

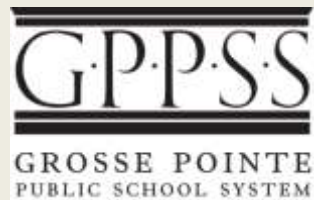
Grosse Pointe Public School System

Financial Transparency Series



2010-11 BUDGET DRAFT #4

MAY 3, 2010



Readout of Most Significant Variables

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Variable	Comments and/or Conventional Estimate
Enrollment	Many opportunities for variation: e.g. higher or lower overall, lower at Pierce, higher at Brownell or lower at high school and higher at elementary, or lower at kindergarten
20J Funds	Some discussion of a 50% restoration, but unlikely. Budget assumes no restoration
Foundation Allowance	Election year reduction would not be popular. Granholm promises veto if she receives budget with cuts. We have budgeted for no change, but they are possible
State Retirement Rate	Granholm's estimate (used in Drafts 1–4) is probably high end. Senate's is lower, but would be accompanied by state aid reduction
State Fund Equity Legislation	Melton proposal would limit Fund Equity to 15%. GPPSS' at 17.7%. With another Foundation Allowance reduction, we're not far at all from 15%
State Retirement Incentive	Legislators adjourned without taking action. By most accounts this legislation is highly unlikely.
Health Care	More precise budgeting methodology for 2010–11, but as a self-funded plan we always carry risk of cost over runs.
GPPSS Union Contracts	Remain in process. Tentative Agreement signed in late April. GPEA to vote on May 17th
Unemployment Costs	We have budgeted \$780k, but many other variables affect this rate. Could be high or low.

Most Significant Changes from Draft #3 to Draft #4

Via re-configuration of some Extra Pay for Extra Duty assignments, some Department Chair positions restored.

With sale of small parcel of property to Kroger, an additional \$61,000 of one time revenue is recognized.

Previous drafts had forecasted a \$9,995 per pupil Foundation Allowance when the Foundation Allowance of record is \$10,019. This revision comprehends that difference – a positive revenue change.

Most Significant Changes from Draft #2 to Draft #3

Restores 1 more additional Reading Specialists at Elementary for a total of 9.0 (a reduction of 0.2 from 2009–10)

The elementary plan for additional looped or stacked programs remains under consideration, although no “forced stacks” are comprehended in budget. However, the 3.0 teacher FTE’s remain in the budget, just not allocated to any specific school and/or grade level. They are essentially a 3.0 teacher enrollment variation account at the elementary level.

Most Significant Changes from Draft #1 to Draft #2

Restores 3 Reading Specialists at Elementary for a total of 8.0 (a reduction of 1.0 from 2009–10)

Restores 4.5 Middle School teachers which reduces proposed Class Size from 27.5 to 26

Restores 12.8 Hall Monitors (Middle and High School) as direct employees as opposed to outsourcing them

Restores 7.0 Special Education Resource Room teachers for a total of 27.0 (down 2 from 2009–10)

Restores 1.4 Speech Pathologists for a total of 16.9 for 2010–11 (down 2.6 from 2009–10)

Restores 2.2 Social Workers for a total of 8.7 for 2010–11 (down 0.8 from 2009–10)

Restorations offset by Draft #1's surplus, health plan efficiencies, moderate revenue increases and expense reductions, and a broad range of smaller efficiencies

Budget Draft #4

What It Is

- A Draft
- Work In Process

What It Is Not

- A Proposal
- In a Final State

Budget Development – Completed Activities

Date

Board agreed on Staff Utilization and Allocation process for 2010–11	September
Board discussed Administration's completed Distribution and Funding Sources tabs of current year (2009–10) Staff Utilization Utility	October
Board discussed Administration's recommendations for how to increase density in electives/specials at all levels and completed Utilization tab of Staff Utilization Utility	November
Board discussed Administration's evaluation of current utilization rates of all job functions and propose utilization rates for 2010–11	November
Board discussed Administration's recommendation for class size guidelines and any special program designations for 2010–11	November
Board discussed Administration's first 2010–11 budget projection using the Budget Modeling Utility	December
Board Work Session on Budget Development Parameters	January
Board discussed and approved Budget Development Parameters at Regular Meeting	January
Presentation, Discussion of Budget Draft #1 at Regular Board Meeting	February
Presentation, Discussion of Budget Draft #2 at Regular Board Meeting	March

