

Exhibit C: Cost Savings

Central Office

Year One: 2010-11

The 2010-2011 year is expected to be a critical year. Under the direction of the Union 104 Board Chair, the Union 106 Board Chair and Regional Planning Committee Chairman, and the Regional Planning Committee Cochairman, all business functions and all responsibilities of the AOS will be operational within one Superintendent's Office under one roof by July 1, 2010. Although all staff and functions will begin July 1, 2010 at one Central Office Location, the first year of the AOS will involve an on-going assessment of efficiencies, further refinement and reorganization of administrative responsibilities and delivery of Central Office services including sought efficiencies in the delivery of Special Education Services and in the management of Transportation Services. Additional consolidation of financial and clerical services is expected.

Category	Projected Savings	Additional Cost	Notation
Personnel	\$40,000.00	\$00.00	The first year will start with the elimination of one part time clerical and one part time accounting staff; Special Education administrative and clerical staff will be reorganized. Given the combination of variables involved in this reorganization, a minimum of \$40,000.00 in savings is expected.
Audit	\$00.00	\$00.00	Given the volume of budgetary data, documents, and the initial collation process, no significant reduction in professional audit service is anticipated.
Operating efficiencies	\$10,000.00	\$00.00	A limited reduction in expense can be expected during the first year while the greatest reduction is expected during the second year of AOS operation following continuous assessment of efficiencies throughout the first year of operation.
Total minimum savings for the first year of operation	\$50,000.00		The total savings during the first year of operation may be greater than \$50,000.00; however, there are several unknown variables that can only be determined by the AOS board.

Year Two: 2011-12

Category	Projected Savings	Additional Cost	Notation
Personnel	\$40,000.00	\$00.00	Two of three administrative contracts end in 2011; however, savings in staffing in one area are expected to be balanced by other unavoidable increases in costs associated with the combination of consolidating services and staff and improving delivery of instructional and support programming in other areas. Some additional savings in staffing as a result of increased efficiencies is expected; but significant reduction cannot be guaranteed and will be determined by the continued efficiency study of the AOS and Superintendent.
Audit	\$00.00	\$00.00	Significant reduction in the area of professional audit service is not anticipated due to the anticipated level of professional audit services required with the volume of records and documents.
Operating efficiencies	\$40,000.00	\$00.00	Anticipated savings in non staff expenses in the second year of operation of the AOS is anticipated at a minimum of \$40,000.00. The projection of savings must be conservative as variables can only be specifically determined by the Sunrise County School System board and Superintendent based on the needs and conditions in place at that time.
Total minimum savings for the second year of operation	\$80,000.00		The projected total savings must continue to be conservative given unknown variables that ultimately must be addressed by the Sunrise County School System board and Superintendent.

Additional cost savings will be sought on behalf of the member units by continuing to target areas for potential consolidation across or between individual member units in such areas as sharing teaching staff (e.g., academic, fine arts, physical education) classroom support staff (e.g., educational technician), professional support staff (e.g., technology coordinator, school nurse, librarians, guidance counselor, social services, counseling), Special Education professional services (e.g., Speech Therapy, Occupational Therapy, Physical Therapy). This concentration and focus by the AOS on maximizing the capacity of such efficiencies are expected to improve the capacity of the AOS to improve and expand the breadth and depth of educational programming and services for our K-12 students across the Sunrise County School System.

Year Three: 2012-13

Category	Projected Savings	Additional Cost	Notation
Personnel	\$00.00	\$00.00	Given the Central Office Focus of Reorganization in the Areas of Curriculum and Assessment (Curriculum Director), Transportation (Transportation Director); given the inclusion of the Special Education Director/Director's Office in the Central Office budget; and given the increased level of the Business Management function, additional personnel cost savings at the AOS levels are not anticipated in the third and subsequent years of the reorganization.
Audit	\$00.00	\$00.00	Significant reduction in the area of professional audit service is not anticipated due to the anticipated level of professional audit services required with the volume of records and documents.
Operating efficiencies	\$10,000.00	\$00.00	Business Management functions and staff will continue to seek additional efficiencies in daily operations (e.g., collaborative and competitive equipment and supplies, collaborative and competitive business office hardware and software, system support; energy and heating systems and fuel, etc.).
Total minimum savings for the third year of operation	\$10,000.00		The Sunrise County School System goal of strengthening K-12 educational programming and student performance while seeking cost efficiencies where possible is expected to minimize budgetary increases.

The focus and attention initiated in years one and two of the Reorganization in regard to efficiencies will continue in the third and subsequent years of the Reorganization:

The Sunrise County School System Board will continue its work toward improving the capacity of the Sunrise County School System to expand and enhance the breadth and depth of educational programming and services for our K-12 students while simultaneously seeking additional efficiencies.