

RECOMMENDATIONS to the Xenia Board of Education

January 10, 2011

A decorative graphic consisting of several horizontal lines of varying lengths and colors (teal, light blue, white) extending from the right side of the page towards the center.

Board Recommendations—Jan. '11

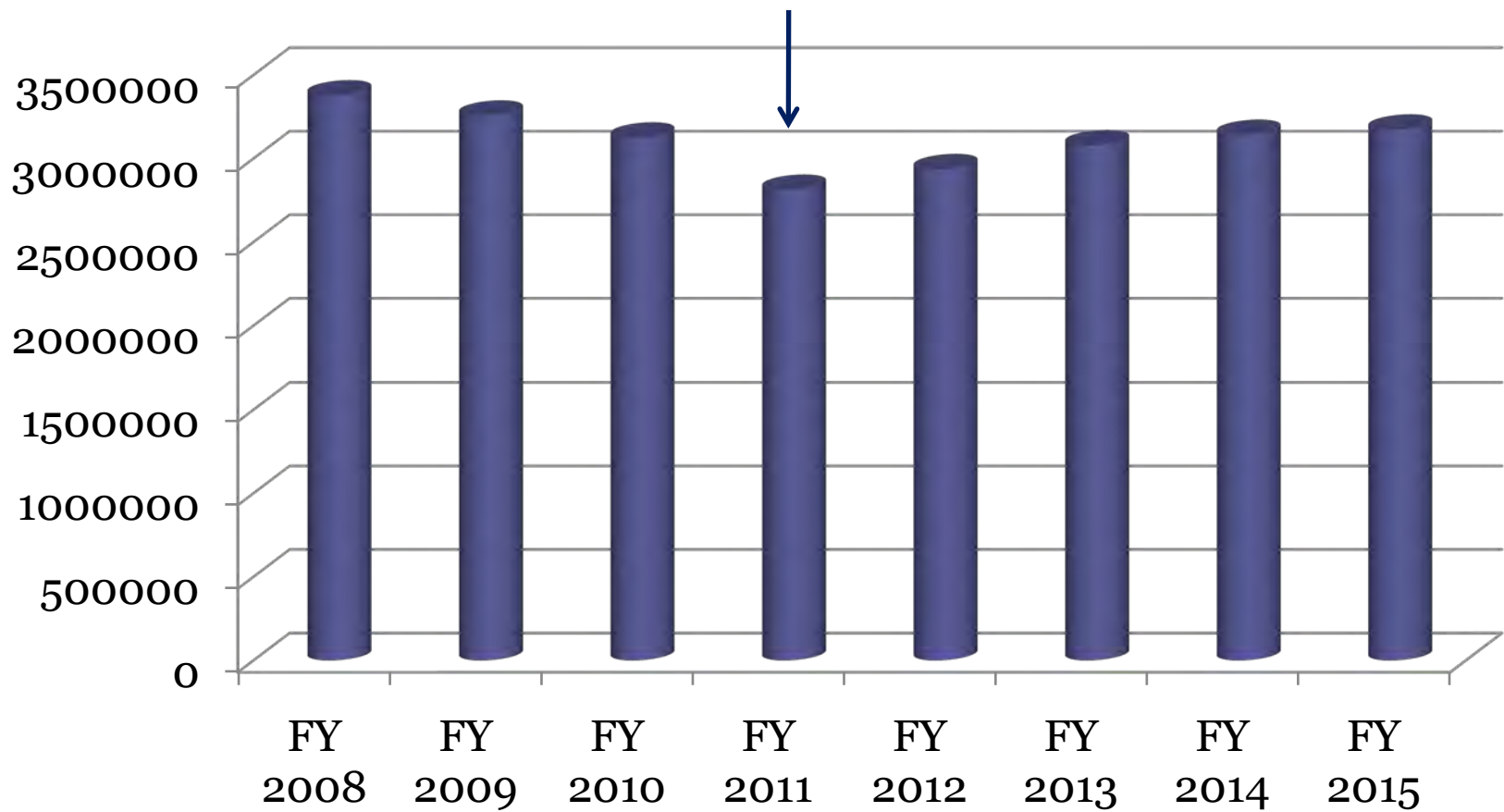
- With these conditions facing us we have prepared a tentative plan to address a major part of this looming deficit
- We will still need to address additional cuts later in the year
 - Even with this extensive planning we recognize how difficult these decisions are for the Board and the district

