

1. **39000 Undesignated Fund Balance-**
 - a. What is the projected end balance of this account for FY 2007-2008. **As of June 30, 2008 - \$1,132,061 above the required 3%**
 - b. If the balance is greater than the proposed \$234,500 for FY 08-09 then where will the remaining balance go? **It will stay in the fund balance for future budgets one-time expenditures**
 - c. Also why did the proposed amount for this account drop so drastically from last year -\$1,280,928? **Budget FY09 is projecting to use less than Budget FY08, partly due to increased BEP funding from the State**

2. **49200 Capital Lease Proceeds-**Why is there a \$0 amount in this line item for this year for a decrease of funds in the amount of \$732,479? **This line item was the required accounting entry that recorded the entire amount of a four year lease for technology equipment.**

3. **71900 Instructional Contingency-** As noted in the proposal a lump sum of \$17,111 was budgeted for a differentiated pay plan as mandated by the State.
 - a. What was the amount in previous years for the differentiated pay plan? **\$0, because this just became a State mandate.**
 - b. Also that would leave a balance of \$22,093 that was added to this fund for a 41.7% increase over last year not including the \$17,111. Do you feel that this much of an increase is really needed for this account and if so, why? **This is a “contingency” account set aside in the event actual enrollment warrants hiring additional teachers (not already budgeted) to meet State mandated student teacher ratios.**
 - c. The audit report shows \$0 for FY06-07 so what has driven the increased need of funds for this account? **The funds are only drawn upon when needed.**

4. **72120 Health Services**

Line item 207 amount has nearly tripled since FY 07-08. According to the highlights medical insurance was to be based on a 8% increase.

 - a. \$13,291 plus 8% increase is \$15,035, the overall increase in this line is an additional \$23,823. What does the additional overage cover and how did you come to that total? **Any staff member accounted for in this line item is entitled to health insurance. With a qualifying event, they can switch from single coverage to family coverage. Additionally, in FY08, nurse positions that were previously paid for with Federal funding had to be moved here to the General Fund. The associated benefits moved to the General Fund as well.**

5. **72410 Office of the Principal-**

Line Item 139

 - a. Can you please explain how the total increase of \$23,547 came about and what the 2% increase amount was for this item? **The total amount**

required fluctuates depending upon the individuals accounted for in the line item. With staff turnover, education and experience vary from year to year. Some staff are also eligible for step increases. 2% =\$11,748

Line Item 104-

a. Can you please explain how the total increase of \$23,683 came about and what the 2% increase amount was for this item? **The total amount required fluctuates depending upon the individuals accounted for in the line item. With staff turnover, education and experience vary from year to year. Some staff are also eligible for step increases. 2%=\$12,138**

6. 72710 Transportation

Per the proposed FY08-09 budget the decrease in all line items due to contracted service comes to a total of \$749,375 with additional contracted services budgeted at \$756,731 for an increase of \$7,356 plus fuel cost increase \$119,160 for a total of \$126,516 increase

a. Can you please explain how the total increase in fuel was more than double last years budget amount? *Rates have increased but not doubled in the past year.*

The budget represents estimates for fuel based upon the current price approaching \$4.00 per gallon. This budget allocation is for a year from now and is based upon best guesses as to what the economy will be like at that time. The increase is comparing budget to budget. Our estimates predict the FY08 budgeted amount will most likely fall short in covering actual fuel costs.

- b. Will there be more routes accounting for more fuel? **The contractor's estimate is based upon the transportation committees recommended level of service.**
- c. Will there be more buses accounting for more fuel? **The contractor's estimate is based upon the transportation committees recommended level of service.**
- d. Will you be charged for the fuel to get from the buses "holding" place to the 1st route and then back again? **Oak Ridge Schools will cover all fuel cost.**
- e. How many buses does the contract include? **Oak Ridge Schools bus fleet will be utilized.**
- f. Will any of the current bus drivers be retained or all new drivers recruited? **Existing drivers will be interviewed and new drivers recruited as there is still a shortage.**
- g. If recruited is that the BOE's responsibility or the contracted agencies? **The contractor.**
- h. How many bids have you obtained from outside sources? **The formal bid document is being formulated to put out on the street. The budget includes a "budget estimate only."**
 - i. Do you have those quotes available for the public to view? **Not at this time. Acceptance and recording of bids is always open to the public.**

