

# Memorandum



DATE May 20, 2010

TO Honorable Members of the Quality of Life Committee: Pauline Medrano (Chair),  
Vonciel Jones Hill (Vice Chair), Carolyn R. Davis, Angela Hunt, Sheffie Kadane,  
David A. Neumann, Steve Salazar

SUBJECT FY 2010-11 Educational Enhancements Key Focus Area Preliminary Ranking of  
Bids

On Monday, May 24, 2010, Chief Financial Officer, Jeanne Chipperfield will brief you on the FY 2010-11 Educational Enhancements Key Focus Area Preliminary Ranking of Bids. The briefing material is attached for your review.

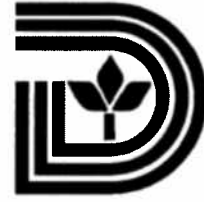
If you have questions or need additional information, please let me know.



Forest E. Turner  
Assistant City Manager

cc: Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Deborah A. Watkins, City Secretary  
Thomas P. Perkins, Jr., City Attorney  
Craig D. Kinton, City Auditor  
C. Victor Lander, Administrative Judge  
Ryan S. Evans, First Assistant City Manager  
A.C. Gonzalez, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Frank Libro, Public Information Office  
Helena Stevens-Thompson, Assistant to the City Manager

# Memorandum



CITY OF DALLAS

DATE May 21, 2010

TO Members of the Quality of Life Committee:  
Pauline Medrano, Chair; Vonciel Jones Hill; Vice Chair; Carolyn Davis;  
Sheffie Kadane; David A. Neumann; Steve Salazar

SUBJECT FY 2010-11 Budget: Key Focus Area Preliminary Rankings

On May 19<sup>th</sup>, Council was provided an overview of the preliminary rankings of each Key Focus Area during FY 2010-11 Budget Workshop #5. During your May 24<sup>th</sup> committee meeting, the preliminary rankings for Educational Enhancements will be further reviewed. Staff from various departments will be available to answer questions that you may have.

Please let me know if I can provide any additional information.

A handwritten signature in cursive script, reading "Jeanne Chipperfield".

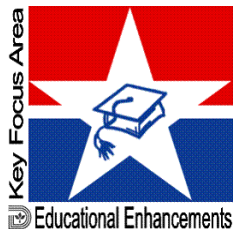
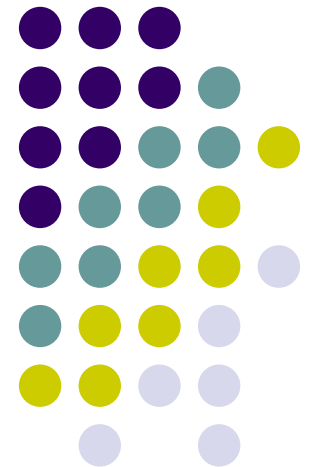
Jeanne Chipperfield  
Chief Financial Officer

## Attachment

c: Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Thomas P. Perkins, Jr., City Attorney  
Deborah A. Watkins, City Secretary  
Craig Kinton, City Auditor  
C. Victor Lander, Judiciary  
Ryan S. Evans, First Assistant City Manager  
A.C. Gonzales, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest Turner, Assistant City Manager  
Helena Stevens-Thompson, Assistant to the City Manager

# FY 2010-11 Budget: Educational Enhancements Preliminary Ranking of Bids

Quality of Life Committee  
May 24, 2010





# Purpose

- Review Price of Government process
- Recap May 19th briefing
- Discuss Educational Enhancements preliminary rankings, including:
  - Services above funding line
  - Higher Priority \*\*\* Services to be funded should additional funding become available
  - Lower Priority Services that are currently below funding line and subject to elimination

# Review Price of Government Process



- ✓ July 29<sup>th</sup> – Budget Workshop #1 – During Council retreat, Citywide results and indicators were established
- ✓ October 19<sup>th</sup> – Budget Workshop #2 – During Council meeting, work completed at July council retreat was confirmed and Strategic Plan was finalized
- ✓ January 20<sup>th</sup> – Budget Workshop #3 – Council reviewed strategies for each Key Focus Area that are designed to achieve desired results
- ✓ February 1<sup>st</sup> – Departments were asked to submit offers that will carry out strategies in order to achieve desired results

# Review Price of Government Process



- ✓ April 7<sup>th</sup> – Budget Workshop #4 – Set overall “price” of Dallas government for FY 2010-11
- ✓ April – Each KFA Team was given an allocation of funds based on the preliminary price of government set by Council and based on revenue forecasts for FY 2010-11
- ✓ April – KFA Teams reviewed offers, developed initial rankings, and spent their allocation on offers until money ran out (“drew the line”)
- ✓ April – City Manager met with KFA Teams to discuss rankings and reviewed “funding line”

