

Middletown School District

Community Forum

March 4, 2010

Why do we have a **Crisis** with the 2010 – 2011 School Budget?

- Increases in costs, specifically health insurance (single largest increase!)
- Flat or decreasing revenue, not keeping up with costs
- **This was already making the 2010-2011 school budget a challenge, then**
- **Governor signs Executive Order to reduce State Aid to districts**

State Aid

- \$2.8 million lost in the current year (09-10) to address the State's budget deficit
- \$2.8 million = (approx) \$110 out of pocket of average taxpayer in Middletown
(based on average home assessment of \$435,000)
- State aid already being withheld
(since February 2010)
- *Will they pay back with next year's aid?*

State Aid, continued

- Majority of \$2.8 million based on “Excess Surplus”
- Excess Surplus = BUDGETED TAX RELIEF
- Revenue source that reduces the next year’s school tax increase

What does this mean?

Just to keep the tax increase at 2.9% or less, \$4.3 million has to be cut from the school budget

Therefore we are being forced to either make SIGNIFICANT cuts to the school budget or raise taxes

What's Next?

- This drastic level of school cuts assumes State Aid will not be reduced for 2010 – 2011
- Every incremental 5% State Aid reduction = \$1 million more in cuts with the same tax increase
- State Aid cut of 10% = 6.3 million in cuts with the same tax increase

The district will already be SIGNIFICANTLY impacted by \$4.3 million in cuts – A further reduction in State Aid for next year would be DEVASTATING

Methodology of Spending Reduction

- **Every effort made to minimize the negative impact on students**
- **Ideas obtained from all stakeholders**
- **All areas of the budget reviewed prior to addressing staff reductions**
- **Staffing reductions made through attrition whenever possible**

DEPARTMENT		10% REDUCTION
CURRICULUM	Textbooks, Supplies	\$156,000
SCHOOL BUDGETS	Supplies, books, materials	\$154,900
BUILDING	Supplies, equipment, small projects	\$150,000
TECHNOLOGY	Lease, laptop, network hardware	\$93,200

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DEPARTMENT		10 % REDUCTION
Athletics	Uniform replacement, small equipment	\$60,000
Capital Projects	Construction services and professional	\$32,000
Administration	Office & department supply and materials	\$30,900
Student Services	Supply and material accounts	\$23,000
TOTAL		\$700,000

Personnel Department Spending Reductions

STAFF CATEGORY	POSITIONS REDUCED	SAVINGS
Administrators	2 (4.2%)	\$210,000
Teaching Staff Members	36 (3.9%)	\$2,340,000
Paraprofessionals	18 (5.9%)	\$340,000
Secretaries	4 (4.3%)	\$160,000
Facilities Staff and Overtime	4 (3.2%)	\$217,000

Teaching Staff Member Reductions Detail

School Level	Number Reduced
Elementary	18
Middle School	9
High School	9
Total	36

Other Personnel Reductions

Stipend Category	Savings
Teaching Staff Member Stipends	\$113,000
Extended Detention at High Schools	\$35,000
Decrease Substitute Rates	\$135,000
Reallocate Summer Salaries to Federal Grants	\$100,000

Total Reductions

Staff Reductions	\$3,267,000
Other Personnel Reductions	\$383,000
All Department Reductions	\$700,000
Total of all Reductions	\$4,350,000

Level 2 of Spending Reduction

- Each 5% level of State Aid reduction = approximately \$1 Million Dollars

Example of Impact:

- \$1 Million Dollars in reductions = 15 teaching positions

Potential Impact on Teaching Staff

LEVEL	State Aid Decrease	Number of Teaching Positions Lost
1	Flat	36
2	5%	51
3	10%	66
4	15%	81

Other Possible Cuts

- Further increase class sizes
- Redistrict schools
- Eliminate sub-varsity athletic programs
- Charge a flat fee for all athletic/co-curricular activities
- Move performing arts programs to after school for a fee
- Additional staff reductions