

# Meeting the Challenges of the Recession

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Coping with Unprecedented Revenue Losses

Restructuring for Sustainability

# Rationale

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- ❑ Dramatic revenue losses will not allow us to sustain current level of staffing and services
  - ❑ Our budget which is 83% human resources and 10% fixed costs, leaves little opportunity for significant cost savings other than in personnel
  - ❑ Despite these reductions, our goal is to provide quality academic programming and maintain a school in every community
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# Local Realities

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- ❑ The percentage of free/reduced eligible students has increased from 40.37% in 2004, to 59% in 2009
- ❑ The unemployment rate in Oxford County was 10.7% in November 2009. The state average was 7.6%
- ❑ The unemployment rate for Oxford County was 5.2% in October 2004, and the state average was 4.2%.
- ❑ One town reports that requests for general assistance have increased by 50% this year, and that 55 tax liens had been signed in 2009

# State Realities

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- ❑ The projected level of reductions (13% of our state subsidy or 7.12% of our total expenditures), cannot be achieved without all cost centers being impacted
  - ❑ Some cost centers will see reductions in excess of 13% in order to meet budgetary targets
  - ❑ Fortunately we were able to overturn the portion of the Governor's bill raising the local required mill rate, otherwise we would have faced another 2.2 million in FY 11
  - ❑ FY 2012 reduction anticipated to be an additional \$2,000,000
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# Impact of General Purpose Aid Cuts

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- Latest cost per student data
  - Elementary K - 8 \$6,698 (state ave. \$7,440)
  - Secondary 9-12 \$7,443 (state ave. \$8,896)
  - Vocational \$11,900 est.
- A 7% reduction at each level
  - Elementary \$1,565,000
  - Secondary \$807,000\*
  - Vocational \$228,000
  - Total \$2,600,000

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\* Since current 9-12 expenditures are 17% below state average, reductions at the 7% level will be devastating.

# Impact of General Purpose Aid Cuts

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- ❑ Since we are already below state average costs at all levels, further reductions will be extremely difficult and unpopular
  - ❑ In a normal budget year, we would not be recommending reductions that will take us so far below EPS targets, however enrollment declines and the recession have placed us in this untenable situation
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# Two Tiered Approach

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- Recommended reductions will include
    - Short-Term - temporary reductions of both significant and insignificant savings, with the intent to restore funding in the future (ie. Delay of maintenance projects)
    - Strategic - long term changes which are sustainable, with significant and on-going savings (ie., clustering & consolidation of services)
  - Both tiers will be necessary to address the significant funding gap
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# Recommended Secondary Cluster Model

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- ❑ Includes OHMS & OHCHS
  - ❑ Move to full implementation of the comprehensive school model
    - One Principal, one Technical Assistant, and 2 Assistant Principals
    - Recommend MVR #11, RSU#10 and SAD #17 collaborate to appoint one of the above as an interim Technical School Director
  - ❑ MS principal and one assistant principal
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# Secondary Cluster Model

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- ❑ Explore options to eliminate duplication of administration at the HS level
  - ❑ Establish minimum class sizes to eliminate undersubscribed course offerings
  - ❑ Reduce study hall size and equalize class loads
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# Targeted Savings - HS/MS Cluster

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## □ Instructional

- Middle School \$150,000
  - High School \$420,000
  - Technical program \$230,000
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# Secondary Instructional Programming Impact

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- Administrative staffing changes could minimize impact on the instructional program
  - Larger class sizes
  - Some electives may not be available to students
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# Current Elementary Model

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- ❑ Community schools provide comprehensive programming in each town but are often inefficient and unequal in classroom loads
  - ❑ Administrative costs significantly exceed EPS recommendations and available resources
  - ❑ Providing support services and specialists across the district are also costly
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# Elementary Options to Gain Efficiencies

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- Close smallest schools and consolidate
    - Not a preferred option based on board policy
    - State closure policy is cumbersome, time consuming and requires public referendum
  - Combine outlying schools to share resources (one school PK-2, one school 3-6)
  - Multi-grade classrooms to address class size issues
    - Creates issues with math curriculum
  - Redistrict annually (assign students based on school enrollment not on residence)
    - Possible multiple transitions for students and parents
  - Clustering
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# Possible Elementary Cluster Model

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## Central Cluster

- Rowe, Waterford, Harrison
- One principal, two associate principals

## Northern Cluster

- Paris, West Paris, Hebron
- One principal, two associate principals

## Southern Cluster

- Oxford, Otisfield
  - One principal, one associate principal
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# Elementary Cluster Model

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- Each cluster features a Principal
  - Each cluster has Associate Principal(s) assigned to each school
  - Each town maintains a community school
    - K-4 - Waterford, Otisfield, West Paris
    - K-6 - Rowe, Paris, Oxford, Harrison, Hebron
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# Advantages of the Elementary Cluster Model

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- Allows for equalization of class size
  - Provides savings in the delivery of special services (special education, music lessons, gifted & talented, health services)
  - Provides significant administrative savings
  - Provides savings in facilities
  - Maintains an elementary school in each community
  - Maintains K-6 art, music & physical education
  - Maintains reasonable class sizes
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# Elementary Cluster Projected Savings

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- Administrative Savings \$250,000
  - Net decrease of 3 administrative positions
- Instructional Savings \$500,000\*
  - Reduction of classroom teachers
  - Reduction of specialists
  - Reduction of ed techs

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\*Estimated - staffing needs still being determined

# Other Targeted Reductions

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- ❑ Facilities & Maintenance \$230,000
  - ❑ Co-curricular & Extra-Curricular \$65,000
  - ❑ Technology \$37,000
  - ❑ Health Services \$50,000
  - ❑ Central Office Administration \$150,000
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# Other Considerations

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- Increase local assessments to minimize impact on programs
  - A 1% increase would yield \$160,000 and leave us with a 2.44 million dollar gap
  - A 3% increase would yield \$480,000 and leave us with a 2.12 million dollar gap
  - A 5% increase would yield \$800,000 and leave us with a 1.8 million dollar gap
- One furlough day for all staff (non student day) = \$100,000
  - One less professional day = \$77,000
- Retirement incentives might save 5 positions
- Wage freezes - (a 3% average increase in salaries will increase the budget gap by \$564,000)

# Next Steps

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- Continue to refine projections
  - Hold cost center reviews
  - Begin budget committee deliberations
  - Seek conceptual approval from the board
  - Solicit community feedback on restructuring proposals
    - Need to schedule community meetings
  - Board finalizes school and staffing plans
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# Schedule of Meetings

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- February 24 - Art, Physical Education, Guidance, Gifted/Talented, Music
  - March 3 - Elementary Schools, Elementary Library, OHMS, OHCHS
  - March 10 - Special Education, Health Services, Technology, Central Office Departments
  - March 17 - Athletics, Facilities, Transportation, Adult Education
  - March 24 - 7:00 PM Meeting with Town Officials
  - March 31 - Budget Committee finalizes proposed budget
  - April 5 - Superintendent presents budget to School Board
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