

Perceived Methods to Reduce Expenses

1. Consolidate with a larger neighbor school district (IPS, MSD of Wayne Township).
Eliminate District Level Administrative Expense
2. Consolidate internally – merge current small schools into larger schools.
One Preschool / Kindergarten
One Elementary School Grades 1 - 6
One Secondary School Grades 7 - 12
3. Reduce total number of personnel in our existing structure.
Increase Class Size
Reduce Educational Programs and Reassign Work
Reduce or Eliminate Summer School and Programs
Reduce Non-Classroom Programs
Reduce or Eliminate Professional Positions
Administrators, Counselors, Librarians
Reduce or Eliminate Support Positions
Clerical, Custodial, Health, Home School Advisors
4. Reduce personnel expenses through wage and benefit reductions.
Salary
Insurance
Less School Days / Shorter School Hours
5. Reduce extra curricular and co-curricular programs.
Athletic
Artistic
Academic
Service
6. Reduce Non-Personnel Related Expenses
Reduce Utility Usage
Natural Gas, Electricity, Water/Sewage, Internet, Telephone

None of these options found support in the group, but the group understood that it must demonstrate due diligence and give genuine consideration to these options prior to considering other resolutions to the revenue issues confronting the State and affecting the local school district.

The consensus of the group meeting was to give no consideration to consolidation with another school district. The group felt an endorsement of consolidation with any other outside entity would be a change that would neither be supported by any part of the community, nor would result in any acceptable results.

The group asked that an analysis (potential savings, potential expenses, educational expenses and cultural expenses) of each of the five remaining options be created and presented to a second meeting of the group.

Consolidate Internally – Merge Neighborhood Schools into Larger Schools

Potential Cost Savings = \$1,260,000.00 Annually

Three less elementary teachers, 6 less secondary teachers, 1 less special education teacher, 2 less administrators, 2 less counselors/HAS, 2 less clerical positions, 2 less custodians, less utility expense.

Educational Benefits

Equal class sizes of 22 across grades K – 3, 24 grades 4 – 6, and 25 grades 7 – 12

No variations in programs amongst schools

Able to efficiently offer and administer district level programs and assessments

Cultural Benefits

Students will know the members of their class at a very early age

More competition driving higher achievement

Subsidize athletics with corporation bus transportation

New Financial Expenses

\$3,820,000.00 First Year

Renovation of existing buildings to accommodate different age of students

New equipment and furniture to accommodate different students

New transportation facility

New buses

\$300,000.00 Annually

Operation, administration, and supervision of a Transportation Department

Educational Expenses

Loss of individual school identify and programs created to serve a smaller group

Less individual academic recognition in a larger, more competitive environment

Less environmental options for serving students with special needs

Slower response to larger groups

Junior high program becomes secondary to high school program

Cultural Expenses

Loss of neighborhood schools and the “family” atmosphere

Less knowledge of children as individuals

Reduced opportunities for children to excel and be recognized

Bus issues – time, behavior, weather

Less opportunities for parent involvement

Younger children (12) in school with legal adults (18)

Conclusions

The financial expenses associated with this option (initial and ongoing) combined with the educational and cultural expenses are too high to viably consider. A change of this nature would change what is believed to be the highest value in Speedway – small neighborhood schools in which children are valued as individuals – as one might expect from a private school.

Reduce Total Number of Personnel in Existing Structure

Potential Cost Savings = \$1,350,000.00 Annually

Increasing Class Size (7 less teachers)

Reduce Educational Programs and Reassign Work (4 less teachers) \$240,000

Reduce or Eliminate Summer School and Summer Programs (Band & Swimming) \$60,000

Reduce Non-Classroom Programs (Athletics, Arts, Academic Competition, Service Clubs) \$250,000

Reduce or Eliminate Professional Positions \$600,000

Administrators (3), Counselors (2), Librarians (1)

Reduce or Eliminate Support Positions \$200,000

Clerical, Custodial, Health, Home School Advisors

Educational Benefits

Students remain in classrooms with one teacher

Teachers and parents handle disciplinary matters directly and communicate frequently

Cultural Benefits

Exposure to diverse population across all elementary schools

New Expenses

Equipment for rooms for music, art, and physical education \$44,000

Educational Expenses

Loss of expertise and experience in instruction (academic and athletic)

Loss of expertise and experience in counseling and administration

Loss of instructional time completing other duties – clerical and administrative

Increased disruptions for behavior issues

Loss of credit recovery in summer and enrichment in summer

Cultural Expenses

Reduced teacher to student contact

Loss of counseling and social services

Reduction in community health and safety (swim lessons)

Loss of personal contact

Conclusions

Increases in class size and the reduction in programs would make Speedway Schools too similar to underachieving school systems. Declining performance and support for the schools would be quickly evident as concerned parents would quickly exit the district for better educational circumstances. A significant enrollment decline would either paralyze the school district financially and result in consolidation, or the changes in the community resulting from such an exodus would leave the school corporation similar to other urban districts, only smaller. This is not a viable option.

