

Grosse Pointe Public School System

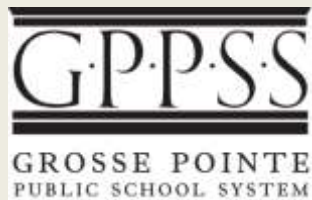
Financial Transparency Series



2010-11 BUDGET VERSION #5

ADMINISTRATIVE RECOMMENDATION

JUNE 28, 2010



Readout of Most Significant Variables

2

Variable	Comments and/or Conventional Estimate
Enrollment	Many opportunities for variation. Kindergarten enrollment higher than projected. Very conservative estimates in elementary
20J Funds	Some discussion of a 50% restoration, but unlikely. Budget assumes no restoration and thus a permanent loss of roughly \$1.6MM in state revenue.
Foundation Allowance	School Aid Fund surplus would indicate lower potential for further reduction for 2010–11. We have budgeted for no change, but they are always possible
State Retirement (MPSERS) Rate	Gov. Granholm's estimate (used in Drafts 1–4) is probably high end (19.41%). Senate's version has lower rate, but would be offset by state aid reduction
State Fund Equity Legislation	A proposal limits Fund Equity to 15%. Low likelihood of passage of this bill
State Retirement Incentive	Approved by state legislature. High volume of retirees have had positive effect on budget
Health Care	More precise budgeting methodology for 2010–11, but as a self-funded plan we always carry risk of cost over runs
GPPSS Union Contracts	New agreements reached with teachers and building administrators. We remain in negotiations with secretaries, classroom assistants and plant workers.
Unemployment Costs	Retirement incentives (both state and local) have allowed us to reduce nearly \$700,000 in previously budgeted unemployment expense

Most Significant Changes from Draft #4 to Budget #5

Reduced unemployment expenses by roughly \$700,000

Restored 4.5 Elementary Classroom Asst for Computers/Library to 13.8 total

Restored 0.8 teacher FTE for Parcels Honors Classes

Restored 0.3 Parapros at South and North for totals of 4.1 and 3.8 respectively.

Restored Counseling secretaries at North and South – 1.0 each

Restored Elementary Instrumental Music teacher FTE by 1.0 to a total of 3.0

Restored 1.0 Elementary teacher FTE's at Ferry 2nd, 4th and 5th grade, Maire 1st grade, and 1.0 Specials teachers (distributed)

Most Significant Changes from Draft #3 to Draft #4

Via re-configuration of some Extra Pay for Extra Duty assignments, some Department Chair positions restored.

With sale of small parcel of property to Kroger, an additional \$61,000 of one time revenue is recognized.

Previous drafts had forecasted a \$9,995 per pupil Foundation Allowance when the Foundation Allowance of record is \$10,019. This revision comprehends that difference – a positive revenue change.

Most Significant Changes from Draft #2 to Draft #3

Restores 1 more additional Reading Specialists at Elementary for a total of 9.0 (a reduction of 0.2 from 2009–10)

The elementary plan for additional looped or stacked programs remains under consideration, although no “forced stacks” are comprehended in budget. However, the 3.0 teacher FTE’s remain in the budget, just not allocated to any specific school and/or grade level. They are essentially a 3.0 teacher enrollment variation account at the elementary level.

Most Significant Changes from Draft #1 to Draft #2

Restores 3 Reading Specialists at Elementary for a total of 8.0 (a reduction of 1.0 from 2009–10)

Restores 4.5 Middle School teachers which reduces proposed Class Size from 27.5 to 26

Restores 12.8 Hall Monitors (Middle and High School) as direct employees as opposed to outsourcing them

Restores 7.0 Special Education Resource Room teachers for a total of 27.0 (down 2 from 2009–10)

Restores 1.4 Speech Pathologists for a total of 16.3 for 2010–11 (down 2.6 from 2009–10)

Restores 2.2 Social Workers for a total of 8.7 for 2010–11 (down 0.8 from 2009–10)

Restorations offset by Draft #1's surplus, health plan efficiencies, moderate revenue increases and expense reductions, and a broad range of smaller efficiencies

