

BOARD OF EDUCATION
The School District of South Orange and Maplewood
525 Academy Street, Maplewood, NJ 07040

March 28, 2011

TO: Members, Board of Education
 Members, Board of School Estimate

FROM: Brian Osborne, Superintendent
 Cheryl Schneider, Business Administrator

SUBJECT: 2011-12 SCHOOL BUDGET

The Board of School Estimate has asked for additional information in a number of areas. Responses to these requests are included below including:

- Athletics and Extracurricular Participation – Pay for Participation and information by program
- Subscription busing – hazardous routes
- Energy Consumption – impact of capital projects on energy usage
- Montrose Alternative program – enrollment and graduation rates
- Secretarial positions – break down by job description
- Maintenance budget components
- Grant opportunities and funding
- Tax impact of Maplewood revaluation
- Technology purchase through debt service

Each topic area is discussed in detail in the following sections.

The proposed budget aims to protect instructional programs and limit the risk to our strategic progress, as well as better position the district to pilot and explore changes now that will make it more possible for us to do better in the coming years even as resources decline. Over the past three years the district has made major changes, informed by a coherent strategy and thanks to the hard work of the staff, has experienced promising results. After last year's crushing budget, the district is currently operating with 3% less funds and serving over 3% more students, without cuts to programs or services to students, demonstrating seriousness to efficiency. The district has outsourced custodians, food services, lunch aides, security and computer repair. We have partnered with Essex Regional Educational Services Commission for paraprofessionals. We have adjusted transportation routes and school start times. We have created additional programs to keep students in district to help reign in out of district tuition costs. We have brought

buildings back into code after earlier years of deferred maintenance and neglect, and have restructured the budget to better support instruction.

It is important to keep in mind that the district has seen rather enormous cuts over time. We've decreased staffing since 2004 by over 150 people, including 20 positions in the last budget cycle for the current fiscal year. We also reduced the burden on health insurance costs by partnering the Essex Regional Educational Services Commission for paraprofessionals, reducing district employee headcount by 83.

In prior budgets it was necessary to reduce program offerings including world languages and instrumental music in the early grades. In this recession, other districts have deeply cut programs and services to kids, while we are literally doing more with less.

And we are proud of the resulting successes:

- Substantial increases in numbers of students participating and succeeding in AP classes;
- Increases in the number of students accepted to competitive colleges.
- Overall gains in test scores compared with our district factor group in both English and Mathematics at almost every grade from both an improvement and a growth perspective.
- A reduction in the achievement gap between white and black students in both English and Mathematics at almost every grade, from both an improvement and a growth perspective. And at the same time that the gap narrowed, overall achievement increased and more students scored in the advanced proficient, proving that raising the bar and closing the gap are not competing priorities, but must happen together.
- Record high increases in the learning outcomes for special needs students who, for the first time, are now included in the least restrictive environment.
- Created a culture of instructional leadership with a laser-like focus on teaching and learning.
- Standardized curriculum and assessment at every grade to reduce variations across classes and more clearly define the learning expectations for every student in every class that will put them on a pathway to having the choice to succeed in college when they graduate.

We still have work to do to put every student on a pathway to success in college, and we have momentum. The approach to budgeting has been to deepen and strengthen working strategies. Substantial changes have been accomplished with the district goals as our ends, and the strategy and budget as our means.

ATHLETICS AND EXTRACURRICULAR PARTICIPATION

Pay-to-participate:

Athletic, co-curricular and extra-curricular activity programs are an essential part of the texture of a school. The extent of student involvement in activities contributes positively to school culture and is often a measure of school climate; that is, activities provide the students with opportunities to excel outside of the classroom, be involved in school functions, establish and develop relationships with their peers, expand their individual interests, and learn to work and succeed in a group/team environment. The student activities are designed to meet the following goals, including, but not limited to:

- Develops leadership
- Is inclusive
- Stresses learning
- Enhances self-image
- Promotes health
- Fosters a safe school environment
- Reinforces ethical behavior
- Builds pride

To succeed in reaching the greatest number of students, the programs must strike a balance between:

- Athletic
- Artistic
- Career related and service organizations
- Small group and large group activities
- Competitive and cooperative activities for both males and females for all grade levels

Such a balance can only occur if students join in. A well-rounded student activity program takes time, effort and financial commitment on behalf of the school district and its entire staff. The payoff is better behavior and better feelings within the school and the community.

The district provides supervision in the form of coaches for the athletic programs, as well as transportation, equipment, funds for officials, fees and other related expenses. The district provides supervision in the form of club/activity advisors for the co-curricular and extra-curricular activities.

Stipends at the high school run approximately \$325,000 for athletics and \$145,000 for co-curricular activities at extra-curricular activities. At CHS approximately 1,125 students participating in athletics at a cost of \$289 per student based on the stipends paid. Approximately 1,152 students participate in co-curricular and extra-curricular activities at a cost of \$126 per student based on the cost of stipends. The total costs that the district

incurs for athletics and co-curricular activities at CHS, including transportation, equipment, funds for officials, fees and other related expenses amount to approximately 1% of the overall operating budget, with approximately 75% of the CHS students participating in at least of one these activities.

