



Cost Saving Success Stories

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After years of budget cuts, what next?

- Across the board cuts are exhausted
- Start thinking outside the box
- Old approaches no longer work
- Recommended reading: “Smarter Budgets, Smarter Schools by Nathan Levenson (Harvard Education Press)



Rethink outcomes



- Spending = Results?
- Past budget increases = gains in achievement?
- Resources = Caring about children?

Salaries, Salaries, Salaries

- % of Budget Spent on Salaries
- Specialization – don't use

Highly paid people

For low level tasks



Salary Guides

sample salary guide [Compatibility Mode] - Microsoft Excel

TEACHERS				PARAPROFESSIONALS			
STEP	BA	MA	MA+30	STEP			
1	45,951	52,362	54,548	25,000			
2	47,120	53,396	55,536	25,500			
3	49,257	55,533	57,673	26,000			
4	51,394	57,670	59,810	26,500			
5	53,531	59,807	61,947	27,000			
6	55,668	61,944	64,084	27,500			
7	57,805	64,081	66,221	28,000			
8	59,942	66,218	68,358	28,500			
9	62,079	68,355	70,495	29,000			

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List of wildly successful organizations using salary guides

- Cant think of any
- Teacher's union HQ doesn't
- Do what they do not what they say



Contract out

- When times are good add contractors, not staff
- When times are bad, reduce contract
- Less ill will among staff, no layoffs
- Less entitlement and entrenchment
- Helps community of school staff



Layoffs

- Measure performance
- Lay off low performers
- Lay offs preferable to salary cuts for morale purposes





Scheduling

- Class size in specials
- Utilization of teachers
- Scheduling of paraprofessionals
- Analyze workloads
- Scheduling guru
- Microscheduling



Move to Lower Cost Staff

- Replace professionals with assistants when appropriate
- Librarians
- Paraprofessionals
- Speech therapy assistants



Where to cut now?

- “Across the Board” cuts
- Fairest?
- Least pushback?
- Effective?
- Creative?



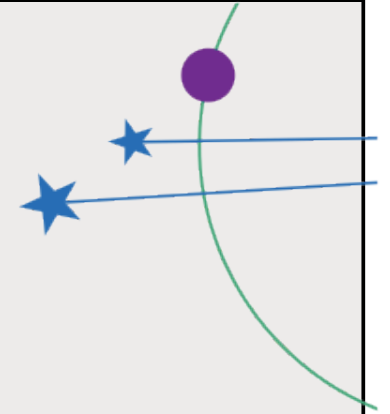


Health Benefits

- Teachers bring on spouses and children over time
- Health insurance premiums go up over time
- Combination over time is devastating to the budget
- Funding will not keep pace



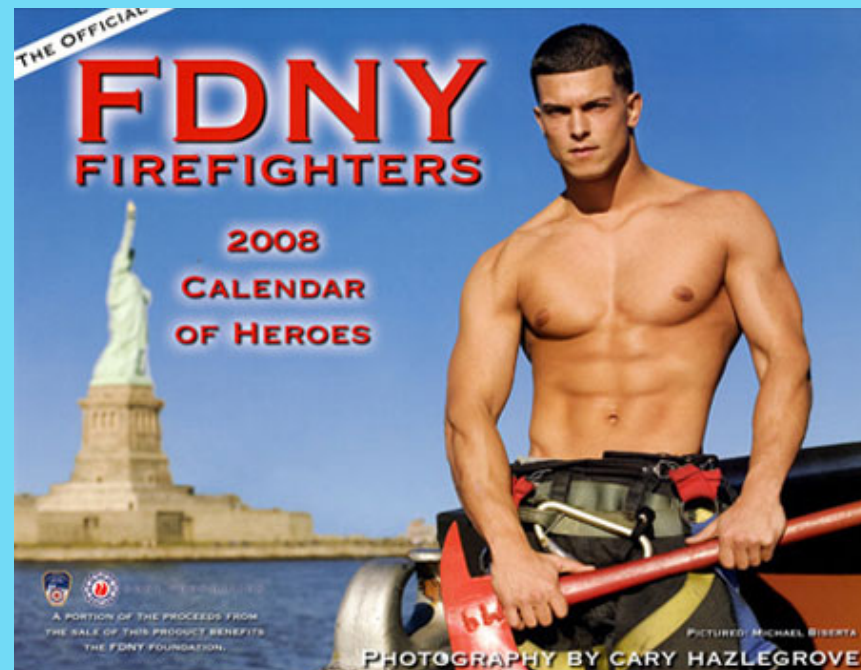
Marriage & Children + Health Cost Increases = !!!!!!!!!!!!!



