

2013 – 2014 Summary of Spending Cut Plan Options
January 22, 2013

- The St. Lucie County School Board has a history of spending public dollars responsibly - Every school board in Florida is required by state law to maintain a balanced budget annually. In prior years when revenue shortfalls were anticipated the School Board developed and implemented budget reduction plans that prioritized student educational program services, saved jobs in the local community where possible and increased operational efficiencies. Most recently, to balance the 2009-2010 revenue shortfall, a \$30,000,000 expenditure cut plan was developed in collaboration with our union partners. None of the 2009-2010 plan strategies had a significant impact in reducing programs for students nor were there district-wide layoffs of employees. Instead, two schools were closed, utility costs were reduced and administrative and support staff positions at the district office were eliminated. Savings in district office positions have been maintained. In 2011, St Lucie County spent less than 61 out of 67 districts in administrative costs per student. In 2012, St. Lucie's percentage of staff assigned to district office administrative positions was in the bottom quartile of districts statewide, well below both the state and peer district averages.*

*Data Sources: FDOE student membership/full time staff ratios from 2011-2012. Link: <http://www.fldoe.org/fefp/sm-fts.asp> and FDOE Summary of Administrative Expenditures, FY 2010-2011 (most recent data available). Peer districts are Clay, Escambia, Lake and Sarasota County School Districts

- District revenues continue to decline – School districts in Florida continue to face formidable challenges regarding funding. In contrast with most other states, the Florida state legislature sets the maximum amount that can be levied by each school district. For the past five years revenues in St. Lucie County Schools have dwindled every year:
 - Funds allocated at the state level for education continue to spiral downward.
 - St. Lucie County's local economy was hit hard by the country's economic recession and has still not fully recovered.
 - Property values have declined, negatively impacting revenues from local property tax.
 - New legislation impacting public schools has been mandated each year, yet unfunded by the State Legislature.
 - Revenue from lottery dollars has also declined.
- Overall, district operational expenditures have not increased. Dollars spent on most district operations have not increased, however employee health insurance costs have increased dramatically. Over the past 5 years insurance premiums paid by the district have increased by 32.47%. Overall, because of declining revenues and steady expenditures the school district is currently spending \$15,000,000 more than the funds it receives annually.
- Proactive planning has built up a fund balance - The School Board has proactively planned to use its fund balance as a "rainy day" savings account. To maintain level of services for students in 2012-2013, the Board spent \$12,800,000 or 42.48% from its fund balance. The District's ability to support its expenditures through fund balance will be exhausted as of June 30, 2013.
- An Expenditure Reduction Plan is now needed – When comparing projected revenues and expenditures for the 2013-2014 school year another \$17,000, 000 worth of cuts and/or additional revenues are needed to balance the budget as required by state law. The attached menu of strategies has been developed along with anticipated cost savings as options that are available to the Board to cut costs.

Menu of Proposed Strategies to Reduce District Expenditures for 2013/2014 - January 22, 2013

<u>Cost Savings Strategies</u>	<u>Cost Savings</u>
• Cut scope of Athletics	\$1,000,000
• Student Assignment Changes: <ul style="list-style-type: none"> • Minimal or no district transportation to areas designated as remote • Student assignment based on zip code • Consolidation of Fairlawn and FK Sweet Magnet Schools and transition Village Green Elementary to choice school • Transition Dan McCarty School to serve grades 6 – 8 only 	\$1,000,000
• Close Garden City Early Learning Academy and Fort Pierce Magnet School of the Arts K-8	\$1,500,000
• Four day school week for students and employees: <ul style="list-style-type: none"> • All instructional staff and administrators will work extended hours for 4 days each week to meet the number of instructional minutes specified in Florida Statute. • Bus drivers and aides, school cafeteria employees and other hourly contract employees will continue to work at regularly scheduled hours 4 days per week. 	\$3,600,000
• Elimination of media specialists and clerks in all school libraries	\$3,000,000
• Reduction in school resource teachers including those who teach physical education, music, art and technology	\$1,300,000
• Elimination of ConnectED District Call System	\$120,000
• Reduction in availability of Substitute Teachers	\$1,500,000
• Reduction in Student Services including Social Work and School Psychology Services	\$1,400,000
• Transition to block schedule at 4 middle schools	\$1,000,000
• Privatization of Custodial Services	\$2,000,000
• 1% reduction in all employee salaries including board member salaries	\$1,800,000
• Reduction in academic supplements	\$250,000
• 2 day furlough for all administrators including district office administrators, principals and assistant principals. Total = 137 administrators	\$100,000
• Elimination of 1 paid holiday for all employees	\$1,000,000
• 10% reduction in School Board contribution for employee health insurance*	\$3,100,000
• Elimination of district contribution toward employee IRS Section 125 Cafeteria Plan*	\$1,600,000
• 4 day work week (reduction of one 8 hour day per week) for district maintenance staff	\$1,000,000
• Reduction in use of outside legal services	\$250,000

*Currently in negotiation with the Classified Teachers' Association/Classified Unit