



June 16, 2020

MEMORANDUM

To: Members of the Board of Education

From: Michael J. Martirano, Ed.D.
Superintendent

Subject: Fiscal Year 2021 Budget Balancing Plan

The purpose of this memorandum is to provide information, updates and recommendations for the Board to adopt the FY2021 HCPSS Operating Budget. In addition to a recommended budget reconciliation plan to balance the FY 2021 Adopted Budget, this document addresses the need to include supplemental funding of unassigned fund balance in the FY 2021 Adopted Budget, and outlines the remaining steps for FY 2021 budget adoption.

Overview of the FY 2021 Budget to Date

The Board submitted its FY 2021 Operating Budget Request to the County Executive in early March. The request totaled \$947.8 million, an increase of \$46.5 million from the FY 2020 Budget. The Board’s request was \$16.2 million less than the FY 2021 Superintendent Proposed Operating Budget. These reductions included taking a phased approach to address critical needs for Special Education, adding 106.8 new positions instead of the 216 proposed, lowering the budget request by \$4.2 million. The Board also lowered the request of one-time funds from the County to pay-down the Health Fund deficit from \$9 million to \$6 million, reflecting the tentative agreement with the county for the health fund deficit elimination plan. Lastly, the Board reduced the budget \$7.2 million by increasing class size. Specifically, Grades 1-5 class ratios in non-Title 1 schools were raised by 1, and the overall student to teacher ratios for middle and high schools were raised by 1.25. The \$46.5 million in new funds requested by the Board were to pay for the major obligations and needs outlined in the Table 1 below:

Table 1: Summary of Major Changes in BOE FY 2021 Requested Operating Budget

<i>Item</i>	<i>FY21 Amount (in millions)</i>
<i>Employee Salary Increases</i>	\$24.9
<i>Special Education</i>	11.2
<i>One-time Request for Health Fund deficit</i>	6.0
<i>Health Insurance (fully fund)</i>	4.9
<i>Transportation (including redistricting)</i>	3.8
<i>New Enrollment Growth</i>	2.8
<i>Other Operating Budget Changes</i>	.9
<i>Diversity, Equity, and Inclusion</i>	.1
<i>Class Size Increase (reduction from FY20)</i>	(7.2)
<i>Increase in Turnover Savings</i>	(.9)
<i>Total Change from FY 20 Adopted</i>	\$46.5

The County Executive released his Proposed FY 2021 Budget for HCPSS on April 20, 2020, which proposed total funding of \$910.9 million, including an increase of \$2.7 million above Maintenance of Effort. The County Council adopted the budget at the County Executive proposed amounts.

The final adopted budget requires a reduction of \$36.9 million from the BOE Request Budget. Table 2 summarizes the comparison. It is important to note that while certain categories were funded at specific levels, as we discussed during the Board's initial work session on April 30 and again during conversations with the County Council, these categorical funding levels were proposed as placeholders and subject to change based on final Board adoption.

Despite lowered revenue projections and a difficult economic situation due to the Coronavirus pandemic, the County Executive and County Council were able to maintain their commitment to provide funding above the mandated MOE level. The final categorical breakdown will be submitted to the County Council for adoption to reflect the Board's final decision.