Budget Development – Completed Activities

Date

Board of Education Work Session, review of Budget Draft #3

April

If necessary and pending Board, Community, Staff feedback, deliver Revised Balanced Budgets at Regular Board Meeting

April

Administration proposes Staff Layoff lists for Board approval (agreement on staff call back procedure)

April

Board of Education authorizes Administration to enter into Tentative Agreement with GPEA on new contract

April

Budget Development – Pending Activities

Date

If necessary and pending Board, Community, Staff feedback, deliver Revised Balanced Budgets at Regular Board Meeting

May

If necessary and pending Board, Community, Staff feedback, deliver Revised Balanced Budgets at Regular Board Meeting

June

Budget Hearing and Board of Education Budget approval

June

Update on enrollment and funding against projections

July

Recommendation for approval of staff call backs as necessary

August

Revenue and Expense Assumptions

No Changes in assumptions from Draft #1

10

REVENUE	EXPENSES
Account for structural loss of revenue from mid-year 2009–10 cuts to the Foundation Allowance (\$165 per pupil) \$1.4MM	Increase in the state mandated retirement rate from 16.94% to 19.41% – a cost increase of \$1.6MM
Account for structural loss of revenue from elimination of Section 20J Funds (\$198 per pupil) \$1.6MM	District employee health care costs are expected to increase by 5% resulting in a cost increase of \$0.5MM
Blended enrollment will fall by 118 students, reducing revenue by \$1.2MM	Employee salaries and other direct compensation will increase on account of existing contracts – \$1.0MM
<i>Assumes NO CHANGE in Foundation Allowance for 2010–11 based on latest Granholm proposal – an admittedly dangerous assumption.</i>	
TOTAL FINANCIAL IMPACT: \$7.3MM	

Projected Average Class Sizes – 2010–11

11

Lower Elementary

• 1st – 3rd – 22.0

Upper Elementary

• 4th – 5th – 22.9

Middle School

• 26

High School

• 27.6

Employee Average Total Compensation

Average combined total Salary, Health Care, Retirement, FICA per Employee

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	2009-10	2010-11	% Change
Teachers	\$115,574	\$120,058	3.9%
Classroom Assistants	\$39,221	\$40,686	3.7%
Plant/Custodians	\$61,479	\$64,643	5.1%
Clerical	\$57,548	\$61,173	6.3%
Building Administration	\$163,540	\$166,130	1.6%
Non-Instruction Supervisors	\$107,573	\$110,442	2.7%
Paraprofessionals	\$44,725	\$46,100	3.1%
Technology Staff	\$89,502	\$90,939	1.6%
Executive Administration	\$197,742	\$203,078	2.7%

Evidence of an Unsustainable Financial Model for the Grosse Pointe Public School System

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	2007-8	2010-11	Impact/ Observation
Foundation Allowance and 20J Revenue/Pupil	\$10,326	\$9,995	\$2,600,000 revenue loss (3.2% reduction)
Student Enrollment	8,589	8,077	\$5,117,000 revenue loss
General Fund Equity	\$20,355,960	\$17,831,689	Decrease of 12.4%
Average Total Compensation/Teacher	\$109,380	\$120,058	\$5,883,638 premium (9.8% increase/teacher)
Total Teachers	602	551	51 teachers fewer
Pupil:Teacher Ratio	14.27	14.66	Class Size, 6 period day
Total Employees	951	836	64 non-teachers fewer
Total Health Care, Retirement, FICA	\$25,314,818	\$25,586,290	For 115 fewer employees (15% increase/employee)

General, School Svc. Funds Total Revenues, Expenditures

2009-10 Projected Shortfall due to Mid-Year Cuts, 20J Loss

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Budget Draft #4

	2009-10	2010-11
Total Direct Compensation	\$62,233,760	\$59,882,125
Health Care Expense	\$11,012,013	\$9,520,604
MPERS Expense	\$10,535,304	\$11,507,612
FICA Expense	\$4,737,974	\$4,558,074
Total Other Variable Expenses	\$15,838,619	\$15,108,931
Total Expenditures	\$104,267,083	\$100,527,347
Transfer to Debt Fund	\$684,000	\$692,606
<i>Total Expenditures and Transfers</i>	<i>\$105,041,671</i>	<i>\$101,269,953</i>
<i>Total Revenues</i>	<i>\$102,776,532</i>	<i>\$101,474,801</i>
Net Projected Surplus / (Shortfall)	(\$2,265,139)	\$204,848

