

Money Saving Ideas for School Districts

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Administrative Changes

Multiple Measures Designed to Save Money

By reconfiguring administrative positions and duties, Indiana's Kokomo-Center school board hopes to save \$400,000.

Among the changes is the placement of the human resources director into the assistant superintendent's job for two years, and having the current assistant superintendent work part-time at her current daily rate. The district is eliminating the coordinator of fiscal services and deputy treasurer job and having that individual replace the director of business affairs. The district is creating a human resources and operations position and eliminating a couple of other jobs.

Other cost savings measures include having middle and high school students start school 25 minutes later each day to save on transportation costs.

Budget

School System Dips into General Fund

The current budget proposal in Bartow County, Georgia, will cause the schools to dip into the general fund for \$6.8 million to cover expenditures. A decrease in state funding and other factors have produced a \$15.8 million shortfall. When all the calculations are worked out, the ending fund balance in 2012 totals \$8.5 million, below the recommended 10 percent of total expenditures (\$110.1 million).

(continued on page 2)

Administrative Changes

Administrative Changes to Save Money, Improve Efficiency

In St. Paul, Minnesota, the school district is facing \$25 million in budget cuts and is making difficult decisions to improve efficiency while still reducing costs. The administration is combining several positions and departments and eliminating others.

The changes will be implemented in July. Five administrators will report to the superintendent: chief of staff, chief business officer, chief of schools, chief academic officer and chief of accountability. The district will bring back the chief of schools position whose duties include working with principals, evaluating schools and organizing professional development.

The former secondary schools assistant superintendent position will be divided into a high school and middle school assistant superintendent. Also, up to 304 employees could be laid off and several department budgets are likely to be slashed. The district's printing plant, which handles everything from worksheets to agendas, will be closed down. The St. Paul city government printing plant will take on those tasks instead.

Budget

School System Dips Into General Fund *(continued from page 1)*

Superintendent John Harper said the general fund balance allows schools to pay teachers throughout the year over 12 months for nine months of work. The money is also used for emergencies. He explained that previously, even when the state hasn't sent checks yet, teachers are paid before Thanksgiving and Christmas, something that may not happen this year.

There were no issues this past year because they used the general funds to kick in although in other counties, some teachers' checks bounced because the districts issued payments without the fund balances to cover them. Harper said administrators and the board are working on ways to narrow the budget, explaining that the district has experienced a \$22 million reduction and hasn't laid off anyone yet.

However, Spanish was eliminated at the middle school as were parent coordinators who mostly were called back for positions in the system. Because the district's enrollment has dropped by 300 students, the student-teacher ratio has not been affected negatively. Some cost cutting measures being considered include furlough days and doubling up on job responsibilities.

Consolidation

Timing of Consolidation Plan Raises Eyebrows

Debate has ensued as to whether now is the time to use \$1.3 million in bond funds and \$845,000 in general funds to consolidate Medford School District's central administrative and ancillary services.

The school board is set to decide whether to carry out a second phase of construction that involves roof replacements and the unification of purchasing, distribution, technology, maintenance and administrative services into one area from the four buildings where they are housed now. Proponents of the plan say it will save money in the long run and allow for the elimination of 3.5 positions and cut costs on fuel, electricity and maintenance.

Opponents think the timing is off. Because of financial constraints, the district is eliminating jobs and employee benefits and experiencing large class sizes. To dip into the general fund to carry out construction projects would be taking more away from operational funds. That money should be directed at instruction and services that impact students, they argue. A Budget Committee and Stand for Children advocacy group favors a staged consolidation project that could be funded through the sale of surplus properties. The group wants the district to use bond money to carry out the \$845,000 in school construction projects. The general fund could then support the operational expenses.

Contract

School Board Approves Several Contracts

The Haralson County Board of Education is poised to approve several contracts with an eye to saving money that will be used to boost security.

Georgia School Boards Association will be the provider of worker's compensation and property and casualty insurance. That group also will provide policy manual maintenance. Superintendent Brett Stanton recommended the GSBA even though it wasn't the lowest bidder because they picked up the system's insurance when its former provider went bankrupt and also has an excellent reputation, he said.