Table 2: BOE FY 2021 Operating Budget Request Compared to County Adopted Budget

HCPSS GENERAL FUND								
	Approved Budget FY2020	FY2021 BOE Requested	BOE Request Year over Year \$\$ Change	BOE Request Year over Year % Change	CR63-2020 FY 2021 County Council Adopted	County Adopted Difference to BOE Request	County Adopted Year over Year \$\$ Change	County Adopted Year over Year % Change
General Fund								
Revenues								
Local Revenue	\$607,200,000	\$ 657,191,006	\$ 49,991,006	8.2%	\$620,300,000	\$ (36,891,006)	\$13,100,000	2.16%
State Revenue	274,443,415	282,654,203	8,210,788	3.0%	282,654,203	-	8,210,788	2.99%
Federal Revenue	385,000	410,000	25,000	6.5%	410,000	-	25,000	6.49%
Other Revenue	7,312,882	7,573,507	260,625	3.6%	7,573,507	-	260,625	3.56%
Total Revenues	\$889,341,297	\$ 947,828,716	\$ 58,487,419	6.6%	\$910,937,710	\$ (36,891,006)	\$21,596,413	2.43%
Other Sources								
Use of Fund Balance	12,000,000	-	(12,000,000)	-100.0%	-	-	(12,000,000)	-100%
Total Revenues and Other Sources	\$901,341,297	\$ 947,828,716	\$ 46,487,419	5.16%	\$910,937,710	\$ (36,891,006)	\$ 9,596,413	1.06%
Expenditures								
State Category 01 Administration	13,578,591	13,781,568	202,977	1.5%	\$ 13,578,591	\$ (202,977)	\$ -	0.0%
State Category 02 Mid-Level Administration	64,089,827	64,019,815	(70,012)	-0.1%	64,089,827	\$ 70,012	-	0.0%
State Category 03 Instructional Salaries and Wages	362,637,330	370,553,367	7,916,037	2.2%	370,553,367	\$ -	7,916,037	2.2%
State Category 04 Instructional Textbooks/Supplies	8,521,570	9,023,193	501,623	5.9%	9,023,193	\$ -	501,623	5.9%
State Category 05 Other Instructional Costs	3,480,101	4,151,692	671,591	19.3%	4,151,692	\$ -	671,591	19.3%
State Category 06 Special Education	120,298,423	134,337,196	14,038,773	11.7%	120,805,585	\$ (13,531,611)	507,162	0.4%
State Category 07 Student Personnel Services	3,982,752	4,379,155	396,403	10.0%	3,982,752	\$ (396,403)	-	0.0%
State Category 08 Student Health Services	9,302,729	9,657,012	354,283	3.8%	9,302,729	\$ (354,283)	-	0.0%
State Category 09 Student Transportation Services	42,801,337	47,425,217	4,623,880	10.8%	42,801,337	\$ (4,623,880)	-	0.0%
State Category 10 Operation of Plant	42,167,830	44,114,754	1,946,924	4.6%	42,167,830	\$ (1,946,924)	-	0.0%
State Category 11 Maintenance of Plant	26,703,528	27,828,245	1,124,717	4.2%	26,703,528	\$ (1,124,717)	-	0.0%
State Category 12 Fixed Charges	195,558,711	210,300,558	14,741,847	7.5%	195,558,711	\$ (14,741,847)	-	0.0%
State Category 14 Community Services	7,289,364	7,289,364	-	0.0%	7,289,364	\$ -	-	0.0%
State Category 15 Capital Outlay	929,204	967,580	38,376	4.1%	929,204	\$ (38,376)	-	0.0%
Total Expenditures	\$901,341,297	\$ 947,828,716	\$ 46,487,419	5.16%	\$910,937,710	\$ (36,891,006)	\$ 9,596,413	1.06%

Revenue Updates

In addition to the county revenue, there have been four additional modifications to revenue estimates for FY 2021:

- Projected estimate of \$1 million in investment income revenue for the coming year has been reduced by \$750,000 based on updated projections for investment return rates precipitated by the COVID-19 pandemic economic downturn.
- The federal revenue estimate has been revised upward by \$250,000 in anticipation of FEMA reimbursements for eligible COVID-19 expenses such as personal protection equipment and facility cleaning costs.

- The State Formula Aid estimate for FY 2021 has been updated by MSDE creating a minus one-dollar change.
- A budget neutral, technical budget change to move all the GT Summer School revenues and expenditures into the General Fund, a budget neutral change of \$252,000 to both revenues and expenditures.
- The net change to revenues from these updates is \$(248,001).

