



TO: Rich Perlberg

FROM: Bonnie P. Riutta, Interim Superintendent

RE: June 1, 2009 Board Work Session

DATE: May 29, 2009

Enclosed please find the June 1 work session documents per your request. Any items that have been omitted are due to the fact that they pertain to possible reconsideration of wages and benefits (associated with BASAA, BEA, and BESP) which are protected under the MERC (Michigan Employment Relations Commission) standards. In doing so, we are protecting the district against any Unfair Labor Practices that may be filed by any employee bargaining unit.

Board of Education
Brighton Area Schools
Special Meeting
Wednesday, June 1, 2009
5:00 PM - BECC

A G E N D A

- I. Call to Order**
- II. Pledge of Allegiance**
- III. Roll Call**
- IV. Approval of Agenda**
- V. Call to the Public**
- VI. Introductions, Welcome and Purpose of Meeting**
- VII. Budget Projections**
 - A. 2008/2009**
 - B. 2009/2010**
 - C. 2010/2011**
- VIII. Deficit Reduction Plan**
 - A. District Task Force Values**
 - B. Potential Reductions, Pros/Cons**
- IX. Consensus on Items to Pursue**
- X. Next Steps and Next Meeting Date**

This is a meeting of the Board of Education in public for the purpose of conducting the School District's business and is not to be considered a public community meeting. There is time for public participation during the meeting as indicated in agenda item "Call to the Public."

