



ZIONSVILLE

— COMMUNITY SCHOOLS —

A view of two futures...

This Board placed an operating referendum on the ballot in attempt to protect students from additional harm.

Tonight you must plan for the worst case.

Meeting's main focus

- Tonight we must plan for additional deep cuts that will be necessary should the referendum fail.
- The reduction-in-force (RIF) notice deadline looms (May 1).
- This is the main focus of essential consideration and action this evening...



How did we get here?

- This is about our funds for student learning.
- Changes in state law caused this crisis.
- In 2008, nearly **64%** of the General Fund came from local property tax sources (by funding formula).
- In 2012, **0%** came from this local source.
- By law, local property tax funds no longer pay for classrooms.

Steady funding decline...

Calendar Year	# of ZCS students (DOE ADM* Count)	% of State Funding in General Fund Formula Revenue for ZCS	Local Property and Excise Tax Revenue** (General Fund)	% of Local Property Tax In General Fund Formula Revenue for ZCS	General Fund (GF) Total Revenue per Funding Formula	General Fund dollars per ZCS student	Change in General Fund per pupil funding
2008	5,058.62	36.41%	\$22,577,642	63.59%	\$35,506,722	\$7,019.05	
2009	5,165.45	98.56%	\$475,586	1.44%	\$32,916,575	\$6,372.45	-9.21%
2010	5,346.85	100.00%	\$92	0%	\$31,988,709	\$5,982.72	-6.51%
2011	5,428.80	100.00%	\$0	0%	\$32,104,357	\$5,913.71	-1.15%
2012	5,565.96	100.00%	\$0	0%	\$31,829,053	\$5,718.52	-3.30%
							-20.18%

*Data Source: Indiana Department of Education ADM Count

**Data from <http://mustang.doe.state.in.us>

*** Includes Federal Stimulus substituted for General Fund revenues by DOE.

**Added 450 students during
this funding decline of 20.2%**

By law, no more local support for classrooms in General Fund

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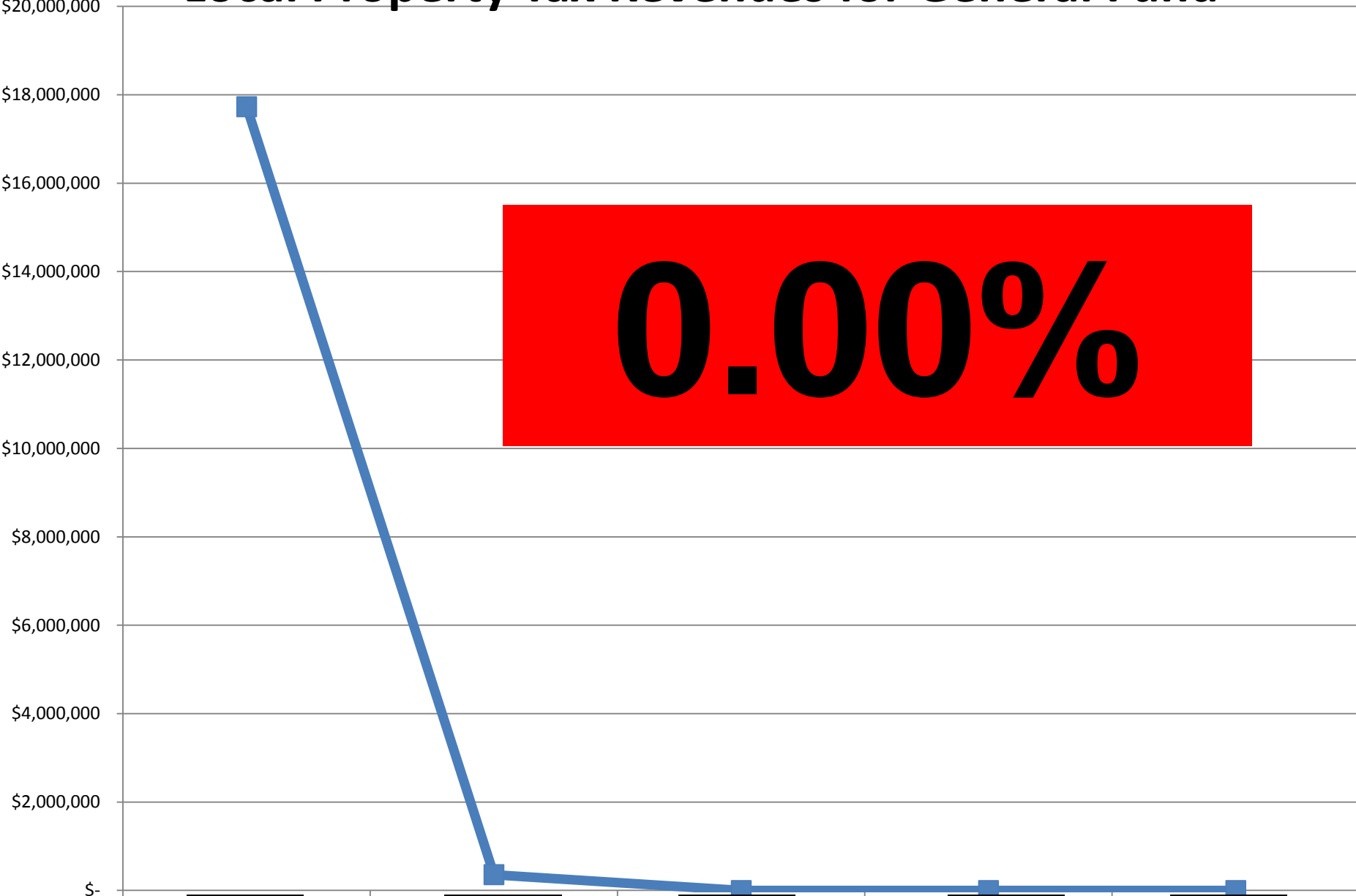
**Local property
taxes in General
Fund for students in
classrooms back in
2008: 63.59%**



