

Budget Concerns

1. 2009-10 State Aid revenue (-\$455,000) + ARRA funding = (-\$164,000)
2. State Aid in 2010-11 is (\$729,952)
3. State Aid in 2011-12 will need \$140 million increase at state level to replace federal stimulus funds just to keep funding at 2009-10 levels
4. District 145 utilizes line of credit for monthly cash flow; pays interest annually
5. Budgeted cash reserve for 2009-10 is \$235,000
6. *Estimated potential* personnel salary/benefit increases for 2010-11 = \$450,000
7. Fixed costs, including fuel, utilities, materials, supplies
8. Facility issues/project costs

Budget Steps Taken

1. General fund starting balance from September 2008-September 2009 increased
 2. Borrow money from our bond funds to delay accessing the line of credit from Horizon Bank, thus reducing interest paid.
 3. Reducing paper consumption and district mailings
 4. Converting to a communication system that is more paperless.
 5. Teacher Assistants that have resigned since August have not been replaced
 6. Projected savings from TA reduction in January 2010 = \$61,000
 7. Projected savings from Custodial Positions reductions in January 2010 = \$17,000
 8. Expend ARRA funds this year, saving general fund dollars. Further reduces line of credit and improves General Fund cash position.
 9. Closer scrutiny of all expenditures, reduce travel/professional development costs
- A. District 145 property valuation for the General Fund = \$1,112,618,789.
B. One cent levy generates \$111,261.
C. General Fund levy = \$1.030027; Special Building Fund levy = \$0.006944. Total = \$1.036971.
D. The current levy generates \$11,537,536 in tax revenue
E. \$1.05 maximum general fund levy (based on current valuation) generates \$11,682,497, or additional \$144,961 of tax revenue.

Superintendent's Expectation was reductions made in January 2010, expenditure reductions implemented during 2009-10, and certified staff attrition would be sufficient to sustain a state aid loss of \$200,000-300,000.

Including certified state aid loss for 2010-11 (\$729,952), expected loss of State Fiscal Stabilization funds (\$235,880) in 2011-12, potential state budget shortfall, our need to reduce access to line of credit, and anticipated increased fixed costs for personnel, facilities, transportation, additional actions are necessary.

General Plan:

1. Continue programs and quality education we currently have. I believe we can do that for 2010-11, but it will not be without some difficult decisions.
2. Fill open teaching positions from within when possible
 - a. Media Specialist at Eagle – replace with lesser experienced = \$10,000 savings
 - b. Eagle retirements for first grade, fifth grade
 - i. Reassign staff to fill positions = \$150,000
 - c. HS SPED teacher leave of absence = save \$ 52,000

3. Possible reduction/attrition of certified staff (TBD) = \$50,000
4. Considering Extended contract reductions = estimate \$35,000
5. Extra-duty positions that considering not filling next year = estimate \$25,000
6. Classified staff reductions in 2009-10, possible reductions 2010 = estimate \$130,000 savings
7. Estimated savings through personnel \$462,000
8. Use of ARRA funds to save General fund dollars \$200,000 (in 2009-10 and 2010-11)
9. Reduction of expenditures/cost saving measures
 - a. Building budgets - \$25,000 reduction
 - b. Summer paint crew - \$13,000
 - c. Delay budgeted bus purchase - \$80,000
10. Estimated reductions/savings of \$780,000 – this gets budget for next year to balance *before* adding any additional cost increases for next year
11. Possible increase in property valuations and/or levy increase to help improve cash position; address potential future revenue shortfall from state aid
12. Need to make reductions in spending because we cannot generate enough revenue to sustain our current budget into the future
13. Future cost savings are estimated, plan will develop over time

If we cannot generate additional revenue, combined with cost savings, and proposed personnel reductions, future decisions regarding reductions will be much more difficult.