

Principal's Meeting

May 4, 2011



Financial Strategies

Scenario 1

- State reduction of \$35M
- District reductions of \$25M in year 1
- Additional reductions of \$5M in year 2
- No tax election
- Use of \$15M in Fund Balance

Financial Strategies

Scenario 2

- State reduction of \$35M to \$45M
- District reductions of \$25M in year 1
- Additional reductions of \$5M in year 2
- Consider tax election in year 2
- Use of \$15M to \$35M in Fund Balance

Financial Strategies

Scenario 3

- State reduction of \$45M to \$60M
- District reductions of \$25M in year 1
- Additional reductions of \$5M in year 2
- Consider tax election in year 2
- Use of \$35M to \$65M in Fund Balance

House Plans

	Year 1	Year 2
Hochberg HB 2485	\$ 46.1M	\$ 58.8M
PISD Reductions	\$ 23.2M	\$ 28.2M
Shortfall	\$ 22.9M	\$ 30.6M
Eissler Plan	\$ 28.0M	\$ 28.0M
PISD Reductions	\$ 23.2M	\$ 28.0M
Shortfall Year 1	\$ 4.8M	\$ -0-

Senate Plan

	Year 1	Year 2
Shapiro Plan	\$ 29.8M	\$ 34.4M
PISD Reductions	\$ 23.2M	\$ 28.2M
Shortfall	\$ 6.6M	\$ 6.2M

Total All Functions

	2010-11	2011-12	Variance
Salary & Benefits	\$ 347.3M	\$ 327.9M	\$ (19.3)M
Contracted Services	\$ 42.7M	\$ 40.3M	\$ (2.3)M
Supplies & Materials	\$ 14.8M	\$ 14.1M	\$ (632)K
Other Operating Exp.	\$ 4.2M	\$ 3.7M	\$ (501)K
Debt Service	\$ -0-	\$ -0-	\$ -0-
Capital Outlay	\$ 272K	\$ 90K	\$ (182)K
Other Uses	\$ 8.1M	\$ 7.9M	\$ (184)K
TOTAL	\$ 417.5M	\$ 394.2M	\$ (23.2)M

**Employee
Compensation &
Benefits
2011-12**

Compensation & Benefits 2011-12

- **No raises for 2011-12**
- **Payroll & Benefits decrease \$19,375,943**
- **No decrease in District contribution for Health Services**
- **Eliminate Alternate Benefit Plan**

Employee Benefit Reductions

- **Alternate Plan eliminated - \$250,000**
- **District Paid Basic Life Insurance - \$170,000**
(included \$20,000 for employees in health plan, \$50,000 for those in alternate plan)

Employee Benefit Reductions

- **Wellness Assessments - \$155,000**
(approximate annual cost of wellness tests – EKG/blood work/risk analysis) provided to full-time employees every 24 months through the Center for Lifestyle Enhancement
- **Flex Fee - \$65,000** (administrative cost of employees enrolled in one or both flexible benefit plans; employees will begin paying \$3.75 per month for their flex account, by payroll deduction)

401(a) Reductions

- **401(a) – for 2011, 4,196 employee were submitted for funding of \$500 each for a total of \$2,098,000**
- **Budget variance with 2010-11 budget saves \$1,851,500**

Master's Program

- **Master's Program - \$150,000 approximate savings (program being phased out; those already approved will be allowed to finish but no new approvals will be granted)**

Health Insurance

- **No budgeted reductions**
- **Contribution of District is \$259/month for 5,149 employees totaling \$16,003,092**
- **Required contribution totaling \$13,902,300**
- **Average premium rate increase for 2011-12 for TRS Health Care is 9.5%**

Budget Schedule

May 3, 2011

**2011-12 FANS Budget
Debt Service
Compensation & Benefits
Near Final Operating Budget**

May 24, 2011

**2011-12 Final Budget
Presentation

Authorization for Budget & Tax
Rate Hearing**

June 14, 2011

Adoption of 2011-12 Budget

Principal's Meeting

May 4, 2011

