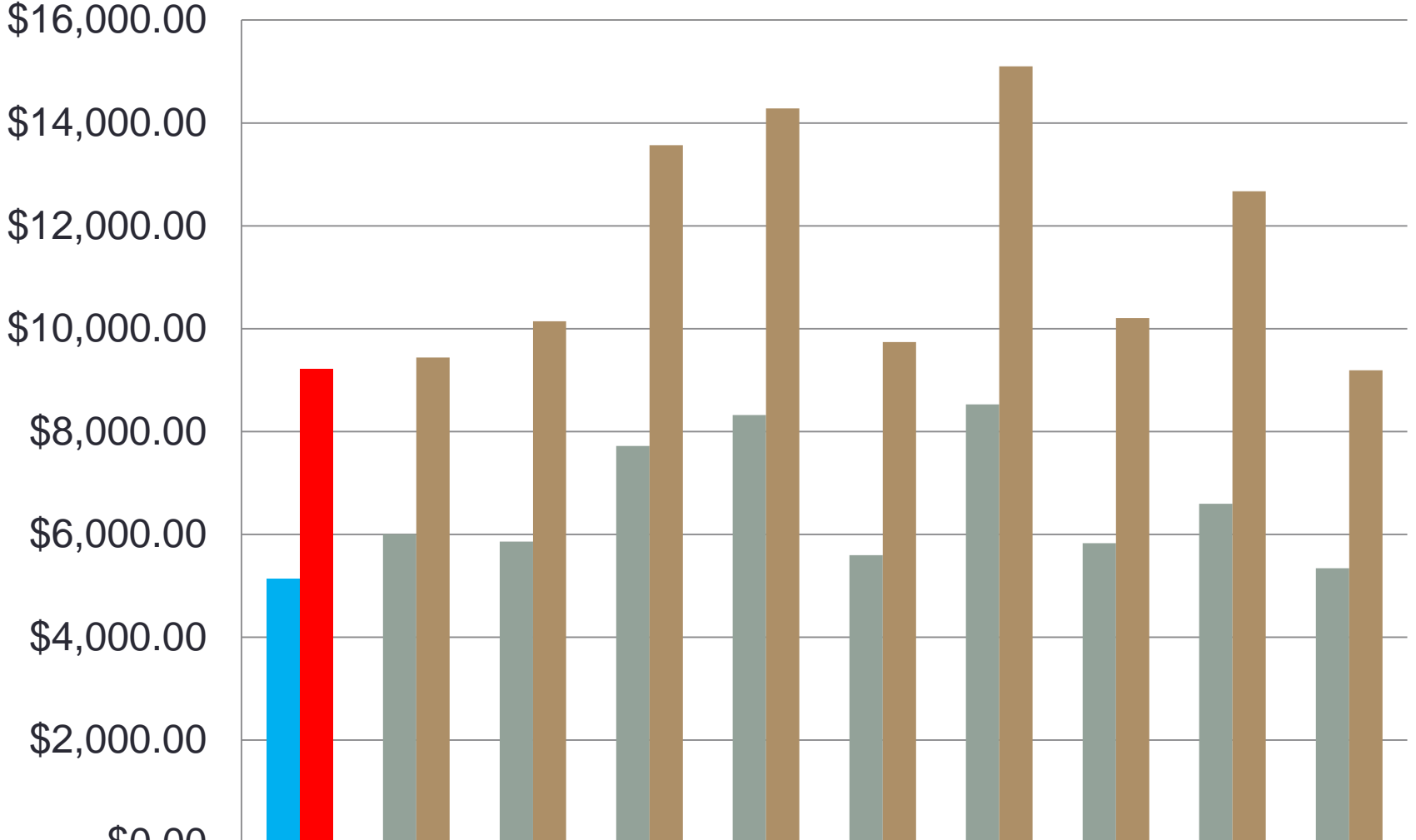


AUXILIARY DATA AND FREQUENTLY ASKED QUESTIONS



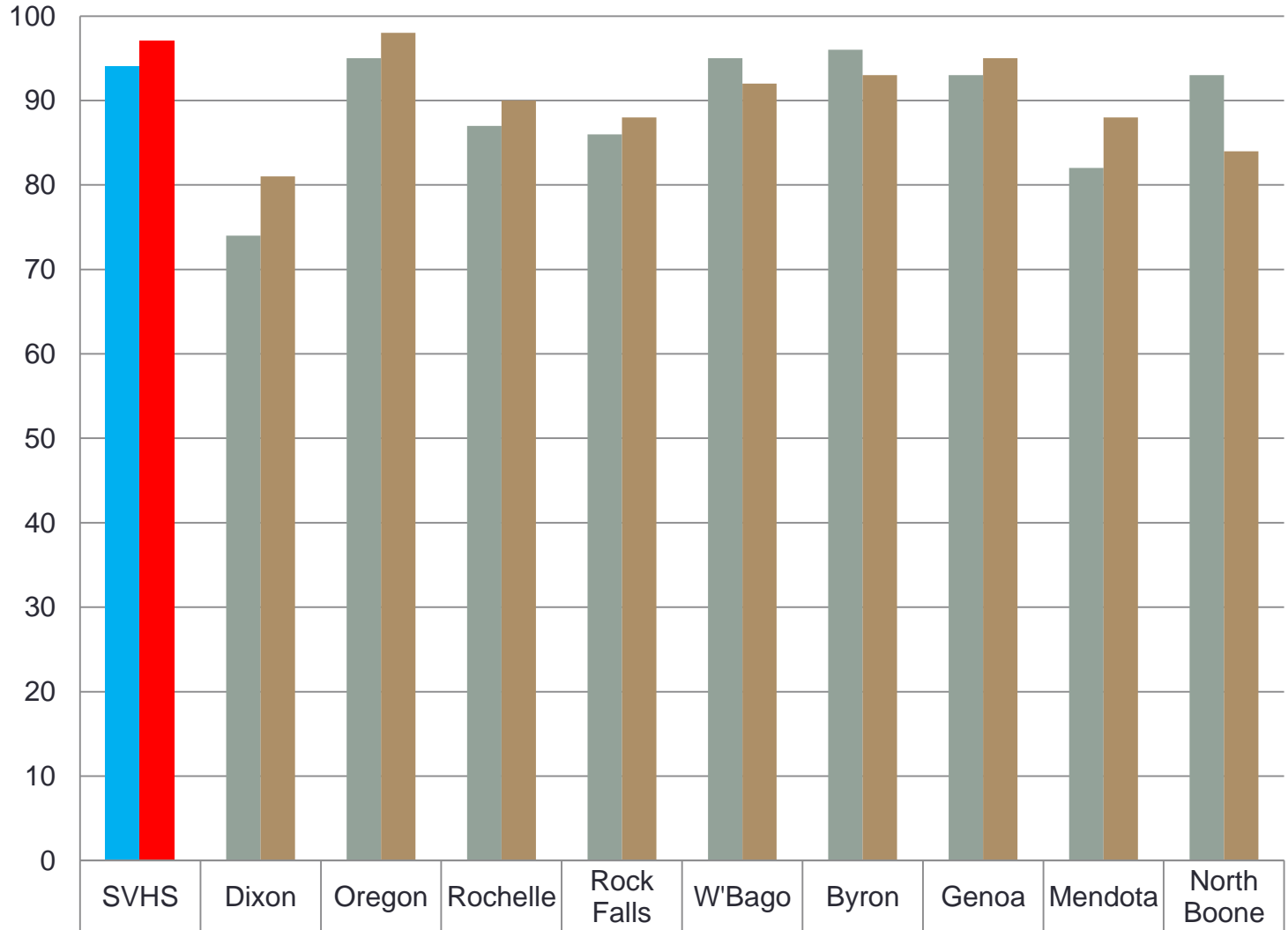
- 1) Thankful and happy for public comments and questions
- 2) I hope that community members start to look at bigger picture rather than becoming consumed with minor issues
- 3) Bottom line is we have a revenue issue, not an expenditure issue