Budget Development – Completed Activities

Date

Board agreed on Staff Utilization and Allocation process for 2010–11	September
Board discussed Administration’s completed Distribution and Funding Sources tabs of current year (2009–10) Staff Utilization Utility	October
Board discussed Administration’s recommendations for how to increase density in electives/specials at all levels and completed Utilization tab of Staff Utilization Utility	November
Board discussed Administration’s evaluation of current utilization rates of all job functions and propose utilization rates for 2010–11	November
Board discussed Administration’s recommendation for class size guidelines and any special program designations for 2010–11	November
Board discussed Administration’s first 2010–11 budget projection using the Budget Modeling Utility	December
Board Work Session on Budget Development Parameters	January
Board discussed and approved Budget Development Parameters at Regular Meeting	January
Presentation, Discussion of Budget Draft #1 at Regular Board Meeting	February
Presentation, Discussion of Budget Draft #2 at Regular Board Meeting	March

Budget Development – Completed Activities

Date

Board of Education Work Session, review of Budget Draft #3	April
If necessary and pending Board, Community, Staff feedback, deliver Revised Balanced Budgets at Regular Board Meeting	April
Administration proposes Staff Layoff lists for Board approval (agreement on staff call back procedure)	April
Board of Education authorizes Administration to enter into Tentative Agreement with GPEA on new contract	April
Board, Community, Staff feedback, deliver Revised Balanced Budgets at Regular Board Meeting	May

Budget Development – Pending Activities

Date

Budget Hearing and Board of Education Budget approval

June

Update on enrollment and funding against projections

July

Recommendation for approval of staff call backs as necessary

August

Revenue and Expense Assumptions

10

REVENUE	EXPENSES
Account for structural loss of revenue from mid-year 2009–10 cuts to the Foundation Allowance (\$165 per pupil) \$1.4MM	Increase in the state mandated retirement rate from 16.94% to 19.41% – a cost increase of \$1.6MM
Account for structural loss of revenue from elimination of Section 20J Funds (\$198 per pupil) \$1.6MM	District employee health care costs are expected to increase by 5% resulting in a cost increase of \$0.5MM
Blended enrollment will fall by 106 students, reducing revenue by \$1.1MM	Employee salaries and other direct compensation will increase on account of existing contracts – \$1.0MM

Assumes no change in Foundation Allowance for 2010–11, with \$165 per pupil reduction remaining in place. Positive School Aid Fund surplus supports assumption.

TOTAL FINANCIAL IMPACT: \$7.2MM

Projected Average Class Sizes – 2010–11

11

Kindergarten

• All Day Sections – 20.8

Lower Elementary

• 1st – 3rd – 21.8

Upper Elementary

• 4th – 5th – 22.4

Middle School

• 25.7

High School

• 27.6

General, School Svc. Funds Total Revenues, Expenditures

2009-10 Projected Shortfall due to Mid-Year Cuts, 20J Loss

12

Budget #5 - Administrative Recommendation

	2009-10	2010-11
Total Direct Compensation	\$62,145,069	\$60,423,021
Health Care Expense	\$10,014,490	\$9,715,862
MPSERS Expense	\$10,520,280	\$11,607,097
FICA Expense	\$4,731,190	\$4,559,493
Total Other Variable Expenses	\$15,838,619	\$14,399,974
Total Expenditures	\$103,249,647	\$100,745,407
Transfer to Debt Fund	\$684,000	\$692,606
<i>Total Expenditures and Transfers</i>	<i>\$103,933,647</i>	<i>\$101,438,013</i>
<i>Total Revenues</i>	<i>\$102,776,532</i>	<i>\$101,564,972</i>
Net Projected Surplus / (Shortfall)	(\$1,157,116)	\$126,959

General Ed. Enrollment Projections

Enrollment by Grade, Level, and Building Drive Staffing Levels

13

Year	Fall Enrollment	General Fund and School Services Fund Revenue (000's)
2007-8	8,585	\$108.4
2008-9	8,305	\$107.2
2009-10	8,172	\$102.5
2010-11	8,064	\$101.5 (Projected)

2010-11 Enrollment By Level			
<i>Elem.</i>	<i>Middle</i>	<i>High</i>	Total
3,175	1,904	2,985	8,064

Class Size Guideline Applied Against Enrollment Derives Staffing

Elementary General Education Parameters

Expected Enrollment Reduction of 114 Students

14

1st–3rd Grades

- No class to exceed 27 students. Average class size substantially lower.