The insurance will cost \$105,000 and \$179,000 respectively and includes high coverage for natural disasters such as the storms the area recently experienced. The policy maintenance service costs \$13,272 annually. The board also consented to a lawn care services contract with Trammell Lawn Care at a cost of \$105,000. Facilico out of North Carolina will be the provider of custodial services and a re-organization of the central office is underway to provide savings. Administrators hope to garner enough money to increase security at the Haralson County Middle School football field, the site of recent vandalism. Stanton would like to see a fence installed there.

Contract Awarded for Night Custodial Services

Aramark Education, based in Philadelphia, was awarded a contract to provide night shift custodial services for two middle schools in Fair Lawn, New Jersey. The cost for the 2011-2012 school year is \$56,780, and \$586,130 for the year after. The Board of Education also abolished the district's seven middle school custodial positions and terminated some others.

The teachers' union is opposed to any form of privatization and a spokesperson for the custodial union also questioned the latest action. Superintendent Bruce Watson said that the decision was the most conservative of several options under consideration. Efficiency and cost are key, he said.

Watson noted that the seven eliminated positions would have been removed from the budget anyway and that retirements will bring down the actual number of people losing their jobs. He said each position costs about \$83,000 to \$90,000 with benefits, salary, pensions, Social Security, workmen's compensation and overtime factored in.

Environmentally Friendly

District Uses Old School Method to Save Money

In Carlisle, Pennsylvania, the district has saved \$88,000 since last October by making use of solar panels to reduce CO2 emissions. At Wilson Middle School, they are utilizing sheep as four legged gardeners to save about \$15,000 this summer. Officials think other solar farms around the region may pick up on the idea for an environmentally friendly practice.

Fundraising

Review of Parent Group Fundraisers Planned

In St. Cloud, Minnesota, students raise hundreds of thousands of dollars selling calendars, food and gifts and manning concession stands. Their efforts support sports teams, school clubs and fine arts programs.

But the school district has no say about how booster clubs and parent groups raise and spend funds although it does monitor money going in and out of accounts. The school board wants to review its fundraising policy and get a better handle on what the expectations are for all parties.

Board member Bruce Hentges said there is a blurring of the lines between school-program fundraising and booster club and parent group fundraising. The Minnesota Department of Education has accounting guidelines that direct districts to only track fundraising done directly for school-sponsored programs. There is no overall total tracking.

(continued on page 4)

Fundraising

Review of Parent Group Fundraisers Planned *(continued from page 3)*

Sartell-St. Stephen school district has already tightened up its fundraising procedures. The board must now approve fundraisers of more than \$1,000. The district previously prohibited elementary school children from fundraising activities.

St. Cloud usually spends \$1.5 million from its \$93 million budget on activities. Sports groups and clubs at two high schools raise about \$800,000, but that doesn't include what parent group and booster events bring in. Tech and Apollo High had about \$300,000 in the bank at the start of this school year. The bulk of that money was raised through direct donations to the booster groups and the rest came from yearbook sales and school store and concession sales.

Most schools have their own checking accounts to pay for activities' expenses. The district also has accounting ledgers that separate the revenues and expenses of activities that are annually audited by a local firm.

The most recent audit found about a dozen minor areas of correction. The district is working to improve bookkeeping and accounting practices, according to Kevin Januszewski, business services director. The report found activities money being used to pay employees and some checks that did not have all the required signatures, both issues that need correction.

Fundraising is widespread in the district with a range of methods used. Apollo has one fundraiser each year, the sale of calendars attached to a raffle with the money going to an activity of the students' choice. Most recently, Apollo raised \$46,000 and was able to send the choir and band to Washington D.C. and New York on a school trip.

At Tech, student groups do their own fundraisers – such as the choir selling magazines and the environmental club selling gifts. Activities under the school district's name are subject to state law and the school board. Fundraising by parents and boosters is outside of the district's control although they have to fill out a card for the Internal Revenue Service. Hentges said that a review should be helpful in informing the school board what is going on.

Graduation

District Tones Down Graduation Ceremonies

With an eye toward saving money, three Trenton, New Jersey high schools will have toned down graduation ceremonies this year. The biggest change is moving the festivities from the Sun National Bank Center to Rider University in Lawrence.