The total costs that the district incurs for athletics at CHS, including transportation, equipment, funds for officials, fees and other related expenses, are listed below. Also included is the cost per student for each athletic program at CHS.

CHS Athletic Program Costs 2010-2011										
Athletic Programs	Levels	Students	Head Coaches	Asst. Coaches	Coaches Salaries	Trans.	Officials Fees Etc.	Equip	Total Cost	Cost Per Student
Baseball	BV, ABV & 9	50	1	2	\$13,631	\$7,131	\$5,000	\$2,500	\$28,262	\$565
Basketball	BV, ABV & 9	45	1	3	\$20,793	\$2,992	\$9,000	\$2,800	\$35,585	\$791
Basketball	GV, AGV & 9	45	1	3	\$20,793	\$1,785	\$6,000	\$2,800	\$31,378	\$697
Cheerleading		20	1		\$3,401			\$1,200	\$4,601	\$230
Indoor Track	GV	45	1		\$5,104	\$3,800	\$4,000	\$1,250	\$14,154	\$314
Cross Country	BV	20	1		\$5,104	\$1,325	\$700	\$500	\$7,629	\$381
Cross Country	GV	20	1		\$5,104	\$1,325	\$700	\$500	\$7,629	\$381
Fencing	BV	50	1		\$4,251	\$2,100	\$1,000	\$1,500	\$8,851	\$177
Fencing	GV	40	1		\$4,251	\$2,100	\$1,000	\$1,500	\$8,851	\$221
Field hockey	V, AV & 9	60	1	2	\$13,631	\$4,747	\$4,000	\$2,500	\$24,878	\$415
Football	V & AV	100	1	6	\$44,931	\$618	\$13,000	\$2,800	\$61,349	\$613
Gymnastics	GV	15	1	1	\$8,515	\$1,227	\$700	\$2,000	\$12,442	\$829
Indoor Track	BV	30	1		\$5,104	\$3,800	\$4,000	\$1,250	\$14,154	\$472
Lacrosse	BV, ABV & 9	70	1	4	\$22,133	\$2,771	\$2,500	\$2,500	\$29,904	\$427
Outdoor Track	BV, ABV	70	1	1	\$10,220	\$5,904	\$4,000	\$1,250	\$21,374	\$305
Outdoor Track	GV, AGV	80	1	1	\$10,220	\$5,904	\$4,000	\$1,250	\$21,374	\$267
Soccer	BV & ABV	50	1	3	\$17,882	\$4,387	\$4,000	\$2,500	\$28,769	\$575
Soccer	GV, JV	50	1	3	\$17,882	\$3,699	\$4,000	\$2,500	\$28,081	\$562
Softball	V, AV (2)	45	1	2	\$14,471	\$3,975	\$5,000	\$2,500	\$25,946	\$577
Swimming	BV	25	1		\$5,104	\$800	\$700	\$1,500	\$8,104	\$324
Swimming	GV	25	1		\$5,104	\$800	\$700	\$1,500	\$8,104	\$324
Tennis	BV	25	1	1	\$8,515	\$5,358	\$100	\$750	\$14,723	\$589
Tennis	GV	25	1	1	\$8,515	\$4,995	\$100	\$750	\$14,360	\$574
Volleyball	V, AV	35	1	1	\$9,355	\$2,889	\$3,000	\$2,500	\$17,744	\$507
Wrestling	V & AV	25	1	2	\$15,701	\$2,022	\$4,500	\$2,500	\$24,723	\$989
Lacrosse	GV,AGV & 9	60	1	4	\$22,133	\$7,068	\$2,500	\$2,500	\$34,201	\$570
Total		1125	26	40	\$321,848	\$83,522	\$84,200	\$47,600	\$537,170	\$482

The total costs that the district incurs for co-curricular and extra-curricular activities at CHS are listed below. Also included is the cost per student for each co-curricular and extra-curricular activity at CHS.