# Review Price of Government Process



- ✓ April – City Manager and KFA Teams prioritized offers/services into three categories
  - ✓ Above Funding Line Services – bids which are currently above funding line on attached ranking sheets and are considered to be funded in preliminary FY 2010-11 budget
  - ✓ Higher Priority \*\*\* Services – bids which fall “below funding line” but are designated as higher priority to be restored to FY 2010-11 budget, should additional funding become available
  - ✓ Lower Priority Services – bids which fall “below funding line” and are subject to elimination
- ✓ May 19<sup>th</sup> – Preliminary rankings briefed to City Council
- May and June – Hold Committee meetings to review preliminary ranking sheets

# FY 2010-11 Outlook – May 19<sup>th</sup> Briefing Recap



- FY 2010-11 budget development is equally if not more challenging than FY 2009-10
- Property tax revenues account for 42% of General Fund
  - Property values are appraised once per year and changes lag behind other economic conditions
  - Property values decreased by 3.5% in tax year 2009 and greater value loss is expected for tax year 2010



# FY 2010-11 Outlook – May 19<sup>th</sup> Briefing Recap



- Sales tax revenues account for 21% of General Fund
  - Monthly sales tax receipts have been down for 16 consecutive months when compared to same month of previous year
    - On May 12, received notification of first month since October 2008 that monthly receipts were up slightly when compared to same month of previous year
  - FY 2009-10 (current year) is estimated to be \$27.5m less or 12% less than actual receipts received in FY 2007-08 before recession

# FY 2010-11 Outlook – May 19<sup>th</sup> Briefing Recap



FY 2009-10 Adopted Revenue Budget	\$1,018.4m
Property Tax	-\$53.6m
Sales Tax	-\$6.6m
Franchise Fees	-\$0.4m
Non-recurring revenues and use of fund balance	-\$29.5m
Other miscellaneous revenues	-\$9.5m
Total Revenue Changes	-\$99.6m
FY 2010-11 Forecast Revenue	\$918.8m
FY 2010-11 Forecast Expense – to fund same services and service levels as in FY 2009-10	\$1049.9m
Differential	-\$131.1m
Reduction or elimination of Lower Priority Services	\$49.8m
Revised Differential	-\$81.3m

# FY 2010-11 Outlook – May 19<sup>th</sup> Briefing Recap



Key Focus Area	Services Above the Line – <u>Is Funded</u>	Higher Priority *** Services – <u>Not Funded, but Should Be</u>	Lower Priority Services <u>Isn't Funded</u>
Public Safety	\$583.6m	\$45.0m	\$14.1m
Economic Vibrancy	\$52.3m	\$10.2m	\$8.2m
Clean Healthy Environment	\$102.8m	\$2.8m	\$1.1m
Culture, Arts & Recreation	\$42.6m	\$5.1m	\$17.0m
Educational Enhancements	\$12.5m	\$5.3m	\$4.2m
E3 Government	\$125.0m	\$12.9m	\$5.2m
Total	\$918.8m	\$81.3m	\$49.8m

# FY 2010-11 Outlook – Educational Enhancements



- See Appendix for Educational Enhancements bids and rankings

Services Above the Line (Is Funded)	Higher Priority *** Services (Should be Funded)	Lower Priority Services (Isn't Funded)
\$12.5m	\$5.3m	\$4.2m

# Educational Enhancements – Highlights, Services Above the Line (Is Funded)



- Fund operation of library system at 63% of current year level including:
  - Fund operation of Central Library 4 days per week, 24 hours per week instead of 44 hours
  - Fund operation of 23 Neighborhood Libraries 20 hours per week instead of 40 hours, and no change to DISD locations
  - Fund new Prairie Creek Branch Library

# Educational Enhancements – Highlights, Higher Priority \*\*\* Services (Should be Funded)



- Should restore funding to Neighborhood Libraries in order to maintain current service level at all 23 neighborhood libraries and restore material funding to current year level
- Should restore funding in order to fund half of current Thriving Minds in-school arts education programs

# Educational Enhancements – Highlights, Lower Priority Services (Isn't Funded)



- Does not fund operation of 21% of library system that is funded in current year
  - Does not fund Central Library operation 2 days per week and 20 hours (reduced from 44 hours to 24 hours per week)
- Does not fund half of current service level of Thriving Minds program