**Local property
taxes in General
Fund for students in
classrooms in 2012:
0.00%**



Local Property Tax Revenues for General Fund



2008

2009

2010

2011

2012

0.00%

**So where does our
money for classroom
learning come from?**

Our classroom funds...

- Unstable income tax and sales tax
- These local funds are flushed through a broken state formula
- Only a fraction returns for our classrooms
- We are a donor community
- Our school district receives the lowest per pupil funding in the entire state

Only one solution

- Given the current state of law, only one solution was provided by the Legislature for donor districts like ours
- A local operating referendum is the only way to direct local dollars to local schools
- This is the **ONLY** solution that does not harm student learning

OUR CHOICE:

**Hope that state
government will
adequately fund our
classrooms?**

OR

**Regain local control to
ensure excellence in
Zionsville.**

Some seek to confuse

- The real issues are crowded classrooms, program cuts that harm students – and the additional damage about to occur
- This is about classroom learning of today and tomorrow, not issues of the past
- Some seek to divert attention from the real issues
- Focusing on the past will not solve the important problems before us today

Don't be misled...

- Diversion attempt: **Teacher Salaries**
- *Department of Education data show that our teachers' ACTUAL pay ranks 49th of 293 districts in the state*
- Diversion attempt: **Benefits**
- *Data from the region and peer districts show family insurance premiums ranked 76th out of 213 reporting districts in the state*

Don't be misled...

- Diversion attempt: **Teacher Contract**
- *This is a legal agreement with one year remaining.*
- *Breaching a contract is costly. Board has been well advised to choose students over legal fees.*
- *Teachers provided \$1M+ in concessions.*
- Diversion attempt: **Administration/overhead**
- *ZCS is leanest in Indiana.*
- *Cut central administration nearly 50% since 2006.*
- *Cut 114 non-teaching and 55 teaching positions since 2006 while adding 672 students.*
- *Compensation for administration and support staff has been frozen (now in fifth year of freeze).*

Don't be misled...

