7:00 p.m. - Regular Board Meeting

TO: Board of Directors

FROM: George Russell
Superintendent of Schools

RE: Reports and Recommendations

III. ITEMS FOR INFORMATION

1. Receive the Superintendent’s Sustainable Budget Revised Recommendations, Including School Closure/Consolidation Proposals

The board has a goal to “provide prudent stewardship of district resources to best support student success, educational equity and choice.” The goal states that “the board will direct district resources to support the instructional core and to provide educational equity and choice while maximizing administrative and operational efficiency with a sustainable budget. The district must also respond to declining enrollment, regional enrollment patterns, a student population with more diverse needs, uncertain revenue streams and escalating costs.”

The superintendent’s goals provide that he will “develop strategy options for achieving the board’s sustainable budget goal and present a proposal to the board and Budget Committee by February 2011.”

At the November 3, 2010 board meeting, the superintendent presented his sustainable budget preliminary recommendations, including school closure and/or consolidation proposals.

The Superintendent's preliminary recommendations offered a strategy for achieving a sustainable budget that balances operating costs with projected revenues for the long-term. The district's five-year financial forecast shows a 19-27% operating deficit for 2011-12 and smaller but ongoing deficits in future years due to increasing costs and decreasing resources.

The preliminary recommendations included:

- Reducing staff, services and programs for $12.2 million in cost reductions, including reducing nearly 100 teaching positions and more than 60 administrators and classified staff across the district;
- Reducing the school and work year to achieve $5.7 million in cost savings;
- Negotiating a freeze on pay and contributions to benefits to achieve $1.5 million in savings;
- Reducing materials, supplies and contract services by $1.5 million;
- Revenue enhancements totaling $1.25 million annually;
- Closing six elementary schools for $1.2 million in cost reductions and reconfiguring some schools as K-3 and 4-8 schools;
- Sharing services or contracting out services for $500,000 in cost reductions;
- Reducing athletics and extracurricular activities by 25% for $500,000 in cost reductions, and
- Spending reserves and using some of the proceeds from selling surplus properties help balance the budget in the short-term.

At the work session on December 1, 2010 the board provided the superintendent with some additional guidance. Also, the ongoing feedback from staff, parents and community, including the on-line survey, have helped re-shape the superintendent's thinking regarding the preliminary recommendations. As a result, the revised recommendations will reflect some of the comments and suggestions received from a variety of stakeholder groups, including principals, and will try to capture a sense of direction based on what was heard at the board’s work session. I still plan to deliver the final recommendations at the January 12, 2011 board meeting. Additionally, the board will seek more stakeholder input before arriving at a final decision on January 25, 2011.

Copies of the superintendent's revised recommendations will be provided at the Wednesday, December 8 meeting.

IV. Items Raised by the Audience

V. Comments by Employee Groups

VI. Comments and Committee Reports by Individual Board Members

VII. Adjourn

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**Calendar for Board Members**

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<tr>
<th>Date</th>
<th>Event</th>
<th>Time</th>
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<tbody>
<tr>
<td>Wednesday, December 8</td>
<td>Board Meeting</td>
<td>7 pm</td>
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<tr>
<td>Wednesday, December 15</td>
<td>Joint Work Session with Budget Committee</td>
<td>TBD</td>
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<td></td>
<td>Regular Board Meeting</td>
<td>after work session</td>
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<tr>
<td>Wednesday, January 5</td>
<td>Board Meeting – Final Public Hearing</td>
<td>7 pm</td>
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<td>Wednesday, January 12</td>
<td>Board Meeting</td>
<td>7 pm</td>
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<td>Wednesday, January 19</td>
<td>Board Meeting (possible Work session)</td>
<td>7 pm</td>
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<tr>
<td>Monday, January 24</td>
<td>Budget Committee Meeting</td>
<td>7 pm (tentative)</td>
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<tr>
<td>Tuesday, January 25</td>
<td>Board Meeting</td>
<td>7 pm</td>
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<tr>
<td>Wednesday, January 26</td>
<td>Celebration of Business And Future 1st Citizen Award</td>
<td>5:30 pm</td>
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