

Mariemont City Schools

Treasurer/CFO and Superintendent Recommendation to the Board of Education

Budget Reduction Plan: 2010 - 2012
(if May 4 financing request is unsuccessful)

Introduction

The Mariemont City School District has a long history of wise fiscal management. The Board of Education is committed to “living within their means” and so has directed the Treasurer/CFO and Superintendent to provide a recommendation for necessary budget reductions to be implemented in the event a planned bond issue/operating levy scheduled for the May ballot is not successful. The district is taking a proactive approach to prepare for the ramifications if this funding is not approved by voters.

Reduction Amount

The Treasurer/CFO, in consultation with the Superintendent and the Superintendent’s Finance Committee recommends approximately \$3,000,000 in budget reductions implemented over the 2010/2011 and 2011/2012 school years. **Approximately \$1,600,000 in budget reductions will be needed in 2010/2011. This number may be higher if the state of Ohio implements further funding cuts or requires further unfunded mandates.** It is also important to note the current five year forecast assumes the closing of Fairfax Elementary School beginning with the 2010/2011 school year so that the site work for the construction of the junior high school may begin. If the funding request is not successful, Fairfax will still need to close even though the junior high would not be constructed. There would not be funds available to continue to operate the building. The recommendation for \$3,000,000 in total reductions is in addition to the \$380,000 in savings that will be realized from the closing of Fairfax Elementary.

Background

State funding has been on the decline for the Mariemont Schools since 2002. In addition, the state eliminated the Tangible Personal Property Tax which, at its peak, provided approximately \$2,000,000 in annual revenue for the school district. Currently the state is reimbursing the Mariemont Schools a portion of this loss (approximately \$1,700,000 annually), and they have scheduled to eliminate the reimbursement fully between the years of 2014 and 2017. The effect of declining state funding for Mariemont and the elimination of the Tangible Personal Property Tax has been to place more of the responsibility for funding schools on the residents of the school district.

In response to declining state funding, The Mariemont Board of Education directed the Treasurer/CFO and Superintendent to identify and implement \$1,800,000 in permanent cuts between May, 2008 and May, 2010. These cuts will be fully implemented by May, 2010 and have resulted in the elimination of 28 staff positions that included 16 teaching positions. (The details of these cuts are found in Appendix A of this document, along with the savings from closing Fairfax Elementary.) These changes have been implemented in a manner that has minimized the effect on the academic program.

Realities

Without additional operating funds and the implementation of the Facilities Master Plan, the Mariemont Board of Education will need to implement approximately \$3,000,000 in budget reductions (in addition to the closing of Fairfax Elementary) in order to balance the budget and maintain the state minimum recommendation of three months operating expenses in reserve. This course of action is the responsible choice that will maintain the financial health of the school district for two more years. **Without additional revenue, more reductions would be required beginning with 2012/2013 school year. In addition, failure to fund a comprehensive facilities master plan will result in the implementation of a “fix it as it breaks” piecemeal approach that will be more costly and inefficient than the Board of Education adopted facilities plan and drain additional revenue from the academic program.**

Recommendation for Phase One Reductions (2010/2011 School Year)

In the event a planned bond issue/operating levy scheduled for the May ballot is not successful, the following budget reductions are recommended and will need to be implemented during the 2010/2011 school year (a detailed list including budget savings is found in Appendix B). Approximately \$1,600,000 in reductions will be needed during the 2010/2011 school year, although, this number may grow if the **State of Ohio** cuts Mariemont funding further or requires additional unfunded mandates. An additional \$1,400,000 in reductions would be needed for the 2011/2012 school year.

- Close Fairfax Elementary School beginning next school year (also to be implemented as part of the Facilities Master Plan)
- Defer implementation of state-mandated all day kindergarten for one year
- Eliminate all elementary art, general music, and physical education and shorten the school day for elementary students
- Eliminate one high school counselor
- Eliminate all field trips
- Eliminate one administrative position
- Implement a full pay to participate system that recovers 100% of costs for extra-curricular programs including athletics, clubs, and fine arts – collaborate with athletic boosters, fine arts association, and other parents to implement system
- Freeze employee salary schedules (no increase to the state mandated salary schedule)
- Reduce transportation to state minimum – no HS transportation and K-8 transportation provided for students living two or more miles from their home school (includes private and parochial students).
- Continue to reduce or eliminate various building and district level budget items (library books, textbooks, travel, professional development, supplies, technology, etc.) and continue to explore new revenue sources

Phase Two Reductions (2011/2012)

The second phase of budget reductions would include approximately \$1,400,000 for the 2011/2012 school year. While it is too early to identify these reductions, it is possible to estimate the number of positions that may be affected when these reductions are implemented. These reductions would be specifically identified in the spring of 2011.