Brighton Area Schools

Deficit Elimination
Planning Session

June 1, 2009



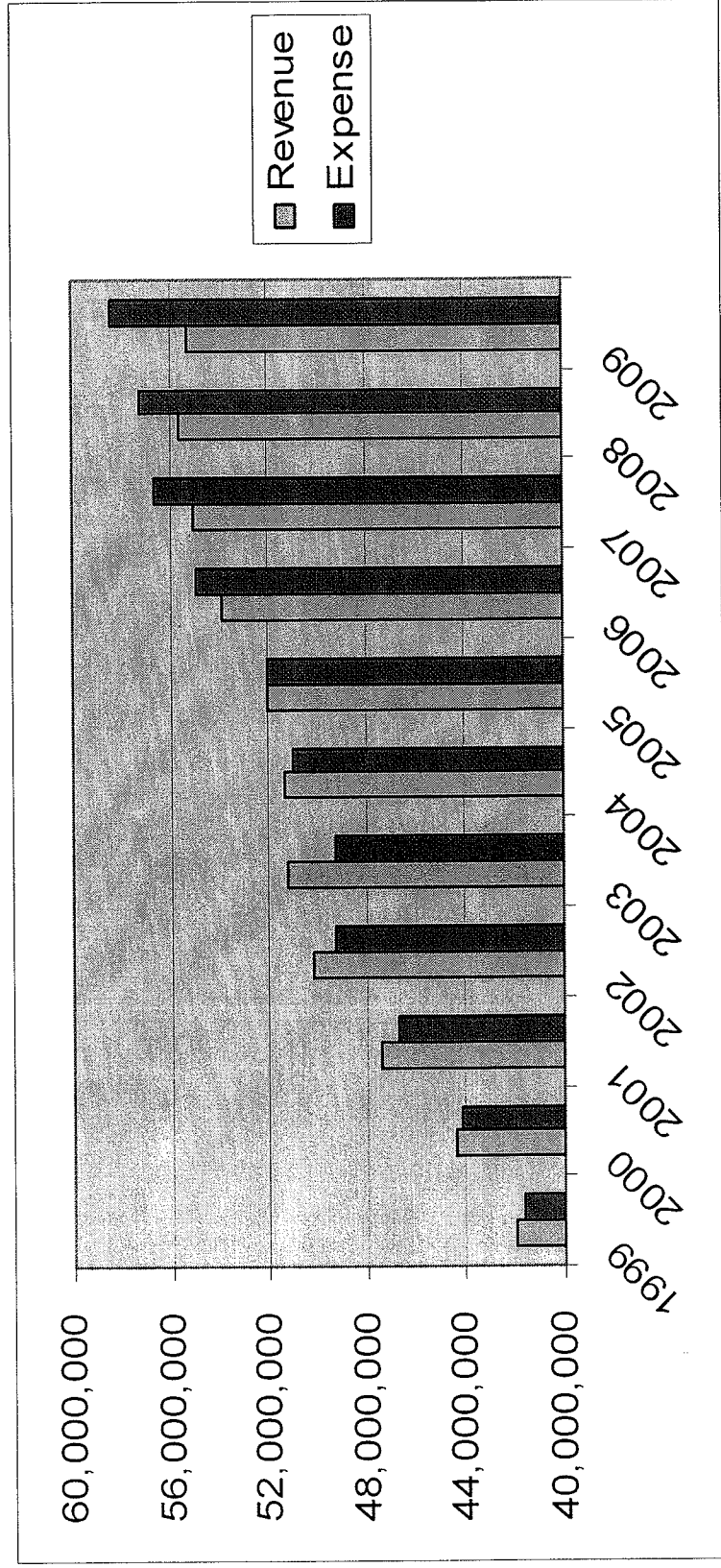
Two Types of Deficits

- Operating Deficit – When expenditures exceed revenues in any given year.
- Fund Balance Deficit – When expenditures have exceeded revenues over a number of years the fund balance or “net worth” has eroded to the point of being in the negative.