4th–5th Grades

- No class to exceed 30 students. Average class size substantially lower.

Special Programs

- Maintain Magnet, Trombly 1/2/3 Programs
- Replicate success of those programs

No Fee All Day Kindergarten

- District wide No-Fee All Day Kindergarten; allow parents to select into a half-day option (*approved Feb. 22, 2010*)

Elementary Class Sizes – 2009–10 School Year

	1	2	3	4	5	Magnet; 1-2-3
Defer	17.3	20.3	20.0	22.7	24.3	20.0
Ferry	19.0	23.5	19.0	19.0	22.0	20.5
Kerby	18.7	22.7	22.0	22.0	25.0	
Maire	19.3	21.0	25.5	20.0	19.0	
Mason	21.5	24.0	20.0	22.0	23.0	
Monteith	19.5	26.0	25.3	26.3	21.8	
Poupard	18.3	19.3	23.3	23.0	18.7	
Richard	21.0	23.0	24.3	22.0	24.0	
Trombly	21.5	18.5	17.5	22.0	18.3	21.0
Avg. Size	21.2			22.0		20.4

Projected Elementary Class Sizes – 2010–11 School Year

16

	No Fee All Day K	1	2	3	4	5	½ Day K	Magnet/ 1/2/3
Defer	22.0	26.0	25.5	27.0	21.0	21.7		20.0
Ferry	19.0	20.0	17.7	19.0	19.7	19.3		20.5
Kerby	21.5	26.0	18.3	22.3	22.5	22.3		
Maire	23.5	16.0	18.7	21.3	25.5	20.7		
Mason	18.0	17.5	19.5	22.5	21.0	19.5	18.0	
Monteith	21.0	23.5	26.7	25.8	25.5	26.3		
Poupard	21.0	17.0	26.5	20.3	23.0	22.3		
Richard	18.5	22.3	21.7	23.3	24.7	22.7	14.0	
Trombly	25.0	21.0	23.5	19.0	20.5	22.5		21.0
Avg. Size	20.8	21.8			22.4		16.0	20.4

A Note on Elementary Class Size and Staffing

17

Conservative Enrollment Projections

- Capacity exists for more non-budgeted enrollment

Increased Enrollment Yields New Revenue

- If enrollment projections are exceeded, budget would have flexibility to address enrollment hot spots

Other Elementary Resources

18

	2009-10	2010-11
Principals	9.0	9.0
Teacher - Title 1	2.7	2.7
Teacher - Reading Specialist	9.2	9.0
Classroom Asst - Computer/Lib.	9.0	9.0
Classroom Asst - Library	9.0	4.8
Classroom Asst - Title 1	7.0	7.0
Classroom Asst - Magnet	1.0	0.0
Classroom Asst - Class Size	1.0	0.0
Classroom Asst - Extended Day K	7.0	0.0
Secretaries and Clerks	16.0	13.5

Middle School General Education

2009–10 Budget Had Anticipated 27.5 Average

19

2009–10 Middle School Staffing Levels

<i>School</i>	<i>Schedule Type</i>	<i>Total Students</i>	<i>Student Credits Per Year</i>	<i>Annual Course Seats</i>	<i>Avg. # Students / Class</i>	<i>Sections Needed</i>	<i>Total Teachers</i>
Brownell	Teachers teach 5 of 6 periods	632	6.00	7,584	24.6	308	30.8
Parcells		691	6.00	8,292	24.8	334	33.4
Pierce		601	6.00	7,212	24.3	297	29.7
TOTAL		1,924	6.00	23,088	24.6	939	93.9

Special Education and Resource Center sections are NOT factored into calculations.

Middle School General Education

20

2010–11 Middle School – Staffing Projections

<i>School</i>	<i>Schedule Type</i>	<i>Total Students</i>	<i>Student Credits Per Year</i>	<i>Annual Course Seats Required</i>	<i>Avg. # Students / Class</i>	<i>Sections Needed</i>	<i>Total Teachers</i>
Brownell	Teachers teach 5 of 6 periods	622	6.00	7,464	25.3	295	29.5
Parcells		702	6.00	8,424	25.7	328	32.8
Pierce		580	6.00	6,960	26.0	268	26.8
TOTAL		1,904	6.00	22,848	25.7	890	89.0

Special Education and Resource Center sections are NOT factored into calculations.