Enrollment Projections: No Change from Draft #1

Enrollment by Grade, Level, and Building Drive Staffing Levels

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Year	Fall Enrollment	General Fund and School Services Fund Revenue (000's)
2007-8	8,585	\$108.4
2008-9	8,305	\$107.2
2009-10	8,172	\$102.5
2010-11	8,052	\$101.5 (Projected)

2010-11 Enrollment By Level			
<i>Elem.</i>	<i>Middle</i>	<i>High</i>	Total
3,163	1,904	2,985	8,052

Class Size Guideline Applied Against Enrollment Derives Staffing

Elementary General Education Parameters

Expected Enrollment Reduction of 126 Students

16

1st–3rd Grades

- No class to exceed 27 students. Average class size substantially lower.

4th–5th Grades

- No class to exceed 30 students. Average class size substantially lower.

Special Programs

- Maintain Magnet, Trombly 1/2/3 Programs
- Replicate success of those programs

No Fee All Day Kindergarten

- District wide No-Fee All Day Kindergarten; allow parents to select into a half-day option (*approved Feb. 22, 2010*)

Elementary Class Sizes – 2009–10 School Year

17

	1	2	3	4	5	Magnet; 1-2-3
Defer	17.3	20.3	20.0	22.7	24.3	20.0
Ferry	19.0	23.5	19.0	19.0	22.0	20.5
Kerby	18.7	22.7	22.0	22.0	25.0	
Maire	19.3	21.0	25.5	20.0	19.0	
Mason	21.5	24.0	20.0	22.0	23.0	
Monteith	19.5	26.0	25.3	26.3	21.8	
Poupard	18.3	19.3	23.3	23.0	18.7	
Richard	21.0	23.0	24.3	22.0	24.0	
Trombly	21.5	18.5	17.5	22.0	18.3	21.0
Traditional Teachers	135.0			1st-3rd Avg. Class		21.2
“Specials” Teachers	26.8			4th-5th Avg. Class		21.9

Elementary Class Sizes – 2010–11

(3.0 Teacher FTE's yet to be assigned)

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	1	2	3	4	5	Magnet; 1/2/3
Defer	26.0	25.5	27.0	21.0	21.7	20.0
Ferry	20.0	26.5	19.0	29.5	29.0	20.5
Kerby	26.0	18.3	22.3	22.5	22.3	
Maire	24.0	18.7	21.3	25.5	20.7	
Mason	17.5	19.5	22.5	21.0	19.5	
Monteith	23.5	26.7	25.8	25.5	26.3	
Poupard	17.0	26.5	20.3	23.0	22.3	
Richard	22.3	21.7	23.3	24.7	22.7	
Trombly	21.0	23.5	19.0	20.5	22.5	21.0
Traditional Teachers	122.0			1 st -3 rd Avg. Class		22.4
"Specials" Teachers	24.4			4 th -5 th Avg. Class		23.3

Projected Elementary Class Sizes – 2010–11

19

	1	2	3	4	5	Magnet; 1/2/3	Enrollment Variation
Defer	23.5	23.0	24.5	21.0	21.7	20.0	3.0 FTE's, placement to be determined pending need
Ferry	20.0	26.5	19.0	26.0	25.0	20.5	
Kerby	26.0	18.3	22.3	22.5	22.3		
Maire	24.0	18.7	21.3	25.5	20.7		
Mason	17.5	19.5	22.5	21.0	19.5		
Monteith	22.3	25.0	24.5	25.5	26.3		
Poupard	17.0	26.5	20.3	23.0	22.3		
Richard	22.3	21.7	23.3	24.7	22.7		
Trombly	21.0	23.5	19.0	20.5	22.5	21.0	
Traditional Teachers			125.0		1 st -3 rd Avg. Class		22.0
“Specials” Teachers			24.0		4 th -5 th Avg. Class		22.9