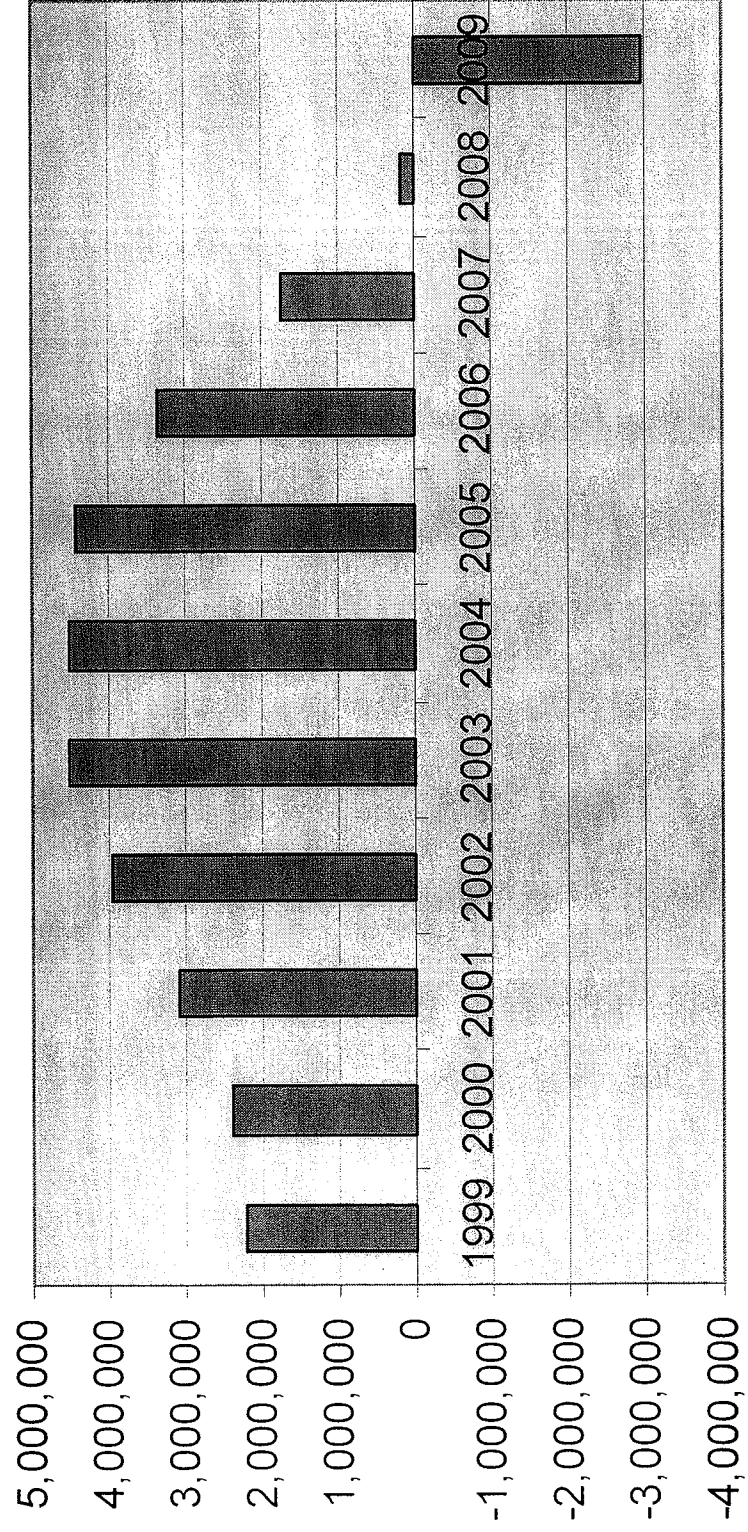
Current Financial Position

- The 2008-09 fiscal year is projecting to end with (\$3,251,083) operating deficit. The fund balance is currently \$180,152 which is not large enough to sustain this operating deficit. Not only will we have an operating deficit, we will also have a deficit fund equity position. Therefore, the projected ending fund balance = (\$2,959,297)

How did we get here?



History of Fund Equity



How will we improve?

- The only way to improve the financial position of the school district is to have a number of years where the district revenues exceed district expenses, thereby restoring the fund balance to a healthy position.

What have we done so far?

- Consolidated instructional buildings
- Staffed efficiently, reducing 30 instructional positions
- Reduced operating expenditures wherever possible
- Reduced operating transfer to the athletic fund
- Increased operating transfers from the Food Service and Community Ed Fund

What have we done so far continued....

- Restructured high school course offerings
- Restructured special ed instructional delivery
- Reduced building level carryovers
- Increased transfers from Community Ed and Food Service Funds
- Reduced cell service costs
- Eliminated classroom based appliances

Where do we go from here?

- We still have more work to do. The goal is to balance the budget for the 2009-2010 school year and eliminate the deficit by the 2010-2011 school year.

Quadrant Descriptions

5/28/08

3.30p

Quadrant I (Student/Academic)

- **Basic classroom teachers:** Teachers in regular classrooms from JK through grade 12. Does not include special subject, special education, vocational teachers, or guidance counselors. Maximum class sizes range from 1:18 (JK), 1:24 (K), 1:28 (gr.1-3), 1:31 (gr.4-5), (generally 1:25-35 gr. 6-12 depending on subject; music and PE class sizes may be larger).
- **Classroom supplies:** Per pupil building supply budgets for classroom materials, copy charges, maintenance agreements, and office supplies total approximately \$800k per year (\$106/kindergarten pupil, \$110/elementary pupil, \$122/middle school pupil, \$147/high school pupil).
- **Special education teachers:** The district employs approximately 50 special education teachers to implement the programs for approximately 290 FTE students (Note: most students represent <1.0 FTE and the 290 FTEs account for approximately 700 individual students). Special education teachers are assigned to resource rooms, learning disabilities, hearing impaired, emotionally impaired, or cognitively impaired programs.
- **Vocational education teachers:** The district employs approximately 10 vocationally certified teachers in the areas of auto tech, graphics, marketing, childcare, and life management.
- **Paraprofessionals, Special education:** The district employs over 50 paraprofessionals to assist special education students or in program classrooms. The paraprofessional assignments are primarily determined by the student's Individualized Education Plan.
- **Adult education teachers/staff:** The adult education staff provide instructional services for students who are at least 16 and less than 20. Students receive a standard BFG membership based on the time they are in school proportional to the required 1,098 required hours. Students are on a track to earn a high school diploma or pass the GED (high school equivalency test).
- **Media specialists (librarians):** The district has a 0.5 media specialist for each elementary school (3 FTE), a 0.6 media specialist for each middle school (1.2), and 1.0 media specialist for the high school level. The total media specialist FTE for the district is 5.2.
- **Special subject teachers (art/music/PE):** Each elementary school offers a 'special' subject each day for at least 40 minutes to each elementary classroom (Kindergarten sessions are shorter). The subjects provided are art, music, and physical education (Kindergarten also offers science). At least 1 FTE teacher is needed for each subject for each building resulting in at least 18 special subject teachers for the elementary schools.