High School General Education

2009–10 Budget Had Anticipated 27.5 Average

21

2009–10 High School Staffing Levels

<i>School</i>	<i>Schedule Type</i>	<i>Total Students</i>	<i>Student Credits Per Year</i>	<i>Annual Course Seats Required</i>	<i>Avg. # Students / Class</i>	<i>Sections Needed</i>	<i>Total Teachers</i>
North	Teachers teach 5 of 7 periods	1,380	6.57	18,133	26.5	684	68.4
South		1,580	6.67	21,077	27.1	778	77.8
TOTAL		2,960		39,210	26.8	1,462	146.2

Tutorials, Special Education or Resource Center sections are NOT factored into class size calculations.

High School General Education

22

2010–11 High School – Staffing Projections

<i>School</i>	<i>Schedule Type</i>	<i>Total Students</i>	<i>Student Credits Per Year</i>	<i>Annual Course Seats Required</i>	<i>Avg. # Students / Class</i>	<i>Sections Needed</i>	<i>Total Teachers</i>
North	Teachers teach 5 of 7 periods	1,391	6.57	18,278	27.6	662	66.2
South		1,594	6.67	21,264	27.6	770	77.0
TOTAL		2,985		39,542	27.6	1,432	143.3

Tutorials, Special Education or Resource Center sections are NOT factored into class size calculations.

Other Secondary Level Resources

23

	2009-10	2010-11
Principals / Asst. Principals	14.0	14.0
Teacher – Librarian	3.5	3.0
Teacher – Counselor	16.0	16.0
Classroom Asst – Computer/Library/Student Center	11.0	9.2
Parapro – Musical and Other	7.6	7.9
Classroom Asst. – Hall Monitor	12.8	12.8
Classroom Asst. – Parking Lot Attendant	2.0	0.0
Contracted – Parking Lot Attendant	2.0	4.0
Secretaries and Clerks	25.0	21.5

Special Education Teachers

Year Over Year Comparison – 2009–10 to 2010–11

24

	2009–10 FTE's	2010–11 FTE's
Resource Center – Elementary	9.0	8.0
Resource Center – Secondary	20.0	19.0
Teachers – Speech Pathologist	18.9	16.3
Teachers – Cognitive Impaired	7.4	7.0
Teachers – Emotional Impaired	5.0	4.0
Teachers – Early Childhood Developmental Delay	4.0	3.5
School Psychologists	10.8	10.0
School Social Workers	9.5	8.7
High School Math Support	0.2	0

Special Education and Other Teachers – 2010–11

25

Role	FTE	Role	FTE
Autism Spectrum	20.5	Program Specialist	1.0
Cognitive Impaired	7.0	English as Second Lang.	0.8
Emotional Impaired	4.0	Transition	3.0
Early Childhood Dev. Delay	3.5	Occupational Therapist	3.0
Resource Center <i>*Includes 2.0 Learning Support Pilot Program</i>	27.0	Behavioral Specialist	1.0
Psychologist	10.0	Autism Spectrum Consultant	2.0
Social Workers	8.7	Visual Impaired Consultant	.
Speech Therapist	16.3	Hearing Impaired Consultant	1.0
Teachers – Release Time	4.3	Learning Disability Consultant	1.0

Special Education Classroom Assistants

26

	2009-10	2010-11
Class. Asst – Mod. Cognitive Imp.	9.0	7.0
Class. Asst – Mild Cognitive Imp.	3.0	3.0
Class. Asst – Autism Spectrum	45.5	45.5
Class. Asst – Emotion. Imp.	7.0	7.0
Class. Asst – Resource Room	7.0	7.0
Class. Asst – Early Child Dev	3.0	3.0
Class. Asst – Work Study/Vocation.	3.0	3.0

Special Education Administration and Support

27

	2009-10	2010-11
Director		1.0
Associate Director	2.0	1.0
Secretaries and Clerks	4.6	4.6

