



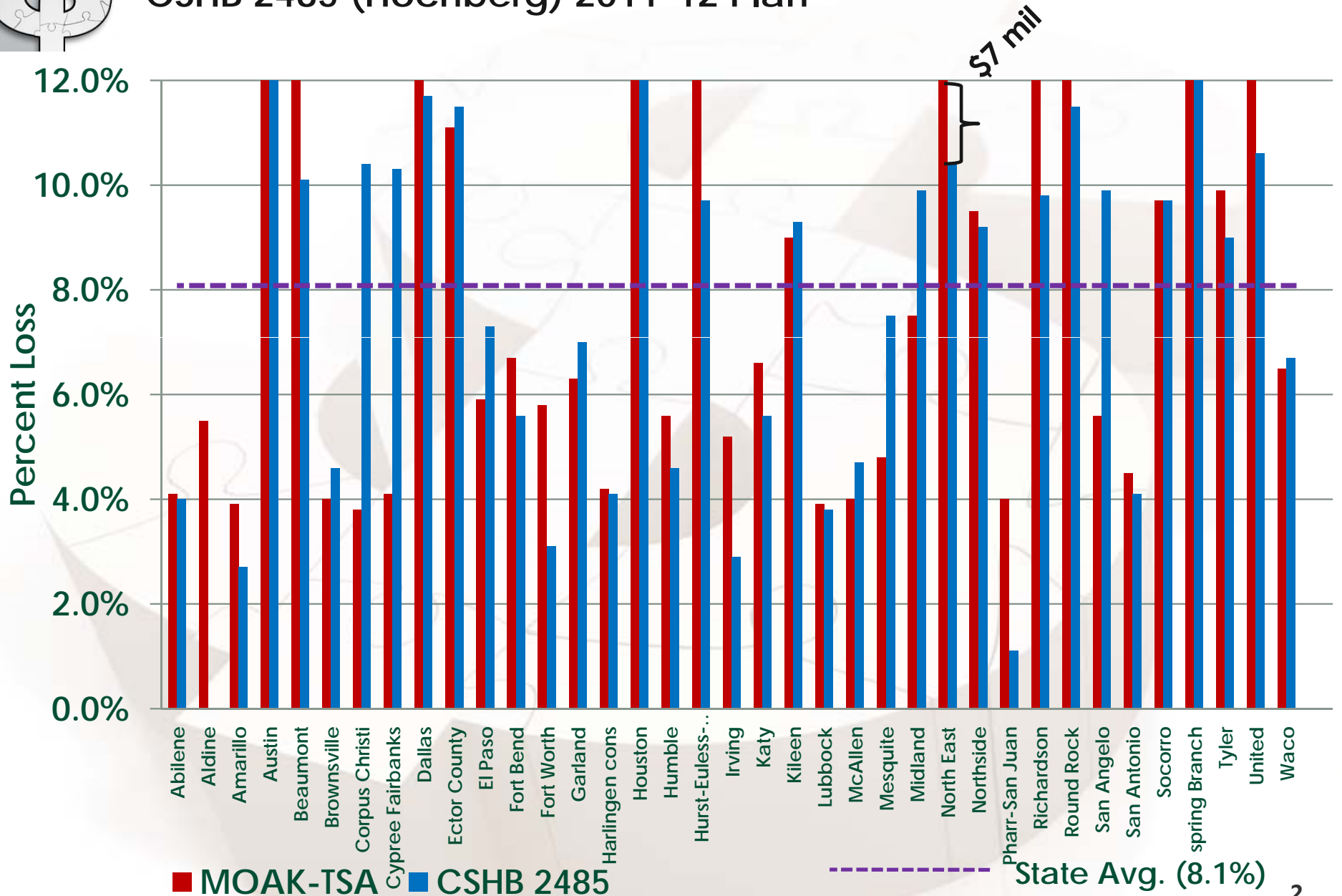
# Piecing Together a New Plan

Board of Trustees Presentation

April 11, 2011



# Unofficial Moak Casey 2011-12 Estimate vs. CSHB 2485 (Hochberg) 2011-12 Plan





# Impact to NEISD

How big is the pie and how big is our slice?

## How Much is Education Being Reduced Statewide?

- Moak, Casey's example is based on \$5.6 billion reduction to the Foundation School Program
- House Bill 2485 is based on \$6.2 billion reduction to the Foundation School Program

## How Much is NEISD's Share?

- Previous presentations have focused on 3 methods for distributing the cuts
  1. Proration based on property wealth
  2. Proration where every district is reduced equally
  3. A change to funding formulas
- Both the Moak scenario & HB2485 represent changes to the funding formula that give a greater share of the overall reduction to districts with Target Revenue per student greater than the state average and districts with higher property wealth per student (*NEISD has both*)



## NEISD Finances with *Unofficial* Moak, Casey Estimate

(in millions)	2010-2011	Growth	Before Revenue Reduction 2011-2012	Cuts	Revised 2011-2012	Cuts	2012-2013
Revenue	\$505.2	6.6	\$511.8	(55.8)	\$456.0	(1.0)	\$455.0
Expenditures	485.4	22.5	507.9	(41.4)	466.5	8.6	475.1
Increase (Decrease) to Fund Balance	\$19.8		\$3.9		(\$10.5)		(\$20.1)
Beginning Fund Balance	71.9		91.7		91.7		81.2
Ending Fund Balance	\$91.7		\$95.6		\$81.2		\$61.1
Months of Operating Fund Balance	2.4		2.4		2.2		1.6

Under Moak, Casey & Associates' latest estimate, NEISD's revenue would be lower than current funding formulas by 12% each year. This translates to a \$55.8 Million loss in 2011-12 and \$1M additional loss in 2012-13.



