



# MEMORANDUM

**TO:** Board of Education

**FROM:** Jim Feil, Superintendent

**DATE:** March 4, 2009

**SUBJECT:** Superintendent's Budget Development  
Recommendation to Board of Education

**James G. Feil**  
*Superintendent*

**Keena Tibbetts**  
*Executive Assistant*

The budget development recommendation advanced herewith reflects the target suggestions received from the various educational and support groups; executive team review; staff; parents and community feedback; budget alignment criteria; and, the *Three Point Plan* established with the Board of Education. The recommendation also considers the unsettling state of the economy, anticipated but unknown benefits of the federal stimulus package, and most importantly our long-term commitment to further invest in our students.

The Board of Education should consider this a multi-year recommendation that comes to grips with and addresses the reality of ongoing future revenue shortfalls. It is a recommendation which will enable TCAPS to continue and sustain its core business of elevating and accelerating student achievement for all children. It will also allow us to focus our attention on raising new revenues, developing more meaningful collaborative partnerships, and seeking more cost effective strategies for advancing world-class learning for all students.

## **Three Point Plan Recommendations:**

### *Launch Aggressive Revenue Campaign*

Staff, parents, and community members are offering ideas and expressing support toward generating new revenues. Based on this level of interest, I recommend that we consider a one half time fund development officer or contracted service equivalent for one to three years to accelerate this fundraising initiative. An individual dedicated to this purpose can better channel the developing interest into meaningful follow-up and generation of these new revenue sources. I also believe that seed money is necessary to jump start this initiative and to possibly build and sustain this fund development initiative into the future. Should a fund development person or contract service equivalent be considered necessary for continued development and sustainability, the position or service should be able to easily recover their ongoing expense. I will follow-up with President Tank on how we might secure immediate assistance in measuring the interest of major community donors.

### Expand Partnership Efforts

Staff, parents, and community members are also offering ideas and expressing support for furthering our partnership efforts in service to our students and community. While significant collaborative effort already exists between parents and staff and between TCAPS and such entities as the Traverse Bay Area Intermediate School District, Northwestern Michigan College, Traverse City Area Chamber of Commerce, Traverse Bay Economic Development Corporation, Munson Healthcare, Traverse City Rotary Club, United Way of Northwest Michigan, Local Governments, Grand Traverse Band of Ottawa and Chippewa Indians, Grand Traverse Community Collaborative, parochial and neighboring school districts, and numerous other organizations, many critical student and community needs remain unmet. It is imperative if we intend to collectively address these needs that we take the time to map our collective assets and to establish baseline data on their effectiveness. This type of data will help identify how we might better leverage this collective goodwill to obtain an even greater return.

As a starting point, I recommend that we focus our initial efforts on creating baseline data with the Traverse Bay Area Intermediate School District (TBAISD). Michigan Intermediate School Districts (MISD) were originally formed to more cost effectively handle unaffordable or unmanageable tasks at the local district level. Original MISD services included such services as regional special education programs to meet the needs of highly disabled students; regional vocational schools for students who were not pursuing more advanced education opportunities; mainframe data centers to crunch the numbers for accounting and payroll applications; and, administrative rulings on regional school property transfer requests. The need and environment have obviously changed and so have MISD. The question to answer is: "Have the services evolved to be the most cost efficient means to support, extend and accelerate world class learning for all children?" Baseline data is needed to answer this question and will lend support in creating more meaningful dialog between institutions regarding how we might improve the return on TBAISD's annual estimated \$60 million budget.

I also recommend that we explore the feasibility of underwriting a one half time Community Education Director for one to three years to expand current and related educational and extracurricular services into our community. There is a strong belief that this position could easily pay for itself through new access and user fees that would result from providing services for many of the unmet needs of this community. Diligence would be taken to ensure we do not duplicate quality services that might already be cost effectively provided by other entities such as Northwestern Michigan College.

### Implement Reductions

The third part of this *Three Point Plan*, Implement Reductions, is summarized in the attached table. This part of the plan identifies the current recommended reductions that will be necessary next year for a balanced budget. The recommendations also include proposed future reductions to the extent that stimulus funds and fundraising efforts are unable to sustain programming necessary to fulfill our educational goals.

The long-term programming deemed necessary to fulfill our educational goals is also noted. These items reflect what we are capable and ready to do with our much anticipated federal stimulus money and/or fundraising efforts and partnership development. There is obviously more financial need than what might be immediately forthcoming, but it is important to note

that we have a plan for increasing world-class learning for all students and a determination to bring this about.

The proposed future reductions section of the budget development recommendation represents reductions listed in anticipation of the continued revenue shortfall and the realization that we cannot jeopardize our profession of educating children by cutting value added programs and services from our budget.

The only way around this unfortunate situation is in how we compensate our capable staff for their meaningful work. I believe that we are at a point in time, out of no fault of our own, where we need to carefully examine the ability of the State to support our current compensation system. The challenge of considering lower increases or concessions is to not lose our ability to attract and retain the best and brightest to educate and support our students. I personally believe that we will continue to attract and retain the very best for the simple fact that the economic issues confronting this state are not isolated to our region. We also attract and retain the very best based on our history of reaching higher for our students. Anyone who is keeping up with the news would recognize that this readjustment or recalibration to the ability of the state to pay is already taking place with many districts throughout the state.

I feel compelled to take the lead in elevating this understanding by personally contributing my scheduled payroll increase for next year back to the district. I will do this even though my contract has been seen as reasonable when benchmarked against superintendent contracts of similar sized districts throughout the state. It appears that we can no longer afford the old compensation models that exist throughout the state. It is time to reinvent new models.

The only other alternative to the above, which I am not supportive of, is to move into those remaining high budget areas that impact students, e.g., class size, future transportation cuts, and the added cost of sports and other extracurricular activities.

Traverse City Area Public Schools is one of the finest public school districts in the state. We have through our very capable and committed staff and caring community the capacity to make what appears to be impossible possible.