

Budget Reduction Plan



Specific Recommendations for
Budget Reductions in 2008-09

Fund Balance

- A District must maintain an adequate fund balance to provide appropriate reserves for emergency situations such as:
 - Loss of enrollment
 - Unanticipated revenue shortfalls
 - Emergency expenditures

What Is An Adequate Fund Balance?

- ❑ A fund balance equal to not less than 5% of the current year's expenditures is considered a minimum threshold.
- ❑ Current financial projections anticipate an ending fund balance in 2007-08 of just under 2%.

What Immediate Steps Have Been Taken to Reduce Expenditures ?

- ❑ Schools and Departments have been asked to limit discretionary NERC expenditures to those necessary to the operation of the schools.
- ❑ Unless absolutely necessary, open positions filled by substitutes were discontinued and vacancies created by resignations or reassignments have not been filled. Examples include some paraeducator substitute positions, a position in the business office and the Executive Director of Student Support (ESL and Title I).
- ❑ Discretionary travel will be limited to required trips such as IB and AVID training or trips that are supported by outside or grant funds.

Size of Reduction Needed For 2008-09

- In order to return to a 5% fund balance within 3-4 years, we need to identify a \$4.8M reduction in expenditures. If the actual fund balance percentage is larger than currently projected for the end of 2007-08, we could possibly achieve our fund balance goal sooner.

2007-08 \$3.4M Fund Balance Reduction

Plan for Budget Reduction							
(\$ in thousands)							
		2005-06	2006-07	2007-08			2008-09
Beginning Balance		8,760	8,064	5,971			2,571
Revenues		134,036	146,113	159,979	0	→	159,979
Expenditures		134,732	148,206	163,379	-4,800	→	158,579
Ending Balance		8,064	5,971	2,571			3,971
% of Expenditures		6.0%	4.0%	1.6%			2.5%
Change in Fund Balance		-696	-2,093	-3,400			1,400

Review of Comparable Data

- In formulating a reduction plan for this \$4.8M reduction we first looked at how Bellevue compares with surrounding districts in terms of certificated instructional, administrative and classified staffing. While each district makes staffing decisions based on their own conditions and priorities, comparisons can at least indicate how a district is staffed relative to the average of other districts.

Certificated Instructional Staff

Data Source OSPI 2006-07 Final S-275 Report						
District	Enrollment	Cert FTE Instructional Staff	Ratio Per 1000 Students	FTE Ratio Difference	More or Less in Bellevue to have that Ratio*	More or Less in Bellevue Adjusting for 7-Period Day**
<i>Bellevue</i>	15,800	841.33	53.25	N/A	N/A	N/A
Highline	16,344	854.31	52.27	-0.98	-15.46	-15.46
Issaquah	15,124	707.75	46.80	-6.45	-101.95	-65.86
Lake Washington	22,494	1136.58	50.53	-2.72	-42.99	-4.03
Mercer Island	3,855	189.38	49.13	-4.12	-65.14	-27.26
Northshore	19,020	901.04	47.37	-5.88	-92.83	-56.31
Renton	12,764	615.41	48.21	-5.03	-79.54	-42.37
Seattle	42,676	1994.33	46.73	-6.52	-102.97	-66.93
			Average	-4.53	-71.55	-39.74
*No Adjustment for Different Schedule at Secondary Level						
**Adjusted for 7-period day comparison in all but Highline						
For Bellevue to be staffed at the average of these comparison districts, there would need to be 39.74 less FTE certificated instructional staff.						

Certificated Administrative Staffing

Data Source OSPI 2006-07 Final S-275 Report

District	Enrollment	Cert FTE Administrative Staff	Ratio Per 1000 Students	FTE Ratio Difference	More or Less in Bellevue to have that Ratio
Bellevue	15,800	52.27	3.31	N/A	N/A
Highline	16,344	61.71	3.78	0.47	7.39
Issaquah	15,124	44.00	2.91	-0.40	-6.30
Lake Washington	22,494	68.90	3.06	-0.25	-3.87
Mercer Island	3,855	15.73	4.08	0.77	12.20
Northshore	19,020	54.14	2.85	-0.46	-7.30
Renton	12,764	41.27	3.23	-0.07	-1.18
Seattle	42,676	155.73	3.65	0.34	5.39
			Average	0.06	0.90
For Bellevue to be staffed at the average of these comparison districts, there would need to be .90 more FTE in certificated administrators.					

Classified Staffing

Data Source OSPI 2006-07 Final S-275 Report					
District	Enrollment	Classified FTE Staff	Ratio Per 1000 Students	FTE Ratio Difference	More or Less in Bellevue to have that Ratio*
Bellevue	15,800	325.97	20.63	N/A	N/A
Highline	16,344	350.04	21.42	0.79	12.42
Issaquah	15,124	301.75	19.95	-0.68	-10.73
Lake Washington	22,494	430.65	19.15	-1.49	-23.48
Mercer Island	3,855	76.97	19.97	-0.66	-10.50
Northshore	19,020	365.00	19.19	-1.44	-22.76
Renton	12,764	254.21	19.92	-0.71	-11.29
Seattle	42,676	964.34	22.60	1.97	31.06
			Average	-0.32	-5.04
For Bellevue to be staffed at the average of these comparison districts, there would need to be 5.04 less FTE classified staff.					