Central Administration and Services

28

	2009-10	2010-11
Executive Administration	5.0	5.0
Secretaries	6.6	3.9
Clerical Staff	6.0	4.6
Teachers – Specialists	4.4	3.4
Teacher – Gifted Program Coordinator	0.5	0.5
Non-Instructional Supervisor	18.0	15.4
Paraprofessional – Other	0.5	0.5
Technology Support	7.0	7.0
Plant – Custodians/Engineers	76.0	68.0
Community Relations	1.0	1.0

Staffing Level Changes	2009–10	2010–11
Teachers – Elementary	192.5	185.71
Teachers – Middle School	101.4	97.1
Teachers – High School	157.8	155.3
Teachers – Special Education	123.4	115.9
Teachers – Specialists	3.9	3.9
Classroom Asst. – General Ed.	58.1	42.5
Classroom Asst. – Special Ed.	77.5	75.5
Building Administrators	25.0	25.0
Clerical Staff	58.2	47.3
Non-Instructional Supervisor	17.9	15.35
Paraprofessionals	11.7	8.4
Plant Engineers / Custodians	76.0	68.0
Technology Staff	7.0	7.0
Executive Administration and Comm. Rel.	6.0	6.0
TOTALS	915.4	852.96

Purchased Services

30

	2009-10	2010-11
Contracted Staff and Substitutes (Non-Coach)	\$1,555,929	\$1,485,006
Transportation (Non-Athletic)	\$590,412	\$610,000
Water	\$200,000	\$210,000
WAN and Telecommunications	\$274,000	\$265,104
Property Insurance	\$273,000	\$273,000
Audit/Student Legal	\$54,000	\$54,000
Legal	\$256,000	\$256,000
Repairs and Maintenance	\$1,840,902	\$1,840,030
Wayne RESA Fees	\$209,500	\$209,500
Software Licenses	\$343,210	\$460,000
Other (includes Fast Math/Reading)	\$60,952	\$60,592
School Services Fund – Food	\$1,167,733	\$1,167,733
TOTAL PURCHASED SERVICES	\$6,825,638	\$6,890,965

Supplies Expenses

31

	2009-10	2010-11
Gas	\$1,013,000	\$1,013,000
Electricity	\$1,140,000	\$1,140,000
Textbooks	\$325,000	\$325,000
Custodial Supplies	\$586,000	\$586,000
Teaching Supplies	\$803,000	\$760,230
Office Supplies	\$224,661	\$224,661
Athletics – Non-Coach Expenses	\$475,793	\$474,135
Other (including Library Books)	\$51,000	\$47,500
Other (School Services Fund)	\$17,285	\$17,285
Supplies Total	\$4,635,739	\$4,583,140

Other Variable Human Resources Expenses

32

	2009-10	2010-11
Workers Compensation	\$139,000	\$139,000
Unemployment	\$300,000	\$97,000
Summer School	\$38,600	\$34,600
Summer Building Maintenance	\$30,000	\$26,100
All Day Kindergarten Lunch Help		\$18,563
Kids Club/Preschool	\$471,265	\$471,265
Camp O'Fun Summer Help	\$32,000	\$28,500
PAC Student Support	\$111,002	\$100,000
Other HR	\$20,000	\$20,000
Temporary Help	\$67,860	\$61,250
Extended School Year – Spec. Ed.	\$101,000	\$92,600
Total Other Variable HR	\$1,310,727	\$1,088,878

