

KNOX COUNTY SCHOOLS

ANDREW JOHNSON BUILDING

Dr. James P. McIntyre Jr., Superintendent



MEMORANDUM

To: Chair and Members
Knox County Board of Education

From: Dr. James P. McIntyre, Jr.
Superintendent

A handwritten signature in black ink, appearing to read "James P. McIntyre, Jr.", with a long horizontal line extending to the right.

Date: June 25, 2015

Subject: Fiscal Year 2016 Budget

Attached for your review and consideration, please find both a proposed Intragovernmental Memorandum of Understanding (MOU) and a recommended Knox County Schools Fiscal Year 2016 (FY16) Budget revision that reflect a potential budget compromise which will be the focus of the School Board's special called meeting on July 1st.

As part of this proposed budget compromise, the school system would identify an additional \$1 million in expenditures to be cut and reallocated toward a 2% raise for teachers and certified employees. This memo will outline the details of my recommendation to achieve those savings.

While identifying any budgetary reduction can be arduous, the development of this recommendation has been particularly challenging due to the fact that so many other difficult tradeoffs have already been incorporated into the Knox County Schools FY16 Budget. However, I believe the following are reasonable and appropriate strategies for meeting the obligation of identifying \$1 million to support salary increases for our teachers:

Central Office Position Cuts - \$165,000

While we had previously reduced several positions from an already lean Central Office in the development of the approved FY16 Budget, I would recommend we cut three (3) more positions: the Director of Program Management in the Curriculum and Instruction Department, an administrative assistant position supporting the grants function in the Accountability Office, and the Senior Advisor for High Needs Schools position. All three positions are currently vacant, and would represent total savings of approximately \$165,000 including salaries and benefits.

Instructional Coach Positions - \$390,000

While instructional coaches have been seen as very important to support high quality teaching at the elementary and middle school level, teachers at the high school level have not perceived them to be quite as valuable. Therefore, I am recommending that six (6) instructional coach positions be reduced. Please keep in mind that these resources were allocated to schools as positions, but school leaders had the autonomy to reallocate those positions to other higher priority functions. Therefore the reductions will also allow flexibility for the identified schools to reduce an instructional coach position, or to keep their coach and identify an alternative reduction. With funding source as a primary consideration, the position reductions will impact Carter, Central, Gibbs, Halls, and Karns high schools as well as Hardin Valley Academy, and will garner approximately \$390,000 in general fund budgetary savings.

Nutrition Services - \$200,000

With the onset of the Community Eligibility Program (CEP) our Nutrition Services Department has served more meals and received more reimbursement than in prior years. We typically have charged nutrition services for a portion of the cost of utilities and other services that support the hot breakfast and lunch programs, but these chargebacks have represented a relatively modest proportion of the total cost. This proposal would recommend increasing the amount charged back to nutrition services by \$200,000. In recognition of the important service they provide, this would still not represent the full cost of utilities, but would provide significant additional savings in the general fund to help support the cost of salary increases for teachers.

Extended Time at Priority Schools - \$150,000

A recent decision by officials at the Tennessee Department of Education will allow the Knox County Schools to utilize federal grant dollars to support extended learning time at our priority schools, including Sarah Moore Greene Elementary School. This action will free up approximately \$150,000 in general fund resources that would have otherwise been committed to fund this important academic support initiative.

Technology Bandwith - \$45,000

Since the time the FY16 Budget was approved by the School Board, we have received additional information suggesting that the anticipated cost of internet connectivity will be lower than initially projected. This will allow us to reallocate approximately \$45,000.

Magnet Allocations - \$50,000

We have had some success in enhancing our magnet programs the past few years, and have provided additional allocations of resources to magnet schools for expenditures related to enhancing and supporting their magnet theme programming. This proposal would include a modest reduction of \$5,000 per magnet school, which should not compromise our ability to offer high quality magnet options.

Conclusion

These budget reduction strategies will collectively allow us to reallocate \$1 million in recurring general fund resources toward supporting a 2% raise for our educators. While any budget reduction is challenging, these cuts will allow us to make much needed progress toward our important priority of offering a professional and competitive level of compensation to our teachers for the outstanding educational work they do with our children.

I would respectfully request that the Board of Education approve the Intragovernmental MOU that is before you for consideration, as well as the attached FY16 general fund budget revision that reflects the provisions of the MOU, including these recommendations. Please let me know if you have any questions.