

**Update of FY 2011 Budget**  
**The Impact of Georgia's Current Economic Situation and the Implications for**  
**Troup County Schools**

The preliminary decisions that have been much publicized lately are actually a normal part of our annual budget building process. We've started earlier and engaged the public because the stakes are much higher, given Georgia's current economic woes and our anticipated deficit of \$4.1 million for next year's budget. With such a deficit, the impact of decisions needed to cover the gap will touch many stakeholders. This point in the process is perhaps best described as a feasibility study; pricing ideas and weighing options. We really won't bring final decisions before the board until next spring. Meanwhile, because some of the ideas are new and/or large in scope, I've provided a brief narrative of those being closely examined as we create next year's budget.

- a. Restrict transportation to attendance zones (\$483,000) - *If done, this would be effective fall, 2011. Though the savings would not be immediate, the planning must begin now. We currently offer elementary families a choice among schools in the zone in which they reside. Choice costs more. Therefore, we have proposed moving to a plan where K-5 students would attend the school within a set range (proximity zone) around that school. Transportation cost will go down. We are exploring new proximity zones at this time. Again, if implemented, this would not take effect until the fall, 2011. We anticipate no changes in the current policy provision for children of employees enrolled in our schools.*
- b. The reduction of central office administrative positions (\$170,089) - *Three positions have already been eliminated; coordinator of pre-k, assistant coordinator – office of student assignment, and director for CTAE. The people have been brought back part time to attend to core work (some of which is transitional), as we have increased the work load for other employees. The figure shown is real, in that it reflects the part time salaries added back. We are constantly looking for efficiency in how we organize and employ human resources and all departments and schools are encouraged to do the same. Our total budget is approximately 89% people.*
- c. Suspending the elementary student assignment choice plan (appr. \$300,000 – effective Fall 2010) - *This strategy would be effective fall 2010 and only apply to new or transferring elementary students. This begins the process of streamlining transportation cost and transitioning into item "a" above.*
- d. Include funds from the reserve (10 – 20%) - *We're very fortunate to have built the reserve significantly over the past few years. Many of us have seen the day when we had little, if any, for a rainy day. It's raining. Therefore, I would recommend that the board use some reserve funds to soften the impact of the current situation.*
- e. Alternative calendars (\$571,673 - \$1,016,075 - under study) *Two options (along with our traditional calendar) are being considered. Both have pros and cons, but we believe they are worth consideration:*
  - Four-day calendar – we would follow the traditional start and end dates (early August, late May) but students and staff would only come to school/work four days a week. Other holidays resemble the traditional calendar. This means about*

*33 less days of school a year; a cost savings. The four school days a week would be longer to meet instructional requirements. As proposed, teacher pay would not be affected.*

*Shortened calendar – attend school the normal work week (5 days) but shorten the calendar “x” days and increase the length of the day to equal the required instructional time. For example, rather than the normal 180 instructional (student) days, we would only schedule 160. As proposed, teacher pay would not be affected.*

*There are many details to be worked out for both models, but there are systems in Georgia using these models and they’ve both been kind to share what they know. To be sure we explore all the implications of fewer days of instruction, due diligence will require adopting the calendar for next year later than usual.*

- f. *Freeze the salary scale (\$1,013,339) - This would mean no advance in years on the salary scale. Whatever your step on the salary scale is now, it would be the same next year. This would not apply to degree upgrades. For example, if you earn a masters degree, you’ll move over to the master’s column on the pay scale. A public hearing and a waiver from the state would be required. We all want to avoid actions that mean less pay, but we believe it’s a better option than losing jobs.*

The current economic environment is not only dire but one that demands planning around scenarios rather than one clear course of action. That is the approach we have taken. Therefore, things may change quickly. Given this reality, how do we move ahead? I think we begin by counting our blessings and staying focused on our mission – the main thing – student success. In the weeks and months ahead, I commit to you that your board and I will continue to do what we believe to be in the best interest of the system and community as a whole; doing what is necessary in a manner that will not distract us from our noble purpose.

Sincerely,  
Ed Smith