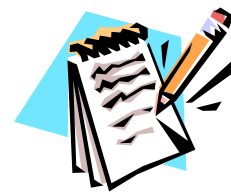


Fiscal Year 2005

District Budget Meeting

Agenda

- + Budget Reduction Philosophies
- + Revisit the Past
- + Current Realities
- + Budget Projections for FY05
- + Budget Reduction Philosophy for FY05
- + TENTATIVE Recommendations for FY05 Budget
- + Next Steps
- + Process for Getting Input from All Employees





Budget Reduction Philosophies (2003-04)

\$500,000

\$1,000,000

Conservative

- ✦ Make some reductions and use reserves if necessary to balance budget for 2003.
- ✦ Primarily use downsizing and partial program reductions as means to reduction.

Moderate

- ✦ Make more reductions and use reserves if necessary to balance budget for 2003.
- ✦ Primarily use downsizing, partial program reductions, and reallocation of grant dollars as a means to reduction.

Aggressive

- ✦ Make most reductions and use least reserves if necessary to balance budget for 2003.
- ✦ Primarily use downsizing, partial program reductions, reallocation of grant dollars, some class size increases within guidelines, and some administrative cost reductions as a means to reduction.

Results in Recommendation of
Balanced Budget in Operating Funds
(Ed., O&M, Trans., & WC)



Past Budget Reduction Process

- ✦ Finalized philosophy for budget reduction
 - "Things before People"
 - Down sizing
 - Some from many rather than more or all from a few
 - Attrition
- ✦ Developed process
 - Budget review of all areas
 - Preliminary list shared with Board, Administrators, Association, and Staff
 - Sought feedback
 - Developed recommendations
 - Sought feedback
 - Developed final recommendation



Budget Reduction Options for FY04

- ✦ Now
- ✦ Next
- ✦ Last
- ✦ Never



Handout



Final Expenditures Reductions for FY04

		Budget	Reduction
1	Reduce Staff Development / Substitutes	\$125,000	\$45,000
2	Reduce Technology / Hardware / Purchased Services / Supplies / Parts	\$585,735	\$139,306
3	Reduce Textbook Purchases	\$149,160	\$79,160
4	Reduce Professional Development School	\$31,000	\$9,500
5	Reduce Supplies & Materials / Purchased Services / Equipment - Instructional	\$104,381	\$45,941
6	Reduce Summer Activities / Stipends	\$58,800	\$29,400
7	Reduce Building Budgets	\$388,811	\$36,464
8	Reduce Facilities / Maintenance	\$703,000	\$100,000
9	Reduce One Time Miscellaneous	\$23,000	\$23,000
10	Reduce Energy Costs	\$559,057	\$13,000
11	Supplant District Expenditures with Grants	\$221,619	\$155,619
12	Reduce Special Education	\$484,386	\$145,151
13	Eliminate Chief Technician Position	\$259,098	\$50,008
14	Eliminate Administrative Staff Development Coordinator Position	\$80,941	\$80,941
15	Maintain Class Size	\$0	\$0
16	Eliminate One Counseling Position	\$294,470	\$51,318
17	Eliminate Grant 3rd Grade Literacy Leader, Reading Recovery Position	\$82,926	\$82,926
18	Eliminate Grant 3rd Grade Connections Position	\$34,761	\$34,761
16	Eliminate Grant Pre-K Clerk Position	\$12,783	\$12,783
	Attrition		\$250,749
	GRAND TOTAL	\$4,198,928	\$1,385,027

Handout



Current Realities

- ✦ Projected revenue will not meet projected expenditures for FY05
 - Unless reductions are made or revenue increases, I will not be able to recommend a balanced budget.
 - In fact, some reductions will have to be made or the district will need to borrow money to pay its bills sometime next year.
- ✦ The work done in the past can and will be used as a starting point for the work this year.
- ✦ Recommendations that include the reduction of personnel must be made to the Board at the March board meeting.
- ✦ If revenue does not increase (state or local), we will have to make reductions every year.
- ✦ As more senior staff retires, attrition will gradually decline as a potential source of savings.
- ✦ We have VERY TENTATIVE numbers that can be used to begin working toward the development of necessary recommendations.