Other Elementary Resources

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	2009-10	2010-11
Principals	9.0	9.0
Teacher – Title 1	2.9	2.9
Teacher – Reading Specialist	9.2	9.0
Classroom Asst – Computer/Lib.	18.0	9.0
Classroom Asst – Title 1	7.0	7.0
Classroom Asst – Magnet	1.0	0.0
Classroom Asst – Class Size	1.0	0.0
Classroom Asst – Extended Day K	7.0	0.0
Secretaries and Clerks	16.0	13.5

Middle School General Education

2009–10 Budget Had Anticipated 27.5 Average

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2009–10 Middle School Staffing Levels

<i>School</i>	<i>Schedule Type</i>	<i>Total Students</i>	<i>Student Credits Per Year</i>	<i>Annual Course Seats</i>	<i>Avg. # Students / Class</i>	<i>Sections Needed</i>	<i>Total Teachers</i>
Brownell	Teachers teach 5 of 6 periods	632	6.00	7,584	24.6	308	30.8
Parcells		691	6.00	8,292	24.8	334	33.4
Pierce		601	6.00	7,212	24.3	297	29.7
TOTAL		1,924	6.00	23,088	24.6	939	93.9

Special Education and Resource Center sections are NOT factored into calculations.

Middle School General Education

22

2010–11 Middle School – Staffing Projections

<i>School</i>	<i>Schedule Type</i>	<i>Total Students</i>	<i>Student Credits Per Year</i>	<i>Annual Course Seats Required</i>	<i>Avg. # Students / Class</i>	<i>Sections Needed</i>	<i>Total Teachers</i>
Brownell	Teachers teach 5 of 6 periods	622	6.00	7,464	26	286	28.6
Parcells		702	6.00	8,424	26	323	32.3
Pierce		580	6.00	6,960	26	267	26.7
TOTAL		1,904	6.00	22,848	26	876	87.6

Special Education and Resource Center sections are NOT factored into calculations.

High School General Education

2009–10 Budget Had Anticipated 27.5 Average

23

2009–10 High School Staffing Levels

<i>School</i>	<i>Schedule Type</i>	<i>Total Students</i>	<i>Student Credits Per Year</i>	<i>Annual Course Seats Required</i>	<i>Avg. # Students / Class</i>	<i>Sections Needed</i>	<i>Total Teachers</i>
North	Teachers teach 5 of 7 periods	1,380	6.57	18,133	26.5	684	68.4
South		1,580	6.67	21,077	27.1	778	77.8
TOTAL		2,960		39,210	26.8	1,462	146.2

Tutorials, Special Education or Resource Center sections are NOT factored into class size calculations.

High School General Education

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2010–11 High School – Staffing Projections

<i>School</i>	<i>Schedule Type</i>	<i>Total Students</i>	<i>Student Credits Per Year</i>	<i>Annual Course Seats Required</i>	<i>Avg. # Students / Class</i>	<i>Sections Needed</i>	<i>Total Teachers</i>
North	Teachers teach 5 of 7 periods	1,391	6.57	18,278	27.6	662	66.2
South		1,594	6.67	21,264	27.6	770	77.0
TOTAL		2,985		39,542	27.6	1,432	143.3

Tutorials, Special Education or Resource Center sections are NOT factored into class size calculations.

Other Secondary Level Resources

25

	2009-10	2010-11
Principals / Asst. Principals	14.0	14.0
Teacher – Librarian	3.5	3.5
Teacher – Counselor	16.0	16.0
Classroom Asst – Computer/Library/Student Center	11.0	9.5
Parapro – Musical and Other	7.6	7.6
Classroom Asst. – Hall Monitor	12.8	12.8
Classroom Asst. – Parking Lot Attendant	2.0	0.0
Contracted – Parking Lot Attendant	2.0	4.0
Secretaries and Clerks	25.0	19.5

Special Education Teachers

Year Over Year Comparison – 2009–10 to 2010–11

26

	2009–10 FTE's	2010–11 FTE's
Resource Center – Elementary	9.0	8.0
Resource Center – Secondary	20.0	19.0
Teachers – Speech Therapist	18.9	16.3
Teachers – Cognitive Impaired	7.4	7.0
Teachers – Emotional Impaired	5.0	4.0
Teachers – Early Childhood Developmental Delay	4.0	3.5
School Psychologists	10.8	10.0
School Social Workers	9.5	8.7
High School Math Support	0.2	0