CHS Co & Extra Curricular Program Costs 2011-2012					
Co & Extra Curricular Programs	Students	Support Salaries	Other Costs	Total Cost	Cost per Student
Student Activities	35	\$4,966		\$4,966	\$142
Assembly		\$2,834		\$2,834	
Astronomy	20	\$3,323		\$3,323	\$166
Brass Ensemble	30	\$3,419		\$3,419	\$114
Channel 35	35	\$6,533		\$6,533	\$187
Chess	8	\$3,323		\$3,323	\$415
Choral	100	\$3,323		\$3,323	\$33
Columbian Publication	25	\$3,323		\$3,323	\$133
FBLA	20	\$2,834		\$2,834	\$142
Freshman Class Adv		\$3,173		\$3,173	
GAIA	25	\$3,323		\$3,323	\$133
Guild Script	30	\$3,323		\$3,323	\$111
Jazz Ensemble	22	\$3,323		\$3,323	\$151
Jr. States of America	20	\$2,834		\$2,834	\$142
Junior Class Adv		\$3,938		\$3,938	
Key Club	15	\$2,834		\$2,834	\$189
Marching Band P/T	75	\$4,966		\$4,966	\$66
Math Computer Lab		\$2,282		\$2,282	
Math Team	25	\$3,323	\$425	\$3,748	\$150
MLKA	200	\$3,323	\$2,900	\$6,223	\$31
Mock Trial	30	\$2,834		\$2,834	\$94
Music Director	100	\$6,533		\$6,533	\$65
Newspaper	25	\$6,533		\$6,533	\$261
Production	30	\$4,711		\$4,711	\$157
Orchestra	20	\$3,323		\$3,323	\$166
Parnassian	30	\$4,126		\$4,126	\$138
Public Anouncements	35	\$2,834		\$2,834	\$81
Quiz Bowl	12	\$3,323		\$3,323	\$277
Science Team	25	\$3,323	\$1,236	\$4,559	\$182
Senior Class Adv		\$4,741		\$4,741	
Set Construction	25	\$2,834		\$2,834	\$113
Set Painting	25	\$2,834		\$2,834	\$113
Sophomore Class Adv		\$3,938		\$3,938	
Stage Crew Dir	18	\$5,832		\$5,832	\$324
Student Council	35	\$5,832	\$1,823	\$7,655	\$219
Yearbook	40	\$6,533		\$6,533	\$163
Color Guard	17	\$3,411		\$3,411	\$201
Total	1152	\$144,015	\$6,384	\$150,399	\$130

The district can consider a policy of charging an “activity fee” to each student who wants to participate in any athletic and/or co-curricular activity. A version of this activity fee policy would be that the district would charge each student at CHS an activity fee of \$100. Once the student pays the \$100 fee, the student can participate in one activity or multiple activities for the single fee. The district would collect approximately \$97,020 in activity fees at CHS per year that would offset some of the district expenses (this number is based on 1,400 participants, taking into account a waiver for 23% of the students on free and reduced lunch and a 90% collection rate). This \$97,020 would be offset by additional administrative duties in overseeing and monitoring the activity fee program. This particular version might be perceived as an inequity for the students who are involved in only one activity or as an incentive for a student to participate in multiple activities. Other variations are possible.

Studies in other states where activity fees have been prevalent for a few years have indicated that there is some reduction in participation when fees are charged. Families with economic issues that do not meet the requirements for free and reduced lunch may find it difficult to participate especially if there is more than one student in the high school. Parents often feel entitled for their children to have “playing time” if a fee is paid. Additionally, a study done by the district a few years ago found that parents are already paying fees to supplement the district funding to the parent booster groups.

The district study surveyed parents for an estimate of personal expenses incurred by athletes. Out of pocket equipment and uniform expenses for participants were estimated to range from \$30 to \$300. These expenses naturally varied by sport. Fencers, for instance, by nature of the sport, will need to spend more individually on equipment, etc. than a swimmer or volleyball player. Although the amount of fundraising done by athletic groups differed from one sport to another, responses were consistent in that almost all sports charge an annual fee to participate in the sport. Annual fees reported ranged from \$30 to \$200. Most groups also reported that they do some type of fundraising in addition to these annual fees to offset team expenses. Expenses included, but were not limited to, paying for awards dinners, supplementing district funds for equipment, senior gifts, and additional training expenses. Some clubs reported limitations based on available budgets, but costs were defrayed in some cases by the associated department’s budget. Larger expenses are incurred by “competitive” clubs such as the Quiz Bowl Team and the Chess Team. Individual participants incur out of pocket expenses in these circumstances to cover the costs of tournaments and workshops.

The analysis on athletics, extracurricular, and co-curricular activities suggests different options including the exploration of a student participation fee or annual fee. It is important in considering this analysis that the Board be aware that expectations of out-of-pocket expenses for participants already exist. Participation fees are already incorporated into the programs via the parent groups. If the Board were to charge a district participation fee, it would have to cover the expenses reported in the extracurricular and co-curricular analysis as well as the expenses currently being covered by the parent support groups. Parents will likely not be willing to continue to pay these voluntary fees

on top of the required activity fee and the sports will again find themselves in need of funding.

It should also be acknowledged that additional support for the athletic and extracurricular programs is currently supported not just by individual team booster groups, but financing in the range of \$20,000 is made available by the Cougar Boosters. They have supported programming such as Midnight Madness, the CHS All-School Musical, Fencing, Girl's Soccer, Quiz Bowl, Football, the Marching Band, Baseball, CHS Music Parents Association, Swim Team, Wrestling, Lacrosse, Astronomy Club, Yearbook, Boys' Basketball, and Volleyball, among others.

