

**SCHOOL DISTRICT OF THE CITY OF ROYAL OAK  
1123 Lexington Boulevard  
BOARD OF EDUCATION  
MINUTES OF THE  
WORKSHOP**

**OCTOBER 31, 2009  
8:00 a.m.**

**PRESENT:** President, Michael Hartman; Vice-President, Gary Briggs; Secretary, Kevin McLogan; Treasurer, Deborah Anderson; Trustee, Lisa Bradford; Trustee, Marty Cardamone; and Trustee, Christine Hartwig

**ALSO PRESENT:** Superintendent, Thomas Moline; Executive Director Business and Technology Services, G. Anders Linell; Executive Director Business and Personnel Services, John Schwartz; Executive Director Student Services, Carol Hansen; Executive Director Administrative Services, Cheryl Goodgine; many visitors and a member of the press

**ABSENT:**

Mr. Hartman called the meeting to order at 8:06 a.m.

1. Board Discussion with Administrators – Response to State Mid-Year Funding Cuts

Mr. Hartman explained that the purpose of the meeting is to discuss budget issues for this year and next year as well.

Dr. Moline thanked the Board for the work that they do and stated that serious decisions need to be made. The School District of the City of Royal Oak received \$553 per pupil deficit in funding. The 20j deficit is in addition to what non-20j districts received. Royal Oak actually puts more money into other districts under 20j. As a result, serious decisions need to be made. Legislatures locally and at the state level need to be contacted. State cuts take effect on November 21.

Reduction in funding is as follows:

\$165 per student	(\$ 891,000)
\$261 per student	(\$1,400,000)
\$127 per student	(\$ 686,000)
\$553*	(\$2,977,000)

\*Reduction would be \$278 higher if not for Federal Stimulus Funds (ARRA).

Mr. Schwartz stated that this is an emergency as there is no fund equity to cover the cuts. While there was a slight increase in student enrollment, we must reduce our expenditures by approximately \$2.8 million dollars and mid-year budget cuts, while difficult will be discussed, as well as cuts for next year. Next year is expected to be worse as the State economy will not suddenly recover and costs continue to increase. There are additional challenges as P.A. 18 Special Education funding will also decline in 2011 by \$399,108 and include additional losses in 2012 of \$943,404 and \$109,482 in 2013.

Mr. Schwartz also stated that school districts must have a balanced budget. There are no more easy budget reductions and this is a multi-year financial dilemma and difficult recommendations will follow. However the end result will be:

- Balanced budget
- Instructional programs will remain high priority
- Programs and services will be restructured
- Some programs and services will be eliminated
- Fewer staff
- Bottom line is we must change the way we deliver services.

We began the year with \$650,000 shortfall and mid-year budget cuts are only half of the reductions in costs. 88% of costs are salaries and fringe benefits.

2009-10 budget considerations included:

- Hiring freeze where available and appropriate.
- Elimination of overtime
- Staff Reductions
- Substitute Usage
- Team Planning
- Freshman Athletic Teams
- Co-Op Student Athletic Trainers
- One-Way Bus Drop Off for Athletics
- Bus Purchase Allocation
- Non-Essential Purchases
- Indirect Cost Allocation to Food Service Program
- Supply, Material, and Capital Outlay - Additional 10% Reduction
- District Funded Field Trips
- Band Uniform & Instrument Sinking Fund
- Music Sectionals
- Hardware Purchases & Technology Services
- Special Education – ARRA IDEA Program
- Community Service Transfer
- Athletic Transfer

Mr. Schwartz stated that there needs to be cooperation and support of all staff and all bargaining units, and other opportunities and possibilities will be considered.

Mr. Schwartz reviewed the pro-active efforts the district has taken over the years including the efforts in right-sizing the district which began in 1990, where some district are just beginning the process. Also utilizing a five-year forecasting model has also been a pro-active measure.

There was discussion regarding the information provided in the presentation and the following were topics of that discussion:

- Structural changes for 2009-10 and 2010-11
- Bargaining Unit Considerations
- Plea for Employee Cooperation
- Revenue Enhancement
- Sharing the Impact among All Groups – Not Just Students
- Input from Community & Staff to Help the Board Prioritize Reductions
- Look at Other Districts Programs and how they are offering/providing (financial difference?)
- What Can We Change - Reinvent
- Consolidation of Services with Other Districts
- Expenses: Travel / Conference / In-Service, etc.
- Look into Administrative Office & Churchill Closing

Financial Challenges for the 2010-11 year include the operating deficiency has yet to be determined, State revenues are not expected to improve, the Stimulus funding is almost gone, and costs are increasing.

Budget Considerations for 2010-11

- Transportation
- All Day Kindergarten
- Special Education – ARRA IDEA
- Privatization of Services
- Secretarial/Clerical Staff
- Executive Administration
- Building Administration
- Low Enrollment Classes
- Substitute Teacher Usage
- ROYA Contribution
- MYP Initiative
- IA Participation
- Police Liaison Officer
- Crossing Guard Contribution
- Coordinator Positions
- Life Management – ROMS

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- Non-Core Department Chairs
- Instrumental and Vocal Music
- Marching Band

Dr. Moline informed the audience that on the District web-site is information regarding the issues and legislature contact information.

The Board took a 10 minute break at 10:03 a.m.

The Board reconvened at 10:18 a.m.

2. Opportunity for Citizens to Speak

- Sidney Kardon Huntington Woods ROEA President spoke regarding wage freeze, increase in step and MESSA, Early Childhood home services issues and ROEA President release time.
- Marcia Rauschendorfer Rochester Hills ROEA Vice-President spoke regarding early retirement incentive.
- Karen Kline 2424 Elmhurst Royal Oak spoke regarding the support of the band program.
- Janet Von Eberstein 3105 Clawson spoke regarding performing arts, band, etc. concerns and history of cuts.
- Frank Houston spoke regarding reductions already taken by all staff, negotiation issues and Early Childhood home services issues.
- Karrie Mahrle 910 N. Gainsborough thanked the Board for their work, and spoke regarding budget cuts.
- Albin Rose 23631 S. Millard spoke regarding budget cuts from the State and urged people to contact their legislators.

A plan of action with itemized amounts will be put together for the November 12 Board meeting.

The meeting was adjourned at 10:53 a.m.

Respectfully submitted,

Kevin McLogan

Secretary, Board of Education