

October 10, 2011

Board of Education
Hilliard City School District

Dear Board Members:

This is the fifth report by the Audit and Accountability Committee (“Committee”). In this report we will discuss:

- Unprecedented Changes and Challenges
- District’s Response to Changes and Challenges
- A&A Committee’s Perspective
- Levy Recommendation

Once again we would like to thank the Board and the Administration for their assistance in providing unfettered access to Board records and meeting with us on numerous occasions. Throughout the remainder of this report we will use both “HCSD” and “the District” to refer to the Hilliard City School District.

Unprecedented Changes and Challenges

The District recently has been experiencing changes at a rate that is probably unprecedented. These changes are not unique to HCSD, as most districts across Ohio, and arguably most of the U.S., have faced similar challenges. At the root of these changes is the economic downturn that began about four years ago. With increased unemployment, declining home values, and consumers struggling with debt, both national and local economies have slowed significantly. Costs for food and gasoline have risen while wages have stagnated or declined for many. Individuals and businesses are more cautious with their funds, while revenues have decreased for many state and local governments. These conditions have resulted in schools across the country being squeezed financially. The effects on the Hilliard City School District are as follows:

State Financial Support

State financial support continues to decline. Compared to 2011 funding levels, the Tangible Personal Property Tax (TPPT) replacement will fall by \$3 million in 2012 and fall \$6 million in 2013. The District’s forecast has no further cuts in funding of TPPT funds through 2016. This combined with the reduction in the State Foundation funds will cost the district \$13.3 million over the two-year budget (2012 and 2013) when compared to 2011 funding levels. There are some small increases in State funding that make the net reduction from all state funding \$4.1 million in 2012 and \$8.6 million 2013 as shown in Schedule B.

Property Tax Reappraisals

The appraisal of real estate properties, which is required every six years under Ohio law, resulted in an approximate decrease of 5% for residential properties in the District slightly offset by commercial / industrial appraisal increases. The 5% decrease in residential valuations will not cause a 5% decrease in property taxes due to the offsetting effects of HB 920. The reappraisals will reduce HCSD revenue by approximately \$1 million on a full year basis. Fiscal year 2012 will only experience half of this decrease since the revaluation is effective January 2012.

Senate Bill 5

Regardless of one's views on SB 5, it will have a major impact on how schools run their operations if it is upheld. This is just another example of the very significant changes facing Ohio school districts.

District's Response to Changes and Challenges

New Collective Bargaining Agreements

In June both bargaining units, Hilliard Education Association (HEA) and The Ohio Association of Public School Employees Local #310 (OAPSE), reached agreements with the Board to substantially freeze their wages and increase their health insurance premiums. Both agreements are effective July 1, 2011 and continue for two and a half years until December 31, 2013.

HEA increased their contributions to health insurance premiums from 10% to 15% effective July 1, 2011. Base salaries were frozen through the life of the contract. Step increases are normally granted in September of each year but were eliminated for 2011. Additionally, the September 2012 step increase will be deferred until February 2013 and the regular schedule will resume in September 2013. The net effect is all current HEA members will be permanently one step behind on the salary schedule index as of September 2013.

OAPSE increased their contributions to health insurance premiums from 10% to 12.5% from July 2011 to June 2012, and 15% from July 2012 to December 2013. Base pay is frozen until July 1, 2012, at which point wage rates will increase by 1%. Additionally, step increases are frozen for two years until July 1, 2013.

Recent Cost Savings Measures

The Administration has reported that 40 administrative, teaching and support staff positions have been eliminated recently. We reviewed the 2012 head count detail compared to the prior year and found that the district has eliminated positions for 11 teachers, 1 assistant superintendent, 14.25 auxiliary and 14.5 support staff full-time equivalent positions. The eliminated positions reduce total annual compensation expense by \$3.1 million.

Early Retirement Incentive Savings

Approximately 140 HEA members were offered a retirement incentive in the Spring 2011 comprised of a retirement stipend of \$40,000 paid over a period of five years in equal installments, with the first installment being paid in January following the member's effective year of retirement. In order to participate in the retirement incentive, these members must give written notice to the Board's Treasurer by February 1, 2012 of an irrevocable intent to retire no later than June 30, 2012 (or in some exceptions 2013). The District will not rehire any member who retires under this incentive. The District expects at least 75% of these members to accept the offer, saving at least \$2.9 million in 2013.