Revenue

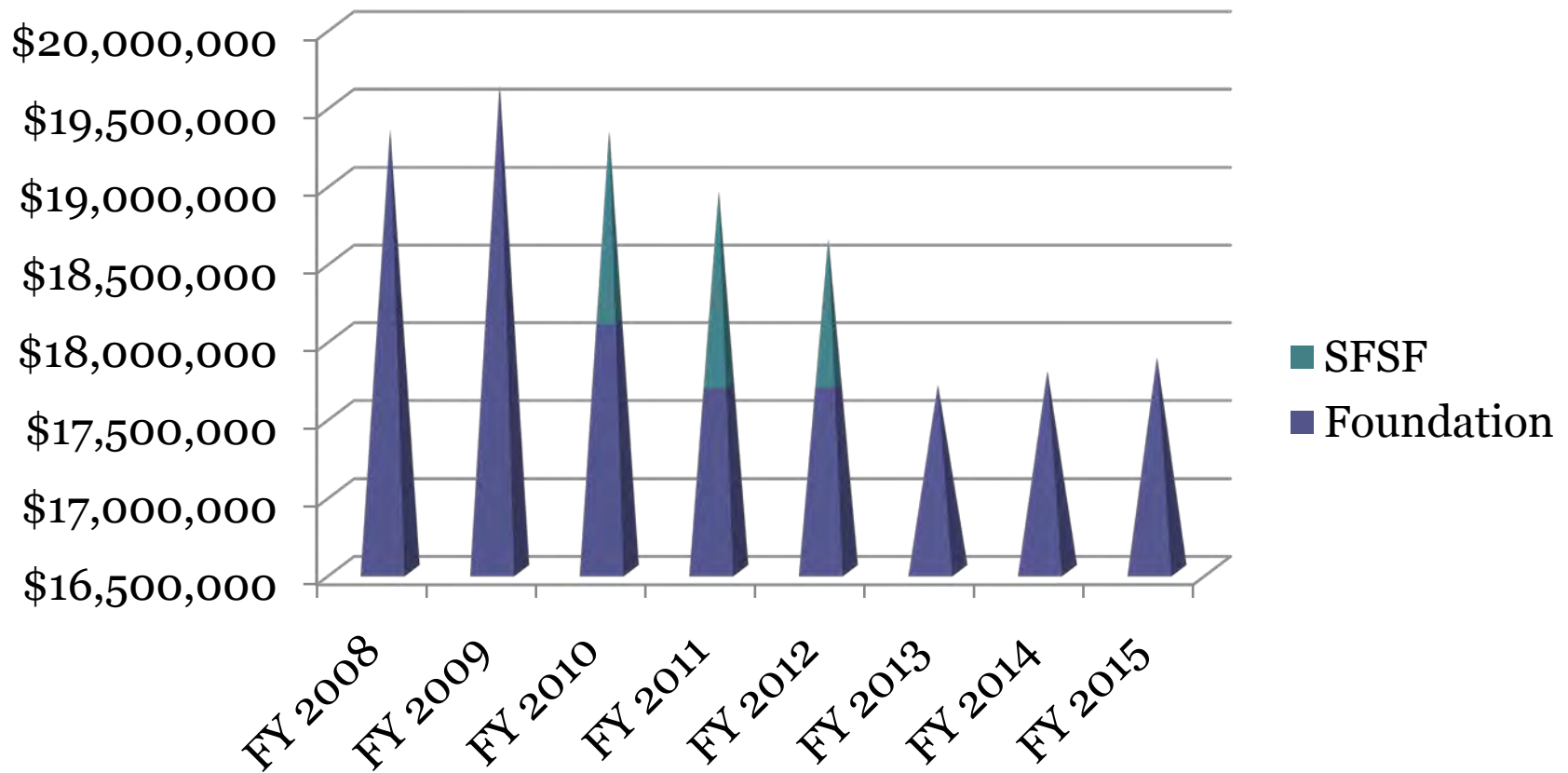
- Fiscal Year 2009: \$46,515,024
- Fiscal Year 2010: \$45,733,043
- Fiscal Year 2011: \$45,758,852
(projected)