Special Education Teachers – 2010–11

27

Role	FTE	Role	FTE
Autism Spectrum	23.0	Program Specialist	1.0
Cognitive Impaired	7.0	English as Second Lang.	0.8
Emotional Impaired	4.0	Transition	3.0
Early Childhood Dev. Delay	3.5	Occupational Therapist	3.0
Resource Center <i>*Includes 2.0 Learning Support Pilot Program</i>	27.0	Behavioral Specialist	0.8
Psychologist <i>*Includes .5 District Magnet Program</i>	9.8	Autism Spectrum Consultant	2.0
Social Workers	8.7	Visual Impaired Consultant	.8
Speech Therapist <i>*Includes .7 Speech Pilot Program</i>	16.3	Hearing Impaired Consultant	1.0
Teachers – Release Time	4.0	Learning Disability Consultant	1.0

Special Education Classroom Assistants

28

	2009-10	2010-11
Class. Asst – Mod. Cognitive Imp.	9.0	7.0
Class. Asst – Mild Cognitive Imp.	3.0	3.0
Class. Asst – Autism Spectrum	45.5	45.5
Class. Asst – Emotion. Imp.	7.0	7.0
Class. Asst – Resource Room	7.0	7.0
Class. Asst – Early Child Dev	3.0	3.0
Class. Asst – Work Study/Vocation.	3.0	3.0

Special Education Administration and Support

29

	2009-10	2010-11
Director		1.0
Associate Director	2.0	1.0
Secretaries and Clerks	4.6	4.6

Central Administration and Services

30

	2009–10	2010–11
Executive Administration	5.0	5.0
Secretaries	6.6	3.9
Clerical Staff	6.0	4.6
Teachers – Specialists	4.4	2.7
Non-Instructional Supervisor	18.0	11.7
Contracted – Non-Instructional	0.0	3.6
Paraprofessional – Other	0.5	0.5
Technology Support	7.0	7.0
Plant – Custodians/Engineers	76.0	68.0
Community Relations	1.0	1.0

Staffing Level Changes	2009–10	2010–11
Teachers – Elementary	192.5	181.9
Teachers – Middle School	101.4	95.1
Teachers – High School	157.8	155.3
Teachers – Special Education	123.4	116.0
Teachers – Specialists	3.9	2.7
Classroom Asst. – General Ed.	58.1	38.3
Classroom Asst. – Special Ed.	77.5	75.5
Building Administrators	25.0	25.0
Clerical Staff	58.2	46.1
Non-Instructional Supervisor	17.9	11.7
Paraprofessionals	11.7	8.0
Plant Engineers / Custodians	76.0	68.0
Technology Staff	7.0	7.0
Executive Administration	5.0	5.0
TOTALS	915.4	835.7

Purchased Services

Increase in Contracted Staff as Some Direct Employees Shifted

32

	2009-10	2010-11
Contracted Staff and Substitutes (Non-Coach)	\$1,555,929	\$1,611,835
Transportation (Non-Athletic)	\$590,412	\$610,000
Water	\$200,000	\$210,000
WAN and Telecommunications	\$274,000	\$265,104
Property Insurance	\$273,000	\$273,000
Audit/Student Legal	\$54,000	\$54,000
Legal	\$256,000	\$256,000
Repairs and Maintenance	\$1,840,902	\$1,740,030
Wayne RESA Fees	\$209,500	\$209,500
Software Licenses	\$343,210	\$460,000
Other (includes Fast Math/Reading)	\$60,952	\$60,592
School Services Fund – Food	\$1,167,733	\$1,167,733
TOTAL PURCHASED SERVICES	\$6,825,638	\$6,917,794

Supplies Expenses

33

	2009-10	2010-11
Gas	\$1,013,000	\$1,013,000
Electricity	\$1,140,000	\$1,140,000
Textbooks	\$325,000	\$325,000
Custodial Supplies	\$586,000	\$586,000
Teaching Supplies	\$803,000	\$760,230
Office Supplies	\$224,661	\$224,661
Athletics – Non-Coach Expenses	\$475,793	\$474,135
Other (including Library Books)	\$51,000	\$47,500
Other (School Services Fund)	\$17,285	\$17,285
Supplies Total	\$4,635,739	\$4,583,140