Elimination or a substantial reduction in the athletic, co-curricular and extra-curricular activity programs would result in superficial cost savings. The real cost of reduction would be overwhelming, in that, our community demands a comprehensive educational program, inclusive of a high quality academic offering and broad-based social and extra-curricular student involvement.

TRANSPORTATION – SUBSCRIPTION BUSING

Board policy provides transportation to and from school for public and nonpublic school pupils in grades K through 8 who live more than two (2) miles from the school they attend and in grades 9 through 12 who live more than two and a half (2.5) miles from the school they attend, as determined in NJAC 6A:27-1 et. seq. Approximately 250 in-district students are transported based on these criteria.

The District also provides transportation for some students residing less than the distance mandated by statute (labeled “non-remote” by NJDOE). If the District assigns a student to attend a school outside his or her home area and the school is more than one (1) mile from the student's home, the student is eligible for transportation provided by the District (Board Policy 8600). The District makes such assignments to maintain the pairing of Jefferson and Marshall Elementary Schools and to provide a service or program only offered at a specific school, including but not limited to the ESL program and the Demonstration program at Seth Boyden.

The Superintendent may grant courtesy transportation to non-remote students requesting to walk to an existing remote bus stop near their home if there are empty seats on the bus. Courtesy busing is currently offered to Columbia High School students who reside in the Newstead area of South Orange. Currently there are 5 students who require transportation from this area (live more than 2.5 miles from Columbia High School), and approximately 33 students who receive courtesy busing.

A shuttle bus service is provided between South Mountain and the Annex. Kindergarten and first grade students in the South Mountain area may walk to South Mountain and ride the shuttle to the Annex. Students in grades 2-5 may walk to the Annex and ride the shuttle to South Mountain. Over 50 students take advantage of the shuttle.

Students who are required to walk along routes that have been identified as hazardous by the South Orange Village Department of Public Safety are also eligible for transportation even though they are under the state mandated distance. This involves approximately 55 students who attend South Mountain School and 32 students who attend Marshall School.

Subscription Busing

State law allows a school district to provide subscription busing to defray the cost of non-remote busing. Subscription busing is a program where the district offers busing to parents at a fee to cover all or part of the costs of the non-remote busing. Parents of students qualifying for free or reduced price meals under the state school lunch program are not required to pay for the busing. If the Board were to consider a reduction in non-statutory transportation, subscription busing is one way to offer the service while increasing revenue to offset transportation expenses. However, any anticipated savings would need to be weighed against the costs of establishing and administering a billing system for the program, which are expected to be substantial.

Typical subscription busing programs charge around \$600 - \$700 dollars for a seat on the bus. These are usually offered on a first come first serve basis offering only available seats on existing routes rather than adding an additional bus to service subscription busing.

Current busing that would be under consideration for subscription busing, outside of district policy, would include courtesy busing from the high school which would impact 33 students. It is likely based on other transportation needs that seats could be available for all 33 students. At a charge of \$600, assuming all students wished to continue to ride the bus, the revenue from these 33 students would be \$19,800.

The shuttle between South Mountain and the Annex could also be considered. It is likely we would charge less than \$600, probably \$100 since this is a shuttle and not going to student neighborhoods, and the revenue if all 50 students took advantage would be around \$5,000.

The only other busing outside the policy would be those students who live along hazardous routes, if the hazardous route designation was to be eliminated. This involves approximately 32 students in the Marshall area. Given the current number of riders, it would be likely that seats could be available for all of these students in the next year. 32 students at \$600 would be a revenue of \$19,200 if all students took advantage of the subscription busing.

The hazardous route to South Mountain impacts approximately 55 students. If this route was eliminated, we would reduce the number of routes necessary to South Mountain School and subscription seats would likely be available for up to 10 students. The maximum revenue therefore would be about \$6,000, although in this case there would be additional savings resulting from the elimination of the route.