Table 3: Summary of Total Budget Reduction Needed

General Fund Revenues	FY 2021	Notes
Local Revenue (County Funding)	\$ (30,891,006)	Difference between County approved funding and BOE request from County
One-time County Funding	(6,000,000)	One-time County funds included in the BOE request for health fund deficit pay-down
State Revenue	(1)	MSDE update
Federal Revenue (FEMA Reimburse)	250,000	Estimate for FEMA Reimbursements
Other Revenue Investment Income	(750,000)	Updated for projected decrease in pooled investment rates
Other Revenue GT Summer School	<u>252,000</u>	GT Summer School shift to General Fund (budget neutral-offset by equal expenditure adjustment)
Total Amount Less than BOE Request	\$ (37,139,007)	Amount of Budget Gap to Eliminate

FY 2021 Budget Adoption Recommendation

Balancing the FY 2021 Budget requires a solution informed by guiding principles and we must acknowledge the compounding effect of prior reductions. Over the last two fiscal years, the HCPSS budget has been reduced by nearly \$18 million and nearly 210 positions. Add to these impacts, the BOE Requested Budget increased class size reducing the budget by \$7.2 million impacting 104.5 positions.

During this time of uncertainty as education entities and other organizations downsize and manage severe cuts, we want to ensure that we avoid any negative impact to our employees or their benefits. At the same time, we must take care of our children by funding the supports and services they need the most. I want to thank our bargaining units for working with the Board and HCPSS staff to reach tentative agreement on salary increases that are sustainable and enable us to take care of our employees without any reduction in force or furloughs. In addition to the reduced increase for compensation, my recommended path forward incorporates nearly \$20 million in reductions from across all divisions, specifically reducing costs within central office through managed hiring and permanent reductions. The cuts include an additional, but manageable, impact to class sizes.

All of these reductions were difficult and will impact our operations; however, **this recommendation avoids any reduction in force, maintains our commitment to special education supports and to our diversity, equity and inclusion work, and at the same time provides compensation increases for all employees.** The recommendation also demonstrates our commitment to fiscal responsibility by reducing the use of fund balance for reoccurring costs from \$12 million in FY 2020 to \$5 million in FY 2021.

Table 4 summarizes this recommendation. The attached schedules provide line item detail as it will be presented in the budget book. Important note to consider is that while we have discussed the need to reduce approximately \$30.9 million during our work sessions, the chart below also shows the reduction of \$6 million related to the Health Fund deficit, offsetting reductions for the net decline in other revenues \$(500,000), and the budget neutral Summer School realignment discussed earlier. Because these will be reflected on your score sheets, we wanted to provide you the information clearly in this chart:

Table 4: Summary of FY 2021 Budget Adoption Plan

Item	Description	Amount
Renegotiated salary agreements	Reduction to reflect tentative agreements with an on average cost increase of about a 2% for all bargaining units	\$ (12,733,311)
Defer health fund deficit pay-down	Reduction in county commitment; will be revisited with county to update agreement in Fall 2020	(6,000,000)
Updated actuarial projections for FY 2021 health insurance costs.	Updated actuarial estimates reflecting 2020 trend data and the reduced number of new positions by 140 positions	(4,093,255)
Increase Class Size	Adjusting teacher to student ratios at middle and high schools by decreasing .6 teaching positions at each school. Eliminating the HS Media Paraeducator positions. All impacted staff will be absorbed through general attrition (29.2 teacher positions and 13.0 paraeducator positions).	(2,406,880)
Reduce Transportation Budget	Updated estimates for decreased transportation costs related to redistricting (saving yielded by consolidating bus routes \$1.15 million) and updated estimates on cost assumptions for transportation contracts (\$200K).	(1,352,727)
Custodial Overtime and Supplies	New funding requested for custodial overtime and supplies	(840,858)
Parochial School Busing	No longer provide transportation to parochial schools	(797,811)
Fixed Charges Turnover Savings	Increased turnover savings in fixed charges related to pension, FICA, and Medicare costs, based on trend analysis.	(650,000)
Central Office and Non-Instruction Positions Hiring Freeze	Increase budget savings from turnover by extending hiring freeze into FY 2021	(600,000)
Building Maintenance	Eliminate funding for replacing carpets, lockers, masonry wall screening, and other replacements	(435,000)
Decrease Pooled Teacher Positions	Decrease pooled teacher positions by 7	(420,000)
New Textbooks	Reduce funding increase request for textbooks	(300,000)
AMT Salary Increase	Scaled back AMT salary increase to 1%	(100,000)
Line Item Reductions from Division Budgets (see attachment 1 for detailed list)		
	Academics	(284,000)
	Summer School (realign from grant fund)	238,000
	Administration	(21,055)
	Executive	(149,670)
	Human Resources and Professional Development	(149,875)
	Operations	(199,252)
	SMIL	(20,000)
Reductions from Other Funds (savings flow to ISF Charges in General Fund)		
	Health Fund	(40,000)
	Technology Services	(120,000)
	Print Services	(28,500)
	Worker's Compensation	(208,500)
Fixed Charges	Balance of adjustments in fixed charges for reductions	(426,313)
Subtotal General Fund Operating Budget Reductions		(32,139,007)
Use of Fund Balance		(5,000,000)
Total Budget Balance Plan		(37,139,007)

