

Looking Ahead: Planning Now and Taking Action for Slimmer Financial Times

AAEA & ASBA

21ST ANNUAL JOINT LEADERSHIP CONFERENCE

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Coming to Grips with Fiscal Realities

- **Foundation Funding Matrix COLA**
- **Minimum Teacher Salary Requirements**
- **Tax Cuts**
- **Highway Funding**
- **Arkansas Works**
- **Local Economies**
- **Unfunded Mandates**



Expectations Increasing, Resources Decreasing



- **Stretch resources.**
- **Be more efficient with public money.**
- **A significant role of a school board and administration is to maintain perspective and prevent fiscal setbacks and shortages from devastating the organization.**
- **The business of the school must go on and students must continue to receive the best possible education.**

Efficiency and Economies

- Spending is a habit. Economizing and being frugal are habits as well.
- We can become more disciplined in how to handle resources.
- Learn to say no & be consistent.
- Attitude – its not the size of the budget that marks the difference between a achieving school and a struggling school. It's attitude.
- It takes everyone (staff & community). Communication is key. Understanding of district goals and support are crucial.
- Simplify - Focus on what really counts, not fluff & glitz. Eliminate waste in school operations.
- Money saved through efficiencies may mean fewer cutbacks in the long run.
- A leaner district can promote improved productivity and greater efficiency.
- Do more with less.
- Maximize Revenues – Catastrophic, Tax rebates, Federal-Medicaid, Grant Opportunities, Tax collections



How Do We Start?



- **Be realistic.** Identify what you have to keep above all else. Accept reality. (Requirements by law, community expectations & requirements).
- **Set priorities** (i.e. decrease classroom size, increase salaries)
- **Have a plan.** Changes can be painful but having a plan can help.
- **Communicate –** Involve staff and stakeholders in the process. Be open and transparent with plan/process. Promote buy in.
- **Include a combination of program reduction, elimination, reallocation, economies, efficiencies, savings and revenue production.** Not all programs are equal but all should be subject to scrutiny.
- **Peel the onion –** After many years of operation a district can become enveloped in layer upon layer of rituals, procedures, etc. “That is the way we have always done it”. Many of these “layers” may no longer serve an educational purpose.
- **Start early.** Have a time line and stick with it. Timing is important. Do not procrastinate. It will not get easier.
- **Identify more reductions than is needed.** You do not want to start over with process.



What Can Be Done?

- **Staffing – With 70-80% of school districts budgets spent on staffing, this area has to be evaluated.**
 - **Use Openings as Opportunities - take this time to review for an opportunity to reallocate duties and responsibilities, save money, stream-line functions, do the work even better for less.**
 - **Hire for Flexibility – multiple certifications, cross training**
 - **Is Outsourcing an Option? What are the pros and cons?**
 - **Compare staffing to other districts similar in size – Annual Statistical Report (ASR), AAEA Salary Survey, Multiple reports available on ADE & APSCN websites.**

What Can Be Done? (Continued)

- School Programs

- Periodically every program should be examined for possible efficiencies and savings (i.e. Food Service, Transportation, Athletics, Reading).
 - Is the program needed? And why?
 - Is the program needed in present form?
 - Does the program need the time currently allotted?
 - Is too much money being spent on the program?
 - Is too much staff being utilized on the program?
 - Can it be combined or consolidated with another program?
 - Is the program duplicated somewhere else?
 - Does program fit district's current goals, mission?
 - Can we do the same thing better or more efficiently? How?
 - What would happen if program eliminated?



What Can Be Done? (Continued)

- **Special Education**
 - Know and follow laws
 - Watch your numbers but make sure you are taking care of the kids
 - Monitor – Costs can get away from you
 - Maximize efforts for Medicaid reimbursements and Catastrophic funding
- **Extra Curricular/Activity Programs**
 - Should be responsive to fiscal realities just like every other school program
 - Almost every student activity program can be run with greater efficiency
- **Staff Development**
 - Use easily accessible resources – ADE, Coop
 - Are you getting your money worth?
 - Share costs with another district if using outside consultant



What Can Be Done? (Continued)

- **“Turn off the lights”** – Increase energy efficiency and conservation. Be energy sensitive
- **Reduce overtime** – monitor closely
- **Maximize technology** to save time and money
- **Curtail staff absenteeism** and the cost of substitutes
- **Buy in bulk**
- **Audit transportation routes** in order to consolidate, eliminate or change routes
- **Cut travel costs**
- **Shop around for better deals.** Take bids even if not required
- **Review and evaluate policies**
 - Leave policies
 - Benefits
 - Reimbursement policies
 - Travel policies



Resource Management



- Resource Management is not easy. It is hard work.
- Conserving resources and cost cutting do not happen without leadership.
- Starting a program of fiscal fitness can be the greatest thing to happen to your district. It gets easier as you go.
- Talk to other districts that have success with resource management.
- Great pay-offs:
 - More support from public if they believe you are spending wisely.
 - A feeling of accomplishment
 - Teaches others to be resourceful
- Monitor, Evaluate & Review



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