- i. When contracted out before what was the overall satisfaction rate from parents and students in regards to the service provided? **Oak Ridge Schools has never contracted out transportation services before. We currently contract our food service program successfully.**

Bustodian Plan-

- a. What is the cost difference between this plan and contracting out services? **\$353,956 plus an annual allocation of \$315,000 for future bus replacements.**
 - b. If the Safety Committee proposes this plan instead of contracting out services how open are you to changing to the bustodian plan? **The schools will be happy to provide whatever level of service the public will support financially.**
 - c. Would you be open to doing a parent survey to get feedback on the final proposals prior to making a decision on which plan? **The purpose of the transportation committee was to represent all parents at all levels at all schools.**
 - d. What is your DROP DEAD DATE to decide which plan to implement? **The budget is to be adopted by the board of education on April 10, 2008.**
- 7. 47790 Project Head Start**
Per the proposed FY08-09 budget there is a decrease in this revenue of \$43,227
- a. Can you please explain the reason for the decrease and where this grant money comes from? **The figures represent a decrease in Federal Funding.**
- 8. 43517 Tuition- Driver Education**
Per the proposed FY08-09 budget the increase of revenue of \$3500 represents about 10 additional students in this program.
- a. Do you feel that this is an accurate projection and why? **The projection is based upon the actual collection in FY07.**
- 9. 43522 Lunch Payments Adults**
Per the proposed FY08-09 budget the rate for lunches is .10
- a. Can you please explain why if the rate is increased there is no proposed revenue increased like in Line Item 43521 Lunch Payments for Children? **The estimate is based upon anticipated participation. The food service budget is self-sustaining, expenditures are supported by revenues. While embedded in the General Fund, it does not change the bottom line to alter expenditures or revenues.**
- 10. 43533 Transportation Fees**
Per the proposed FY08-09 budget this amount decreased by \$13,500 with a note that in FY09 the funding will not be accounted for in this line item.
- a. What line item will it be accounted for in? **All General Fund preschool revenue is accounted for in line item #46515.**
- 11. 44170 Misc Refunds**
Per the proposed FY08-09 budget there is a decrease of \$15,360

- a. Why a decrease and how did you come up with this proposed number?
The estimate is based upon proposed expenditures that are E-Rate Reimbursable.

12. 44530 Sale of Equipment

Per the proposed FY08-09 budget there is an increase of \$14,000 per the previous year of \$1,000

- a. What do you plan on selling and how did you arrive at this figure? **We are having great success utilizing the website, www.GovDeals.com to sell our surplus property.**

13. 44570 Contributions and Gifts

Per the proposed FY08-09 budget this revenue amount has doubled from the previous years \$25,000

- a. Can you please explain why you are proposing such an increase? **The budget estimate is based upon actual receipts in FY07.**
- b. Do you already have pledges, etc made for the upcoming year that you are aware of that impact this? If so, what are they? **No, the estimate is based upon historical trends.**

14. 47113 Breakfast

Per the proposed FY08-09 budget there is no proposed revenue increase for this line item although there is a note that revenue is expected to be higher.

- a. Why is there not an additional amount added in for revenue as for line item 47111 Lunch? **Originally, an increase was projected. It was changed late in the budget development and the narrative was missed. The food service budget is self-sustaining, expenditures are supported by revenues. While embedded in the General Fund, it does not change the bottom line to alter expenditures or revenues.**

15. 47114 USDA

Per the notes it states that revenue is expected to be higher and there is an increase of \$9,561

- a. What leads you to believe that the revenue will be higher and is there any supporting documentation for that assumption?. **The estimate is based upon information the Food Service Supervisor received from the Feds. The food service budget is self-sustaining, expenditures are supported by revenues. While embedded in the General Fund, it does not change the bottom line to alter expenditures or revenues.**