FY 2021 Supplemental Funding Appropriation

The budget balancing plan requires the use of \$5 million in unassigned fund balance to meet recurring operating expenses in FY 2021. In addition, staff recommends the appropriation of an additional \$3 million amount of fund balance as a COVID- Contingency Reserve.

Fall Recovery Plan Costs

HCPSS's Recovery Plan is currently under-development, which the Board was provided a status report today. While details have not been finalized and approved by the Board, additional expenses will be incurred to reopen the schools in the fall. These expenditures could include technology to support student instruction, personal protection equipment, facility modifications (installing shields), testing sites, examiners, custodial supplies and cleaning, and transportation costs. Given the compression of time to implement the fall recovery plan (once approved), staff recommends establishing a contingency reserve in the adoption of the FY 2021 Budget. These funds would be placed in a budget reserve and authorized for release based on Board approval of the plan. Creating the reserve would save valuable time to purchase needed items without having to go back through the County appropriations process.

Elementary and Secondary School Education Relief Funds (ESSER)

On June 12, HCPSS submitted its grant application to MSDE to receive the ESSER funds allocated to Howard County schools through the CARES Act. The maximum grant funds were applied for in the amount of \$4,141,024 to be used to pay for the Chromebook costs incurred in March of 2020. Once received, these grant funds will replenish the General Fund unassigned fund balance. HCPSS will continue to seek eligible relief funds and reimbursement from all possible sources for expenses being incurred now and in FY 2021. Updates will be provided to Board as more information becomes available.

Use of Fund Balance

Staff recommends the use of fund balance with caution and after significant analysis of available unassigned fund balance, estimates of current year spending, and the pending receipt of federal relief funds. The General Fund began the fiscal year with \$15.2 million in unassigned fund balance. Of this amount, \$7.2 million was appropriated to pay-down the Health Fund deficit in FY 2020, as part of the deficit elimination plan and demonstration of intent and action to avert another adverse audit opinion in FY 2020. As a result, there is \$8 million of unassigned fund balance remaining in the General Fund to meet the supplemental appropriations recommended.

I am pleased that we will be able to gradually reduce our reliance on the use of the HCPSS unassigned fund balance for recurring expenses, going from \$12 million in FY2020 to \$5 million in FY2021. The cost paid for with the \$3 million COVID-19 Contingency Reserve are not expected to be recurring. In addition, staff projects additional savings in the FY 2020 year-end actuals totaling about \$2 million. The exact amounts will be determined through year-end audit and reported in the Comprehensive Annual Financial Report (CAFR). While not ideal, I am only making this recommendation because of our projection that much of the unassigned fund balance will be replenished once the FY2020 annual audit is completed this summer and monies from the ESSER reimbursement fund are received.