- Diversion attempt: Facilities
- ***This Board has not added a penny of facilities debt since 2005.***
 - *Zionsville and Whitestown had 5200+ approved housing sites in the 2003-2005 timeframe. The booming economy brought hundreds of new students each year.*
 - *Boone Meadow was opened in 2003 to handle rapid growth.*
 - *Boone Meadow houses hundreds of kids each week right now and will be full (without added facilities debt!) within a few years. Stonegate is above capacity right now.*
 - *Board and lead team stopped a \$180M second high school push.*
 - *Athletic facility was downsized and already on tax rate whether built or not. Law would not allow repurposing of this money.*

Don't be misled...

- Diversion attempt: Pile of Cash...
 - *We're broke! The General Fund has \$3.1M deficit.*
 - *State Board of Accounts clean audit with final report in March 2012. See <http://www.in.gov/sboa/WebReports/B40135.pdf>*
 - *Suggestions to fix our financial problems through misuse of tax funds restricted by state or federal law are illegal. These are inflexible funding silos. The money cannot be moved around by law.*

Don't be misled...

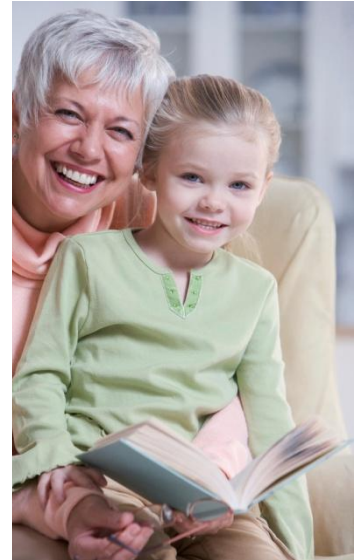
- Diversion attempt: **Citizen's Checklist**
- *The demand is for implementation of this state government checklist:*
 - *Our process was done the right way...by LOCALLY vetting more than 160 ideas for cost reduction and efficiency.*
 - *Our ZCS Cost Cut Advisory Committee predated the state-developed Citizen's Checklist by two years with ZIONSVILLE citizens' recommendations consistent with our local values and commitment to excellence. We chose local control of the future of our schools, not state control.*
 - *We have cut millions and sustained these cuts.*
 - *This reckless diversion actually calls for review and implementation of consolidation options. Will we allow ZCS to become part of Lebanon, Western Boone, Pike or Carmel?*

Don't be misled...

- Diversion attempt: **Transparency**
- *The allegation is that ZCS is hiding the ball!*
 - *Full compliance with all financial and other report card publications—and state auditing*
 - *Full state and local approval of budget, process and required legal advertising*
 - *Website carries all of our financial information. Please see: <http://cms.zcs.k12.in.us/?q=node/386>*
 - *We have two licensed C.P.A.'s on our Board of Trustees*
 - *Purdue University course focuses on Mr. Shafer's school financial practice and our website as exemplars of excellence*

Our focus is not diverted

- Board and lead team focus has been about:
 - *Class sizes/classroom overcrowding*
 - *Need to restore science and reading*
 - *Protecting student learning by calling for a referendum to begin our restoration of excellence*
- *The proper focus is on the future!*



In the people's hands...

- You have made difficult cuts and acted prudently (cuts, appeals, referenda).
- The future is in the people's hands.
- Tonight you must prepare for the worst.
- Position for 2012-2013 if referendum fails and deeper cuts are required.
- Cuts have done damage, and more harm is coming. **What follows can only be called an austerity plan.**

Zionsville Austerity Plan

- **Now you are forced to decide what students will face next year if the referendum fails.**

Zionsville Austerity Plan

- **More crowded classes**
- **More crowded science labs**
- **Elementary science and technology cuts continued**
- **Reading support cuts continued**
- **Fee increases for sports and clubs**

Zionsville Austerity Plan

- **Another 16+ full time teachers – CUT (resulting in 71 fewer teachers)**
- **All foreign language classes in middle schools – CUT**
- **All grades 5-6 band, orchestra, and choir – CUT**
- **All licensed media specialists - CUT**