It costs \$11,000 for the arena and the Rider facility is not as expensive, said Superintendent Raymond Broach. Also, the day's program will be streamlined into three separate indoor ceremonies each lasting about an hour. Last year's event at the arena ran more than three hours and inconvenienced people who had to sit through all ceremonies for Daylight/Twilight, Trenton High West and Trenton Central.

Fourteen schools will still hold their graduation ceremonies at the county-owned arena. Other districts are making alternative arrangements such as Bordentown Regional High, which will be streaming its event live and taping from its own performing arts center.

Health Insurance

District's Health Care Coverage Could Change

In Elmira, New York, the school board is discussing ways to achieve savings by switching health care carriers or plans. However, it is likely union concessions would be needed to take either action. In the past, the school board would rubber stamp the recommendations of a health committee. This time, they want to generate savings so that teacher and other employee jobs can be saved. *(continued on page 5)*

Health Insurance

District's Health Care Coverage Could Change *(continued from page 4)*

The recently-approved budget, totaling \$112.3 million, includes \$23 million for health care and the loss of about 200 positions. The district's contract with POMCO, a third-party administrator of its independent health care plan, expires on June 30 but extensions are possible.

Elmira is looking at the experience in Chemung County, which switched from GHI to Excellus Blue Cross Blue Shield and saved several million dollars. For the past 10 years, insurance costs have grown less than the rate of inflation, according to Chemung County Supervisor Tom Santulli. But he added that changes could not happen without the cooperation of staff and union members.

An Elmira union representative said members already pay the highest health care costs in the area. A school board consultant will present an analysis of the latest proposals at the next meeting. Elmira is self insured currently and claims for services are reviewed and paid for by POMCO. That process will either continue or Excellus, the largest non-profit in the state that covers all other school districts in the region, could be selected instead.

Innovation

Money Saving Ideas Presented at Event

Employees and students presented ideas to save \$5 million during an Innovation Celebration for Pennsylvania's North Penn School District.

Superintendent Curtis Dietrich was delighted by the event where attendees voted for their favorite suggestions using green stickers. Ideas included recycling electronics or e waste, cutting down on printing to save paper and toner, charging fees for high school students and event attendees and self insurance for employee health care.

Providing services in-house for special needs students has already saved more than \$450,000. Forming consortiums for food service purchases and electricity were other recommendations. One ninth grader researched fonts and recommended using eco-font instead of Arial to save on ink costs up to \$112,000. A high school senior suggested retrofitting the auditorium with LED lights to save \$120,000.

Lease

Lease of Building Could Bring in \$35,000

The SPARK program was eliminated from the 2011-2012 budget in Pennsylvania's Bethlehem Area School District, and as a result, the building that housed the program is no longer needed. Officials are contemplating what to do with the building. Leasing the 26,000 square foot structure could bring in \$35,000; closing the building would save \$32,000. Another option is to sell the building.

The school board also endorsed a plan to match the Bulldogs and Canes athletic clubs contributions to facilities. The district and clubs will each pay \$8,000. Currently, the district pays \$24,000. The clubs will train volunteer site managers to save on custodial costs and plans to schedule practice and game times to use the utilities less. The money generated may be used to restore the eliminated middle school soccer program.

Schools to Lease Building to Store Bulk Items

The Lawrence school board in Kansas agreed to lease a 12,000 square foot building for \$4,200 per month to use as a bulk storage and distribution center. The building can accommodate 500 pallets of bulk items or twice as much as its current warehouse holds. The district has plans to buy food, custodial supplies, copy paper and other items in bulk. Even with lease payments, the district expects to save \$100,000 next year. A loss of state financing has left a \$3 million budget gap to fill.

Outsourcing

Sweeping Outsourcing Plans in the Works

The Flint School District in Michigan hopes to hire private contractors for almost all non-instructional services to save up to \$3.8 million next year. The district is in negotiations with employee unions so no final decisions have been made.

Privatization has become popular in Genesee County and across the state. Twelve of the 21 districts have outsourced at least one of three services: custodial work, transportation and food services. The Mackinac Center for Public Policy has surveyed the state's public schools on their private contract use for the past 10 years and reports that the practice has been growing at about 10 percent per year.