Summary of FY 2021 Adopted Budget

Based on the recommendation in the budget adoption plan and the supplemental appropriation, the FY 2021 Adopted Budget would total \$918.7 million. Table 5 summarizes the revenues and expenditures:

Table 5: Summary of FY 2021 Adopted Budget Based on Plan

HCPSS GENERAL FUND						
General Fund	Approved		Adopted Budget Plan Changes	FY 2021 BOE Adopted	Adopted Year	
	Budget FY2020	FY2021 BOE Requested			FY 2021 BOE Adopted	over Year \$ Change
Revenues						
Local Revenue	\$ 607,200,000	\$ 657,191,006	\$ (36,891,006)	\$ 620,300,000	\$ 13,100,000	
State Revenue	274,443,415	282,654,203	(1)	282,654,202	8,210,787	
Federal Revenue	385,000	410,000	250,000	660,000	275,000	
Other Revenue	7,312,882	7,573,507	(498,000)	7,075,507	(237,375)	
Total Revenues	\$ 889,341,297	\$ 947,828,716	\$ (37,139,007)	\$ 910,689,709	\$ 21,348,412	
Other Sources						
Use of Fund Balance	12,000,000	-	5,000,000	8,000,000	(4,000,000)	
Total Revenues and Other Sources	\$ 901,341,297	\$ 947,828,716	\$ (32,139,007)	\$ 918,689,709	\$ 17,348,412	
Expenditures						
State Category 01 Administration	\$ 13,578,591	\$ 13,781,568	\$ (437,956)	\$ 13,343,612	\$ (234,979)	
State Category 02 Mid-Level Administration	64,089,827	64,019,815	(962,626)	63,057,189	(1,032,638)	
State Category 03 Instructional Salaries and Wa	362,637,330	370,553,367	(10,542,510)	360,010,857	(2,626,473)	
State Category 04 Instructional Textbooks/Supp	8,521,570	9,023,193	367,836	9,391,029	869,459	
State Category 05 Other Instructional Costs	3,480,101	4,151,692	(27,600)	4,124,092	643,991	
COVID-19 Contingency Reserve				3,000,000	3,000,000	
State Category 06 Special Education	120,298,423	134,337,196	(1,368,177)	132,969,019	12,670,596	
State Category 07 Student Personnel Services	3,982,752	4,379,155	(99,568)	4,279,587	296,835	
State Category 08 Student Health Services	9,302,729	9,657,012	(203,302)	9,453,710	150,981	
State Category 09 Student Transportation Servi	42,801,337	47,425,217	(1,430,942)	45,994,275	3,192,938	
State Category 10 Operation of Plant	42,167,830	44,114,754	(1,447,604)	42,667,150	499,320	
State Category 11 Maintenance of Plant	26,703,528	27,828,245	(1,204,074)	26,624,171	(79,357)	
State Category 12 Fixed Charges	195,558,711	210,300,558	(13,901,172)	196,399,386	840,675	
State Category 14 Community Services	7,289,364	7,289,364	(826,840)	6,462,524	(826,840)	
State Category 15 Capital Outlay	929,204	967,580	(54,472)	913,108	(16,096)	
Total Expenditures	\$ 901,341,297	\$ 947,828,716	\$ (32,139,007)	\$ 918,689,709	\$ 17,348,412	

Recommendation Highlights

I recommend that the Board support this recommended action plan to balance the budget and maintain our priority of taking our children and taking care of the staff who take care of them. As noted earlier, it is important to highlight what this budget will accomplish despite the significant budget reductions:

- Maintain the commitment to address the unfunded needs in Special Education with \$11.2 million new dollars for 106.8 positions and contract cost obligations
- Accelerate the system’s diversity, equity, and inclusion initiatives with three new positions
- Increase employee compensation on average by 2%; 1% for AMT staff
- Fully fund actuary projected employee health insurance costs for the 3rd straight year

Steps to FY 2021 Budget Adoption

There are three major steps remaining to reach the FY 2021 Adopted Budget. The first two steps will be taken on Thursday June 18. The Board will vote on two actions:

- 1- The Board will receive score sheets to Adopt the FY 2021 Adopted Budget at the amounts approved by the County Council.
- 2- Pursuant to Maryland Code §5-103, the Board will vote on a second set of score sheets reflecting adopted budget plan transferring funds among the state categories according to the plan. These score sheets will also include the use of \$8 million in fund balance and the supplemental appropriation.