ENERGY CONSUMPTION – IMPACT OF CAPITAL PROJECTS

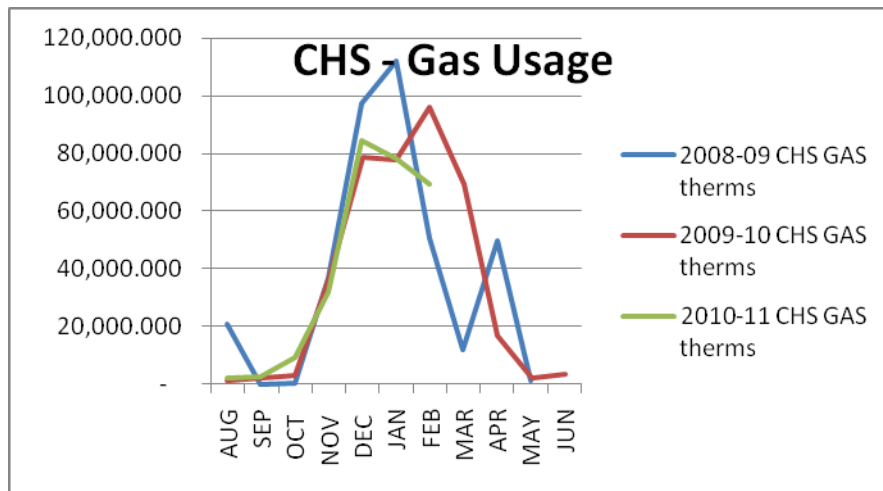
During 2008, the district contracted with Metro Energy Solutions, an independent energy services and energy consulting company to conduct a facility energy audit and analysis for the school district. In their report, presented to the Finance Committee, Metro Energy generated a list of current mechanical and electrical equipment in each facility and provided recommendations for improvements. The report estimated energy savings, simple payback and estimated return on investment for each recommendation. The Facility Improvement Measures identified included:

- Lighting replacement and occupancy sensors installation
- Boiler replacements
- Unit ventilator replacements
- Variable air volume kitchen hood exhaust
- Central air conditioning installation
- HVAC controls replacement, Direct Digital Controls
- Air handling unit replacement
- Window replacements
- Water conservation
- Photovoltaic power systems
- Domestic water heater replacement
- Steam traps

The total estimated cost for all improvements was \$17,044,891 with an estimated simple payback of 19.72 years and 5% ROI. The district completed capital improvement projects that address many of the items identified in the study and others identified by district architects and engineers.

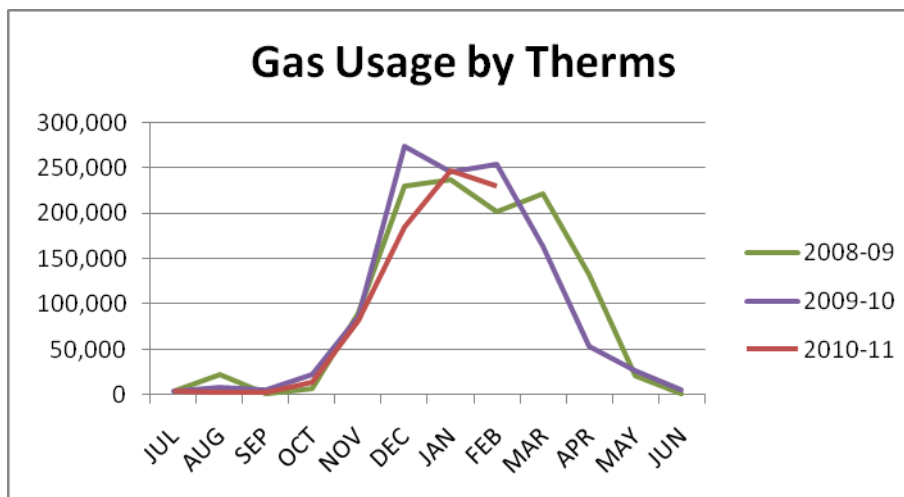
Mechanical improvements have been completed or are near completion at the three secondary schools and one elementary school (Marshall). Similar projects are planned for this summer at three additional elementary schools (Clinton, Jefferson and South Mountain Annex) and at the remaining district schools in the future. The boiler systems in all schools were converted from oil to natural gas power several years ago when the price of oil was sky-rocketing. The heating plants in all schools were determined to be adequate for generating heat with the exception of Tuscan and South Orange Middle School. The three existing boilers at Tuscan were replaced with two new energy efficient models in 2007. Similarly, the three large, old boilers at South Orange Middle School were replaced in 2009 with two smaller more efficient models reducing the generation size by one-third.

District architects and engineers identified major inefficiencies in the distribution and control of the generated heat. These were confirmed by the Metro Energy study. Funded by proceeds from the sale of bonds, boilers are being upgraded to allow for controlled production of needed heat as well as the controlled distribution of that heat. While we are still seeing varying results at different locations and still making adjustments to the systems, an analysis of the gas usage at Columbia High School, the largest of the schools, shows a reduction in gas usage since the new mechanical controls have been installed.



The total effort toward energy conservation is complimented by other projects that are underway and that have taken place in the past few years. The interior and exterior door replacement projects in all district buildings are expected to result in energy savings as well as safety, security and aesthetic improvement. Improvements to roofs, doors and windows have “sealed the envelope” making buildings tighter. This translates to less demand on the heating systems. As an example, at South Orange Middle School where the windows and roof were replaced with more energy efficient systems, heat has been provided by one boiler and heat has been retained in the building for more than twenty-four hours without turning it back on or feeling a loss of heat.