Levy Request

Schedule A shows a summary of the draft five-year forecast which reflects most of the known recent changes such as State funding for the new biennial budget, property reappraisals, and others. This draft forecast prepared on July 27, 2011 is believed to be very close to the forecast that will be approved, signed and submitted in October 2011 as required by statute. As shown on Schedule A, without the proceeds of the November 2011 levy, the 2012 operating deficit is projected to be \$8.4 million growing to nearly \$26 million in 2016 (without spending cuts). The reason for the increasing losses is that revenue is projected to decrease slightly without levy passage, a (0.3%) compound annual growth rate (CAGR), while expenses are projected to increase at a 2.4% CAGR.

Even if the levy passes, the District would be deficit spending in most of the years (see pro forma surplus and deficit amounts on Schedule A). If the levy passes the CAGR for revenue will only be 1.3% over the forecast period. This shows the need for continued cost control actions by the Board.

Naturally, any forecast is only as good as its assumptions. We have reviewed the assumptions, a quick overview of which follow, and found them to be reasonable.

Revenues – State funding in the draft forecast is based upon the biennial budget signed this summer. Schedule B shows the primary components of state aid. Unrestricted Grants-in-Aid has decreased by nearly \$4 million since 2009 but is assumed to be flat in 2012 and 2013 and increase 2% annually thereafter. Restricted Grants-in-Aid represents federal stimulus funding that is expected to disappear in 2013 and thereafter. Property Tax Allocation includes 10% property tax rollback funding from the state as well as TPPT Replacement Revenues that represent state funding for the lost personal property tax revenue. This TPPT funding was \$12 million in 2011 but has dropped to \$9 million in 2012 and \$6 million each year thereafter.

Local residential property tax revenues are expected to decrease \$0.5 million in 2012 and \$1 million in 2013 due to the lower residential property tax reappraisals and then increase each year thereafter based upon both increases in growth and values (component of line 1.010 on Schedule D). From 2012 to 2016 revenues are expected to increase \$3.1 million to \$92.5 million.

Expenses – As shown in Schedule C, compensation comprises about 88% of total expenses. Salaries over the period are projected to increase by 1.6%, with much of the growth at the end of the forecast period, but benefits will grow at a compounded rate of 4.2%.

The decrease in salary expense in 2013 is primarily due to an expected \$3 million in savings from the aforementioned early retirement incentive, partially offset by the resumption of step increases. Salary expense rises after 2013 due to step increases at an assumed blended rate of 2.3% from 2014 to 2016, salary increases of 1% in 2015 and 2016 and additional teaching positions totaling \$0.5 million in each of 2015 and 2016.

Benefit expenses increase 4.2% CAGR over the forecast period with the majority of the increase due to health insurance premiums expected to rise 8% in 2012, 7.5% in 2013 and 8% annually thereafter. These increases were partially offset by the increase in employee contributions mentioned earlier.

Cash Balance Policy – The stated goal of HCSD is to maintain a 10% cash reserve. At no point in this five-year forecast is this goal of a 10% cash reserve balance achieved. This is clearly demonstrated by the summary forecast in Schedule A. Including the proposed levy, revenues are increasing by a compound annual growth rate of 1.3%, while spending is increasing at a rate of 2.4%.

Duration of the Proposed Levy

Three years ago in November 2008 when the last levy was passed, it was projected that HCSD would be back on the ballot in 2010. Personnel reductions made in fiscal 2009 and 2011, and changes to health insurance contribution rates extended the levy to three years.

The Board has committed that the new levy will last for three years. As shown in the pro forma section of Schedule A, the proposed levy would indeed last for three years or until fiscal 2015 (meaning that a levy would need to be voted on in November 2014). It should be noted that even with the passing of the November 2011 levy, the District forecasts operating deficits every year except 2013!

Proposed Cuts if the Levy Fails

The attached Schedule E is a copy of the planned \$10.3 million in expense cuts authorized by the Board if the Levy fails in November. The largest component of these cuts is 93 staff reductions, including 75 teaching positions, for an estimated savings of \$7.2 million. An additional \$3.1 million would be saved by reductions in programs and operational expenses. While the specifics of these cuts are not final, the need for the cuts is certain if the levy fails. Under State law school districts have to maintain a positive cash balance. This levy represents the last chance for the District to avoid mandatory program and operational cuts in the 2012 – 2013 school year.