Other Variable Human Resources Expenses

34

	2009-10	2010-11
Workers Compensation	\$139,000	\$139,000
Unemployment	\$300,000	\$780,000
Summer School	\$38,600	\$34,600
Summer Building Maintenance	\$30,000	\$26,100
All Day Kindergarten Lunch Help		\$18,563
Kids Club/Preschool	\$471,265	\$471,265
Camp O'Fun Summer Help	\$32,000	\$28,500
PAC Student Support	\$111,002	\$100,000
Other HR	\$20,000	\$20,000
Temporary Help	\$67,860	\$61,250
Extended School Year – Spec. Ed.	\$101,000	\$92,600
Total Other Variable HR	\$1,310,727	\$1,522,011

High School Athletics Budget

Does not reflect \$470k in Revenues for Net Cost of \$817,445

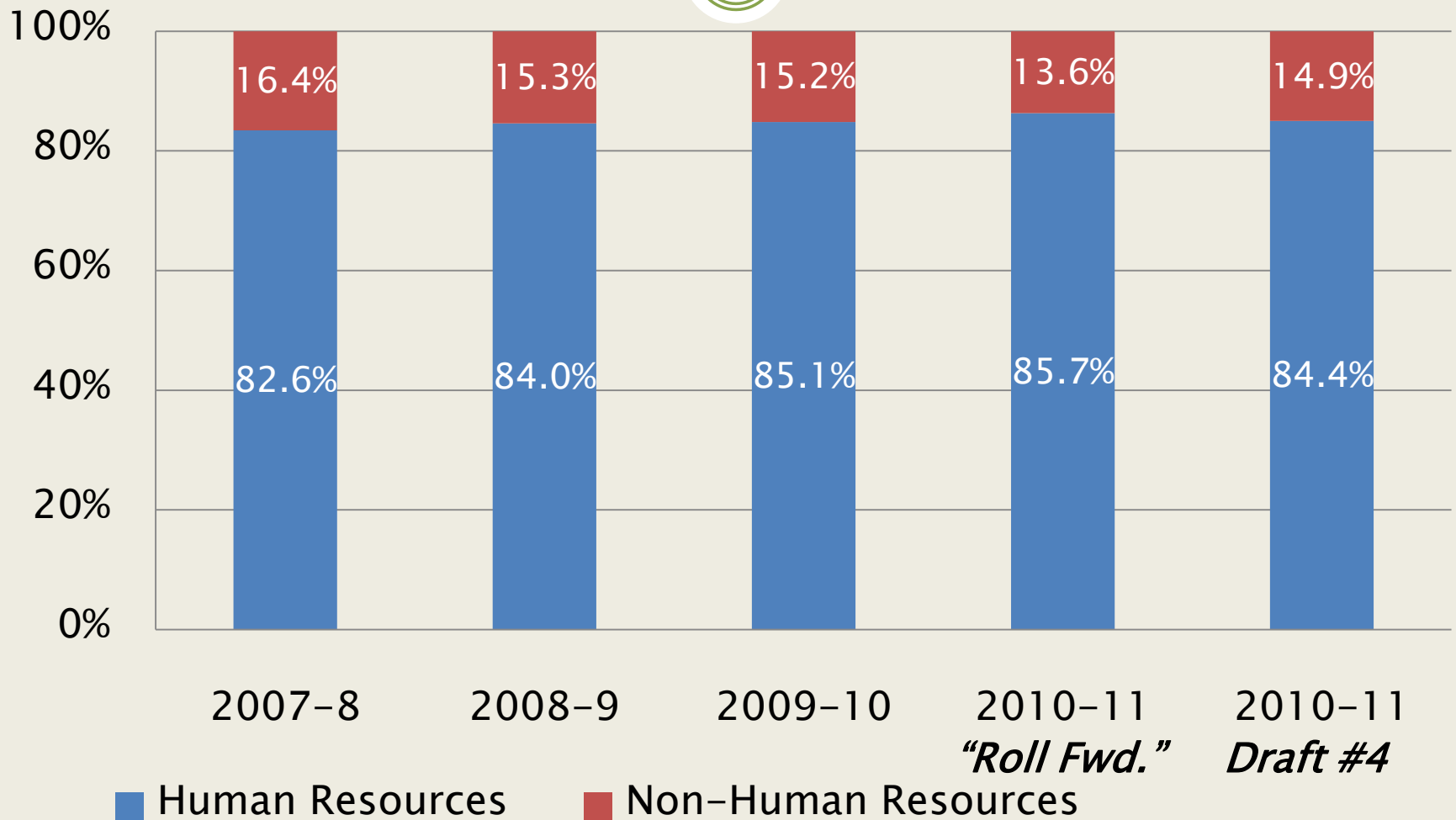
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	2009-10	2010-11
Coaches	\$702,469	\$696,200
Transportation	\$125,033	\$117,555
Other Athletic EPED	\$29,500	\$62,000
Trainers	\$60,000	\$60,000
Officials	\$85,297	\$84,467
Capital Outlay	\$19,325	\$0
Consumable Expenses	\$77,485	\$82,250
Contract Services	\$13,300	\$8,500
Uniforms	\$42,500	\$26,300
State Tournament Expenses	\$17,513	\$16,546
Dues, Fees and Ice Time	\$130,873	\$134,072
TOTAL	\$1,303,295	\$1,287,890
% of General / School Services Fund Revenue	1.42%	1.42%