Quadrant Descriptions

5/28/08

3.30p

Quadrant I (Student/Academic) (cont.)

- **Textbook replacements(and New Growth):** Textbook replacements are covered by building classroom supply budgets. Additional textbooks needed due to additional students are covered by a district account and amount to approximately \$15 to \$20K/year.
- **New textbooks/curriculum:** New curriculum and materials to implement the curriculum are a district level expense (as opposed to a building expense). The projected budget need for 2008-09 for new curriculum materials is \$190,000 (Middle School Science grades 6-7 (\$40K), Middle School World History grades 6-7 (\$80K), High School World History (\$70K))
- **Student field trips:** Student field trips are covered by building budgets or contributions. Trip costs are based on a mileage fee plus the driver's direct wage and benefit costs. Some trips considered to be curriculum based are not charged to the building and are considered a district expense. District expensed trips are minor in cost.
- **Renaissance alternative school middle/high:** The district participates in a consortium with Howell, Pinckney, and LESA to provide an alternative middle/high school program for some students. The district is committed to 42 student memberships based on the current Base Foundation Grant. If the slots are not used, the district is responsible for its proportional share of the cost. The estimated annual cost is \$309,000.
- **Non-mandated student assessments:** The district conducts some student assessments which are not mandated by law. Second grade ability testing, high school sophomore pre-ACT testing, and the 12th grade Work Keys tests are some examples of student assessments not mandated. These assessments are used for curriculum and program planning. The district spends \$4,000 to \$6,000 per year for mandated testing that is not reimbursed.

Quadrant II (Academic/Non-student)

- **Adult education administration:** Director of the adult education program (1 FTE), night supervision for adult education (0.4 FTE) and GED examiner (1.0 FTE). The cost of adult education supervision is covered by the per pupil revenue received for adult education students.
- **Community education administration:** Supervisor and clerical support for adult education and community education charged to the General Fund. The General Fund costs for Community Education support are based on the revenue from adult education programs that is not required for direct adult education expenses.
- **Curriculum services administrator:** Administrator who is responsible for overseeing curriculum development, school improvement, mandated testing, federal grants, gifted/talented program etc. (1.0 FTE)
- **Curriculum support:** Budget support for the development of curriculum and professional development for staff (\$25K). In addition, the district funds curriculum coordinators whose pay is determined by the Schedule B in the teacher contract (\$59,000). The district currently has math, science, social studies, and English language arts coordinators for each of the secondary buildings. In addition, the high school has additional coordinators for the building departments.
- **North Central (AdvanceEd) District-Wide Accreditation:** Membership in international organization for accreditation of the district's program. Annual membership dues are based on the number and size of buildings and are about \$3,600 annually.
- **Conferences/travel:** Expenses for staff (teachers and administrators) participation in area and state conferences. Costs are funded by building budgets, district budgets, and/or from grants.
- **Professional development for teachers:** Expenses to support the training of teachers. State law mandates that a minimum of 30 hours be provided each year. Expenses are made to support speakers, materials, and expenses to provide PD opportunity. Many costs are covered by building and/or grant funds.
- **Curriculum support staff:** Two clerical positions (approximately 1.6 FTE) support the Executive Director for Curriculum Services in providing services to the department, including the various committees and individuals working on curriculum development.

