



# Portage Public Schools

THE FUTURE LEARNS HERE

## 2011/12 Budget Hearing

*Presented to Board of Education and Community  
June 20, 2011*

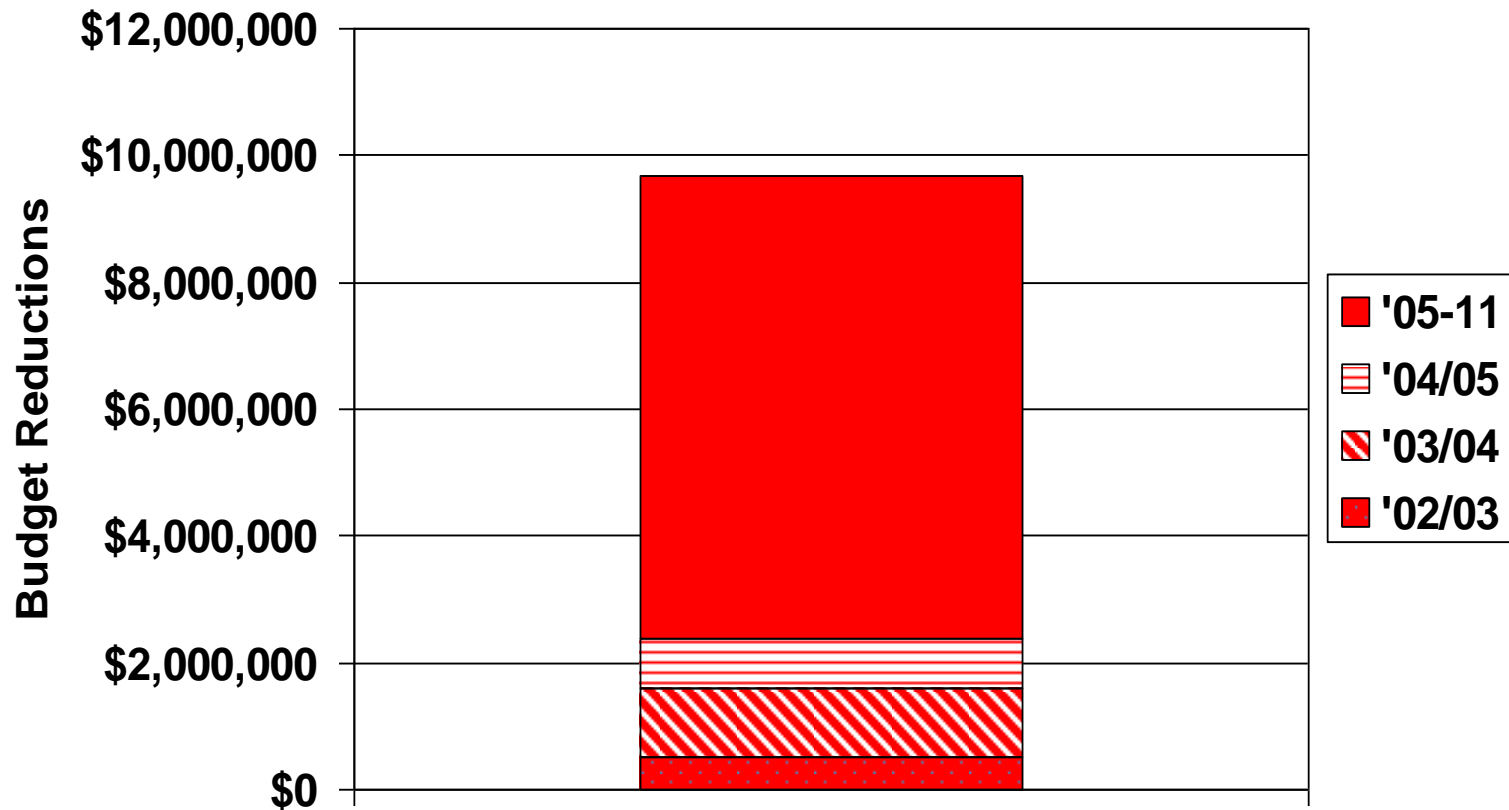
# Presentation Outline

- Budget Cuts Have Been Made
- Fund Balance ...
- Assumptions and Uncertainties
- Reductions and Adjustments
- Other Funds
- Financial Future



# Cumulative Effect of Past PPS Budget Cuts

## *Reductions of \$9.7 Million*



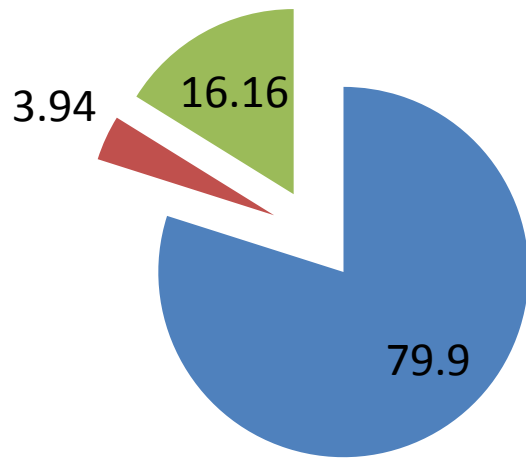
# Financial Snapshots - June 30, 2010



- Statewide Fund Balance Database
  - **489** Districts with **Higher %**
  - **302** Districts with **Lower %**.
  - In Kalamazoo County 6 have higher % and only 2 have lower.
- Statewide MDE Financial Database
  - Portage **ranks in lowest 11%** for administrative costs in the State.