Human Resources vs. Non-HR Costs as % of Total Budget

The “Roll Forward” is if no changes would be made from 2009–10

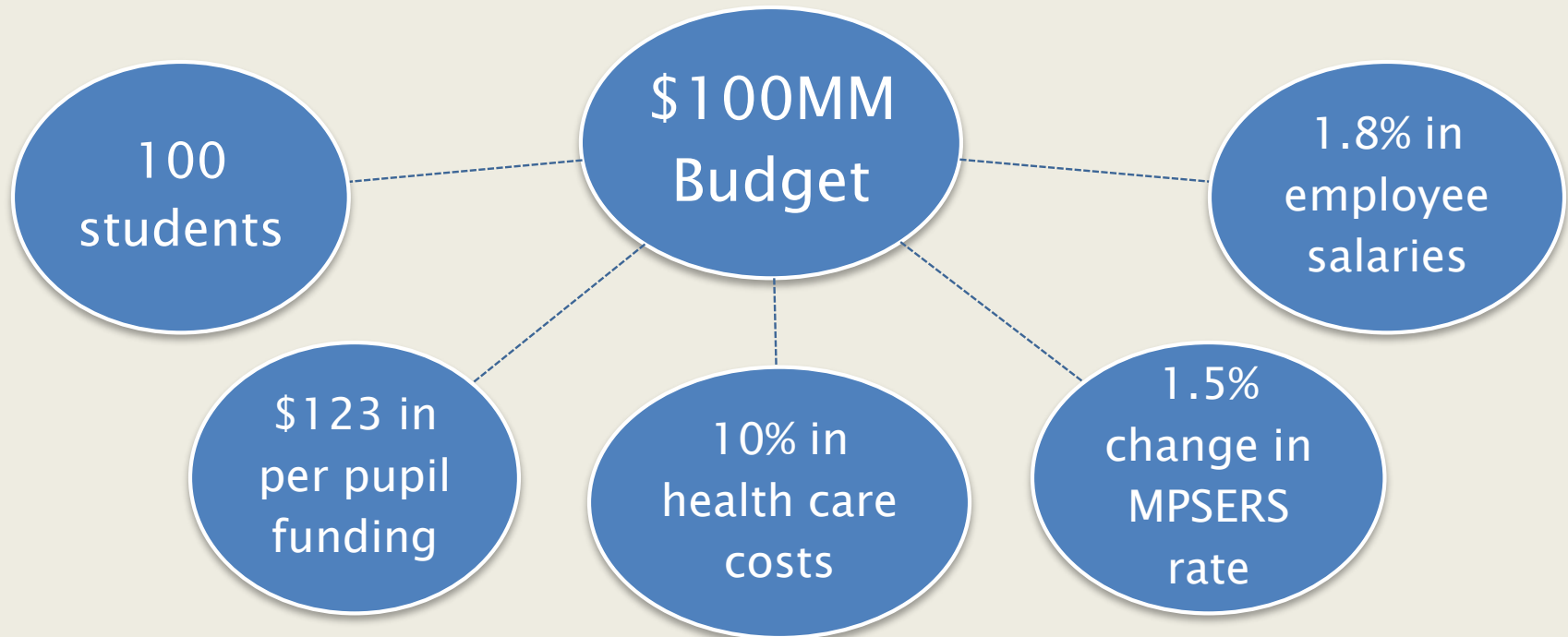
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Variability of Budget Assumptions