Quadrant Descriptions

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Quadrant III (Student/Non-Academic)

- **Instructional Consultation Teams (elementary):** Staff that is assigned to consult with teachers on students who are having learning difficulties in school prior to special education assessment and placement. The ICT coordinator also works directly with teachers in assessing students. The goal for the position is to make effective pre-placement interventions to avoid a more costly special education placement. The ICT staff assignment is 0.5 FTE for each building in which it is currently implemented (3 buildings – 1.5 Teacher FTE total).
- **Elementary bus supervision:** Paraprofessional staff that is hired to supervision bus loading and unloading. The kindergarten students have bus supervision primarily for the beginning of the school year. Elementary students have two bus assistants for each building.
- **Campus security:** Six FTE paraprofessional positions to supervise the students at the high school and to support orderly behavior at the school and at school events. Annual wages for Campus security for the high school was \$127,000 in 2006-07. Adult education also employs a 0.5 FTE security person for night security at an annual cost of \$10,000 for wages.
- **Playground supervision:** Paraprofessionals used at elementary schools to supervise students on the playground at lunch time (1:60 ratio of supervision to students, usually 2 positions per elementary school (5 buildings). Elementary buildings (grade 1-5) spent approximately \$30,000 each annually on playground, lunch, and bus supervision.
- **Guidance counselors:** The district has 2 FTE guidance counselors at each middle school (approximately 1:400 students); 1.6 of the FTE is paid by for each building is paid from general funds and the 0.4 balance is paid by At-Risk (state) funds. The high school has 5.0 guidance counselors (approximately 1:440).
- **School nurse:** 1.0 FTE licensed nurse to serve the district for student medical needs. Responds to emergencies and assists in the administration of student medications. She also advises the district on the management of student medical issues that arise.
- **Media technicians:** Support staff are assigned to building media centers to support the media specialist, support technology, maintain the media center for teachers and students in the media specialist absence. (0.5 FTE for each elementary, 1.0 FTE for each middle school, and 2.0 FTE for high school)
- **Building principals:** Each school building is assigned a full-time principal; the middle schools have a principal and an assistant principal (2.0 FTE principals for each building; the high school has three assistant principals in addition to the principal (4.0 Principals). In total the district has 14 FTE principal or assistant principal positions.

Quadrant III (Student/Non-Academic) (cont.)

- **Building secretaries:** Each building is assigned clerical staff to meet the needs of the students, teachers, parents, and principal of the building. Elementary buildings have 1.5 FTE positions each; the middle schools have 2.0 positions each; the high school has 7.6 positions (each principal, reception, guidance, financial (0.6), and computer services). The district spent \$707K for clerical wages for building secretaries in 2006-07.
- **Transportation (drivers):** The district employs approximately 45 bus drivers to meet the daily transportation needs of student transportation. The district spend \$961K for driver wages in 2006-07.
- **Community ed activities (tot spot, enrichment, swim, senior center):** The district through its Community Education offers activities and programs for a fee to the Brighton community. Pre-school and childcare programs are provided through Tot Spot and the Friendship Centers (each elementary); enrichment classes are provided for youth and adults; swim team and swim lessons are provided at the Brighton High School pool. The Senior Center is housed at the Miller Intergenerational Center and provides programs for senior citizens in the district. The Community Education programs pay a 15% overhead fee to the district for the indirect cost of operating their programs. Revenue and expenses for the community education programs are accounted in a fund separate from the district's General Fund.
- **Food service:** The district provides the mandated school lunch program to the students through the Student Nutrition program. The Student Nutrition program also provides adult meals, an optional breakfast program at the high school, and internal catering for school/district activities. The Student Nutrition program pays the district 15% of the department's non-food cost to cover indirect expenses. Revenue and expenses for the food service program are accounted in a fund separate from the district's General Fund.
- **Crossing guards:** Crossing guards are hired to assist students walking to school for the Lindbom Elementary and Hornung Elementary attendance areas.
- **Student athletics:** Brighton schools provide student athletic programs in grades 6-12. The district offers 15 sports for men and 16 for women. Levels of teams range from middle school to varsity level at the high school (not all sports have teams at all levels). The Athletic Department is managed by an Athletic Director and a secretary. The total cost of student athletics is approximately \$1.2 million; approximately \$400K is covered by fund raisers, \$300K is covered by gate receipts and participation fees, the balance is covered by the General Fund by a transfer to the Athletic Fund of approximately \$550K.