20 single teachers
getting married
adding spouse/child
over 5 years coupled
with a 15% average
rate increase could
bring your costs from
\$153,600 to
\$687,305

Ideal Teacher Spouse

Public employees have excellent benefits, your teachers and their kids can go on his



High Deductible Plans

- Premium Low
- School can pay part or all of deductible
- School exposure low
- Most people never use full deductible
- Debit cards



Special Education

1. Track Special Ed Teacher and Therapists time spent serving students
2. Review Service Delivery Model
3. Reduce Paras



Special Education

4. Create clear entrance and exit criteria
5. Provide intensive general education supports
6. General Education Curriculum leaders must monitor achievement of special education students
7. Create detailed staff schedules

Special Education

- Replace referrals with intensive high-quality reading specialist support without an IEP
- Analyze IEPs with software
- Use Pull-out instead of Push In
- Use Behaviorists instead of Paras





Technology



Instructional

- Experiment with blended learning
- Live instruction
- Online video
- Texting Based Group discussions
- Software Tutorials
- Targeted Video Remediation
- Frequent Online Assessments





Administrative technology



- Utilize student data systems
- Open online parent portal
- Automate and streamline student data tracking and analysis
- Measure what works and what does not, eliminate what does not





Chief Financial Officer

Should be someone who proactively seeks change as an exciting challenge

Quarterback not scorekeeper



The background features a light gray gradient with various geometric elements: a yellow semi-circle in the top-left, a red curved line, a purple circle with blue lines and stars in the top-right, and a yellow semi-circle in the bottom-left. A large, tilted light blue rectangle is centered on the slide.

Avoid entrenchment

Leads to

- Excessive salaries
- Cronyism
- Conflicts of Interest



Be Creative

- Use free legal and policy services from School Board Assns, etc
- Make copier salesmen compete
- Switch from Reimbursable to Contributory Unemployment Insurance and review Disability Insurance and Leave Policies



Managing Pushback & Budget Blindness

- Share information
- Share benefits not just pain (allow innovators to keep some of savings)
- Have them walk in your shoes
- Focus on formulas not faces
- Create a true team



Calculate Ratios

Salaries and Benefits Related Ratios 65-75%	Facility Related Ratios 10-20%	Other Ratios
<u>Instructional Salaries</u> Total Expenses	<u>Total Facility Expenses</u> Total Expenses	<u>Total Revenues</u> # of Students
<u>Non-Instructional Salaries</u> Total Expenses	<u>Total Facility Expenses</u> # of Students	<u>Total Operating Expenses</u> # of Students
<u>Inst'l + Non-Inst'l Salaries</u> Total Expenses	RESERVES Put away 5% annually	<u>Total Capital Expenses</u> # of Students
<u>Total Benefits</u> Total Expenses	CONSULTANTS, etc. 10-15%	<u>Total Operating + Capital Exp.</u> # of Students
<u>Total Salaries + Benefits</u> Total Expenses		COURTESY OF RAJ THAKKAR CSBM.COM



PEG: PROGRAM TO ELIMINATE GAP

- Increase school lunch price: .05/.10/.15/.20
- Increase distance from school for bus
- Increase afterschool price or eliminate
- Across the board cuts: administrators
- Across the board cuts: supplies
- Across the board cuts: vendor contracts
- Layoffs: by title by seniority