A&A Committee's Perspective

In summary, we have identified a number of cost containment steps undertaken by the District in recent months. Most notable, of course, are the salary freeze and increased health insurance contributions accepted by staff. Others such as early retirement buy-outs, medical self-insurance, pay-to-play modifications, refinancing bonds, and trimming a number of positions have reduced the District's cost profile.

For the past four years consumers, corporations, governments, and schools alike have grappled with the economic downturn and its effects. With or without levy approval we believe it is best for the Hilliard City School District to take a more conservative fiscal posture. This means containing annual cost increases to no more than the rate of inflation, restoring the cash balance to its policy level, and preparing for possible further revenue reductions from the State. Taking these steps will provide the District with greater financial flexibility to manage through difficult times.

Levy failure, however, will accelerate and intensify cost reductions. This will make it more difficult to maintain the same quality of education and programs in the near-term. We believe that additional cost reductions taken at once will be disruptive and would rather see the District establish a more conservative fiscal posture over the next two to three years.

We have reported that the Hilliard City School District provides good value relative to the other "Excellent with Distinction" districts in Central Ohio. HCSD is the largest school district in the Central Ohio area to earn the Excellent with Distinction for each of the last four years. Of the four districts in Central Ohio to earn such a rating (Bexley, Dublin, and Upper Arlington being the others) HCSD has the lowest cost per pupil. In fact, HCSD is about 6% lower than the average of the other three districts. This is due to the planning, hard work, and commitment of the District staff and the support of parents and other community members.

We applaud them for it. Given the present economic situation, the challenge now is for the staff, parents, and other community members to apply the same diligence, innovation, and collaboration that brought about the "Excellence" to manage through the financial difficulties while holding on to the "Excellence." With the evidence that we have seen of innovative use of technology in the classroom, the collaboration behind the High School 2020 initiative, and the diligence that has led to exceptional extra-curricular programs, we believe this is within grasp.

Levy Endorsement

The Audit and Accountability Committee was formed in February 2009 after passage of the last levy. Since that time we have reviewed numerous aspects of the District's finances. The topic that dominated most discussions in the first two years was the unsustainable expense growth of the District. With the salary freeze and other cuts achieved this year, the Committee believes that the District has taken a meaningful step toward controlling expense growth. Additionally, we have found and reported that the District provides good value relative to other "Excellent with Distinction" districts in central Ohio. Furthermore, we have discovered no areas of wasteful spending. For these reasons, **we endorse the current levy.**

This Committee would be remiss, however, if we did not express **expectations for future financial accountability** of the District. Specifically, we expect that before the District asks for another levy in no sooner than three years that it accomplish the following:

1. Contain actual annual cost increases within the level of inflation;
2. Make significant movement toward restoring the cash balance to levels within the present policy;
3. Prepare for future unexpected cuts in State and Federal funding;
4. Establish strategic objectives for financial performance measures such as expense growth, debt levels, levy duration, and compensation.

Before the next levy this Committee will review progress toward meeting these objectives. Sufficient progress will be a key consideration of our endorsement of the next levy request.

We offer our encouragement for staff, parents, and community members to work together in maintaining the excellence of the Hilliard City Schools while managing through the financial difficulties affecting us all.

As always, we encourage the Board to share these and future findings with the community-at-large and welcome questions and feedback from the Board and members of the community.

Yours Truly,

The Audit and Accountability Committee,
Board of Education,
Hilliard City School District

Mark Abate, Terri Berchak, Les Carrier, Shawn Hiller, Ed Sarkel, David Snyder, Mike Stoner

**Audit and Accountability Committee
Schedules to the October 10, 2011 Report to the Board**

Schedule A

Draft Five Year Forecast Fiscal 2012 to 2016

	Actual			Forecast					CAGR*
	2009	2010	2011	2012	2013	2014	2015	2016	
Total Revenues and OFS	\$ 153,266	\$ 158,472	\$ 157,317	\$ 152,972	\$ 149,203	\$ 150,446	\$ 152,349	\$ 154,610	-0.3%
Total Expenditures and OFU:	149,584	157,234	160,620	161,372	162,702	166,405	173,280	180,463	2.4%
Surplus (Deficit)	<u>\$ 3,682</u>	<u>\$ 1,238</u>	<u>\$ (3,303)</u>	<u>\$ (8,400)</u>	<u>\$ (13,500)</u>	<u>\$ (15,959)</u>	<u>\$ (20,931)</u>	<u>\$ (25,853)</u>	
Unreserved Fund Balance	<u>\$ 14,091</u>	<u>\$ 16,759</u>	<u>\$ 13,296</u>	<u>\$ 5,019</u>	<u>\$ (8,481)</u>	<u>\$ (24,440)</u>	<u>\$ (45,371)</u>	<u>\$ (71,224)</u>	