- Fiscal Year 2012: \$45,253,376
(projected w/o state cuts)

Declining Income Taxes



Declining State Revenues

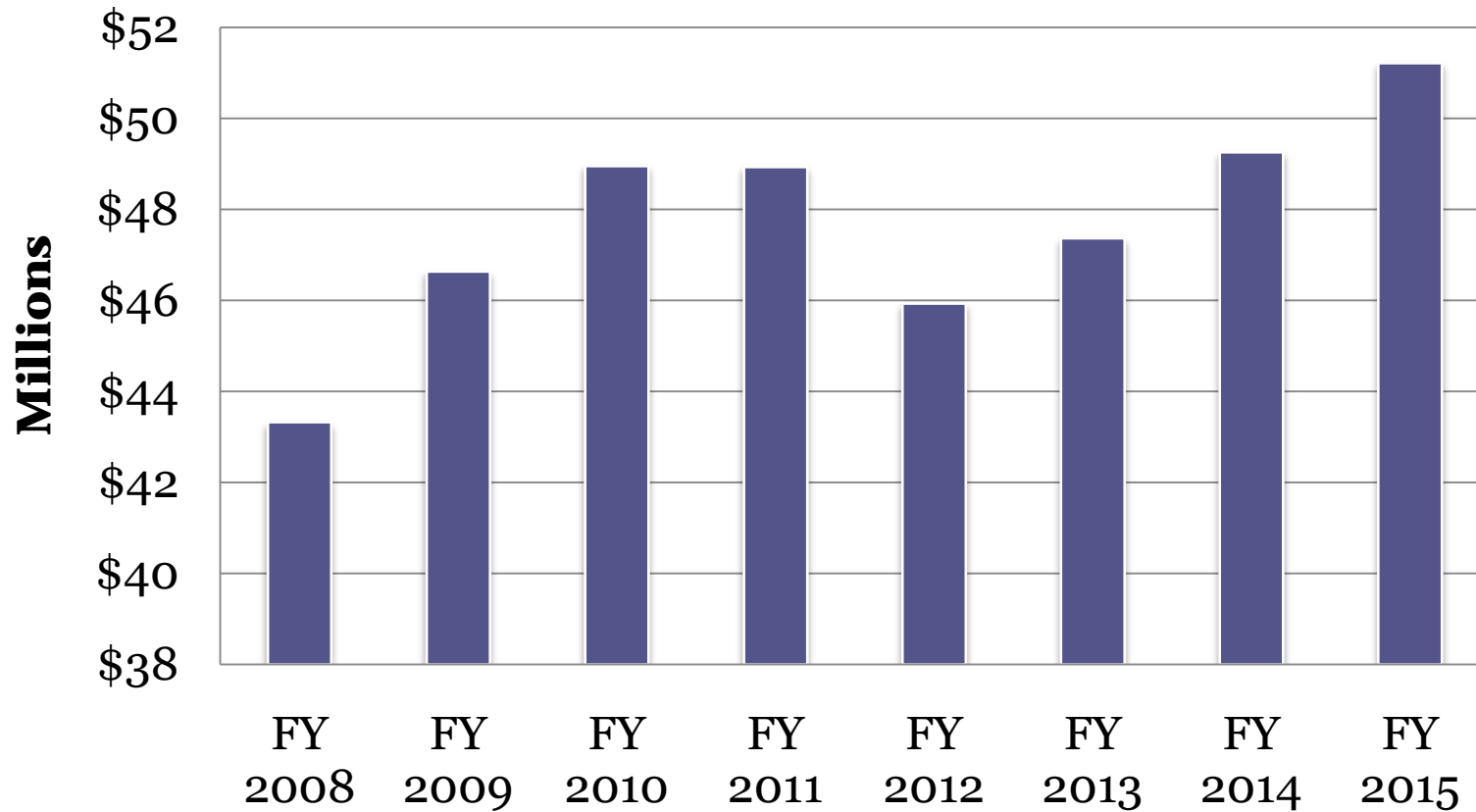


Expenditures

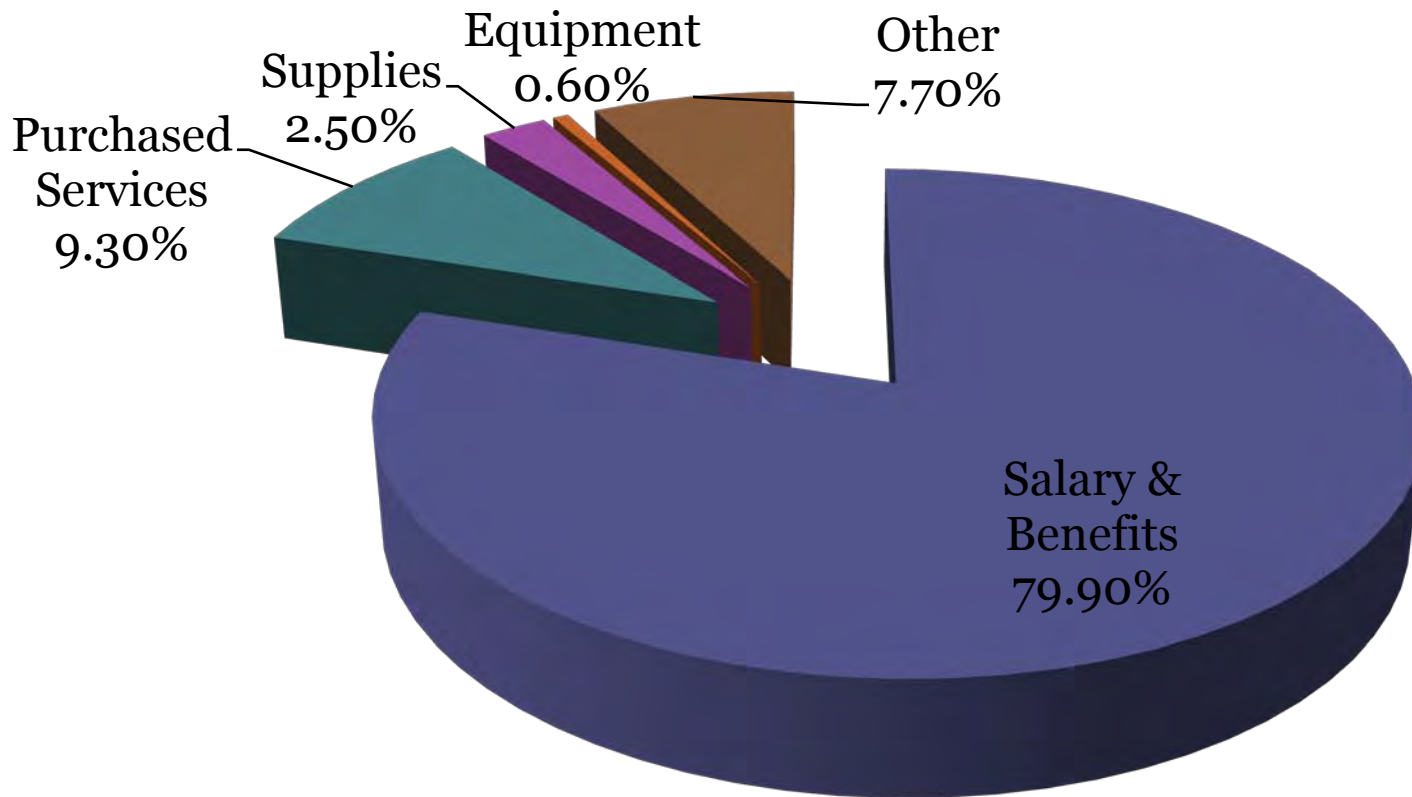
- | | |
|---|--------------|
| □ Fiscal year 2009 | \$46,859,071 |
| □ Fiscal Year 2010 | \$49,458,238 |
| □ Fiscal year 2011
(projected)
•Includes cuts of \$2.2 million | \$49,052,058 |
| □ Fiscal year 2012
(projected)
•Includes cuts of \$3 million | \$46,049,229 |