16. 49300 Capitalized Lease Proceeds

Currently this amount is \$0 and last year was \$732,479

- a. Can you please explain why this amount has changed back to \$0? **See answer to question #2.**

17. 71100 195 Substitute Teachers

Per the proposed FY08-09 budget there is a \$28,000 increase

- a. Can you please explain how you came up with this amount and why it is higher than last year? **Estimate based upon actual expenditures for FY07 and trends.**

18. 71100 449 Textbooks

This item shows a decrease of \$32,563

- a. Can you please explain why this amount has gone down when there is always talk of needing more textbooks and not having money for it? **Each year there is a different book adoption that varies in cost. In FY08, BEP funding came after budget development and funds were earmarked for specific purposes in this line item.**
- b. Do you feel that this amount should indeed be decreased and not increased or at least the same as FY07-08? **The amount is based upon what is needed for the next adoption and is for the first time in many years all recurring money as opposed to historically being ½ recurring and ½ one time money.**

19. 71100 722

This item decreased significantly from the previous year to the tune of \$1,163,550 and is also less than FY06-07 budget of \$427,931

- a. Why such a decrease this year over last year? **The budget projects less expenditures using one time money because “the savings account” is dwindling.**
- b. What was this budget item used for last year? **That information is detailed within the FY08 budget narrative.**
- c. Do you feel that this is an adequate amount for this item considering it is even less than FY06-07? **It represents spending within our means.**

1. Summary on page iv assumes an increase rather than decrease in budget over FY08. This should be updated. **The wording could be altered or more explanation added, but there are increases in the budget based upon the items listed. The overall bottom line is less because of staff cuts, less fund balance spending, etc.**

2. Instructional Contingency (71900) - item increased by \$39,204. \$17,111 has been justified by the differentiated pay plan. What is the additional \$22,093 for?

This is a “contingency” account set aside in the event actual enrollment warrants hiring additional teachers (not already budgeted) to meet State mandated student teacher ratios or other related instructional services.

3. Additional staff, page ii, includes a custodian for the high school to help with cleaning the additional square footage resulting from the upgrades to the high school. It should be noted that if the "custodian" transportation plan were implemented, there would be additional custodial staff to help at the high school (who requested 3-4 custodians) and at the other schools.

The custodial help we would gain would be more in the way of special project support because hours would be outside driving hours. It would not be as beneficial as being able to hire full time custodians assigned to a building for an 8 hour day, 12 months per year.

4. Superintendent (72320 101) - It appears that the superintendent would be receiving a 4.9% raise in FY09. Considering that the teaching staff have a proposed COLA of 2%, the 4.9% increase is more than expected. Is this increase based on merit? If so, is there concrete evidence that supports this action? This does not take into account the extra benefits received by the superintendent, including a vehicle provided by the school system.

The Superintendent's salary is slated to increase by the same percentage as all other employees (2%). There is not an additional increase. This is an adjustment based upon accounting changes made from "Other Salary" line item 189 to the "Superintendent" salary line item 105. Changes were based on simplifying contract language to ultimately simplify actual management of the contract. Basically the same amount of money, but just moved from another line item. Previously, an allocation of \$3,000 was earmarked for a TSA and an equivalent of the difference between \$5,000 and \$3,000 plus estimated taxes was allocated in line item 189, so the board's original intent of providing the equivalent of a \$5,000 TSA was accomplished, in lieu of \$3,000 being the maximum allowable.

5. Operation of Plant (72610) - Supervisor (72610 105) - Why is only half of the supervisor's salary accounted for on this line item? This is confusing, but if necessary, there should be a note indicating under which line item the other half is located. If half of the salary is \$30,458, than the total would be \$60,916. This is an increase of 5.2% over last year. A 2% increase would be in the range of salaries listed on the salary schedule on page C-11.

The supervisor is responsible for the operations department and the maintenance department, thus half is charged to each department. One half of the base is \$29,861 and the projected budget represents a 2% increase. The FY08 Budgeted amount was below the actual expenditure.