# FY 2010-11 Outlook – Balancing Strategies



- Combination of strategies is necessary to eliminate \$81.3m current forecasted differential
- Following strategies for additional cost reductions and revenue enhancements for consideration and legal review
  - Implement additional civilian furlough days
  - Implement uniform furlough days
  - Examine civilian pay reductions
  - Examine uniform pay reductions
  - Review employee/retiree health benefits costs
  - Implement reduction-in-force
  - Continue restrictive hiring throughout FY 2009-10 and FY 2010-11



# FY 2010-11 Outlook – Balancing Strategies



- Minimize police officer attrition replacement
- Review new fee study and prior year studies to ensure fees are set to full cost recovery where possible
- Evaluate new revenue sources
  - Transportation user fee
  - Garage sale permit fee
  - Off-duty police officer fee
- Evaluate expanding existing revenue sources
  - Property tax
  - Multi-tenant registration
  - Solid waste franchise

# FY 2010-11 Outlook – Balancing Strategies



- Continue review and analysis of all bids to eliminate lower priority spending
- Review of internal service costs
- Continue to seek out efficiencies
- Evaluate outsourcing options
- Capitalize bond program in-house implementation expenses



# Next Steps

- May and June – Preliminary rankings reviewed by committees
- June 23 – Budget Workshop #6 – FY 2010-11 preliminary budget outlook
- July 26 – Receive certified tax rolls from Appraisal Districts
- August 9 – City Manager’s proposed FY 2010-11 budget presentation



# FY 2010-11 Preliminary Ranking Sheets



# Ranking Sheets

- Bid (Offer) Number (Column 1) unique identifier assigned to each bid
- Bid Name (Column 2) – service title
- Bid to Maintain Current Service Level (Column 3) – amount requested to fund the current year’s service level. For FY 2010-11, this amount may not produce the same level of service as the current year
- New Services / Enhancements to Increase Current Year Service Level (Column 4) – amount requested by departments for a new service or to increase current year service level of the Basic Bid, such as opening new facilities or increasing hours of operation at libraries
- KFA Team Recommended Amount (Column 5) – amount of funding recommended by the KFA Team which may be less than the bid price
- Running Total (Column 6) – remaining amount available to “spend”

If the cost of the service is reimbursed from another department, the cost is shown net of the reimbursement. The remainder of the cost is shown in the reimbursing department’s bid.



# Ranking Sheets

- “Is Funded” – Above the Funding Line Services are those services which currently are above funding line on Ranking Sheets and are considered to be funded in preliminary FY 2010-11 budget
- “Should be Funded” – Higher Priority \*\*\* Services are those services which fall “below funding line” but are designated as a higher priority to be restored to FY 2010-11 budget, should funding become available
- “Isn’t Funded” – Lower Priority Services are those services which fall “below funding line” and are subject to elimination and not restored in FY 2010-11 budget



# Educational Enhancements

## Ranking Sheets

KEY FOCUS AREA: EDUCATIONAL ENHANCEMENTS

GENERAL FUND \$ 12,486,824

1	2	3	4	5	6		
Line	Bid Number	Bid Name	Bid to Maintain Current Year Service Level	New Services / Enhancements to Increase Current Year Service	Team Recommended	Running Total	Comments/ Impact Statements
1	LIB-003	Neighborhood Libraries	\$ 8,978,757	\$ -	\$ 8,579,719	\$ 3,907,105	<p><b>CURRENT YEAR SERVICE AT A REDUCED LEVEL</b></p> <p>This bid funds the operational costs of 25 neighborhood branch libraries including funds for staff, materials, security, custodial services, electricity and water.</p> <p>Neighborhood Libraries reductions will result in closure of branch libraries on Sundays and Mondays and an overall reduction in service hours from 40 hours per week to 20 hours at 23 locations. 2 libraries will remain fully operational due to contracts with Dallas ISD. The reduction of service hours will cause staff to go to single shift staffing resulting in a reduction of 88.7 FTEs. With the reduced hours, library will see reduced costs of electrical and custodial services.</p> <p>See also LIB - 003 A (Line 4), LIB - 003 C (Line 6), LIB - 003 F (Line 9)</p> <p>Education Team recommends an additional reduction of \$399,038 from the Neighborhood</p>
2	LIB-002	Central Library	\$ 3,811,014	\$ -	\$ 3,566,921	\$ 340,184	<p><b>CURRENT YEAR SERVICE AT A REDUCED LEVEL</b></p> <p>This bid funds the operational costs of the Central Library including funds for staff, materials, security, custodial services, electricity and water.</p> <p>This bid reduces service hours at the Central Library from 44 to 24 hours per week. The Central Library schedule for Fiscal Year 2011 will be closed Monday through Wednesday, Thursday open from 2pm-8pm, Friday and Saturday open from 10am-5pm, and Sunday from 1pm-5pm. The bid also reduces the amount of personnel at the Central Library by 96 FTEs. The remaining staff will be deployed to other neighborhood libraries when the Central Library is not open help with services and programs. A total of \$17.5 million must be spent on library as a whole to maintain state accreditation.</p> <p>See also LIB - 002 A (Line 7), LIB - 002 B (Line 8)</p> <p>Education Team recommends an additional reduction of \$244,093 from the Central Library Materials budget from \$306,979 to \$62,886.</p>
3	HOU-028	City Child Care Services	\$ -	\$ -	\$ -	\$ 340,184	<p><b>CURRENT YEAR SERVICE</b></p> <p>This bid is a partnership between the city and non-profit agencies. The bid funds programs for childcare subsidies for low/moderate income working parents and teenage parents who are attending school and do not qualify for other public assistance.</p> <p>Funded by the Community Development Block Grant <b>(\$620,771)</b></p>