Quadrant Descriptions

5/28/08

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Quadrant III (Student/Non-Academic) (cont.)

- **Custodians:** The district employs approximately 40 custodians who are responsible for the care of the district's facilities. Each school building except the high school has a head custodian who works in the facility during the day. Most custodial staff work second shift, there is a third shift at the high school after activities have ended for the day. The annual wage cost for custodians in 2006-07 was \$1,341,000.

Quadrant Descriptions

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Quadrant IV (Non-Student/Non-Academic)

- **Transportation director/staff/mechanics:** The transportation department has a director, a secretary, a dispatcher, and three mechanics. Approximately 180 routes are driven daily including high/middle school routes, elementary routes, and mid-day kindergarten routes pickup students from home and delivering them to home.
- **Maintenance staff – general:** The district employs 6.0 FTE general maintenance staff to support approximately 1.2 million square feet of facilities in 11 locations.
- **Grounds staff:** The district employs 5.0 FTE in grounds staff to maintain approximately 312 acres of grounds including parking lots, lawns, playgrounds, and athletic fields.
- **Maintenance staff – skilled trades (plumber, HVAC):** The district employs 2.0 FTE licensed trades in the areas of plumbing and HVAC. These employees are the primarily staff responsible for the mechanical systems of the district.
- **Business office staff – payroll, benefits, accounting:** The Business Office staff consists of the Director of Accounting Services and 6 support positions (payroll, benefits, accounts payable (2), general ledger accountant, and general support (parts of two positions), approximately 5.4 FTEs. This office is responsible for all of the financial transactions of the district and the preparation of the monthly and annual financial statements.
- **Central office receptionist:** Three employees fill a 1.1 FTE (8 am to 5 pm) position as BECC receptionist. Their responsibility is to greet and supervise people entering the building (guests, parents, adult education students, Tot spot and Preschool), answer the telephone for those that select the 'operator' option, and to perform miscellaneous support for various departments at BECC.
- **Internal mail service:** The internal delivery of mail and supplies is managed by a 1.0 FTE position in the district. The mail service makes two circuits of the district daily and delivers and sorts US Mail delivered to BECC.
- **Superintendent:** The superintendent's position is a 1.0 FTE position with 20 direct reports (various administrators including principals and directors). There is a 1.0 FTE administrative assistant that provides support to the Superintendent.
- **Central office administrative assistants:** Two administrative assistants work in the district, one for the Superintendent, and one for the Assistant Superintendent for Human Resources. They manage the schedules, coordinate the meetings, manage the offices and duties of each area. Personnel postings, school of choice, enrollment, student accounting, personnel records, board meetings and minutes are managed by these two positions.

Quadrant Descriptions

5/28/08

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Quadrant IV (Non-Student/Non-Academic) (cont.)

- **Executive Director for Administrative Services:** This position is currently vacant and is a revision of the previous Assistant Superintendent for Finance position. The position will have five direct reports including the Directors of Accounting, Transportation, Student Nutrition, Operations, and Community Education. This position is primarily responsible for the financial affairs of the district and the oversight of non-instructional operations across the district. The estimated annual cost of this position is \$150K including wages and benefits.
- **Operations administrator:** The Operations Department has 3 FTE administrative staff; a director for the entire department, a Custodial Manager, and a Custodial Supervisor. The Director oversees the entire department and primarily oversees capital projects, facility maintenance, and grounds. The Custodial manager oversees the district-wide custodial services, while the supervisor is primarily focused on the high school. These administrative services are incorporated in the Aramark Facility Management Contract (see following item).
- **Management service contract for custodial, grounds, maintenance:** The district has a facilities management contract with the Aramark Company to provide management of the district's Operations Department. In addition to management services the contract provides for equipment (vehicles, grounds, custodial), cleaning supplies, and technical support. The annual cost of the contract is approximately \$660,000.
- **Board of Education:** Seven unpaid trustees who are elected at large by the school electorate. They serve 4 year terms. The Board is ultimately responsible for the policies of the district and hire the Superintendent to implement the district's policies and programs.
- **Human resources administrator:** The district has one administrator assigned to human resources. This position is responsible for employee contract negotiation and maintenance, employee appraisals, hiring, school safety, and support staff professional development. This position is supported by a central office administrative assistant.
- **Utility expense, heat:** The district spends approximately \$550,000 per year in natural gas expense to heat school facilities. The district participates in a consortium of school district to purchase natural gas supplies to get the best stable price. More efficient boilers and other mechanical energy reducing measures have been put into place to reduce consumption of natural gas.
- **Utility expense, lighting & cooling:** The district spends approximately \$1.2 million per year on electrical expense related to lighting and cooling of the district's facilities. All of the district's school buildings (with the exception of BECC) are air-conditioned. The district participates in a consortium to reduce the cost of electricity and purchases deregulated supply. Mechanical energy reduction measures have been put in place to reduce electrical consumption.