Proforma - If Levy Passes

Levy Revenue				6,800	13,600	13,600	13,600	13,600	
Pro forma Revenues				159,772	162,803	164,046	165,949	168,210	1.3%
Pro forma Surplus (Deficit)				<u>\$ (1,600)</u>	<u>\$ 100</u>	<u>\$ (2,359)</u>	<u>\$ (7,331)</u>	<u>\$ (12,253)</u>	
Pro forma Unreserved Fund Bal	<u>\$ 14,091</u>	<u>\$ 16,759</u>	<u>\$ 13,296</u>	<u>\$ 11,696</u>	<u>\$ 11,796</u>	<u>\$ 9,437</u>	<u>\$ 2,106</u>	<u>\$ (10,147)</u>	
Unreserved bal. as % of Rev.	9.2%	10.6%	8.5%	7.3%	7.2%	5.8%	1.3%	-6.0%	
ADM (Enrollment)	15,170	15,461	15,590	15,658	15,814	15,972	16,132	16,293	

* CAGR = Compound Annual Growth Rate

Schedule B

State Funding

	Actual			Forecast					CAGR*
	2009	2010	2011	2012	2013	2014	2015	2016	
Tangible Personal Prop. Tax	\$ 8,445	\$ 4,596	\$ 3,934	\$ 3,776	\$ 3,739	\$ 3,720	\$ 3,720	\$ 3,720	
Unrestricted Grants-in-Aid	37,457	35,128	33,899	33,988	34,426	34,831	35,510	36,547	
Restricted Grants-in-Aid	286	2,421	2,933	1,939	69	69	69	69	
Property Tax Allocation	18,402	21,824	22,018	18,975	15,946	15,996	16,087	16,202	
Total State Revenues	<u>\$ 64,590</u>	<u>\$ 63,970</u>	<u>\$ 62,785</u>	<u>\$ 58,679</u>	<u>\$ 54,180</u>	<u>\$ 54,616</u>	<u>\$ 55,385</u>	<u>\$ 56,538</u>	-2.1%
Reduction in State funding from '11				<u>4,106</u>	<u>8,604</u>				

Schedule C

Salaries and Benefits

	Actual			Forecast					CAGR*
	2009	2010	2011	2012	2013	2014	2015	2016	
Salaries	98,118	103,504	105,910	\$ 106,130	\$ 104,530	\$ 106,262	\$ 110,319	\$ 114,509	1.6%
Benefits	33,025	33,646	36,095	36,262	37,570	39,295	41,765	44,401	4.2%
Total	<u>\$ 131,143</u>	<u>\$ 137,149</u>	<u>\$ 142,005</u>	<u>\$ 142,392</u>	<u>\$ 142,099</u>	<u>\$ 145,557</u>	<u>\$ 152,083</u>	<u>\$ 158,910</u>	2.3%
% of total act / proforma exp	87.7%	87.2%	88.4%	88.2%	87.3%	87.5%	87.8%	88.1%	

HILLIARD CITY SCHOOL DISTRICT - - FRANKLIN COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
ACTUAL AND FORECASTED OPERATING FUND