High School Athletics Budget

Does not reflect \$470k in Revenues for Net Cost of \$817,445

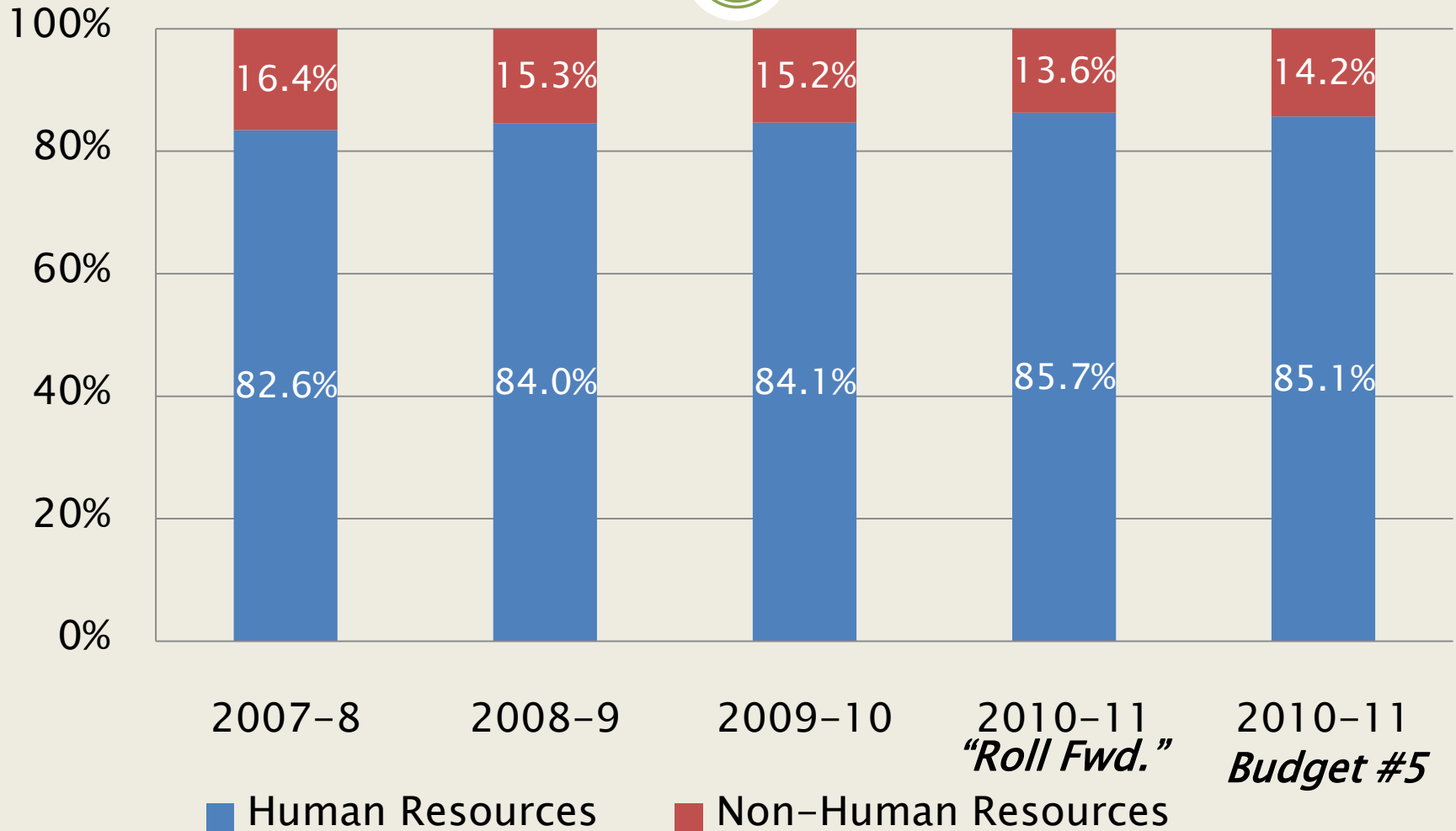
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	2009-10	2010-11
Coaches	\$702,469	\$696,200
Transportation	\$125,033	\$117,555
Other Athletic EPED	\$29,500	\$62,000
Trainers	\$60,000	\$60,000
Officials	\$85,297	\$84,467
Capital Outlay	\$19,325	\$0
Consumable Expenses	\$77,485	\$82,250
Contract Services	\$13,300	\$8,500
Uniforms	\$42,500	\$26,300
State Tournament Expenses	\$17,513	\$16,546
Dues, Fees and Ice Time	\$130,873	\$134,072
TOTAL	\$1,303,295	\$1,287,890
% of General / School Services Fund Revenue	1.42%	1.42%

Human Resources vs. Non-HR Costs as % of Total Budget

The "Roll Forward" is if no changes would be made from 2009-10

34



2010–11 Budget Process: Closing Thoughts

35

- Refer to the Financial Transparency Series “2009–10 Financial Year in Review” for a more complete analysis.
- Process this year delivered earlier versions of budget and implications than ever before.
- Feedback throughout drove changes through the five iterations.
- Compilation of tools and data will make 2010–11 budget development even more efficient.