6. Operation of Plant - Custodial Personnel (72610 166) - This line item has increased by \$15,236. This doesn't appear to be the full salary of the new custodian. What has been removed from this item? This \$15,236 increase would not be necessary if the "custodian" transportation plan were implemented. In fact, this line item might very well go down as bus drivers and custodians share responsibilities. Do custodial personnel get the 2% COLA increase?

All employees are budgeted to receive the 2% increase. Salary line items fluctuate for many reasons. Staff turnover is one of the bigger factors, i.e. someone at the top of the scale retires and a new person is hired at the lower end of the scale. The base used for this budget proposal is determined by the staff lists we have currently. The budget is done a year in advance. Things change between budget development and actual expenditures. Amounts allocated for subs or overtime may have been

changed as well to stay within overall revenue estimates and balance the budget. As mentioned before, the custodial help we would gain from the custodian proposal would be more in the way of special project support because hours would be outside driving hours. It would not be as beneficial as being able to hire full time custodians assigned to a building for an 8 hour day, 12 months per year.

7. Operation of Plant (72610) - Benefits Total - change of \$35,054. Since the only change in employees in this section is one custodian at the cost of \$15,236, why has the benefits section changed so much? Most of the benefits listed are a percentage of the applicable wages.

Any staff member accounted for in this line item is entitled to health insurance. With a qualifying event, they can switch from single coverage to family coverage. As staff turnover occurs, elections change. Additionally, both certified and non-certified retirement rates increased this year.

8. Operating Transfers (99100) - There is a dramatic decrease (179,445) in the money allocated to this fund. Is this a byproduct of contracting bus services?

The FY08 narrative shows expenditures for this line item and included the purchase of equipment, vehicles and buses with one time money. The FY09 budget does not include any purchases due to lack of one time money and the consideration of contracting transportation.

9. Regular Instruction Program (71100) - Educational Assistants (71100 163) - Having worked in the schools (at Linden) for the past 5 years as a class helper and Spanish Club leader, I have witnessed much time lost in the classroom while teachers deal with disruptive behavior. More time is lost when trying to get the attention of the students who are above or below the class median in comprehension. I would like to see this line item reversed to allow the TA's to pull out disruptive or needy children in order for the remainder of the class to accomplish required tasking. Dividing classes into smaller groups can be very effective if there are additional staff available.

The recommended reductions were made to stay within expected revenue.

10. Regular Instruction Program (71100) - Substitute Teachers (71100 195) - Why has this line item gone up by \$28,000? The previous year, there was a \$26,000 decrease.

Estimate is based upon actual expenditures in FY07 and trends.

11. Regular Instruction Program (71100) - Total salary increase (regular teachers - TA's + subs) appears to be approximately \$335,000 and total number of employees should decrease, since 7 fewer TA's are accounted for. Why do the benefits go up so dramatically? Benefits are usually about

25% of the total salary, which would indicate that benefits should go up approximately \$84,000. Since the plan shows a decrease of 7.0 FTEs, this would indicate a net decrease in number of employees, meaning the total fixed benefits (per employee) should not increase.

Any staff member accounted for in this line item is entitled to health insurance. With a qualifying event, they can switch from single coverage to family coverage. As staff turnover occurs, elections change. Additionally, both certified and non-certified retirement rates increased this year.

12. Regular Instruction Program (71100) - Regular Instructional Technology (71100 722) - Is the dramatic change of \$1,163,550 over last year due to the technology leasing program?

Some funds have been allocated toward technology leases but the majority of the reduction reflects lack of one time money for purchases.

13. Instructional Staff Support (72210) - Supervisor/Director (72210 105) - Why is only half of the Director of Pupil Services listed here? If this is going to be split, the comments should indicate under which line item the other half is listed. If these salaries are listed together, the individual items should be noted in the comments. How much is the Asst Super paid and what % increase is requested for his salary?

The Director of Pupil Services supervises multiple areas. The salary of the Assistant Superintendent can be obtained by following the process for obtaining public information via the Human Resources office. All employees received the 2% salary increase.

14. Instructional Staff Support (72210) - Consultants (72210 308) - why has this item decreased by 78%?

The FY08 Budget reflected funding for specific curriculum based initiatives. Funding will fluctuate annually based upon planned initiatives for that particular year.