Quadrant IV (Non-Student/Non-Academic) (cont.)

- **District memberships in state/national organizations (MASB, NASB):** The district belongs to the Michigan Association of School Boards and the National Association of School Boards. These memberships provide information and support to the Board of Education members in the performance of their duties. Conferences, publications, and a variety of technical and legal supports are available to the Board. Some services are available on an added fee basis. The annual cost for the memberships is approximately \$11,000.
- **Facilities – major maintenance:** Most major repair and updating is covered by the Building and Site Sinking Fund which is supported by a 1 mill levy (adjusted for Headlee). The millage levy authorization expired with the 2007 levy; the millage will need to be renewed if additional funds are going to be acquired to support major capital projects.
- **Auditing services:** The district is required to conduct an financial audit and publish a financial statement annually. Presently, the accounting firm of Plante and Moran serves as the district's auditors. The fee for the audit is determined by the scope of the audit, the financial reporting standards required by the state, and negotiation of the work that will be provided based on work performed by the district and the experience of the staff assigned to the district. The estimated annual cost for auditing services, including required federal reports, is \$45,000.
- **Legal services:** The district primarily uses three law firms for consultation on legal matters. A local law firm is used for local matters, including property, and general board advice. The district retains for an annual fee a state-wide law firm that specializes in school law; they are primarily used in areas such as employee discipline, contract negotiation, student, and special education matters. A third law firm is primarily used for financial issues related to the issuance of debt, debt restructuring, etc. and is paid on a fee for service basis. The average annual expense for the last three fiscal years was \$94K; the current year expense is expected to be less than \$25K.
- **Contract service – unemployment management:** Contract service used by the district to manage and monitor unemployment claims including contested amount. (Annual cost estimate \$1,800)
- **Contract service – COBRA compliance:** Contract service used by district to manage legally required notices regarding benefit continuation. (Annual cost \$3,200)
- **School elections:** Expenses incurred by the district to conduct its annual school election in May (estimated annual expense \$35,000).