Reduce Personnel Expenses through Wage and Benefit Reductions

Potential Cost Savings \$1,000,000.00

Salary 1% = \$60,000 10% = \$600,000 20% = \$1,200,000

Insurance 1% = \$14,000 10% = \$140,000 20% = \$280,000

Less Student School Days 1 day = \$32,085 2 days = \$64,171 3 days = \$96,255

Less Teacher Days 4 days = \$128,340 5 days = \$160,425 6 days = \$192,510 7 days = \$224,595

Less Working Hours in the day 1 less hour per teacher per day = \$857,142

Educational Benefits

Cultural Benefits

Reputation as a thrifty school district which gets more for less

Low taxes on low home values – it's cheap to live here

New Expenses

Negotiating expenses or legal defense expenses @ \$350.00 / hour

Educational Expenses

Lower achievement - unable to attract the best teachers in a competitive environment

Lower achievement - unable to retain the best teachers in a competitive environment

Lower achievement – unable to attract and retain support staff and administration

Lower achievement – general commitment to mediocrity touches all areas

Cultural Expenses

Lower performance – employees feel undervalued and compromised

Faculty and staff paying for the changes in government policy

Faculty and staff working in a community unwilling to support education

You get what you pay for ...

Conclusions

The school corporation has maintained a high standard for its students and its faculty. It has strived to be among the best school corporations in the state in which to work and practice. Such changes would make Speedway the school corporation with the lowest compensation and benefit packages in the metropolitan area and the exodus of employees would begin immediately. Speedway would receive that level of service for which it would be paying – the least. The community values its faculty, support staff, and building administration and sees all as a part of its past and current success and does not expect these groups to bear the financial burden of altered state policy.

Reduce Extra Curricular and Co-curricular Programs

Potential Cost Savings \$300,000.00

- Athletic – no paid coaches or athletic directors
- Artistic – no paid sponsors
- Academic – no paid coaches
- Service – no paid sponsors

Educational Benefits

- Teacher/coaches could focus full expertise and energy on teaching
- No practice times for children – more study time

Cultural Benefits

- Parent coaches could connect with children

New Expenses

- Enrollment decline because of exiting students – less state funding
- Increased liability expenses
- Facility maintenance no longer completed by coaches and parents

Educational Expenses

- Lower achievement - academics encourage academic achievement
- Lower achievement – athletic study table ended
- Loss of teacher/coaches to other opportunities
- Loss of athletic/academic scholarship opportunities

Cultural Expenses

- Parents lose family time to coach and travel with students
- Students lose “life lessons” learning present in athletics
- General physical fitness will decline
- Idle time – unstructured and open to other influences
- Increased politics in teams – favoritism
- No learning in music and arts

Conclusions

The community values the experiences and learning that occurs through extra curricular activities and believes these activities contribute to increased student achievement. Even if the school system was willing to consider this option, the cost savings would not adequately address the ongoing deficit.

Reduce Non-Personnel Related Expenses

Potential Cost Savings @ 10% = \$15,702

Reduce Utility Usage	
Natural Gas	\$167,099
Electricity	\$297,096
Water/Sewage	\$34,235
Telephone	\$12,702
Total	\$511,132
Paid from CPF	-\$354,114
Paid from Gen Fund	\$157,018

Educational Benefits

Stay on task – focus on learning
Students learn to live more conservatively

Cultural Benefits

Adopt a conservation minded approach for a “greener planet”

New Expenses

Remove vandalism – Custodial Overtime and Contracted Services \$10,000
Increased insurance premium - \$1,000
Mold – health issues and abatement expenses

Educational Expenses

Student learning effected by climate (too cold or too hot)
Distracted students by climate or dress
Morale – uncomfortable teachers and students

Cultural Expenses

Loss of credibility – failing to meet basic community expectations
Loss of communication with students (less phones, less internet)
Legal expenses responding to health issues
Safety of students (dark, heat, cold)

Conclusions

Given the reality of the small amount of total funding for utilities generated by the General Fund, and the highest imaginable amount of savings possible (20% or \$32,000.00), it is not reasonable to believe these changes would have any significant impact on the deficit. While such savings should always be encouraged, it should not come at the expense of service to the children in an environment which is less than reasonable by modern expectations.

Summary

A committee of not less than 25 people, including parents, teachers, and administrators, met collectively for two hours on two separate evenings to seriously and genuinely consider how the district might reduce its expenses by approximately \$1,000,000.00 in calendar year 2010 or school year 2010-2011. The committee developed a list of six options for consideration in part, in combination, or as a whole. The committee devoted a collective total of more than 100 hours to this process and each individual dedicated numerous hours outside the meetings to consideration of this topic.

The committee determined consolidation with another neighboring school district was neither a financially viable or educationally/culturally acceptable option. The school property tax rates of neighboring schools were such that to consolidate and increase the current Speedway rate to the property tax levels in the two neighboring districts (IPS rate is four times higher than Speedway and Wayne Township is five times greater than Speedway) was neither prudent, nor worthy of serious consideration. The schools are the key and unique identifier and separator of the local community and any change would significantly reduce the value of the property and the community.

The remaining five options were reviewed in detail by the committee. None of the options gained support. It was the consensus of the committee that the reduction of services in any area would cause harm to the educational program and the community. In fact, the committee identified areas for which additional services should be considered. The initial list included foreign language instruction at the elementary level, increased options for enriched and accelerated learning at the elementary and middle levels, and additional ACP and college credit options at the high school level. Programs for instrumental music (strings) and athletic training also realized support across all levels.

The committee also reviewed area school property tax rates and compared the status and relationship of the Speedway School tax rate to other Marion County school tax rates. If the Speedway School property tax rate were near, or equal to, the average of the other 10 Marion County school tax rates, funds would be generated which would support and enhance the current program, and possibly endow the school corporation for the foreseeable future.

Given the importance of the school system to the greater community, the committee suggests Speedway, rather than consider reducing services to students to balance the budget, instead consider revenue enhancement through a local property tax referendum. Through such action the school corporation may deliver an educational program equal to, and better, than the one currently in place and thus, meet the expectations of its community.