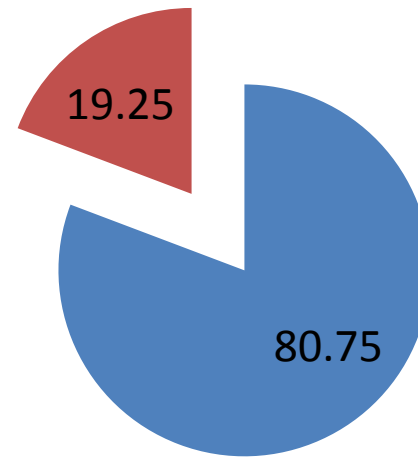
# The Correlation Between State Guarantee and Personnel Costs Dictates Local Action

GF 10/11 Revenue %



- State Guarantee
- Enhancement Millage
- Fed'l & Other Local

GF 10/11 Expense %



- Personnel Costs
- All Other

***Each 1% Compensation Rollback equals \$568,000***

# Assumptions/Uncertainties for 2011/12

## ✓ **Foundation Grant**

- State Aid Bill for 11/12 has been passed
- Per Pupil Reduction of \$470 per Pupil
  - \$170/pupil loss of Edujob funding
  - \$300/pupil State Aid reduction to \$6,846 per pupil
- Offsets to the \$470 Per Pupil Reduction
  - \$100/pupil One Time “Best Practices” Categorical
  - One Time Retirement Rate “rebate” to reduce impact of increase

## ✓ **Enrollment**

- Demographics point to a flat membership blended count

## ✓ **County wide Enhancement Millage-renewed in May 2011**

## ✓ **County Special Education Revenue to PPS**

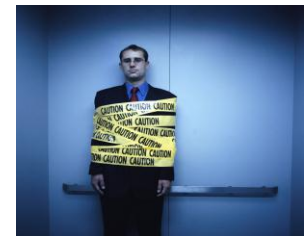
- Decrease of \$940,000

## ✓ **Decreased Salary Schedule**

- Wage and insurance concessions, MPSERS ↑ to 24.46%

## ✓ **Energy Costs**

- Continuation of Energy Education Implementation



# PPS Proposed Budget

## Revenues, Expenses, Fund Balance Overview

Category	Amended SY 10/11	Proposed 11/12	Longer Term 12/13 Projection
Revenues	\$78,016,525	\$73,129,299	\$71,674,000
Expenses	<u>76,828,331</u>	<u>73,665,341</u>	<u>73,964,000</u>
Income (Deficit)	1,188,194	(536,042)	(2,290,000)
Fund Bal - Start	<u>6,636,782</u>	<u>7,824,976</u>	<u>7,438,934</u>
Fund Bal - End	\$7,824,976	\$7,288,934	\$5,148,934
Fund Bal - %	10.19%	9.89%	6.96%





SY 10/11 Starting fund balance adjusted for athletic fund balance  
Includes usage of \$1.9m of Federal Edujobs funding

### SY 12/13 Assumptions

Starting fund balance increased for \$150K of anticipated unspent funds in 11/12.  
Loss of \$1.45M in one-time categoricals received in 11/12 .  
\$1M additional in future budget reductions

# PPS 11/12 Budget – Now Included & Potential Additional Overview by Major Category

Category Description	Included Tier 1	Included Tier 2 *	Potential
Classroom Teachers	\$ 660,000	\$642,500	\$0
Professional Student Support	30,314	\$747,500	0
Professional Development	50,000	0	0
Instructional Materials & Supplies	338,794	0	20,000
Non-Instructional Hourly Support	335,364	0	832,297
Administrative Costs	590,157	0	0
Operational Modifications	180,000	0	125,000
Fee Increases	<u>320,000</u>	<u>0</u>	<u>0</u>
Total Fees and Budget Reductions	 <u>\$2,504,629</u>	<u>\$1,390,000</u>	<u>\$977,297</u> 

\*Tier 2 Reductions are affected by PEA Negotiations and Legislative Changes.