Linden, like Flint, is considering a contract that turns over custodial duties to a private company. Other districts that have made the switch report savings. The Bentley School District saved \$120,000 or 50 percent by outsourcing custodial and grounds work last year. Superintendent John Schantz said the services are "as good or better," than in-house work.

Some in the community fear privatization because it brings strangers without ties to the schools into the buildings. Parents are calling for thorough background checks of new personnel.

Flint has had experience with privatization in the past. Bus services were turned over to the Mass Transportation Authority for 10 years before being switched back to the district in 2002. The experience with MTA prompted a lot of complaints about timely pickups and dropoffs and other issues with some board members vowing to never deal with MTA again. Meanwhile, union leaders accuse administrators of bringing up privatization as a "scare tactic," during contract negotiations.

Portable Classrooms

Portable Classrooms Purchase Expected to Save Money

The San Ramon Valley Unified School District in California intends to purchase and install 33 portable classrooms at a cost of \$2.8 million. The transaction came about when the state began selling off portables at a discount rate to gain revenues. The school district was leasing 53 portable classrooms from Mobile Modular and decided to return 22 and buy the rest outright. The addition of the structures at some schools should alleviate overcrowding. Officials don't want to commit to new construction and have permanent buildings underused in the future.

Purchase

District Purchases Athletic Facility

The Swartz Creek, Michigan, School District bought a popular athletic facility called The Cage Field House for \$2.5 million. The district paid \$1 million initially and will finance the balance over the next 10 years. The Cage Group will run the facility, pay for utilities and employee salaries and have their own activities during the evenings and weekends while the school district will use it at other times. Superintendent Jeff Pratt feels the schools will save \$30,000 by not opening up elementary buildings and paying personnel to run activities. He believes the district could gain an annual profit of \$6,000. The Cage Group will pay the district \$5,000 to retain naming rights on the building.

Refinancing

Refinancing Saves \$1.6 Million

By taking advantage of lower bond rates, the St. Vrain Valley School District in Colorado saved about \$3 million in May by essentially refinancing \$31.2 million of bonds sold in 2003. Marc Dispense, senior vice president for bond adviser George K. Baum & Company, said bond rates dropped 0.6 percent in 30 days. The savings from the bond sales will be applied to the bond redemption fund in the 2012 budget.

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Refinancing

Refinancing Saves \$1.6 Million *(continued from page 6)*

In other financial news, the 2012 state funding is about the same amount as in 2009 but the district has 2,100 additional students now. It will receive \$6,328 per pupil in 2011-12, down from \$6,635 in 2010-11. In order to balance its proposed \$405.4 million budget, the district used \$4.2 million of its reserve funds.

Superintendent Don Haddad said the district wants to move forward but is facing increased enrollment and growing costs in fuel, technology and compensation. Other expenses on the rise include administrative services including a software conversion, money for the hiring of a grants accounting technician and funds to cover personal time for retiring classified and licensed employees. Another large increase (\$500,000) is the result of a hike in unemployment insurance.

Salary

New Salary Schedule Possible for Assistant Principals

Superintendent Sam Houston of Alabama's Decatur district is thinking about creating a 10-month salary schedule for an assistant principal at the high school. The change came about because an assistant principal at Austin High School recently retired and he looked at the fact that all vice principals currently work year round and are paid on a 12-month schedule.

A change would not affect the current contracts of vice principals, but would possibly be used in the future as opportunities arise for an entry level, 10-month position at other schools, he said. Current vice principals noted that summer months are very busy and they work on maintenance issues, guidance transcripts, summer school and other tasks. A 10-month position to replace the retiree will save \$15,000 to \$20,000.

Schedule

Board, Employees Happy With New Summer Schedule

Central office employees in Kanawha County Schools in West Virginia will work four, 10-hour days this summer through August in order to save money. Some individuals will work 6 a.m. to 4 p.m. while others will start at 7 a.m. and leave at 5 p.m. All employees will get a half hour for lunch and work regular hours on weeks with Monday holidays off (West Virginia Day and Independence Day). The idea was applauded by employees and school officials because of the energy and gas savings it will produce as lights and air conditioning can be turned off or down. All employees with the exception of one guard will get Fridays off.