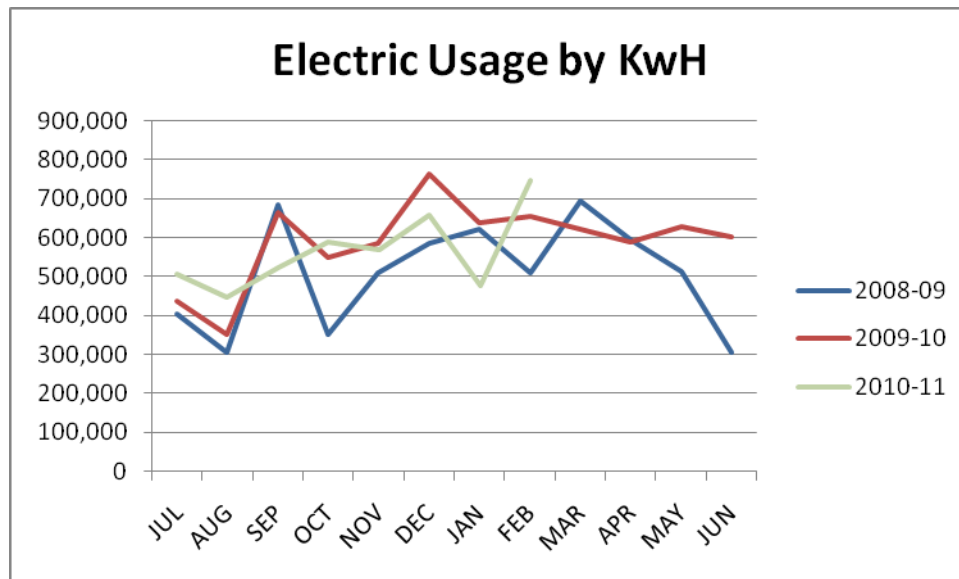
Gas usage has not changed significantly over the past three years when looking at the aggregate district usage.



Corridor and gymnasium lighting upgrades have been made in all buildings converting to more efficient systems while improving comfort as well. Common area lighting upgrades will continue in the next year. In addition, a plan for installing occupancy sensors in

classroom lighting, intended as an energy conservation measure, is under development to be implemented over the next year as funds allow.

While lighting upgrades received positive responses for comfort levels in the school buildings, the upgrades do not appear to have had a significant impact on energy savings to date, when looking at the overall district usage.



Many of the projects that would impact energy conservation took place prior to 2008-09 which may explain why additional savings were not realized since that school year. The chart below shows the energy cost to the district beginning with 2007-08, the year prior to the implementation of the building exterior improvements that included window replacement, exterior door replacement, roofing projects, etc. The overall trend shows declining costs, or costs staying level in light of increasing energy costs, since the projects were being implemented.

	2007-08	2008-09	2009-10	2010-11
Q1	\$240,405	\$323,600	\$218,725	\$221,413
Q2	\$755,775	\$660,320	\$611,528	\$517,622
Q3	\$1,092,817	\$1,018,617	\$897,826	
Q4	\$429,759	\$217,736	\$264,549	
TOT	\$2,518,756	\$2,220,273	\$1,992,628	

MONTROSE ALTERNATIVE PROGRAM AND ONLINE LEARNING

The following section adds to the analysis provided in the December 20 2011-12 SCHOOL BUDGET DEVELOPMENT – ANALYSIS memo, elaborating on the strategic use of Montrose and providing graduation and retention data, including counts of classified and economically disadvantaged students. For a discussion of possible options for the use of the Montrose campus, please see the December 20th memo.

Montrose currently serves three purposes:

1. Alternative pathway to graduation for overage undercredited students
2. Home for the pilot of online courses for credit recovery
3. Expansion of “stem the flow” strategy to curb out of district tuition costs

The online courses and expansion of special education services were launched in September of this year in an effort to position the Montrose campus to support the overall district budget. The online course taking for credit recovery has been piloted on a limited basis. The courses are procured from Monmouth Ocean County Virtual High School at a cost of \$650 per year-long course and \$350 per half-year course. This year fourteen students are taking a total of ten year-long courses and five half-year courses for a total cost of \$8,200. It is too early in the year to determine passage rates; however to date five students have already earned credit and one student has already failed the course. We are evaluating the quality of the coursework, the experience of the students, and the costs to help determine whether and how to scale up online course taking for credit recovery, to what extent expanded opportunities in this area will benefit students educationally and to what extent a larger scale will be advantageous to the district financially. At this point in time, the per seat price points in the online course market are too high for this to be a significant financial cost saver; however, we anticipate that as the market matures price points will decrease, and as a result we are continuing to pilot. An AP at CHS will be specifically charged with expanding digital learning opportunities for students in a way that increases their access to coursework while reducing district costs in the long run.

In September 2010, state law changed allowing school districts to charge for summer school. Beginning in summer 2011, the district will allow students to take online courses for credit recovery at their expense through a partnership with the Essex Regional Educational Services Commission. The courses will be available to any student who took but did not pass the equivalent course at CHS. The costs are \$300 per world language course and \$245 per course for all other subjects. It is hoped that some students will take advantage of this opportunity, avoiding the need to retake the course during the school year.