	Actual			Forecasted				
	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016
Revenue:								
1.010 General Property Tax (Real Estate)	82,150,911	89,937,225	89,776,822	89,448,196	90,084,658	90,643,163	91,525,863	92,580,394
1.020 Tangible Personal Property Tax	8,445,186	4,596,161	3,934,296	3,776,372	3,738,608	3,719,821	3,719,821	3,719,821
1.030 Income Tax	0	0	0	0	0	0	0	0
1.035 Unrestricted Grants-in-Aid	37,457,413	35,128,465	33,898,600	33,988,480	34,426,480	34,831,445	35,509,709	36,547,453
1.040 Restricted Grants-in-Aid	285,923	2,420,891	2,933,335	1,938,778	68,778	68,778	68,778	68,778
1.050 Property Tax Allocation	18,401,751	21,824,213	22,018,419	18,975,258	15,946,312	15,996,206	16,086,734	16,202,097
1.060 All Other Revenues	6,451,747	4,386,122	4,549,215	4,785,202	4,878,059	5,126,840	5,378,108	5,431,889
1.070 Total Revenues	153,192,931	158,293,077	157,110,687	152,912,285	149,142,896	150,386,252	152,289,013	154,550,433
Other Financing Sources:								
2.010 Proceeds from Sale of Notes	0	0	0	0	0	0	0	0
2.020 State Emergency Loans and Advancements	0	0	0	0	0	0	0	0
2.040 Operating Transfers-In	46,258	0	0	0	0	0	0	0
2.050 Advances-In	0	0	3,788	0	0	0	0	0
2.060 All Other Financing Sources	26,773	178,440	202,529	60,000	60,000	60,000	60,000	60,000
2.070 Total Other Financing Sources	73,031	178,440	206,317	60,000	60,000	60,000	60,000	60,000
2.080 Total Revenues and Other Financing Sources	153,265,962	158,471,517	157,317,004	152,972,285	149,202,896	150,446,252	152,349,013	154,610,433
Expenditures:								
3.010 Personal Services	98,117,990	103,503,567	105,909,833	106,129,833	104,529,509	106,261,953	110,318,597	114,509,111
3.020 Employees' Retirement/Insurance Benefits	33,024,555	33,645,630	36,095,323	36,262,296	37,569,699	39,295,433	41,764,644	44,401,172
3.030 Purchased Services	11,008,523	10,974,350	10,598,852	10,901,918	10,969,956	11,089,355	11,311,142	11,537,365
3.040 Supplies and Materials	3,529,952	5,282,249	4,115,702	4,389,173	4,476,957	4,566,496	4,657,826	4,750,982
3.050 Capital Outlay	153,220	109,741	73,185	116,000	116,000	116,000	116,000	116,000
3.060 Intergovernmental	0	0	0	0	0	0	0	0
Debt Service:								
4.010 Principal-All (History Only)	320,000	320,000	320,000	0	0	0	0	0
4.020 Principal-Notes	0	0	0	0	0	0	0	0
4.030 Principal-State Loans	0	0	0	0	0	0	0	0
4.040 Principal-State Advancements	0	0	0	0	0	0	0	0
4.050 Principal-HB 264 Loans	0	0	0	0	0	0	0	0
4.055 Principal-Other	0	0	0	0	0	0	0	0
4.060 Interest and Fiscal Charges	24,985	14,990	5,043	336,083	277,500	277,500	277,500	277,500
4.300 Other Objects	3,398,656	3,382,276	3,502,071	3,237,092	3,569,463	3,605,157	3,641,209	3,677,621
4.500 Total Expenditures	149,577,861	157,232,803	160,620,009	161,372,395	161,509,083	165,211,894	172,086,918	179,269,751
Other Financing Uses								
5.010 Operating Transfers-Out	4,930	0	0	0	1,193,333	1,193,333	1,193,333	1,193,333
5.020 Advances-Out	0	0	0	0	0	0	0	0
5.030 All Other Financing Uses	1,023	1,034	0	0	0	0	0	0
5.040 Total Other Financing Uses	5,953	1,034	0	0	1,193,333	1,193,333	1,193,333	1,193,333
5.050 Total Expenditures and Other Financing Uses	149,583,814	157,233,837	160,620,009	161,372,395	162,702,416	166,405,227	173,280,251	180,463,084
Excess of Rev & Other Financing Sources over (under) Expenditures and Other Financing Uses								
6.010	3,682,148	1,237,680	-3,303,005	-8,400,110	-13,499,520	-15,958,975	-20,931,238	-25,852,652
Cash Balance July 1 - Excl Proposed Renewal/Replacement and New Levies								
7.010	13,302,350	16,984,498	18,222,178	14,919,173	6,519,063	-6,980,457	-22,939,432	-43,870,670
Cash Balance June 30								
7.020	16,984,498	18,222,178	14,919,173	6,519,063	-6,980,457	-22,939,432	-43,870,670	-69,723,321
Estimated Encumbrances June 30								
8.010	2,893,747	1,462,929	1,623,272	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Reservation of Fund Balance								
9.010 Textbooks and Instructional Materials	0	0	0	0	0	0	0	0
9.020 Capital Improvements	0	0	0	0	0	0	0	0
9.030 Budget Reserve	0	0	0	0	0	0	0	0
9.040 DPIA	0	0	0	0	0	0	0	0
9.050 Debt Service	0	0	0	0	0	0	0	0
9.060 Property Tax Advancements	0	0	0	0	0	0	0	0
9.070 Bus Purchases	0	0	0	0	0	0	0	0
9.080 Subtotal	0	0	0	0	0	0	0	0
Fund Balance June 30 for Certification of Appropriations								
10.010	14,090,751	16,759,249	13,295,901	5,019,063	-8,480,457	-24,439,432	-45,370,670	-71,223,321
Rev from Replacement/Renewal Levies								
11.010 Income Tax - Renewal	0	0	0	0	0	0	0	0
11.020 Property Tax - Renewal or Replacement	0	0	0	0	0	0	0	0
11.030 Cumulative Balance of Replacement/Renewal Levies	0	0	0	0	0	0	0	0
Fund Balance June 30 for Certification of Contracts, Salary and Other Obligations								
12.011	14,090,751	16,759,249	13,295,901	5,019,063	-8,480,457	-24,439,432	-45,370,670	-71,223,321
Revenue from New Levies								
13.010 Income Tax - New	0	0	0	0	0	0	0	0
13.020 Property Tax - New	0	0	0	0	0	0	0	0
13.030 Cumulative Balance of New Levies	0	0	0	0	0	0	0	0
14.010 Revenue from Future State Advancements	0	0	0	0	0	0	0	0
15.010 Unreserved Fund Balance June 30	14,090,751	16,759,249	13,295,901	5,019,063	-8,480,457	-24,439,432	-45,370,670	-71,223,321
ADM Forecasts								
20.010 Kindergarten - October Count	0	0	0	0	0	0	0	0
20.015 Grades 1-12 - October Count	15,658	15,814	15,972	15,658	15,814	15,972	16,132	16,293
20.02 Kindergarten - February Count	0	0	0	0	0	0	0	0
20.025 Grades 1-12 - February Count	15,814	15,972	16,132	15,814	15,972	16,132	16,293	16,293



