

Q-3 Salary Savings for Years 03-04, 04-05, and 05-06

Carol Carstensen (cs)

Question: Amount of Salary Savings budgeted in fiscal years 2003-04, 2004-05, and 2005-06

Analysis:

“Salary Savings” is an account title that covers an estimate of what the district MAY realize in savings from efficiencies, managed spending and staff vacancies during the fiscal year. The amount included in the budget for “Salary Savings” in the past few years is as follows:

- 2003-04 \$3,112,259
- 2004-05 \$6,363,280
- 2005-06 \$6,321,389
- 2006-07 \$5,973,932

It is not possible to determine the actual amount of “Salary Savings” in a fiscal year as the savings were realized throughout the appropriate salary, fringe and other accounts.

Data analysis does indicate that the budgeted savings were not totally attained. Expenditures have exceeded Revenues the past 7 years. This budget line was targeted too high. See the attached Statement of Equity History. Year-end fund equity has decreased over the last three years as follows:

- 2003-04 \$23,435,332
- 2004-05 \$22,368,031
- 2005-06 \$21,966,266

The district’s current Moody’s Investors Service rating also addresses the downgrade in September 2005 of our rating from Aaa to Aa1 in part due to consecutive decreases in fund equity. A pattern of decreased fund equity is one of the factors considered in evaluating the total financial picture of the District.

\$1,000,000 is included in the 2007-08 Balanced Budget for “Salary Savings”.

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Lawrie Kobza (rp)

Question: Where is the salary savings and contingency shown? How much is each?

Analysis: The salary savings and contingency are shown on pages 2-156, line 747 in the 2007-08 Budget and District Profile binder.

Contingency	\$650,000
Salary Savings	(\$1,000,000)

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Lawrie Kobza (dw)

Question: How are increases in benefits and salary calculated? The increase in benefits for some categories seem disproportionately high.

Analysis: In calculating salary and fringes for the budget we roll each person forward at a point in time, subtract retirees, fill in open budgeted allocations with a vacancy rate based on the employee unit and position type (ie, EAMTI, EA Regular) and then apply inflation increase rates based on the negotiated/negotiations packages as approved by the Board of Education.

**Madison Metropolitan School District
2007-08 Vacancy Rates (Salary and Fringe)
For Budget Discussion**

Q-3-c

Administrator	Use Actual	(average \$119,122)		
Custodian	\$69,098			
EA (Regular)	\$44,228	(average rate)	\$39,108	(displaced rate)
(SEA)	\$40,726	(average rate)	\$31,443	(displaced rate)
(Nurse)	\$48,249	(average rate)	\$37,704	(displaced rate)
(Clerical)	\$42,896	(average rate)	\$29,323	(displaced rate)
Clerical (12 month)	\$61,580			
(Technical)	\$72,386			
Teacher	\$56,615	(displaced rate)		
Teacher	\$72,272	(average rate)		
Social Worker, Psychologist, etc.	\$83,243	(average)		
Extended add on	\$2,030			
TETAB	\$75,012			
TEBRB (BRS)	\$60,042			
Trade	\$81,449			