No Child Left Behind... Another Reality

- ✦ All students, in all subgroups, will meet or exceed state standards by 2014
- ✦ Highly Qualified Teachers in every classroom
- ✦ Highly Qualified Paraprofessionals
 - Associate Degree, or
 - 60 college hours beyond high school diploma, or
 - Successful completion of proficiency exam Plus 30 college hours
- ✦ Adequate Yearly Progress every year



AYP Definition

Test At Least
95% of Students
in Each Category

- All Students
- Boys
- Girls
- Racial/Ethnic
- Free/Reduced Lunch
- IEP

&

At Least 40% of
Students in Each
Category Meet or
Exceed

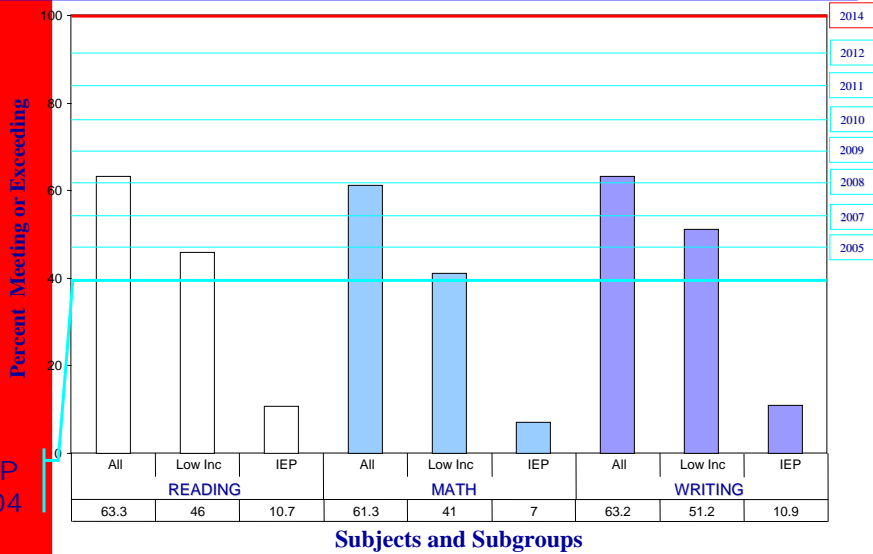
- All Students
- Boys
- Girls
- Racial/Ethnic
- Free/Reduced Lunch
- IEP

&

88%
Overall
Attendance
Rate



ISAT 2003





Consequences for Failing to Make AYP

Fail to
make AYP

2004-05
Choice & Budgetary "Set Aside"
(set aside = 20% of the Title I allocation)

Fail to
make AYP

2005-06
Choice, Set Aside, & Supplemental Education Services (SES)

Fail to
make AYP

2006-07
Choice, Set Aside, SES, & State Assistance (SOS)

Fail to
make AYP

2007-08
Corrective Action
District must conduct expert evaluation of SIP and/or adopt new curriculum and/or replace selected staff and/or modify school schedule.

Fail to
make AYP

2008-09
Restructuring by State
Replace principal and most staff, Management by outside entity, and/or State takeover.



NCLB 2005 Projected Reductions

New ISBE Allocation Basis

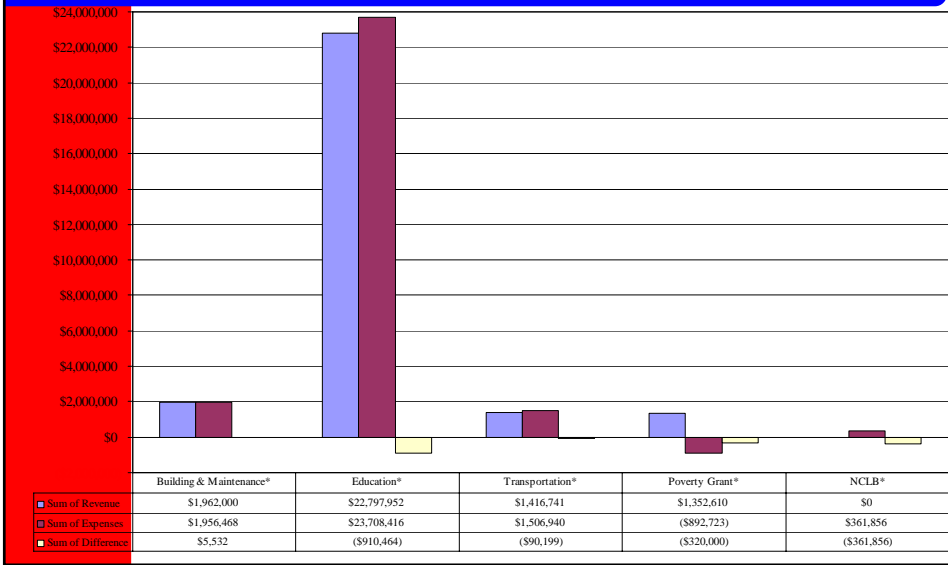
2004 (1990 Census)	297 Students
2005 (2000 Census)	261 Students
Difference	- 36 Students

Predicted Net Loss (Alloc. Basis)	\$130,000
Title I Set Aside	\$231,856
Recommended NCLB Reduction	\$361,856