In addition, 10 students who have Individualized Educational Plans are attending Montrose this year. These students would otherwise have been educated at out of district placements at the cost of tuition for the program. Over the past three years, the district has implemented a “stem the flow” approach to reducing out of district tuition costs, reducing the percentage of classified students served in out of district placements (see the December 20 2011-12 SCHOOL BUDGET DEVELOPMENT – ANALYSIS memo for detail). This year, Montrose was incorporated into the stem the flow strategy.

Regarding the students who are overage and undercredited, Montrose offers an alternative pathway to graduation from high school that allows self-paced progress through graduation requirements. This alternative pathway is needed for students that otherwise would not graduate from high school. Although there is a marginal operating cost to having Montrose serve this need, an alternative such as a twilight or coop program at the high school would still carry costs, offsetting potential budget savings. If the district were to end the Montrose program, it would seek to dedicate any marginal savings to help ensure the creation of a program at the high school that would meet the needs of overage, undercredited students. Also, some of Montrose students would otherwise be out of district and the district would need to anticipate an increase in out of district tuition costs.

Data regarding attendance and graduation rates is in the tables below. The “students with IEPs” is included to demonstrate the change in usage of Montrose to support the stem the flow strategy this year.

*Not Grad % is the sum of NOT GRAD, Left Unknown, Dropout

*ED = Economically Disadvantaged, a state designation for students that qualify for free or reduced price meals

*(blank) means currently enrolled

All Montrose Students												
	Dropout	GRAD	Left Residency	Left Transferred	Left Unknown	NOT GRAD	(blank)	Total not Transferring	Grad %	Not Grad %	% Enrolled	
2008-2009	0	22	0	4	2	4	15	43	51%	14%	35%	100%
2009-2010	3	18	1	1	6	4	18	49	37%	27%	37%	100%
2010-2011	0	0	0	0	0	0	41	41	0%	0%	100%	100%

Montrose Students with IEP's												
	Dropout	GRAD	Left Residency	Left Transferred	Left Unknown	NOT GRAD	(blank)	Total not Transferring	Grad %	Not Grad %	% Enrolled	
2008-2009	0	4	0	0	0	0	0	4	100%	0%	0%	100%
2009-2010	0	0	0	0	0	0	0	0	NA	NA	NA	NA
2010-2011	0	0	0	0	0	0	10	10	0%	0%	100%	100%

ED Montrose Students												
	Dropout	GRAD	Left Residency	Left Transferred	Left Unknown	NOT GRAD	(blank)	Total not Transferring	Grad %	Not Grad %	% Enrolled	
2008-2009	0	3	0	2	2	1	7	13	23%	23%	54%	100%
2009-2010	2	7	1	1	3	3	7	22	32%	36%	32%	100%
2010-2011	0	0	0	0	0	0	17	17	0%	0%	100%	100%

SECRETARIAL POSITIONS – BREAKDOWN BY JOB DESCRIPTION

Below is the position title and location for secretarial positions. It is important to note that many of the roles carry substantial responsibilities. For example, the district's human resources coordinator and registrar are technically on secretarial lines. Individual job descriptions for each role are maintained in the district's human resources office.

The district is also subject to state seniority laws that dictate that the most recently hired secretaries would be the first to be reduced in the event of a cut in this area. The district seeks to reduce the number of secretaries in the district over time as vacancies become available through resignations and retirements to prevent the loss of highly performing recently hired support staff.

LOC	Position Assignment	Total
MAR	Elementary School Principal	1
CHS	Data Processing High School	1
CHS	Dean's Ofc High School	3
CHS	Director of Athletics & Student Activities Office	1
CHS	District Supervisors, K-12 and 6-12	1
CHS	District Technology Resource Center	1
CHS	Guidance Dept. High School	2
CHS	Library/Media High School	1
CHS	Main Office Asst. Principal High School	2
CHS	Main Office High School	1
CHS	Principal/Office Mgr High School	1
CHS	Registrar Guidance Dept. High School	1
CHS	Technology Support Specialist	1
CLIN	Elementary School Principal	1
CO	Accounting Specialist in Business Ofc	1
CO	Accounts Payable in Business Ofc	2
CO	Business Office and Asst. BA	1
CO	Confidential and Webmaster, In-House Council, CIO, Supt. Office	1
CO	Confidential , Asst, Supt Ofc	1
CO	Confidential , Business Ofc	1
CO	Confidential , HR	2
CO	Confidential , Planning & Assessment	1
CO	Confidential , Supt. Ofc	1
CO	Dept. of SPED	5
CO	District Registrar	1
CO	Purchasing in Business Ofc	1
JEFF	Elementary School Principal	1
MAIN	Supervisor of Building & Grounds and Transportation Dept.	1
MM	Guidance Dept. Middle School	1