Students to Get Shorter School Days

Middle and high school students in Flagler County, Florida, will have 45 fewer minutes of school, getting released at 1:40 p.m. each day.

The schedule change allows the district to eliminate 42 teaching positions at those grade levels and save the district \$2.1 million in the process. Other changes include having teachers' planning periods occur at the beginning of the day rather than interspersed throughout, reducing the number of days some employees work and reducing costs for energy and the alternative school, Pathways Academy. The cuts will total \$3.5 million as the district tries to cope with the loss of state and federal funding.

School board member John Fischer was the lone dissenting vote, saying students should spend more hours in school, not less. He also worries about some kids going home to empty houses. His colleagues noted that before major changes happen in the future, town hall meetings or surveys should be conducted to gather more input from the public.

Although the schedule for elementary children remains the same, with staggered start times, transportation savings can be realized of \$300,000 to \$500,000. Some shuttle buses will be eliminated and instead, the district will have one bus that circulates to all of the elementary schools.

Technology

Students Supplied with Apple MacBooks

In Natick, Massachusetts, Superintendent Peter Sanchioni said a one-to-one computing environment for high schoolers and eighth graders is the only way to teach technology savvy kids and prepare them for the future. Each student will be supplied with an Apple MacBook – as teachers were three years ago.

Other communities are following suit. Wayland Town Meeting approved \$500,000 for technology spending to beef up the school system's equipment and infrastructure. In Millis, the schools use iPads, which cost half as much as MacBooks. Earlier this year, Apple tablets were given to eighth graders for a pilot program; a survey showed 60 percent were spending more time on school work as a result.

Millis officials plan to add a grade level each year to the program until it extends through high school. When Natick's program starts in the fall, eighth-graders will be the first students to get MacBooks so they can enter high school with a mastery of the devices. That \$270,000 program will be funded through the operating budget. Students at the high school level will use laptops in temporary modular classrooms set up while the new Natick High is being constructed. Each teacher and student will use the laptops for 45 days to test how the one-to-one computing approach works.

Grant Provides Laptops for All

Thanks to a \$2 million grant, students and teachers at Baldwin County High School in Bay Minette, Alabama, will receive laptops. Teachers will be trained this summer when they get the laptops and the students will receive theirs in the fall. The current purchase cost is \$1.5 million. Lee hopes to lease future computers for \$200 per student per year. The superintendent was inspired by a school in Mooresville, North Carolina, where a similar effort led to a decrease in dropouts and behavior referrals, an increase in graduations and test scores that jumped from 60 percentile to 90 percentile.

New Copier Network Implemented

The Board of Education in New York's Mineola School District will vote on a resolution regarding new technology purchases. One initiative seeks to reduce paper use and costs by implementing a new copier network.

The copy center located at the high school has not been used to its fullest capacity since its creation in 2001. Superintendent Michael Nagler said work was not being funneled into the copy center, which has a lease of \$270,000 and 1 million pooled copies per month. Because there wasn't a set quota, the number of copies often exceeded the contract limit and each copy over generates a charge of nine cents.

The district now has a network connection that tracks the number of copies each individual makes per month and has a quota system for copies. The original 42 smaller machines have been streamlined into 12 large printers that can print, copy, scan, fax, staple, hole punch and bind. Each building has smaller machines and can funnel larger projects to the copy center. The district thinks it will save \$115,000 in the first year with the purchase of new printers over four years. The plan is to reduce the amount of paper used from 15 million pieces to 8.7 million, and eventually get rid of hard copies and move to electronic copies.

Transportation

Transportation Plan Will Eliminate 40 Bus Drivers

Parents and children in Carroll County, Maryland, will have to get up earlier to go to school as plans are in the works to revamp transportation in order to save money. Officials estimate that by changing some routes and adjusting start and end times, the district can save \$1.2 million. But by having drivers take on more routes, about 40 positions may get eliminated.

Superintendent Steve Guthrie noted that the decision was difficult and that support of the idea ran about 50-50 among parents and community members. He said he realized people would be upset, not only about disruption of their daily schedules, but also at the prospect of bus drivers losing their jobs. He said he would work with bus contractors to reduce buses in the fairest way possible.