15. Board of Education (72310) - Retiree Medical Insurance (72310 213) and Unemployment Compensation (7230 210) - Considering the minimal salary received by the BOE, I don't understand these items. Since BOE members are not making a living from their salary, it seems they would each have another source for retirement income and unemployment compensation.

These are benefits provided "by the board of education" to employees, not "for the board of education."

16. Appendix A - Medical Insurance - Did the change to increase the portion of the family premium paid by the school change to 70% in FY05 as stated in Appendix A? I notice a large increase in the benefits section of the budget even where there is no additional staff or no increase in salary.

Yes. Both certified and non-certified retirement rates increased. Salaries increased by 2% plus the step to those eligible. Health insurance was projected to increase by 8%. ORS staffs are eligible for health insurance benefits. With a qualifying event, staff can switch from single coverage to family coverage. Annually, staff can change plan elections which vary in cost. As staff turnover occurs, elections change. Projections are based upon current staff lists and their elections.

1. Class Fees

There are over 16 HS classes and a number of MS classes for which fees are collected from students. These fees range from \$10-35 each, most of which are over \$20. Where in the budget are these fees reflected?

These fees are accounted for in the student activity funds, not the General Fund.

2. How much of line 72510 105 represents the Dir'r of Business & Support Svs salary and how much represents the Sup'r of Business Services salary? What were the salaries of both positions last year? Why was the Sup'r of Business Svs line previously split between the two line items following and why was it lumped into a single line item this year?

The supervisor position duties have evolved over time and the new accounting more accurately reflects the supervisory duties.

3. In Line 71100 116 projects **enrollment to increase by 44 additional students**. Is this number 44 more than the FY08 proposed number of **4443** or over the February 08 enrollment report which lists **4403** students (which is 40 less than projected in the 08 proposed budget.) What is the total projected enrollment for K-12 (as has historically been the figure included in Appendix B-1)?

Each year in September the District submits its Preliminary Report to the State. The numbers for this report are based on the enrollment in September. Enrollment projections are always compared to the enrollment in September, not the end of the year enrollment which is always lower. 4455

4. **Career Ladder Program** - as was explained by Ms. Gagliano, this is a state requirement that is being phased out; and, as such, theoretically should never increase; rather these line items should decrease as staff retire. I find 13 of these line items and all reflect figures as unchanged from last year. Is it likely that at least some of these lines will decrease once you know the number of staff who will retire this year?

This is a placeholder based upon last year's figures as staff change from year to year and the allocation is based upon the actual staff receiving the funds. This is "pass-through" money and does not affect the bottom line because expenditures equal revenues.

5. **Textbooks** line item reflects a decrease of \$32,5K from last year. Do you anticipate spending less on textbooks this year?

Each year there is a different textbook adoption that varies in cost. In FY08, BEP funding came after budget development and funds were earmarked for specific purposes in this line item. The amount for FY09 is based upon what is needed for the next adoption.

6. **Travel** 17 line items totaling \$122,941 for travel expenses. Should this area be considered for reduction or near-elimination of non-essential travel? Why, of the 17 lines, do 12 remain unchanged since the cost of fuel is so volatile and seems to have steadily increased in recent history?

Travel dollars are always done at the bare minimum and are always expended before the year is out. They are not based on what we need, but rather what we can afford -- regardless of gas increases. When the money is expended, travel stops.

7. How many teachers are ineligible in FY09 for a **step increase**?

104.8 FTE

8. How many teachers will make over the **system average of \$55K** in 09?

Approximately half or 174.29

9. This year's budget reflects an addition of 3 FTE staff members and a loss of 11.47 staff members. How many retiring or departing staff do you expect and will all be replaced for FY09?

To date 10 have indicated retirement and 1 has resigned. Typically, all positions are filled when vacated unless the position has been planned for elimination.

10. Two line items are included for **postage**. Neither of them reflects a change from FY08. Yet, the USPS has increased postage rates effective May 08. Do you expect to send out less mail in FY09?

