

## **Budget Decision Items**

### ***EXPLANATION OF ANALYSIS***

As discussed previously, the functional analysis process is a method to evaluate an organization's operations from a program or unique activity/primary purpose perspective. As such, the emphasis on this type of analysis does not focus on individual positions, but rather on the contribution of a position to a particular function. In addition, attention is given to total resources (i.e., staff, equipment, materials) allocated toward that function. The main objectives of the MMSD functional analysis project are to:

- determine the critical nature of individual functions or programs
- identify functions or programs that should be considered for elimination
- offer alternatives to service delivery that result in cost reductions

This comprehensive analysis of all District functions has resulted in the decision items that follow. A complete listing of all functions reviewed and the relative screening category is found in Appendix A. The majority of our effort was expended in analyzing functions that were categorized as instructional support, instructional discretionary and corporate discretionary. As discussed before, the analysis of these functions included a review of a variety of factors - with fiscal impact, correlation with strategic and board priorities, and student impact being the most important variables of review.

The analysis of functions relied significantly on financial, position control and program effectiveness information provided by the District. Although steps have been taken (particularly in the financial area) to improve available information and data, the inability to obtain specific data as requested made the evaluation of certain of these variables difficult for some areas. An ongoing benefit of this functional analysis is the identification of the need to track and monitor specific information or data for future decision-making in several departments and functional areas.

Based on all of the functions analyzed, the majority of these decision items identify considerable potential savings from program reductions or function reorganization or modifications. This is a positive finding in that for the most part the District can continue to offer quality programs and services and is not yet at the point of having to totally abandon complete programs or services.

### ***FISCAL IMPACT OF BUDGET DECISION ITEMS***

Overall, a range of \$12.7 million to \$21.7 million in budget reductions has been identified for consideration in addressing the need to reduce the overall District budget. Of this amount a range of \$8.4 million to \$12.2 million is from specific functional or programmatic areas. Another \$4.2 million to \$9.6 million can be gained from consideration of changes to pupil/teacher ratios. The items should be viewed as a menu of potential reductions that can be made over a five-year period as necessary to stay within state revenue limits. Thus, it is anticipated that the District will concentrate on those items that they determine have the least impact in the first year and gradually progress to the larger impact items assuming the current state budget situation continues over the next few years. Assuming the need to reduce the budget by \$5 million in the first year, the District should find itself with many options to consider.

**FISCAL IMPACT OF BUDGET DECISION ITEMS (cont.)**

It is important to note that these options should not be construed as recommended cuts, but rather as individual decisions. Each decision item write-up offers insight and information for consideration in determining the specific student impact, level of District priority, fiscal impact and program effectiveness impact of changing the current function or program offering.

Department	Anticipated Savings Minimum	Anticipated Savings Maximum	Option	Decision Item #
Elementary	\$694,500.00	\$1,795,600.00	Reduce or Eliminate REACH program Option A: Reduce to 1/2 hour per week Option B: Total elimination of program	1
T&L - Science Program	\$83,000.00	\$83,000.00	Eliminate or find private funding for special facilities	2
Legal	\$78,200.00	\$78,200.00	Eliminate Contract Compliance Officer	3
Student Services	\$150,000.00	\$1,327,500.00	Eliminate selected alternative programs	4
Educational Information	\$86,705.00	\$86,705.00	Eliminate grow own principal program	5
Library Media Services(T&L,Scho	\$400,128.00	\$499,100.00	Reduce school library media specialists Option A: Reduce based on school size Option B: Reduce based on hours per student, w/ increase to EA support	6
T&L - Library Media Services	\$203,550.00	\$442,500.00	Reduce media production program Option A: Eliminate department \$442,500 Option B: Reduce size of unit	7
Elem/Sec - Extracurricular	\$84,000.00	\$84,000.00	Reduce funding for extracurricular programming	8
Elem/Sec - RISE	\$650,650.00	\$1,301,00.00	Eliminate or Reduce RISE Program Option A: Reduce by 1/2 first year Option B: Eliminate program 2nd year	9
T&L - Reading Recovery	\$658,000.00	\$1,316,100.00	Reduce district funding toward Reading Recovery Option A: Reduce total funding by 50% Option B: Eliminate \$1.3 million	10
T&L - Central Office	\$54,600.00	\$180,000.00	Reduce Coordinator FTE by 2 Option B: Convert 2 Coordinator FTE to resource teachers	11
T&L - TAG program	\$313,365.00	\$313,365.00	Reduce total allocation, reallocate centrally	12
Sec./Minority Service Coordinator	\$250,690.00	\$250,690.00	Include in guidance allocations	13
Secondary Education	\$92,310.00	\$222,100.00	Eliminate Driver Education programming Option B: Discontinue offering a credit and increase fees Option C: Increase fee slightly to cover BTW	14
Secondary Education	\$82,000.00	\$84,000.00	Eliminate the no cut freshmen rule Option B: Increase freshman athletic fees	15
Secondary Education	\$10,800.00	\$14,000.00	Eliminate JV teams added as a spill over result of no cut frosh Option B: Increase sophomore and junior athletic fees	16
Secondary Education	\$43,000.00	\$53,000.00	Generate additional athletic contest gate revenues	17
Secondary Education	\$0.00	\$74,000.00	Eliminate .8FTE of the assistant principal position relative to athletics	18
Parent Community Relations	\$39,000.00	\$422,500.00	Option A: cut 1 position at \$39,000--91,500 Option B: eliminate 2 of 6 positions - \$131,000 Option C: abandon function @ \$422,500	19
Ed. Services	\$94,763.00	\$245,030.00	Change ot/pt ratios	20
Ed. Services	\$126,000.00	\$126,000.00	Eliminate selected program support	21
Student Services	\$137,000.00	\$137,000.00	Reduce functions and nurse allocations	22