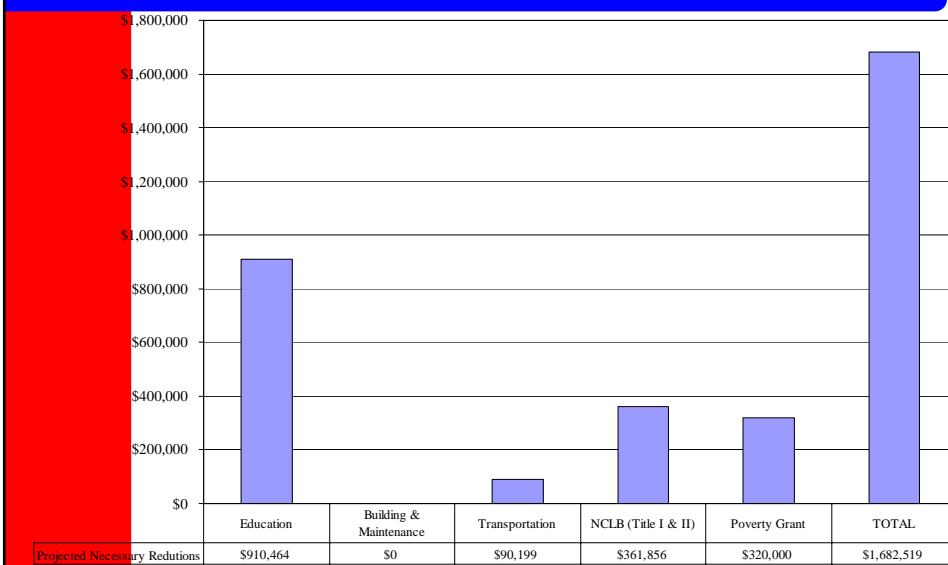
TENTATIVE Budget Projections for FY05

Projected Revenue & Expenses for School Year 2004-05



TENTATIVE Budget Projections for FY05

Projected Necessary Reductions for 2004-05 School Year





Budget Reduction Philosophy?

Finance Committee Recommendation.....**Aggressive**
 Board of Education Recommendation.....**Aggressive**

\$500,000

\$1,628,519

Conservative

- ✚ Make some reductions and use reserves if necessary to balance budget for FY05.
- ✚ Primarily use downsizing and partial program reductions as means to reduction.

Moderate

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Results in Recommendation of
 Balanced Budget in Operating Funds
 (Ed., O&M, Trans., & WC)



Percentage vs. Program/Service Philosophy?

Finance Committee Recommendation.....**Program/Service**
 Board of Education Recommendation.....**Combination**

Percentage

- ✚ Reduce a specified percentage from each service/program.
- ✚ Shares the burden.
- ✚ Potentially erodes effectiveness of all services/programs.

Program/Service

- ✚ Reduce entire services/programs all at one time.
- ✚ Eliminates valued services/programs.
- ✚ Maintains current effectiveness of other services/programs.



TENTATIVE Recommendations for FY05 Budget

- ✚ Maintain almost all (if not all) of the “temporary” reductions made for this year.
- ✚ Consider the FY04 “Next” options
 - Consider further reductions similar to those made last year.
 - Examine restructuring from current K-3, 4-6, 7-8 to K-4, and 5-8 and/or close a building to offer current programs at reduced costs.
 - Examine scheduling options (4-day workweek, year around school, other, etc.) to offer current programs at reduced costs.
 - Examine 6:00 PM shutdown of all facilities.
 - Eliminate permanent substitutes and cover classes within the school.
 - Reduce extended-day programs.
 - Review all specialist positions and determine through analysis of program results, which programs to eliminate. Reassign personnel to teaching vacancies.
 - Reduce reserve funds.
 - Reduce some 12-month positions to 11 or 10-month positions.
 - Reduce support staff positions.
 - Plan for a local tax referendum.
- ✚ Develop final recommendation that is consistent with Board direction.



Next Steps

All employees and Board will be informed regarding progress, changes, and tentative recommendations

What?	When?
✚ Finalize budget reduction philosophy for FY05	✚ 1/26/04
✚ Finalize budget reduction strategy, process, & timeline	✚ 1/26/04
✚ District Budget Meetings	✚ Jan./Feb.
✚ Identify budget items to be reduced (permanent or temporary)	✚ Mid Feb.
✚ Obtain \$ amounts for TENTATIVE reductions	✚ Mid Feb.
✚ Review \$ amounts for TENTATIVE reductions	✚ Mid Feb.
✚ Recommend DRAFT list of reductions with Board	✚ Feb. 23
✚ Solicit feedback from Board, association, community, & employees	✚ Late Feb.
✚ Board receives feedback from Board, association, community, and employees	✚ Early March
✚ Potential special Board meeting	✚ Mid March
✚ Make final recommendation to Board	✚ March 15

I need your help!

Superintendent

for the

Day



<http://www.dwhite.cc/suptforday.htm>

District Budget Meetings

Questions?