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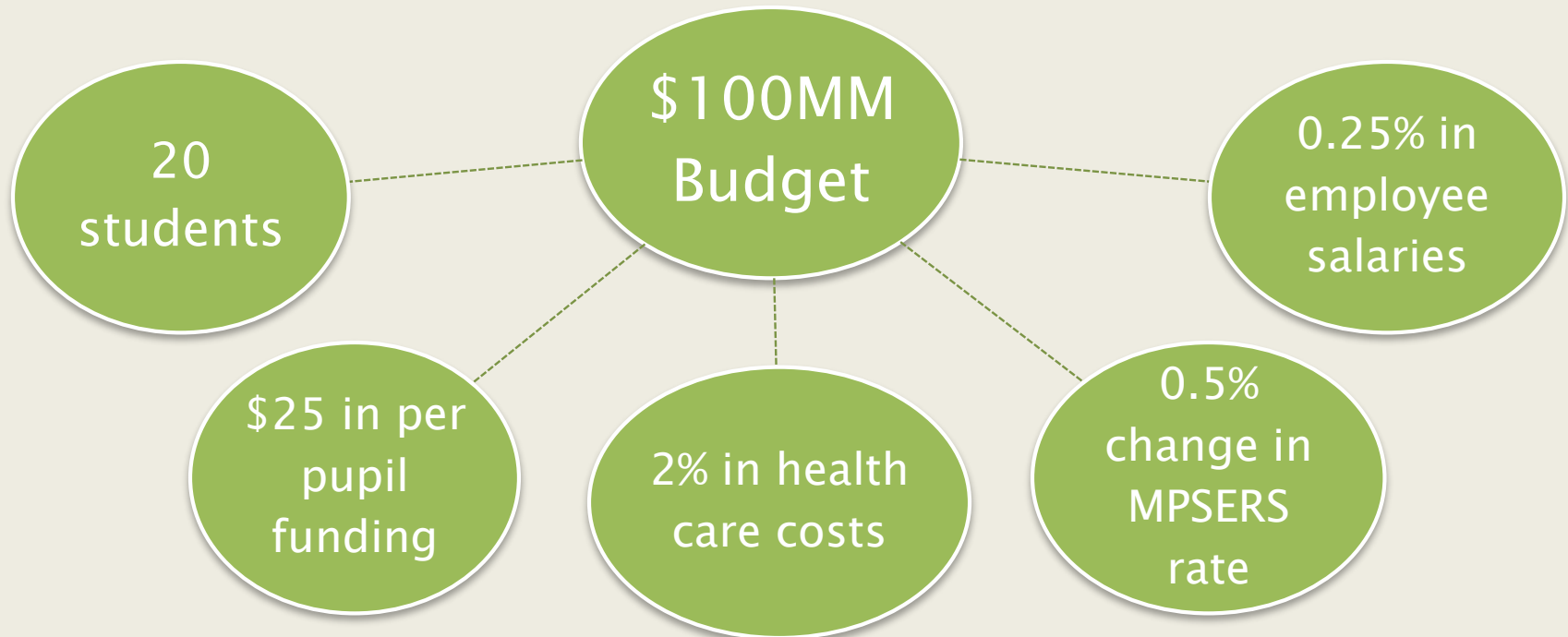
Each of these variables individually would amount to roughly 1% of the Budget:



Variability of Budget Assumptions

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This combination of variables would amount to roughly 1% of the Budget:



2010-11 Budget Process: Closing Thoughts

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Communicate

Get Feedback

Analyze &
Evaluate

Monitor
Variables

Contribute
Constructively

Holistic
Amendments