## NEISD Finances with HB2485

(in millions)	2010-2011	Growth	Before Revenue Reduction 2011-2012	Cuts	Revised 2011-2012	Cuts	2012-2013
Revenue	\$505.2	6.6	\$511.8	(48.2)	\$463.6	(11.3)	\$452.3
Expenditures	485.4	22.5	507.9	(41.4)	466.5	8.6	475.1
Increase (Decrease) to Fund Balance	\$19.8		\$3.9		(\$2.9)		(\$22.8)
Beginning Fund Balance	71.9		91.7		91.7		88.8
Ending Fund Balance	\$91.7		\$95.6		\$88.8		\$66.0
Months of Operating Fund Balance	2.4		2.4		2.4		1.7

With HB 2485, NEISD's revenue would be lower than current funding formulas by \$48.2M in 2011-12 (10.4%) and an additional \$11.3M loss in 2012-13 (12.5%).



# Expenditure Reductions for 2011-2012

Additional Costs for Eliminated Grants	\$3,000,000
Eliminate Pay Raise	(9,280,000)
Central Office Positions Frozen/Eliminated (Approx 41 FTEs, 6.2%)	(2,570,000)
Eliminate Retention Supplement	(6,140,000)
Utility Savings	(450,000)
Reduce AARs and Contingencies	(2,000,000)
Don't Add Teachers to Accommodate Enrollment Growth	(4,060,000)
Reduce Contract Days for Teachers > 187 days	(250,000)
Central Office Department Budget Reductions	(350,000)
Reduce Contract Days by 2 for Admin & Paras >190 days	(577,000)
<b>Total Before Campus Reductions</b>	<b>(\$22,677,000)</b>
Campus Reductions ( <i>potential</i> , based on attrition)	
Elementary School Teachers(135 FTEs, 6.6%)	(\$8,169,000)
Middle School Teachers(37 FTEs,3.9%)	(2,173,000)
High School Teachers(61 FTEs, 4.7%)	(3,672,000)
General Assistants & Clerical Admin – All levels(90 FTEs, 5.4%)	(2,709,000)
Campus Admin & Other Professionals – All Levels (26 FTEs, 3.8%)	(1,950,000)
<b>Total Potential Campus Reductions</b>	<b>(\$18,673,000)</b>
<b>Grand Total</b>	<b>(\$41,350,000)</b>



# Reductions to Teacher Staffing Levels

	Current Allocation	Reduction Goal	Resignees/ Retirees To-Date	Contracts Started After 1 <sup>st</sup> Day of Instruction
Elementary School Teachers	2,030.7	135	84	42
Middle School Teachers	953.6	37	38	23
High School Teachers	1,284.5	61	60	24
<b>Total</b>	<b>4,268.8</b>	<b>233</b>	<b>182</b>	<b>89</b>
<b>% of Current Allocation</b>		<b>5.5%</b>	<b>4.3%</b>	<b>2.1%</b>

Teacher Turnover Rate: 2005-2006	10.1%
2006-2007	11.7%
2007-2008	11.2%
2008-2009	10.4%
2009-2010	8.2%

If 2010-2011's turnover rate is 8%, total teacher turnover would be 341.

If 2010-2011's turnover rate is 6%, total teacher turnover would be 255.



## What if.....?



- The campus staffing reduction goal is aggressive.
- What if, through attrition alone, only 80% of the reduction goal is met in 2011-2012?
  - 186 Teaching FTEs reduced instead of 233
    - \$2.9 million less in 2011-2012 savings
  - 21 Campus Admin FTEs reduced instead of 26
    - \$0.4 million less in savings
- The remaining \$3.3 million of reductions (52 FTEs) would come from attrition for the 2012-2013 year.



## NEISD Finances with *Unofficial* Moak, Casey Estimate (If only 80% of Campus Reduction Goal is met in 2011-12)

(in millions)	2010-2011	Growth	Before Revenue Reduction 2011-2012	Cuts	Revised 2011-2012	Cuts	2012-2013
Revenue	\$505.2	6.6	\$511.8	(55.8)	\$456.0	(1.0)	\$455.0
Expenditures	485.4	22.5	507.9	(38.1)	469.8	5.3	475.1
Increase (Decrease) to Fund Balance	\$19.8		\$3.9		(\$13.8)		(\$20.1)
Beginning Fund Balance	71.9		91.7		91.7		77.9
Ending Fund Balance	\$91.7		\$95.6		\$77.9		\$57.8
Months of Operating Fund Balance	2.4		2.4		2.1		1.5

If 80% of the campus staffing goal is met in 2011-2012, attrition would be used again for 2012-2013 to achieve the remaining 20%. The negative effect to fund balance by June 30, 2013 for taking 2 years to reach targeted staffing levels is \$3.3 million.

Questions?