Much like the FY2020 budget adoption, the final step will be submitting to the County Executive and County Council a supplemental budget request as well as a categorical transfer request on behalf of the Board for adoption expected in late July.

If you have any questions, please contact Jahantab Siddiqui, Chief Administrative Officer.

Attachments (2)
Copy to: Executive Staff
Board of Education Office

**SUMMARY OF REDUCTIONS AND ADJUSTMENTS TO THE BOE REQUESTED BUDGET
NOT INCLUDING NEGOTIATED SALARY REDUCTIONS**

Expenditure/Revenue	Expenditure
Change Made Y/N	Y

Fund-Division-Program-Reduction	Amount of Change to BOE Requested Budget
General Fund	
ACADEMICS	
0304-Chief Academic Officer	
Increase Turnover savings Central Office hiring freeze	(300,000)
Reduce general use mileage	(20,000)
3202-Academic Support for Schools	
Remove requested increase for textbooks	(300,000)
Remove wages for school support and professional learning	(150,000)
Reduce school related software purchases.	(25,000)
Reduce supplies used for Academics priorities	(25,000)
ACADEMICS Total	(820,000)
ACADEMICS-CURRICULM,INSTRUCTION, ASSESSMENT	
1301-Early Childhood Programs	
Increase Class Size - 1 Paraeducator KDG & 1 KDG Teacher	(87,000)
1501-Library Media	
Increase for class size - reduction of 12.0 HS Media Paraeducators	(324,000)
Reduce Library/Media requirements	(50,000)
ACADEMICS-CURRICULM,INSTRUCTION, ASSESSMENT Total	(461,000)
ACADEMICS-PROGRAM INNOVATION, STUDENT WELL-BEING	
2401-Summer Programs	
G/T Summer Institute	238,000
3390-Home and Hospital	
Realigned \$790K from Wages-Other	790,000
Realigned \$790K to Wages-Temp Help	(790,000)
3401-Evening School	
Reduction of wages	(10,000)
5601-School Counseling	
Reduction of 1.0 Registrar	(36,000)
6401-Health Services	
Reduction of 1.0 Health Assistant	(38,000)
ACADEMICS-PROGRAM INNOVATION, STUDENT WELL-BEING Total	154,000
ACADEMICS-SPECIAL EDUCATION	
3328-Nonpublic Services and Special Education Compliance	
Realign \$10K from 3330 Wages-Substitute	10,000
3330-Special Education - Central Office	
Realign \$10K to 3328 Wages-Workshop	(10,000)
ACADEMICS-SPECIAL EDUCATION Total	-
ADMINISTRATION	
0206-Accounting	
Increase Turnover savings Central Office hiring freeze \$25K, AMT lesser increase (5K)	(30,000)
Reduce conferences budget	(1,250)
Reduce GFOA membership costs	(1,105)
Reduce School Accounting software based on cost incurred in FY 2020.	(2,000)
0301-Chief Administrative Officer	