Hilliard City School District
Operational Cost Reductions and Implications
if the 5.9-mill Operating Levy Fails November 8, 2011

As directed by state law, Ohio school districts that show a budget deficit as early as the second year of a five-year financial forecast are required to identify a list of cuts that will be enacted by the school district in order to eliminate any deficit, in the event that a levy does not pass.

While it is impossible to specifically identify each position(s) that would be reduced or eliminated, the list below is a general outline of what position(s) would most likely be considered first. When the final decisions are made, all staffing areas will need to be considered.

Staff Reductions – 93 total positions

Estimated Cost Reductions

For all subsequent staff reductions, the estimated cost reduction includes salaries, health and insurance benefits and state-mandated retirement benefits.

Administrative Staff – Approximately 5 positions **\$395,000**

The reduction of 5 administrators would likely include:

- 2 Central office Coordinators
- 3 High School Assistant Athletic Directors - * *Athletics Sustainability Committee findings*

Certified Teaching Staff – Approximately 75 positions **\$6,083,000**

The reduction of 75 teaching positions would likely include:

- Reduction of foreign language, middle and high school electives, Intervention support, guidance support, gifted programs and regular classroom teachers

Classified Support Staff – Approximately 13 positions **\$742,000**

The reduction of 13 positions would likely include:

- Elimination of all 3rd shift custodians

Programs and Operations – Approximately 542 positions affected **\$3,062,000**

This reduction would likely include:

- Eliminate bus service for all high school students including parochial and private high school students, \$494,000
- Reduce professional development, \$190,000
- Eliminate all supplemental contracts at the middle and high school level for extra-curricular activities. This includes but is not limited to athletics, band, orchestra, choir, drama, etc. - * *Athletics Sustainability Committee findings* \$2,112,000
- Eliminate all discretionary stipends. This includes but is not limited to after school tutoring, elementary after school enrichment programs, clubs, intramurals, etc., \$256,000
- Eliminate summer school. \$10,000

Total Reductions **\$10,282,000**