2008-09 Reduction Plan Recommendations

Comparison to Other Districts



Reduction Plan



Cert Instructional Staff	$-39.74 \times \$72,000 = -\$2,861,280$	-\$2,304,000 [-2.8%]
Administrative Staff (certs only in comparison)	$+.90 \times \$125,000 = +\$112,500$	-\$1,073,000 [-8.7%]
Classified Staff	$-5.04 \times \$45,000 = -\$226,800$	-\$940,924 [-3.9%]
		<hr/> -\$4,317,924
NERCS		<u>-\$482,076</u>
		[-3.0%] -\$4,800,000

Options Considered But Rejected (for now)

--- Eliminate 7-period day (reduce electives)	-\$3.2 million
Middle School 1.0-1.9 million	
High School 1.2-2.4 million	
--- Reduce supplementary contracts	-\$2.7 million
(match Northshore District)	
--- Close a small school	-\$0.6 million
--- Cut athletic programs	-\$0.8 million
(25% reduction)	
--- Increase METRO/Eliminate Activity Busses	-\$0.4 million
(reduction of activities at middle and elementary)	

Specific Certificated Reduction From School Staffing – 26.1 FTE

- 8.5 FTE Elementary
Increase average class size by .6
- 6.3 FTE Middle School
Increase average class by 1
- 9.2 FTE High School
Increase average class size by 1
- 1.2 FTE Robinswood
- .9 International

Specific Certificated Reduction From Central Staffing

- 8.5 FTE Reductions include:
 - 2.0 Intern Positions at Lake Hills Elementary and Newport High School
 - 3.5 Special Education Teacher FTE
 - 1.2 specialists to support the 8.5 fewer elementary classrooms
 - .3 curriculum specialist no longer supported by a federal grant
 - 1.0 ESL teacher
 - .5 gifted program staffing
- This totals 2.6 FTE more than the 32.0 FTE target to allow a reserve to respond to class-size issues.

Administrative Reductions - \$1,073,000

- Administrative reductions in the general fund will come from identifying specific positions to be eliminated, not filling positions of individuals who leave the District, and moving the costs of some positions when possible to the Capital Projects Fund.

Examples of Specific Administrative Reductions

- ❑ Eliminate Deputy Superintendent Position
- ❑ Eliminate Assistant to the Superintendent for Special Projects
- ❑ Eliminate Executive Director Academic Support
- ❑ Reduce .5 Special Education Administrator
- ❑ Eliminate Elementary Assistant Principals at two schools
- ❑ Eliminate Telecommunications Technician
- ❑ Eliminate one Transportation Manager
- ❑ Eliminate Retirement Earnings Analyst
- ❑ Eliminate Accounting Supervisor

Examples of Specific Classified Reductions - \$940,924

❑ Reduce athletic director allocations to actual cost	\$ 89,216
❑ Reduce athletic discretionary hours allocation	\$ 54,706
❑ Area office aide allocation	\$ 28,335
❑ Reduce school classified allocations	
4 hours per day in high school	\$ 58,950
2.7 hours per day in middle school	\$ 54,627
1 hour per day in elementary school	\$ 56,592
❑ Reduce 2.0 Sub Custodial Pool	\$ 80,896
❑ Reduce 5.0 FTE Special Ed Classified	\$266,000
❑ Eliminate Media Circulation Secretary	\$ 35,737
❑ Eliminate Operations Office Manager	\$ 30,000
❑ Eliminate Maintenance/Facilities Office Manager	\$ 40,865
❑ 3/5 year savings from para sub positions	\$145,000

Non-Employee Cost Reductions - \$482,076

□ 5% reduction in school per student allocations	
Elementary \$100 to \$95	\$ 35,135
Middle School \$120 to \$114	\$ 21,342
High School \$120 to \$114	\$ 33,216
□ Superintendent's Budget	\$ 37,488
□ Legal Office	\$ 44,617
□ Public Information	\$ 10,000
□ Area Office	\$ 3,378
□ Curriculum Materials	\$135,000
□ Special Education	\$ 50,000
□ Student Services	\$ 3,900
□ Maintenance/Grounds	\$ 75,000
□ Security/Emergency Preparedness	\$ 33,000

Next Steps

- ❑ The impact of actions by the legislature in the 2008-09 budget must be considered in our decisions for next year.
- ❑ We need to carefully monitor our spending and fund balance projections through the next four years to ensure the restoration of the fund balance.
- ❑ The board should develop a list of those approved reductions which might be considered for all or partial restoration if and when financial considerations warrant.