**FISCAL IMPACT OF BUDGET DECISION ITEMS (cont.)**

<b>Department</b>	<b>Anticipated Savings Minimum</b>	<b>Anticipated Savings Maximum</b>	<b>Option</b>	<b>Decision Item #</b>
Student Services	\$224,000.00	\$224,000.00	Reduce functions, psychologist allocations	23
Student Services	\$269,000.00	\$269,000.00	Reduce functions, social work allocations	24
Educational Information	\$94,000.00	\$94,000.00	Reduce functions and FTE in Staff and Organization Development	25
Educational Information	\$129,000.00	\$129,000.00	Reduce funding for Summer Institutes by 50 percent	26
Human Resources	\$1,073,939.00	\$1,073,939.00	Prorate part time health care benefits	27
Human Resources	\$136,812.00	\$146,880.00	Eliminate Administrator Retirement 4 retirements per year @ maximum \$36,720 Savings will not be realized in 2002-2003	28
Human Resources	\$1,940,779.00	\$1,940,779.00	Eliminate TERP Teacher Retirement \$1,940,779 = 01-02 costs Savings will not be realized in 2002-2003	29
Business Services	\$19,282.00	\$255,816.00	Bussing distance radius change from 1.5 to 2.0 miles Middle School = \$236,534.4 Elementary = \$19,281.6	30
Secondary Education	\$213,340.00	\$213,340.00	Eliminate high cost/low participation sports offerings	31
<b>Total Savings</b>	<b>\$8,436,413.00</b>	<b>\$12,175,144.00</b>		
<b>ALLOCATIONS</b>				
Allocations - SAGE 15/18:1 Ratio	\$679,000.00	\$679,000.00	SAGE funding @ 15/18 vs. 14/18 Reduction of 14.00 positions	
Allocations - SAGE >30% Low Income	\$1,028,685.00	\$1,028,685.00	Implement SAGE @ 15/18 at schools >30% Low Income Reduction of 21.21 positions	
Allocations - Supplemental	\$378,300.00	\$2,950,740.00	Eliminate Supplementals Elementary = 28.74 @ \$1,393,890 Middle School = 24.3 @ \$1,178,550 High School = 7.8 @ \$378,300 Reduction of 60.74 total positions	
Allocations - Specials	\$179,450.00	\$179,450.00	Increase Specials to 22 from 21 sections per allocation Reduction of 3.2 positions with SAGE specials elimination Additional .5 position without SAGE specials elimination	
Allocations - Elementary Class Size	\$540,290.00	\$540,290.00	Elementary Ratios increased to 23-24-26 Reduction of 11.1 positions	
Allocations - Middle School Class Size	\$451,050.00	\$882,700.00	Middle School Ratios increased 1.0 From 17:1 to 18:1 Reduction of 18.2 positions	
Allocations - High School Class Size	\$388,000.00	\$766,300.00	High School Ratios increased 1.0 From 21.8:1 to 22.8:1 Reduction of 15.8 positions	
Ed. Services	\$593,723.00	\$2,538,521.00	Change spec. ed student teacher ratios (\$750-2.1 million) Change sea ratios	
<b>Allocations Totals</b>	<b>\$4,238,498.00</b>	<b>\$9,565,686.00</b>		
<b>Total Savings with Allocations</b>	<b>\$12,674,911.00</b>	<b>\$21,740,830.00</b>		

***INDIVIDUAL BUDGET DECISION ITEMS***

The following 30 decision items are independent of one another unless otherwise noted. As such, the impacts of implementation have been considered as it relates directly to the identified function or program.