We recognized that postage rates were predicted to increase but we hope to do less mailing. Email notifications have replaced many items historically mailed. Our new software will allow for employee access of payroll/personnel information which has been traditionally mailed during the summer months.

11. What are the criteria you use to select which constituent questions you will answer directly as opposed to requiring them to officially inquire via FOIA? If all budget information is open to the public, is there any reason to defer a citizen to follow FOIA procedures to acquire information that you have immediate and direct knowledge of?

We have tried to provide easily accessible information about the budget and it's development as quickly as possible. However questions regarding information that requires access to documents and other files are typically handled through the public records procedure.

TRANSPORTATION COMMITTEE Contracting Questions & Answers

My thought is that if the schools will have to hire more custodians anyway, would there really be a savings to the school district of \$99,000 or would the savings be minimal? I don't know if we need more custodian or not at the schools, but if you have to hire some then what would the savings be? Is it really worth going to a private contractor then?

The custodial help we would gain would be more in the way of special project support because hours would be outside driving hours. It would not be as beneficial as being able to hire full time custodians assigned to a building for an 8 hour day, 12 months per year.

What exactly would OR schools be contracting? e.g. driver labor; driver labor and supervision; driver labor and busses;??

Driver labor, supervision, training, bus maintenance

Will the contracted employees be used as bus drivers only, or bus drivers and custodians?

Bus drivers only

Will contract drivers use existing City-owned school busses, or will contract drivers use contractor owned busses?

School owned buses. When buses have to be replaced, the contractor will replace and pass on the cost to the schools.

What was the source of this "new information regarding contracted services"?

A budget estimate based on the committee's recommendation from one of the largest providers of student transportation services in the U.S.

What is the contracted dollar amount portion of the \$1,153,776 figure?
(see Excel Spreadsheet)

Under caveats "...would like the Board to consider not combining these two routes in the afternoon." - What is the additional cost to implement this option?
That is something that could be answered in the formalized bidding document process as an alternate.

Does the company do thorough background checks for their drivers who drive for a school system?
Yes

I still have concerns about putting 5th grade children on the bus with high school students in the afternoon; there is just such a size and maturity difference. Of course, I do recognize that it is the norm in most school systems and that we have gotten spoiled here in Oak Ridge. I hope they can work something out within budget.
Comment, no question.

The cost savings is great and I agree that we should move in that direction. However, I still want to express my opinion on why we should not mix the middle and high school students in the afternoons. Not only should we be concerned about bullying and intimidation, but also the possibility of our middle school students being exposed to foul language and maybe even obscene and/or sexual gestures.
Comment, no question.

Will the contracting company be providing their own buses?
When ORS buses are retired.

How many bids were received and reviewed before accepting the bid discussed below?
No bid has been accepted. Only a budget estimate was obtained.

What is the name of the contracting company?
That information is not public at this time.

Has anyone checked with other communities using this company?
Yes, their reputation is excellent.

How long is the contracting period? If we are not satisfied with the level of service or other aspects of the contracting company, will we be able to return to our current practice?

The term could be whatever term the board wanted, but typically it is either a three or five year contract with annual renewals required. Typically a 30-60 day notice of termination is included. The largest expense would be catching up on having enough buses in the fleet to provide service.

Will the contracting company interview and attempt to hire existing drivers?

Yes

Have the existing drivers had an opportunity to review and comment on the new proposal?

The drivers are aware of what is being considered and why. This is not the first time contracting has been considered for ORS transportation and the drivers have been made aware in the past as well.

Will the contract allow for a yearly increase for variable expenses (e.g., raising or lowering of gas prices, insurance costs, etc.) or is the contract price per year fixed?

The contract would contain a provision for annual increases connected to the cost of living index. The school system would provide the fuel.

Can you tell me how many custodians we have on staff currently and how they are divided amongst the schools?

**SAB 2.5 FTE
ORHS 12 FTE
RMS 5.5 FTE
JMS 5.5 FTE
WL 3.5 FTE
WB 4 FTE
GL 3.5 FTE
L 4 FTE
Total 40.5 FTE**