KEY FOCUS AREA: EDUCATIONAL ENHANCEMENTS

GENERAL FUND \$ 12,486,824

	1	2	3	4	5	6	
Line	Bid Number	Bid Name	Bid to Maintain Current Year Service Level	New Services / Enhancements to Increase Current Year Service	Team Recommended	Running Total	Comments/ Impact Statements
4	LIB-003-A	Neighborhood Libraries	\$ -	\$ 340,184	\$ 340,184	\$ -	<p><b>ENHANCEMENT</b></p> <p>This bid funds staffing at the new Prairie Creek Branch Library. The bid also funds security, custodial, electricity and water at the new library. The library is expected to open late summer/ early fall 2010.</p> <p>See also LIB - 003 (Line 1), LIB - 003 C (Line 6), LIB - 003 F (Line 9)</p>
* 5	OCA-005	Thriving Minds	\$ 336,664	\$ -	\$ 336,664	\$ (336,664)	<p><b>CURRENT YEAR SERVICE AT A REDUCED LEVEL</b></p> <p>This bid funds in-school arts education programs from over 50 cultural groups that are aligned with the DISD curriculum. This bid represents a 50% reduction in support for Thriving Minds and eliminates the Community Artist Program (CAP). The bid results in the loss of 2.4 FTEs: 1 communications/audience development, 1 coordinator of CAP program and 0.4 FTE Department Support.</p> <p>See also OCA - 005 A (Line 10)</p>
* 6	LIB-003-C	Neighborhood Libraries	\$ 4,591,071	\$ -	\$ 4,990,109	\$ (5,326,773)	<p><b>BID TO MAINTAIN CURRENT SERVICE LEVEL</b></p> <p>This bid restores the neighborhood libraries to the FY09-10 service level to all 23 neighborhood library locations and 88.7 FTEs. This bid restores neighborhood library funding for materials to the FY2009-10 level from \$501,879 to \$1,053,159.</p> <p>See also LIB - 003 (Line 1), LIB - 003 A (Line 4), LIB - 003 F (Line 9)</p>
7	LIB-002-A	Central Library	\$ 3,858,696	\$ -	\$ 4,102,789	\$ (9,429,562)	<p><b>BID TO MAINTAIN CURRENT SERVICE LEVEL</b></p> <p>This bid restores the Central Library to the FY09-10 service level 44 hours a week and keeps the remaining 90.8 FTEs. This bid restores Central Library funding for materials to the FY2009-10 level from \$306,979 to \$603,651.</p> <p>See also LIB - 002 (Line 2), LIB - 002 B (Line 8)</p>
8	LIB-002-B	Central Library	\$ -	\$ 1,412,142	\$ 1,412,142	\$ (10,841,704)	<p><b>ENHANCEMENT</b></p> <p>This bid funds Central Library materials to the FY2008-09 level.</p> <p>See also LIB - 002 (Line 2), LIB - 002 A (Line 7)</p>
9	LIB-003-F	Neighborhood Libraries	\$ -	\$ 1,360,772	\$ -	\$ (10,841,704)	<p><b>ENHANCEMENT</b></p> <p>This bid funds Neighborhood Libraries materials to the FY2008-09 level.</p> <p>See also LIB - 003 (Line 1), LIB - 003 A (Line 4), LIB - 003 C (Line 6)</p> <p><b>Team does not recommend funding this bid</b></p>
10	OCA-005-A	Thriving Minds	\$ 446,344	\$ -	\$ 446,344	\$ (11,288,048)	<p><b>BID TO MAINTAIN CURRENT SERVICE LEVEL</b></p> <p>This bid restores funding for 2.7 FTEs and restores finding for artistic services in the CAP programs and the Thriving Minds program.</p> <p>See also OCA - 005 (Line 5)</p>