

2010-2011 Budget Planning

Work Session #2

Working Draft – November 12, 2009

Presented by Dr. Lee Seitz, Superintendent

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The 2010-2011 Budget...

- Is our financial plan to achieve our district's mission, strategic aims, and objectives
 - Safe and Open Environment
 - High Student Achievement
 - Highest Performing Workforce
 - Meet or Exceed State and Federal Mandates

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Objectives of Session #2

- To develop the 2010-2011 district budget that considers...
 - The impact of the current uncertainty in federal and State funding
 - Our ability to control property taxes
 - The economy
 - The impact of specific reductions on the district's students, instructional and co-curricular programs, and facilities

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Objectives of Session #2

- To develop a working draft time-line for developing the 2010-2011 district budget
- Provide direction to the administration on the size and amount of possible reductions in the district's 2010-2011

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What are we doing to prepare for the 2010-2011 budget?

- We made reductions in the 2009-2010 adopted budget
- We made reductions after budget was adopted
- Reassessing all staffing levels and programs

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2009-2010 Budget Reductions

- Reductions contained in adopted budget
 - Capital projects (SDA) \$1,340,000
 - Special Ed. students \$895,000
 - Health benefits \$600,000
 - **Subtotal** **\$2,835,000**

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2009-2010 Budget Reductions

- Reductions made after budget adoption
 - Outsource substitutes (**pending**) \$200,000
 - VOIP telephone system \$40,000
 - Outsource Transportation Sup \$35,000
 - Liability Insurance \$30,000
 - **Subtotal** \$305,000
 - **Previous page subtotal** \$2,835,000

- **Total Reductions from
2008-2009 to 2009-2010** **\$3,140,000**

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Reassessing Staffing and Programs

- Class Size
- Non-hazardous busing
- Certified and non-certified staffing levels
- Curricular and co-curricular programs
- Outsourcing opportunities

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Projections

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Premise for Projections

- No change in State aid - \$7,832,076
- No change in rateables - \$7,498,142,742
- District will use \$3,200,000 of surplus to offset tax levy (09-10 amount was \$3,745,593)

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2010-2011 Cost Projections

➤ Increases

• Health Benefits (15%)	\$2,194,573
• Salary (2.5%)	\$1,950,000
• Special education	<u>\$500,000</u>
• Total	\$4,644,573

➤ Constants (2009-2010 Amounts)

• State aid	\$7,832,076
• Debt service	\$643,151

➤ Reduction

• Appropriation of fund balance	\$500,000
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Appropriations	2009-2010	2010-2011	
Salaries	78,000,000	79,950,000	2,194,573
Health Benefits	14,630,484	16,825,057	1,950,000
Property & Casualty	494,559	464,559	(30,000)
PERS Payment	1,382,293	Unknown	
Energy	3,100,000	Unknown	
Fuel	118,000	Unknown	
Special Ed. Tuition	7,142,143	7,642,143	500,000
Bus Maintenance	187,000	Unknown	
Building Maintenance			
Textbooks	820,668	680,000	(140,668)
One-to One Aides	1,955,852	Unknown	
Technology Lease Purchase			
Sports & Co-Curricular	2,301,279	2,301,279	
Legal	200,000	200,000	
Audit	90,000	90,000	
Capital Outlay	2,360,650	1,370,650	(990,000)
Fund Balance Appropriations	3,745,593	unknown	

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Impact of Property Tax Restrictions

Tax Levy Inc	1%	2%	3%	4%
Dollar Inc	\$1,114,980	\$2,229,961	\$3,344,941	\$4,459,922
Budget Reduct	\$4,029,592	\$2,914,612	\$1,799,632	\$648,651
Est. Tax Inc*	\$95	\$116	\$141	\$162

*Increased based on the average home assessed at \$303,343

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How Do We Achieve a Zero Tax Increase?

- **Step 1:** Reduce taxes and spending by **\$8,655,630**
- **Step 2:** Reduce current tax levy by **\$3,511,057**
 - \$1,755,528 would come out of 2010-2011 taxes
 - \$1,755,528 would come out of 2011-2012 taxes
- **Step 3:** Reduce spending by **\$5,144,573**

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Time Frame

- **October-December** – Administration in conjunction with Board and its committees develop budgets based on Board's direction
 - Board established 2010-2011 premise and guidelines
 - Administration establishes administrative timeline and develops 2010-2011 budget
 - Each Board committee reviews appropriate budget sections as per premise and guidelines

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Time Frame

- **January-February** – Board finalizes 2010-2011 budget
 - Board committees review and forward appropriate budget sections to the Finance Committee for review
 - Preliminary budget reviewed and approved by Finance Committee
 - Board reviews and approves preliminary budget
 - Preliminary budget is approved by Board and County
 - Public hearings are conducted as recommended and required

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Time Frame

- **March-April** – Board presents budget to public
 - Public hearings are held to consider public input
 - Appropriate information is distributed to public informing them of 2010-2011 budget
 - Board members and administrators hold public meeting to present budget and answer questions
 - Final budget is adopted by the Board
 - Annual school election held

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Budget Recommendations

- Step 1 - Each committee, as appropriate, consider the following areas for reduction based on the Board's direction regarding the 2010-2011 district budget
- Step 2 – Each committee report out to the full Board at future Board meetings on the reductions they are considering for the 2010-2011 district budget
- Step 3 – Once the State establishes parameters for the 2010-2011 budgets, the Board directs the administration to develop a district budget that is in compliance with the State's and Board of Education's direction

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Budget Reduction Considerations

➤ Staffing

- Administrative Positions - \$125,000 each
- Teacher Positions - \$60,000 each
- Secretarial Positions - \$45,000 each
- Custodial/Maintenance - \$42,000 each

➤ Curricular Programs

- Textbooks (\$170,000)
- Supplies (\$50,000)
- Technology (\$50,000)
- Class Size

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Budget Reduction Considerations

➤ Co-curricular Programs

- Interscholastic sports (Current total exp \$1,700,000)
- Clubs (Current total expenditure \$400,000)

➤ Facilities

- Capital Projects (\$760,000)
- Architects Fees (\$60,000)
- Capital Equipment (\$40,000)

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Budget Reduction Considerations

- **Miscellaneous**
 - Non-hazardous busing
 - Half-day Kindergarten

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Comments, Questions, Recommendations

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