Quadrant Descriptions

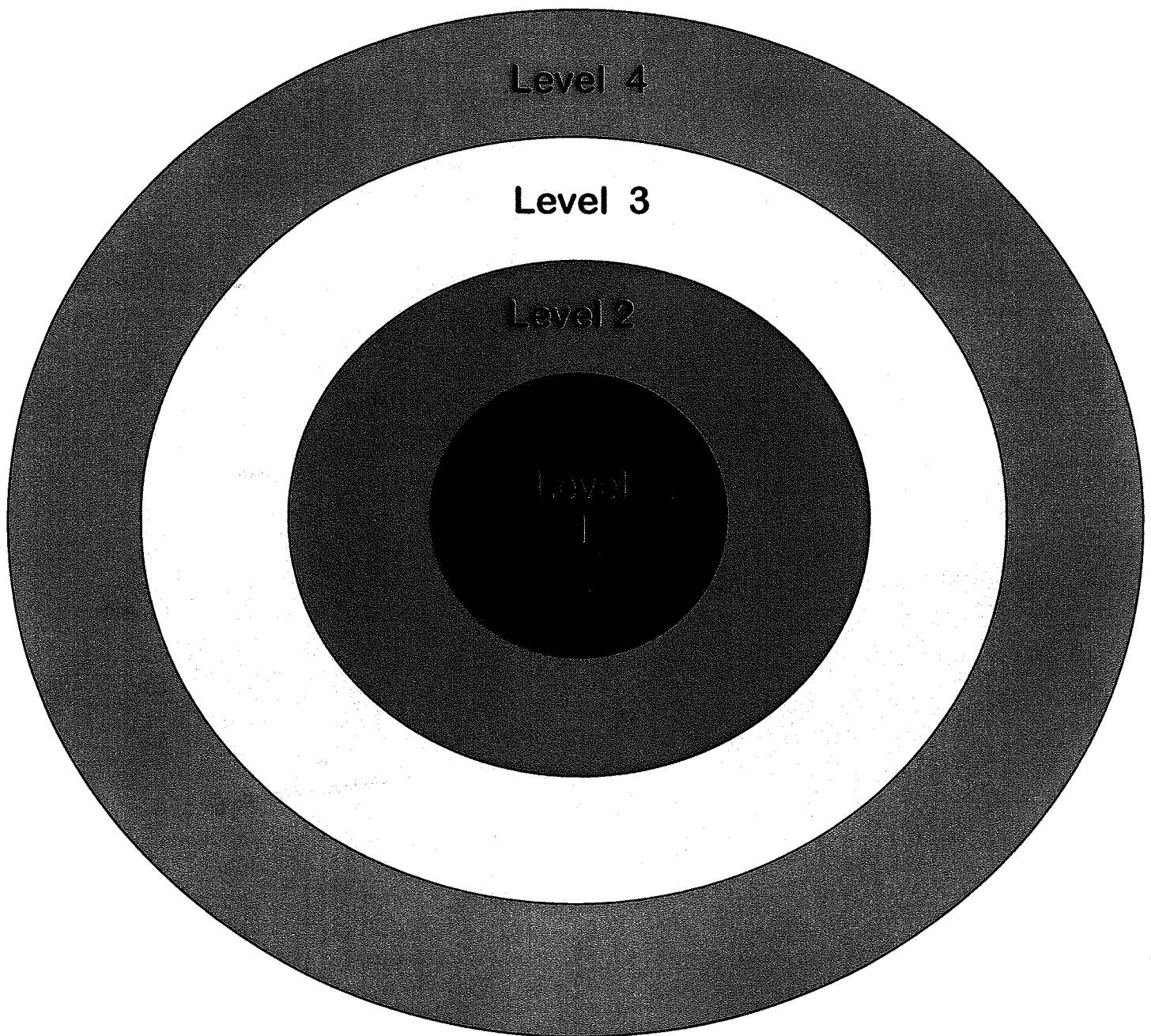
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Quadrant IV (Non-Student/Non-Academic) (cont.)

- **Facility rentals – outside groups:** Fees charged to outside groups for the use of school facilities. Fees are deposited in the Community Education budget as a revenue to offset the indirect expenses charged for community education programs. Revenue in 2006-07 was \$95,000.
- **Copying/printing:** The district incurs copying/printing costs in four ways: 1) Basic copying performed at the building/department level on equipment paid for from departmental budgets; 2) outsource large copy jobs to a third party provider(\$38K in 2006-07; 3) internal printing of special documents and forms by the high school Graphics Department (\$43k in 2006-07); and 4) by outsourcing to printer/mailer services for district newsletters (2x year).
- **Technology support staff:** The district's staff to support technology includes a Director of Technology, a certified network administrator, a computer services support technician, a computer services technician, and a part-time clerical position. The department is responsible for supporting the servers, networks, computers, and software for both the instructional and administrative systems. There are approximately 2,000 PCs in the district presently. The 2006-07 cost for wages and benefits for the Technology Support staff was \$258,000.

District Task Force Values



Level 1—Student/Academic

Level 2—Non-Student/Academic

Level 3—Student/Non-Academic

Level 4—Non-Student/Non-Academic