



**Expense reduction plan for Westerville Schools**

**6/27/11**

**Whittier Elementary School, 6 PM**

**Board of Education meeting**

# Expense reductions for Westerville City Schools

## Why reduce expenses:

- **Salaries in District (~9 mo. – 71% of full year) vs. comparable positions (12 mo.) out of line:**
  - A.) Education Media (Librarians) making \$76,000 on average vs. private sector \$38,000 (100% higher!)
  - B.) Superintendent making \$215,000+ - new Worthington Superintendent making \$150,000 (40% higher! – 12 months)
  - C.) Custodians making \$65,000 + vs. private sector custodians \$40,000 (60% higher!)
  - D.) Physical Education teachers making \$77,500 on average!
  - E.) These do not take into account any benefits

Source: #'s gathered from monthly district payroll information

# Expense reductions for Westerville City Schools

## Why reduce expenses:

- **Economy out of whack:**
  - A.) Adjusted Gross incomes in district down 7-8% (2007-2009 Ohio Dept of Taxation – see attachment)
  - B.) Mortgages – highest foreclosure & delinquency rates since Great Depression, yes, even in Westerville – people have had their RE taxes approach their mortgage amounts, but the big difference is they cannot be paid off!
- **Growth in expenses has been double the rate of inflation - 58% vs. CPI 27% for the last 10 years (2001 – 2010 – Bureau of labor Statistics)**
- **Growth of expenses has been 6.5 times faster than growth in population of students in schools – 58% to 9% (2001 - 2010 – District web site)**

## Ohio Department of Taxation Tax Data Series

<u>Year</u>	<u>SCHOOL DISTRICT</u>	<u>NUMBER OF RETURNS</u>	<u>TOTAL FEDERAL ADJUSTED GROSS INCOME</u>	<u>AVERAGE FEDERAL ADJUSTED GROSS INCOME</u>	<u>TOTAL OHIO ADJUSTED GROSS INCOME</u>	<u>AVERAGE OHIO ADJUSTED GROSS INCOME</u>
2007	WESTERVILLE CSD	44,316	\$2,913,722,037	\$65,749	\$2,817,497,460	\$63,577
2008	WESTERVILLE CSD	44,267	\$2,822,742,707	\$63,766	\$2,721,436,143	\$61,478
2009	WESTERVILLE CSD	<u>43,071</u>	<u>\$2,707,870,497</u>	<u>\$62,870</u>	<u>\$2,598,446,523</u>	<u>\$60,329</u>
<b>% Decline 2007 to 2009</b>		<b>3%</b>	<b>7%</b>	<b>4%</b>	<b>8%</b>	<b>5%</b>

# Expense reductions for Westerville City Schools

**How to reduce expenses (Solutions)** using 2011 (\$149,446,168 Total Expenditures) as base year for expenses:

1. **Health Care benefits** – Change to New Albany City schools plan – **savings of \$4,465,000** based on 2010 \$\$'s, PPO plan, deductibles go to \$300, \$600, lower family premiums – see attachment
2. **Administration pension contribution** – Employees make contribution - **\$699,000 pick up** – Private sector does this
3. **Dental benefits** – Employees pay 50% of premium - **\$738,000 pick up** – Private sector does this
4. Reduce departmental/building budgets (including professional development) - **\$260,000 pick up** in 2009 \$\$'s per District attachment
5. Reduce English as a Second language community outreach efforts - **\$70,000 pick up** in 2009 \$\$'s per District attachment

Total annual savings: **\$6,232,000**

	WCS	New Albany
35(a). Number of employees: Employees choosing single coverage		473
32(a). Employer contribution to HSA \$: Single/yr		\$600 \$0
50(a). TOTAL monthly premium (as of 1/1/2010): Single		\$505 \$352
50(a). TOTAL YEARLY contribution/premium (as of 1/1/2010): Single		\$6,660 \$4,224
48(a). EMPLOYER monthly premium (as of 1/1/2010): Single		\$480 \$317
49(a). EMPLOYEE monthly premium (as of 1/1/2010): Single		\$25 \$35
32(a). Employer contribution to HSA \$: Single/yr =New Albany		\$0
48(a). EMPLOYER monthly premium (as of 1/1/2010): Single=New Albany		\$317
49(a). EMPLOYEE monthly premium (as of 1/1/2010): Single=New Albany		\$35
32(a). Employer contribution to HSA \$: Single/yr_Savings=New Albany		\$283,800
48(a). EMPLOYER YEARLY premium (as of 1/1/2010): Single _ Savings=New Albany		\$925,188
		\$1,208,988
35(e). Number of employees: Employees choosing family coverage		782
32(e). Employer contribution to HSA \$: Family/yr		\$1,200 \$0
50(e). TOTAL monthly premium (as of 1/1/2010): Family		\$1,320 \$952
50(e). TOTAL YEARLY contribution/premium (as of 1/1/2010): Family		\$17,040 \$11,424
48(e). EMPLOYER monthly premium (as of 1/1/2010): Family		\$1,056 \$809
49(e). EMPLOYEE monthly premium (as of 1/1/2010): Family		\$264 \$143
32(e). Employer contribution to HSA \$: Family/yr=New Albany		\$0
48(e). EMPLOYER monthly premium (as of 1/1/2010): Family=New Albany		\$809
49(e). EMPLOYEE monthly premium (as of 1/1/2010): Family=New Albany		\$143
32(e). Employer contribution to HSA\$: Family/yr_Savings=New Albany		\$938,400
48(e). EMPLOYER YEARLY premium (as of 1/1/2010): Family_Savings=New Albany		\$2,317,848
		\$3,256,248
Westerville - New Albany =		\$4,465,236



# Expense reductions for Westerville City Schools

How to reduce expenses (Solutions) using 2011 (\$149,446,168 Total Expenditures) as base year for expenses:

- Savings of \$155 per \$100,000 in home value
- Referendum to rollback 5 Mills of previously passed Millage to reduce the RE taxes on district residents
- Freeze all expenses through 2015
- We have reached out to all 4 collective bargaining representatives
- **Plan does not eliminate anyone from district!**
- **Saves busing, Special Education programs, and all sports**



# Expense reductions for Westerville City Schools

**How to reduce expenses (Solutions)** using 2011 (\$149,446,168 Total Expenditures) as base year for expenses

Other ideas:

- Increase class size to state max – It has “little, if any, effect on cognitive and non cognitive outcomes” - Based on Florida study, August 2010, Matthew Chingos, Harvard University.
- Do not replace retiring employees, consolidate positions:
  - A.) Guidance Counselors
  - B.) Education Media (Librarians)
  - C.) Athletic Directors
- Share employees across districts
  - A.) Treasurer
  - B.) Superintendent





# Expense reductions for Westerville City Schools

**How to reduce expenses (Solutions)** using 2011 (\$149,446,168 Total Expenditures) as base year for expenses

Other ideas:

- Self insure district and /or combine with other districts on health care beyond New Albany savings
- Increase employee % contribution to health insurance premiums, after New Albany change
- Online classes - increase
- Vacation buy back – stop it - use it or lose it
- Dependent audit for benefits analysis – check eligibility



# Expense reductions for Westerville City Schools

- Now is the time to act on all these items
- Now is the time to reduce expenses
- Now is the time to listen to the residents of the Westerville City Schools
- Now is the time for a tax rollback and a more efficient district like Hilliard, Middletown etc.!
- Now is the time!
- Thank you, we look forward to your quick action to keep Westerville City Schools a great environment for kids to learn, while being solvent, and efficient with resources