Increased Expenditures

Total



Expenditures by Type



Major Expenditures other than Salaries and Benefits

1. Utilities = \$833,910
2. Community/Charter School payments = \$933,789
3. Charges for Open Enrollment to Other Districts = \$839,818
4. Extra/Co-Curriculars = \$751,356**
5. Educational Service Center Costs for Special Education = \$2,871,534

Top Five Total = \$6,230,407 or 65% of 20%

** - Items which may be discretionary

Ending Cash Balance (Carry Over)

Fiscal year 2009: \$7,793,186

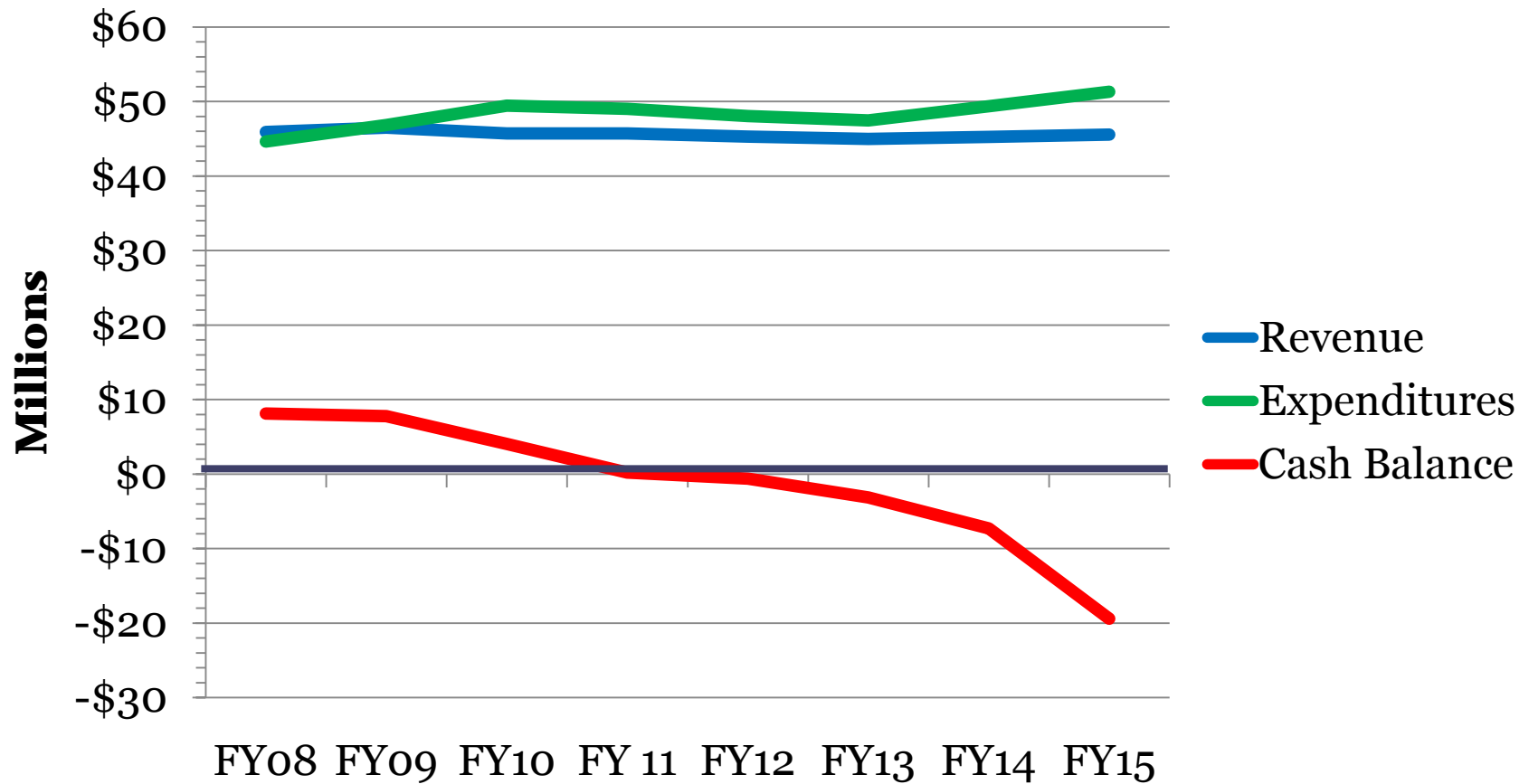
Fiscal year 2010: \$4,068,642

Fiscal Year 2011: \$775,436 (projected)

Fiscal Year 2012: **(\$593,771)** (projected)

- Includes renewal of Income Tax Levy
- Includes an additional \$3 million in cuts

Revenues, Expenditures and Fund Balance



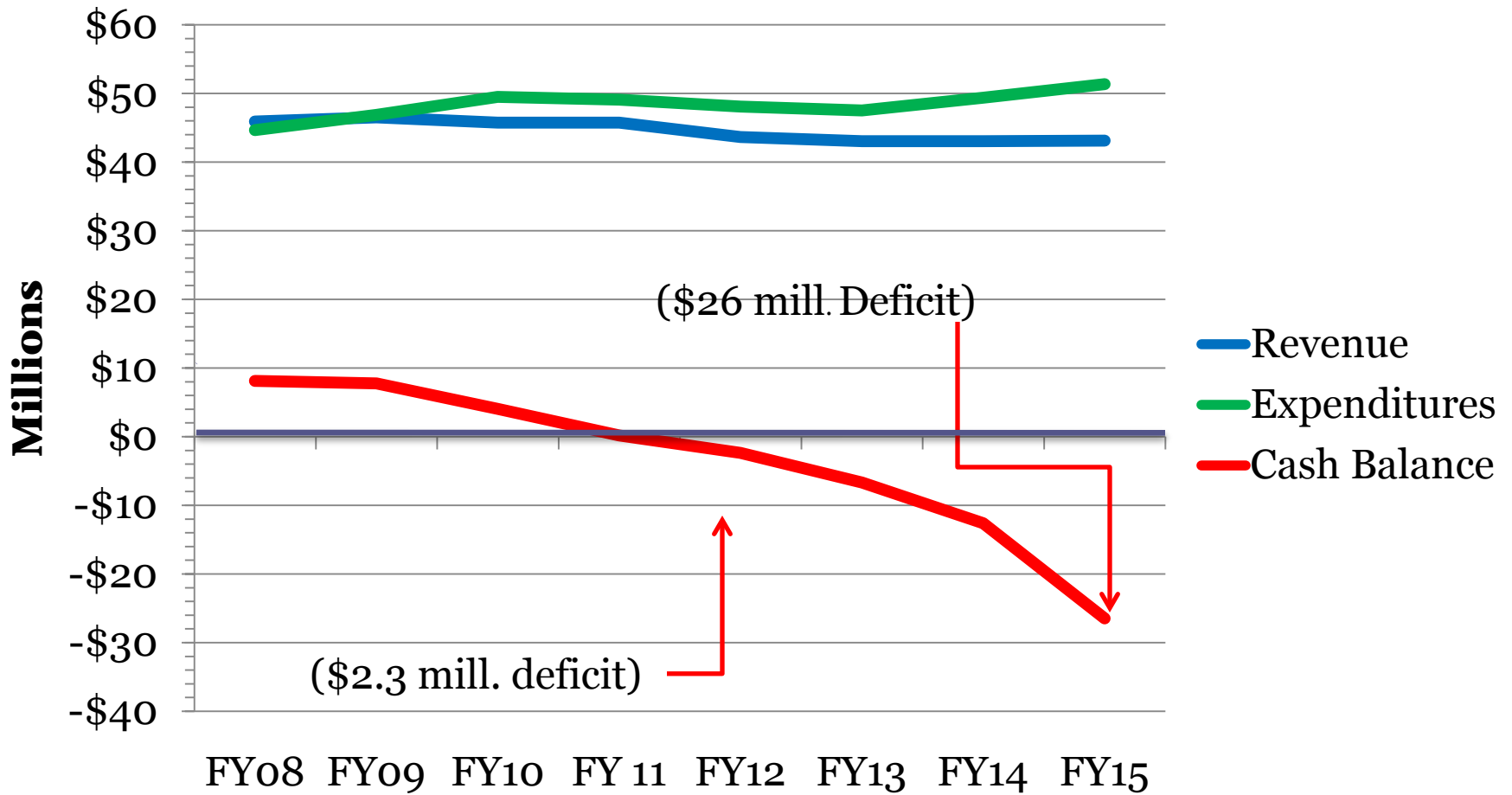
Rising costs....