Fund-Division-Program-Reduction	Amount of Change to BOE Requested Budget
Increase Turnover savings Central Office hiring freeze \$45K, and AMT lesser increase adjust (10K)	(55,000)
Reduce workforce engagement efforts.	(5,000)
Reduce conferences budget	(4,000)
0302-Family, Community, and Staff Communication	
Eliminate regional kickoff placeholder.	(2,000)
Reduce general use travel mileage.	(1,000)
Reduce training	(1,000)
2701-Multimedia Communications	
Reduce general use travel mileage.	(500)
Reduce training	(1,700)
Reduce equipment	(1,500)
8001-Fixed Charges	
Estimated Retirement savings for position reductions. Plus an additional estimated savings of \$650K for turnover.	(840,183)
Realigned \$226,742 to 8002 for print services chargebacks associated with the MPS. Plus the estimated FICA/Social Security savings for salary and wage reductions 143,429. \$14K related to G/T Summer Institute wages	(524,089)
Adjusted for lower actuarial estimate for FY 2021 (4,093,255). Eliminating the \$6M one-time funding from the county to pay down health fund deficit. \$208k in Health Fund reductions for training, wages, dues, and admin actuarial fees.	(10,301,755)
Reduction to Workers comp contribution is based on the reduction to budgeted expenditures.	(208,500)
8002-Internal Service Fund Charges	
Decrease to Technology ISF chargeback based on the realignment of Managed Print Services (MPS) to the Print Services Fund. This reduction also reflects the impact of the salary increase adjustment.	(919,199)
Increase to Printing ISF chargebacks based on the realignment of MPS from the Technology Services Fund. This net increase also reflects the impact of the salary increase adjustment.	861,878
ADMINISTRATION Total	(12,037,903)
EXECUTIVE	
0102-Office of the Superintendent	
AMT lesser increase adjustment (10K)	(10,000)
Reduce general use mileage	(250)
0107-Office of the Deputy Superintendent	
AMT lesser increase adjustment (10K)	(10,000)
Reduce general use mileage	(4,750)
0503-Enterprise Applications	
Reduce functional requests that require application customizations	(48,670)
7203-Broadband and Telecommunications Services	
Transition to VOIP over two years	(96,000)
EXECUTIVE Total	(169,670)
HUMAN RESOURCES AND PROFESSIONAL DEV	
0103-Chief Human Resources and Professional Development Officer	
Reduction to dues and subscriptions	(500)
Reduction to office supplies.	(1,500)
0106-Diversity, Equity, and Inclusion	
Reduce funding for substitute teachers for trainings	(3,600)
Reduction to consultant services	(2,500)
Reduction training budget	(10,000)
0303-Human Resources	

Fund-Division-Program-Reduction	Amount of Change to BOE Requested Budget
Increase Turnover savings Central Office hiring freeze \$(30K)	(30,000)
Reduce dues and subscriptions	(150)
Reduce conferences	(800)
Reduce funding for advertisements	(1,100)
Reduce funding for Wages-Substitute.	(4,400)
Reduce funding for Wages-Temporary Help.	(10,700)
Reduce Supplies accomodations.	(2,000)
Reduce Supplies-General used in the office.	(2,125)
0306-Staff Relations	
Reduce office supply budget	(500)
4801-Teacher and Paraprofessional Development	
Reduce office supply budget	(15,000)
Realign salary for 0.5 FTE position from State Category 03 to State Category 02.	-
Reduce general use mileage	(8,000)
Reduce funding for Wages-Substitute.	(50,000)
Reduce funding for Wages-Workshop.	(30,000)
4802-Leadership Development	
Reduce general use mileage	(1,500)
Reduce subsitutes for trainings	(5,000)
Reduce supplies	(500)
HUMAN RESOURCES AND PROFESSIONAL DEV Total	(179,875)
OPERATIONS	
0201-Chief Operating Officer	
Reduce office supply budget	(1,000)
Reduce dues and subscriptions	(950)
Reduce funding available for Contracted-Consultant.	(1,900)
0202-School Construction	
Reduce Training from \$1,100 to \$600.	(500)
Reduce general use mileage	(4,725)
0205-Purchasing	
Eliminate funding for a replacement computer.	(1,000)
Reduce budget for NPI Membership & Award Application	(500)
Reduce funding for toner cartridges.	(2,000)
0212-School Planning	
Eliminate funding for consultants.	(33,000)
6801-Student Transportation	
Eliminate parachocial school busing budget.	(797,050)
Eliminate parachocial school busing budget. This cut is related to the inspections for the parachocial school buses.	(761)
Reduce the cost assumption of new transportation funding for redistricting. Lowered from \$1,951,485 to 798,758 (\$1,152,727 reduction). In addition, reduce the cost growth assumption for contract cost increase by \$200,000.	(1,352,727)
7102-Custodial Services	
Reduce custodial supplies.	(326,171)
Reduce overtime budget.	(504,687)
Reduce uniform funding to FY 2020 levels.	(10,000)
7301-Logistics Center	
Reduce budget for Rental Trucks/Storage Trailers	(5,000)
Reduce preventative maintenance service on equipment	(2,500)
Reduction to Overtime Budget	(6,500)
7402-Environment	