Zionsville Austerity Plan

- **Year-long art courses at middle school and some HS music – CUT**
- **Some middle school pre-engineering (IT) courses – CUT**
- **One whole period per day of middle school opportunities - CUT**

Austerity: 2013-2014

- If the referendum fails, we cannot be on the ballot again until November of 2013
- Thus, in the spring of 2013 this Board will be forced to act on Phase Two of the Zionsville Austerity Plan which could include:
 - *Reduction of all offerings that are not strictly required by state school laws.*
 - ***Reduction of all arts programs at all levels***
 - ***Offer a very basic program***

Austerity Plan: 2013-2014

- ***ZCS could only afford a minimal educational program***
 - ***Additional crowded classrooms/teacher cuts***
 - ***Reduction of school day hours***
 - ***Reduction of all but minimal AP offerings and other electives (Example: massive reduction of HS world languages)***
 - ***Reduction of all arts programs at all levels***

Zionsville Austerity Plan

With the implementation of this austerity plan, it would be difficult to argue that Zionsville can retain its reputation as a community of excellence.



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Zionsville Austerity Plan

- **2012-2013 School Year: RIF-RDF Combination**

The deadline for noticing current certified employees of intent to reduce the teaching force is before May 1, 2012 by local collective bargaining agreement.

This notice date precedes knowledge about the outcome of the Operating Referendum vote. The Board must act now, due to the contractually required notification date, to preserve its options to reduce personnel expenditure through the mechanism of a Reduction in Force. Should the Operating Referendum be approved by the voters, the Board is not obligated to take any of the follow-up actions that are required to complete a reduction in force, and may let the RIF notices become void.

Zionsville Austerity Plan

- **2012-2013 School Year: RIF-RDF Combination**

General Fund revenue is insufficient to sustain current staffing. Our demonstrated need is to reduce staffing costs by approximately \$2,500,000 to make ends meet in 2012-2013. As previously recommended to the Board, a minimum of one-half of this amount must be achieved through reduction-in-force (RIF) coupled with other deficit reduction measures.

As shown in the table that follows, just over \$1M in reduction-in-force is, unfortunately, proposed.

Zionsville Austerity Plan: RIF

- 2012-2013 School Year
 - RIF and RDF combination plan from January 9

School Level	Recommended Reduction in Force (full-time-equivalent layoff of certified employees)	Some of the Program Cuts and/or Scheduling Impacts	Estimated Cost Reduction
High School	2.83 FTE	<ul style="list-style-type: none"> •Media Specialist •Music •Physical Education •Ends German Program 	\$169,973
Middle School	10.89 FTE	<ul style="list-style-type: none"> •<i>Move to 6 Periods</i> •World Language •Music, Art, Tech •Media Specialists 	\$654,064
Elementary	3.0 FTE	<ul style="list-style-type: none"> •Classroom teachers 	\$180,183

Zionsville Austerity Plan: RDF

- 2012-2013 Required cost reduction estimate
 - \$2,500,000
- Personnel and other cost cut review
 - Reduction-in-force of \$1.04M
 - Other cost reduction: Full pay-to-play for General Fund costs in extra-curriculars = \$256K
 - Subtotal = \$1,260,000
- **2012-2013 Rainy Day Fund Use**
 - **\$1.24M**

Sadly...the only responsible option

- In a failed referendum scenario, it is imperative that we preserve some RDF to open in 2013.
- Thus, the Zionsville Austerity Plan is the only option.
- *“It is imperative that we retain some funds in the RDF to be able to open school in 2013-2014 and still make payroll, though more downsizing will be required in the spring of 2013. This action, as recommended, will still leave a necessity to draw on Rainy Day Funds for the 2012-2013 school year, but will prevent the fund from being totally depleted during that timeframe.”*

A clear choice

- ZCS will NOT be the same next year. It will be better or worse!
- It will be either the restoration path or the austerity path.
- More teachers or fewer teachers.
- Smaller classes or larger.
- Tonight you must take the necessary action to prepare for the worst case scenario and a future I hope we can avoid.





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