- Salary and Benefits increased by 4.1% in FY10 or by \$1.53 million
- Health Insurance Costs increased 34.2% on January 1, 2011 or by almost \$500,000 even after staff reduction
- Utilities Increased by 17.1% from FY08-FY10 or \$122,110
- Diesel increased 14.8% in FY10 or \$30,160

Concerns...

- The district is using (spending) \$1.25 million in stimulus funds 2010-2011 that is *one time* funding. The state has no plans to replace this revenue for 2012.
- State foundation funding is projected to be cut by 8%-23% for fiscal 2012 and fiscal 2013. This is not calculated in the five year forecast for the Xenia Schools above the loss of stimulus funds.

What Happens With a 10% (\$1.77 million) Cut in State Revenue



Even with the passage of Issue 3

- The district will need to pass two additional renewal levies in May, 2011
- An operating levy for additional funds will be necessary in November 2011
- The district will need to make at least \$3-5 million of cuts in 2011-2012

Cincinnati Enquirer (Jan. 7, 2011)

- **FISCAL CRISIS**

- **Little Miami (Schools) to talk breakup**

This District is just 45 minutes down the road and is facing severe financial threats that could mean dismantling the district.

We (Xenia Schools) don't want the same headlines, so we must be proactive!!

Board Recommendations Jan. '11

**AN OVERVIEW
OF THE
RECOMMENDATIONS
FOR REDUCTIONS**

Board Recommendations—Jan. '11

- Due to increased costs and falling revenue, Xenia Schools faces a financial crisis
- The financial situation is not unlike districts across the state
- For the 2011-12 school year, Xenia Schools are facing a deficit projected to be at least **\$5 million**

Board Recommendations—Jan. '11

- The recommendations we are making have been deliberated and agonized over for several months
 - The financial crisis is so significant that there is no “easy fix”
 - “Simple” choices such as eliminating athletics and reducing transportation would not come close to closing the gap
 - It became apparent that in order to make these cuts the district would need to close at least one, if not two, buildings

Board Recommendations—Jan. '11

- Our original consideration was to close Spring Hill
 - One of three buildings with the lowest enrollment
 - Scheduled to close (and not be replaced) in 2012-13
- Then concerns about Shawnee surfaced from the construction process