BIG PICTURE



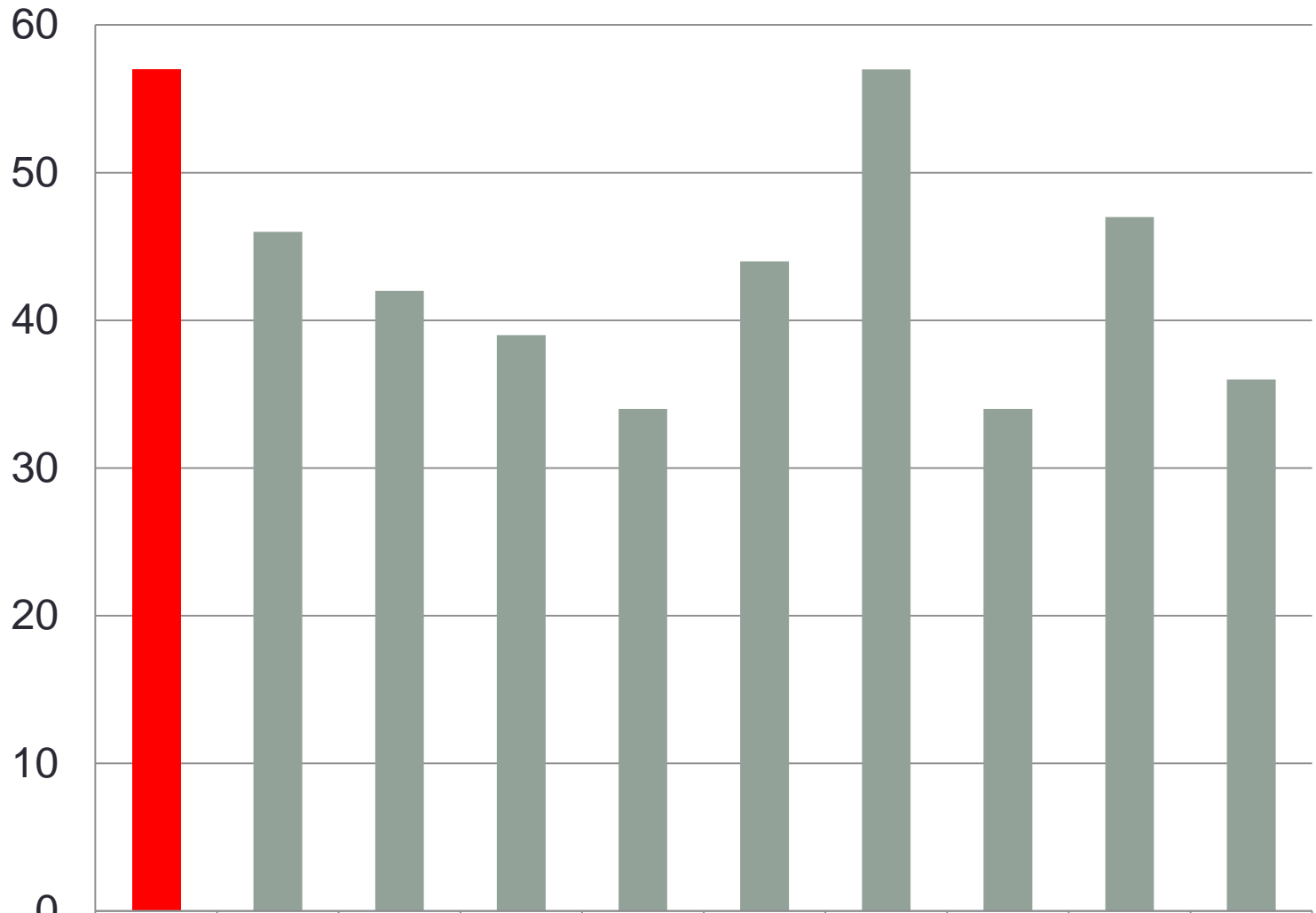
	Stillman Valley	Dixon	Oregon	Rochelle	Rock Falls	W'bago	Byron	Genoa	Mendota	North Boone
Instructional \$	\$5,138.0	\$6,003.0	\$5,860.0	\$7,720.0	\$8,320.0	\$5,596.0	\$8,528.0	\$5,830.0	\$6,594.0	\$5,340.0
Operational \$	\$9,210.0	\$9,438.0	\$10,144.0	\$13,566.0	\$14,282.0	\$9,737.0	\$15,103.0	\$10,205.0	\$12,670.0	\$9,189.0

USING TAXPAYER DOLLARS WISELY



■ 4-year Grad Rate	94	74	95	87	86	95	96	93	82	93
■ 5-year Grad Rate	97	81	98	90	88	92	93	95	88	84