MM	Main Office for Asst. Principals	1
MM	Main Office Middle School	1
MM	Principal/Office Mgr Middle School	1
SB	Elementary School Principal	1
SM	Elementary School Principal	1
SMA	Elementary School Principal	1
SMA	Library/Media	1
SOM	Data Entry Middle/High School	1
SOM	Guidance Dept. Middle School	1
SOM	Main Office Middle School	1
SOM	Principal/Office Mgr Middle School	1
TUS	Elementary School Principal	1
Grand Total		51

MAINTENANCE BUDGET COMPONENTS

This budget area includes all costs associated with keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in effective working conditions. These include the activities of maintaining safety in the buildings, on the grounds, including the cost of providing security. The total budget includes salaries and benefits of staff, both professional and administrative responsible for operation and maintenance supervision, operations (heating, lighting, ventilating, repairing, replacing of facilities and equipment), the care and upkeep of grounds and equipment, vehicle operation and maintenance. It also includes purchased professional and technical services such as custodial services, security services, playground and lunchroom monitors, garbage disposal services, snow removal, and lawn care. Other major expenditures in this area include photocopier machines, service and usage, energy (heat, gas and electric costs), property insurance and utility services such as water and sewage.

Significant progress has been made in creating the ability to control the rate of increase in maintenance expenses in recent years through contracting for services. Custodial services are being rebid for 2011-12 when the contract expires. The contract for security services was rebid for 2009-10 when the contract expired June 30, 2009. The increase for security services will be 2% for 2011-12 and 0% for 2012-13 as per the bid. The contract for lunch monitoring services was also rebid for 2009-10 to coincide with the bid for Food Service Management Services. The increase for lunch monitoring services will be 3% for 2011-12 per the bid.

Progress has been made through capital improvements and the benefits are expected to continue in the 2011-12 budget expenditures for buildings and grounds maintenance and repairs and energy costs. The district has made significant investments in maintenance and repairs funded through the operating budget in recent years as well as capital

improvements funded through the sale of bonds. The investments were necessary to reverse a period of deferred maintenance. The benefits are beginning to be realized and the demands for major and costly repairs are decreasing. In order to continue to maintain the facilities at their current level, it is recommended that a minimum of 1% of the building value be budgeted annually to ensure the facilities continue to be maintained at their current level. An updated property appraisal was done in August 2008 and determined the value of all district buildings to be \$194,333,783. Therefore, \$1,949,350 continues to be budgeted for the maintenance of facilities in 2011-12. An analysis of the impact of the improvements on energy expenses was reported above.

A historical analysis of the operation and maintenance expenses show a decrease in expenses over the past few years, with an anticipation to continue this trend in next year's budget. Efficiencies have been reached in many categories and further reductions will require cutting back in areas such as a reduction in copies and slowing down the scheduled painting and carpet replacement program as well as delaying replacements of lockers and other scheduled facility maintenance programs.

DETAILED BREAKOUT OF OPERATIONS AND MAINTENANCE HISTORIC COSTS

[illegible]

GRANT OPPORTUNITIES AND FUNDING

As indicated at the hearing, grant opportunities are sought throughout the district, but the district does not meet the requirements of many of the educational grants. Nonetheless, the board of education is regularly presented with resolutions to accept grants and donations to help support the school district. Since July 2010, the district has accepted such funding in the amount of \$733,156. This does not include material donations such as musical instruments, supplies, equipment and other donations accepted during the school year. The estimated value of material donations since July 2010 has totaled \$26,447. The total grants and donations accepted between July 2010 and March 2011 is \$759,603. In addition the board has recently approved grant applications of \$47,500 which will hopefully be awarded in the next few months.

Other grants and donations are also paid directly to the schools such as the ACHIEVE grant program which awarded grants totaling nearly \$50,000 in the current school year and \$20,000 from Cougar Boosters as reported above in the section on athletics.

TAX IMPACT OF MAPLEWOOD REVALUATION

The updated county equalized valuation information is not officially approved until April 15th of each year. The county assessor is working with the district to make this information available for the Board of School Estimate meeting. The updated tax impact information will be forwarded as soon as it is available.

TECHNOLOGY PURCHASE THROUGH DEBT SERVICE

As indicated at the BSE hearing, the district does have the possibility of purchasing technology equipment through the operating budget or acquired with funding through debt service. The majority of the purchases being made are relatively low ticket items, considered to be supplies rather than being capitalized. Equipment purchases are not typically financed through the issuance of bonds for one reason because the borrowing term might only be 3-5 years based on the average useful life of the improvement being financed.

If the district chose to finance the equipment purchases through bond sales, we would ask the board of school estimate to authorize these same purchases with the additional costs of financing and could consider raising additional taxes since these purchases will now be outside of cap. Aside from the additional expenses associated with financing, the district would also need to limit the amount of debt raised for capital improvements accordingly to offset the increased debt associated with the equipment purchases.