Board Recommendations—Jan. '11

- After community outreach meeting for Shawnee, concerns were shared
 - The “footprint” of the new Shawnee needed to be moved closer to the current building (due to soil concerns)
 - The Construction Manager expressed the concerns of
 - Safety of the students
 - Speed/efficiency of the construction process
 - Intrusion to the Shawnee neighborhood

Board Recommendations—Jan. '11

- It was recommended that it would be best to close Shawnee Elementary School after the 2010-11 school year
 - The majority of the Shawnee students will be housed in the current Spring Hill School for 2011-12
 - The combining of the Shawnee and Spring Hill students will help with the blending of student groups for the new Shawnee building in 2012-13

Board Recommendations—Jan. '11

- The recommendation for Arrowood evolved from similar circumstances
 - Arrowood is the smallest district building (255 students)
- Discussion from this community outreach meeting raised further concerns
 - The district would need to add a new temporary turnaround for parent pickup at a cost of \$100,000
 - This would have reduced the construction budget and would have cut resources the district could place in the classrooms such as whiteboards

Board Recommendations—Jan. '11

- Similar to Shawnee, the majority of students who are “native” to the Arrowood school area will attend Simon Kenton during the 2011-12 school year
- This will aid in the blending of these Arrowood students with other students who will attend the new, larger Arrowood School when it opens in 2012-13

Board Recommendations—Jan. '11

- With the closing (for one-year) and consolidation of these two buildings the district is projected to save **\$1,986,942**
- This is almost 40% of the overall reductions needed by the district

Board Recommendations—Jan. '11

- The proposed closing of two elementary schools would achieve approximately \$2 million in reductions
- The district must still come up with another \$3 million in additional savings
 - We considered the consolidation of the two middle schools
 - We also needed to find a location for the district pre-school

Board Recommendations—Jan. '11

- Combining all grade-level students (grade 6 and grades 7 and 8) in one building will have several positive benefits for students as well as the district
- Under this organization--
 - All Xenia preschool students will attend Central
 - All students in grade 6 will attend Central
 - All students in grade 7 and 8 will attend Warner

Board Recommendations—Jan. '11

- The changes in grade-level organization will allow the district--
 - To provide a more consistent instructional program for all the students
 - To be able to provide greater options for differentiation of instruction through program options and within the classrooms

Board Recommendations—Jan. '11

- The changes in grade-level organization will allow the district-
 - To offer a broader range of classes and courses (including gifted, accelerated and intervention) for all students in the same grade
 - To capitalize on teachers' expertise in individual subject areas to ratchet up teaching

Board Recommendations—Jan. '11

- The changes in grade-level organization will allow the district-
 - To facilitate teachers in the same grade/subject collaborating and learning from each other
 - To make more efficient use of the instructional resources (textbooks, support materials, software, etc.) and equip all teachers and students within the grade level with the same resources

Board Recommendations—Jan. '11

- This reorganization of grades 6, 7, and 8 and the relocation of preschool classes is projected to save
 - **\$1,620,678**
- This represents approximately 32% of the overall reductions necessary

Board Recommendations—Jan. '11

- In addition we have made recommendations totaling approximately \$1,364,500
 - These reductions will include-
 - High school
 - Central Office
 - Transportation
 - Other miscellaneous staff

Board Recommendations—Jan. '11

- **Key Point: these recommendations are interrelated**
 - in order for each of these pieces to work, all of the parts must be implemented

Board Recommendations—Jan. '11

- At present, the total of our recommendations for the 2011-12 school year is

\$4,966,700

Board Recommendations—Jan. '11

- Arriving at these recommendations has been a very painful process
- These recommendations were agonized over the past several months
- Our primary focus was to propose reductions that will minimize the negative impact on quality instruction and service to students and parents

Board Recommendations—Jan. '11

- Thank you for your time and consideration of this challenging issue