- Eliminate approximately 13 additional teaching positions
- Eliminate approximately 6 additional support positions
- Eliminate approximately 2 additional administrative positions

Summary of Staffing Impact

2008-2010 Reductions (already made or approved)

- 16 teaching positions
- 12 support positions

Reductions from Fairfax and Mariemont Elementary Merge

- 2 teaching positions
- 4 support positions
- 1 administrative position

Recommended 2010-2011 Reductions (if financial request is unsuccessful)

- 8 teaching/counseling positions
- 1 administrative position

Estimated 2011/2012 Reductions (if financial request is unsuccessful)

- 13 teaching positions/counseling positions
- 6 support positions
- 2 administrative positions

Total Estimated Staffing Reductions, 2008-2012

- 39 teaching/counseling positions
- 22 support positions
- 4 administrative positions

The cumulative staff impact over the four years, 2008-2012, would be the elimination of 65 staff positions in total, a staffing decrease of 30% overall.

Academic Impact

These budget reduction recommendations (including phase one and phase two) would have a significant impact on the academic program currently offered in the Mariemont City School District. It is impossible to predict every consequence of these budget reductions; however, the following are likely examples of the type of consequences that will occur. The list is not meant to be exhaustive.

- Larger class sizes throughout the district
- Loss of academic program opportunities for students
- Loss of academic and social, work and college guidance for students throughout the district
- Loss of Elementary Art, General Music and Physical Education classes
- Loss of online and virtual courses for students
- Reduction of electives at HS
- Reduction of Foundations and Focus level courses at HS
- Reduction of Honors and AP opportunities at HS
- Loss of some extra-curricular programs and clubs due to the prohibitive costs incurred with a full pay to participate system

Summary

The decline of state funding and the phase-out and elimination of the tangible personal property tax has presented a new reality for the Mariemont City School District. The Board of Education has taken a proactive approach to declining revenue by implementing significant budget reductions over the past two years. **In addition, aging buildings are expected to require ever increasing resources which, in the absence of the implementation of a comprehensive facilities master plan, will drain needed resources from the general operating fund. If these cuts are implemented, the Mariemont City School District will be very different from the district that exists today.**

The realities that are outlined in this document are based upon budget estimates that may be found in appendices A and B.

Natalie S. Lucas, Treasurer/CFO and Paul W. Imhoff, Superintendent
2/11/2010

Appendix A

Part I

BUDGET REDUCTIONS

May 2008 - May 2010

Staff Reductions	\$1,456,000
28 staff positions	
Other Operating Reductions	\$356,000
Reduced building budgets	
Reduced technology hardware budget	
Eliminated athletic subsidy	
Increased employee health care premium share	
Instituted student technology fee	
Institute partial pay to participate	
Reduce textbook budget	
TOTAL:	\$1,812,000

Part II

BUDGET REDUCTIONS

Combining Fairfax and Mariemont Elementaries

Staff Reductions	\$311,000
7 staff positions	
Other Operating Reductions	\$72,000
Utility Cost savings	
Cleaning Services Savings	
TOTAL:	\$383,000

Appendix B*

PHASE ONE 2010-2011

RECOMMENDED BUDGET REDUCTIONS 2010 - 2011

(If financing request is unsuccessful)

Staff Reductions	\$593,626
9 staff positions	
Other Operating Reductions	\$1,000,000
Pay to participate at 100% coverage of general fund expenses for extra-curricular programs	
Reduce transportation to state minimum/Eliminate field trips	
No salary schedule raises	
Defer full-day kindergarten (one year savings)	
Reduce/Eliminate various building/district level budget items and explore new revenue sources	
(Elimination of elementary specials accounted for in Staff Reductions listed above)	
TOTAL:	\$1,593,626

PHASE TWO 2010-2011

ESTIMATED BUDGET REDUCTIONS 2011 - 2012

(If financing request is unsuccessful)

Staff Reductions	\$1,357,000 *
21 staff positions	
Other Operating Reductions	\$50,000
Reduce/Eliminate various building/district level budget items and explore new revenue sources	
TOTAL:	\$1,407,000

Total Reductions 2010-2012 - if funding request is unsuccessful **\$3,000,626**

*Savings listed are estimated based on current information