Fund-Division-Program-Reduction	Amount of Change to BOE Requested Budget
Reduce office supplies.	(10,000)
Reduce training for staff	(1,000)
7403-Emergency Preparedness and Response	
Reduce training for staff.	(1,000)
7602-Building Maintenance	
AMT lesser increase adjustment (25K)	(25,000)
Eliminate Carpet and VCT Replacement at various schools (70k), Exterior painting at 11 schools (70K), Locker Replacements (170K), Team Room Locker Replacement (25K), and Masonry Screen Wall Replacements at 10 schools (100K)	(435,000)
Eliminate funding for the Answering Service.	(2,677)
7801-Grounds Maintenance	
Increase Turnover savings - Central Office hiring freeze	(100,000)
OPERATIONS Total	(3,625,648)
SCHOOL MANAGEMENT AND INSTRUCTIONAL LEADERSHIP OFFICER	
3010-Elementary School Instruction	
Increase Class Size - 2 (1-1st&2nd, 1-3rd-5th)	(120,000)
3020-Middle School Instruction	
Increase Class size 12.0 Teachers	(732,000)
3030-High School Instruction	
Increase Class size 7.2 Teachers	(453,600)
3201-Program Support for Schools	
Increase Class size - Reduce the number of pooled positions by 14 (from 25 positions to 11 positions)	(840,000)
Reduce travel related requirements.	(20,000)
4701-School Management and Instructional Leadership	
Increase Turnover savings Central Office hiring freeze	(100,000)
SCHOOL MANAGEMENT AND INSTRUCTIONAL LEADERSHIP OFFICER Total	(2,265,600)
Grand Total	(19,405,696)

OTHER FUNDS

SUMMARY OF REDUCTIONS AND ADJUSTMENTS TO THE BOE REQUESTED BUDGET NOT INCLUDING NEGOTIATED SALARY REDUCTIONS

Expenditure/Revenue	Expenditure
Change Made Y/N	Y

Fund-Division-Program-Reduction	Amount of Change to BOE Requested Budget
Health Fund	
HUMAN RESOURCES AND PROFESSIONAL DEV	
9715-Health Fund	
Based on eliminating the \$6M one-time funding from the county to pay down health fund deficit.	(6,000,000)
Reduce training	(5,000)
Reduce dues and subscriptions	(2,500)
Reduce Wages-Temporary Help	(6,000)
Adjusted for lower actuarial estimate for FY 2021 (4,093,255). This lower estimate is based on less new actives.	(4,093,255)
Reduce contracted services	(25,000)
Reduce supplies general	(1,500)
HUMAN RESOURCES AND PROFESSIONAL DEV Total	(10,133,255)
Print Services Fund	
ADMINISTRATION	
9713-Print Services	
\$362,973 part of the realignment from 9714 and 8001 for the MPS contract. This portion pays for the new lease on equipment.	362,973
\$745,279 part of the realignment from 9714 and 8001 for the MPS contract. This portion pays for the maintenance and supplies portion of the contract.	745,279
Reduce supplies general	(5,000)
Reduce paper usage	(23,500)
ADMINISTRATION Total	1,079,752
Technology Services Fund	
EXECUTIVE	
9714-Technology Services	
Delay server upgrades \$120k, \$681,510 realigned to print services for MPS.	(801,510)
EXECUTIVE Total	(801,510)
Worker's Comp Fund	
HUMAN RESOURCES AND PROFESSIONAL DEV	
9716-Workers' Compensation	
Reduction to legal fees - paid by third party and absorbed in claims.	(200,000)
Reduce general use mileage	(5,000)
Reduce travel for conferences	(3,500)
HUMAN RESOURCES AND PROFESSIONAL DEV Total	(208,500)
Grand Total	(10,063,513)

(NOTE- These reductions are included in the General Fund in the Administration Division- Fixed Charges