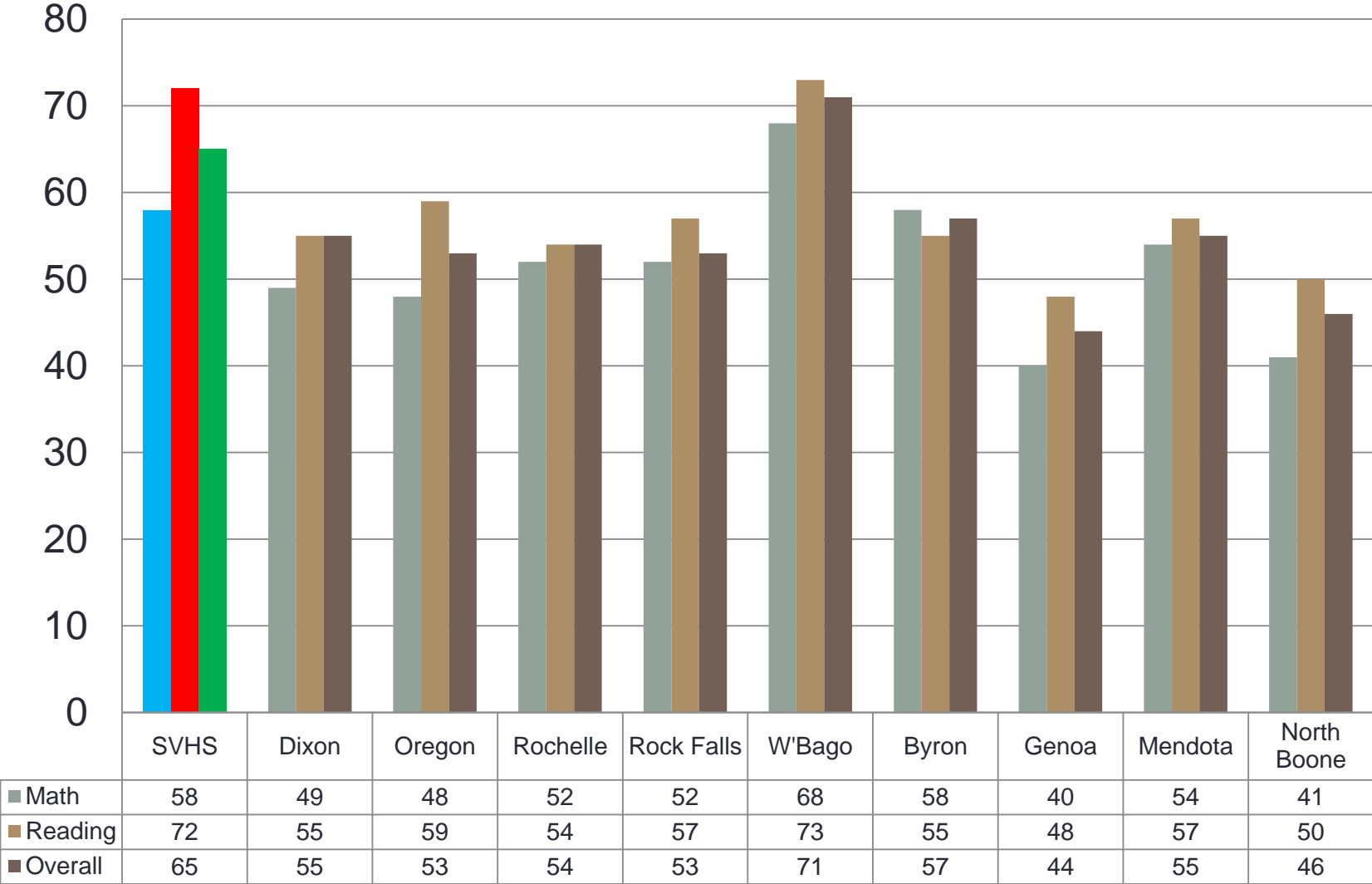
Percentage of College and Career Ready Students



■ % CCR Students

SVHS	Dixon	Oregon	Rochelle	Rock Falls	W'Bago	Byron	Genoa	Mendota	North Boone
57	46	42	39	34	44	57	34	47	36

% of Students M+E PSAE Standards



Transparency/Public Relations

- Press Release issued after last BOE meeting
 - Resulted in two interviews on the news
 - Will be run in local papers soon (there delay in printing can be significant)
- All District mailer coming soon
 - We will be using donated money to send out a newsletter regarding all things MCUSD
- Active Facebook page
 - Page was launched shortly before the end of the year
 - Over 700 'likes'
 - Placed press release in full form on Facebook

OPTIONS MOVING FORWARD

Decision 1

- Leave Working Cash bonds on ballot
- Pull Working Cash bonds and go for Referendum in November (to sunset or not)
- Pull Working Cash bonds and go for Referendum in Spring 2015 (to sunset or not)
 - Reminder of rough cost calculation –
Rate of increase/3 x 1000 = annual cost per \$100,000
dollars of property

Example - \$0.60 cent increase

$0.6/3 = 0.2$ // $0.2 \times 1000 = \$200$ per \$100,000 of property

Decision 2

- Based on Decision 1:
 - How much money do we need to cut immediately from the budget
 - Option 1: Make as dramatic of cuts as possible aiming for mark of \$966,000 which would have equaled proposed cuts and influx of Working Cash bond money. \$966,000 could equal cuts and increased revenue
 - Option 2 – Make as many cuts as possible, knowing that if revenue increasing strategy decided on Decision 1 fails, the fabric of what it means to be a MCUSD student/parent/community member will change
 - Option 3 – Take a calculated look at financial ratings and decide based on that and BOE policy how aggressively to cut