# PPS 11/12 Budget – Included Tier 1 & 2 Classroom Teachers

Description	Included Tier 1 Note	Included Tier 1	Included Tier 2 Note	Included Tier 2
Increased 6-12 Class Size	4.0 FTE	260,000	8.0 FTE	520,000
Targeted Elem Sections	4.5 FTE	292,500	2.0 FTE	<u>130,000</u>
Special Educ Staff	1.5 FTE	97,500		
Community High Staffing	.50 FTE	<u>32,500</u>		
Total Classroom Teacher Reduct		682,500		650,000
Less: Elem ParaPro Adds	1.5 Parapro's	<u>(22,500)</u>	.5 Parapro's	<u>(7,500)</u>
Net Reductions		<u>\$660,000</u>		<u>\$642,500</u>

# PPS 11/12 Budget – Included Tier 1 & 2 Professional Student Support Services

Description	Included Tier 1 Note	Included Tier 1	Included Tier 2 Note	Included Tier 2
Elem Specials Revision			5.0 fte	325,000
Reduce Reading Consultants	.5 FTE	30,314	4.0 FTE	260,000
Eliminate Elem Guidance			2.0 FTE	130,000
MS Media Specialists		<u>                    </u>	Net .5 fte	<u>32,500</u>
Net Reductions Prof Student Serv		<u>\$ 30,314</u>		<u>\$747,500</u>

# PPS 11/12 Budget – Included & Potential Instructional Materials and Supplies

Description	Included Note	Included	Potential Note	Potential
Reduce Instruct Materials		164,000		
Building Supply Budgets		43,000		
Freeze Software Purch		28,000		
Freeze Media Purchases	Purchasing and Subscriptions	47,500		
Eliminate OLSAT Testing		25,000		
Spec Educ Supp Office, Contract		31,294		
Reduce Field Trips		<u>-</u>		<u>20,000</u>
Total Instruct Mtl's Supplies		<u>\$338,794</u>		<u>\$ 20,000</u>

# PPS 11/12 Budget – Included & Potential Non-Instructional Hourly Support Staff

Description	Included Note	Included	Potential Note	Potential
Outsource Secretarial	4% Total Comp Concessions	69,135	Remaining FTE of 40.0 (Net after concessions)	458,472
Outsource 1 <sup>st</sup> Shift Custodial/Maint.	4% Total Comp Concessions	66,675	Remaining FTE of 14 and 12 Maint. (Net after concessions)	268,325
Outsource Bus Drivers	4% Total Comp Concessions	62,197	Regular and Special Ed Drivers	TBD
Other Employee Concessions	4% Total Comp Concessions	137,357		0
Reduce HS Secretary Support		0	2.0 FTE	80,500
Reduce Hall Supervisors		<u>0</u>		<u>25,000</u>
Total Non-Instruct Hourly		<u>\$335,364</u>		<u>\$832,297</u>

# PPS 11/12 Budget – Included and Potential Administrative Costs

Description	Included Note	Included	Potential Note	Potential
Administrative Concessions	4 – 5.33%	203,080		
Non-Union Concessions	4%	130,735		
Central Office Staffing Cuts	1.50 FTE	147,832		
Middle School AD's Eliminated	.51	33,150		
Cell Phone Phase Out	N/A	20,000		
Inside PPS & Other Commun	N/A	38,360		
Supplies	N/A	5,000		
Kercher Survey	N/A	<u>12,000</u>		
Total Admin Cost Reductions		<u>\$590,157</u>		

# PPS 11/12 Budget – Included & Potential Operational Modifications

Description	Included Note	Included	Potential Note	Potential
Vacating Central Admin Facility	Vacating by Heating Season	180,000		
Close One Swimming Pool	N/A	-	WMS	85,000
Walk Zone Expanded & Elem Bus Stops Consol.	N/A	_____ -	Selected Elementary & WMS Shuttle	<u>40,000</u>
Total Operational Modifications		<u>\$180,000</u>		<u>\$125,000</u>

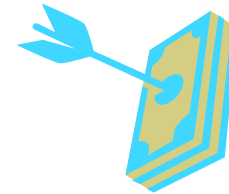
# PPS 11/12 Budget – Included & Potential Fee Increases

Description	Included Note	Included	Potential Note	Potential
Extracurricular Pay to Participate	MS 75, HS 150	260,000		
Increase Childcare Fees	+2%	40,000		
Bill IB Registration Fees	N/A	<u>20,000</u>		
Total Fee Increases		<u>\$320,000</u>		

# Other Funds – Key Points

- **Debt Retirement**

- Met millage promised target of 4.54 mills
- Includes \$650,000 contribution from Construction Fund #2 Contingency
- Larger deficit due to declining taxable values



- **Building and Site**

- Millage of .50 mills with renewal in May 2010
- Over \$1,000,000 for improvements at sites not covered by bond issue



- **School Service Funds**

- Increases current breakfast/lunch prices
- Includes \$70,000 contribution for WMS cafeteria equipment





# What Does 2012/13 Look Like?

- State Challenges:
  - Loss of \$1.45 million in one-time categoricals received in 2011/12
  - Retirement Rate Increase to 27.37% on 10/1/2012
- Local Challenges:
  - Potential increase in energy costs
  - Labor negotiations
  - Special Education funding
  - \$1m-\$3m in additional budget reductions in order to maintain fund balance