



PRELIMINARY BUDGET DEVELOPMENT ASSUMPTIONS FY 19/20

Frequently Asked Questions

-  **How much does the District have to reduce from its FY 19/20 operating budget and why?**

The District needs to reduce approximately \$10 million from its General Fund operating budget. The District's enrollment is down over 1,000 students this year and is projected to be down another 700 next year.
-  **How much does the District receive in funding for each student?**

The District receives approximately \$8,000 per student from school finance funding. However, the five-year declining enrollment averaging formula helps to soften the blow and spread the impact over time.
-  **I thought the District recently passed a Mill Levy Override (MLO). Doesn't that solve the financial problem?**

The District's voter-approved MLO is designated for specific spending plan items, such as capital projects, increasing district security measures, and improving technology. The MLO cannot be used for alternative uses like balancing the budget without a rigorous change process.
-  **How did the District determine the areas for potential reduction?**

The District conducted many Budget Balancer exercises in anticipation of this challenge due to the projected enrollment decline. That exercise used actual current budget details in order to generate significant stakeholder input regarding potential reductions. The Superintendent then assembled a team to meet and determine the recommendations to present to the Board of Education. The results of the Budget Balancer exercise played a role in the team's reduction recommendations, as well as detailed comparisons to other similar-sized school district budgets, and recommendations to reduce non-staffing budgets.
-  **Are the Superintendent's recommendations final?**

Absolutely not. Only the Board of Education can approve the budget for the District. In addition, this is only the Preliminary Budget Development Assumptions (PBDA) document. This document, once approved by the Board of Education, guides the Superintendent in the development of the District's FY 19/20 Proposed Budget that is delivered to the Board for consideration in May.

I see that the Superintendent is recommending a significant reduction in staff for next year. Can't the District reduce in other areas besides staff?

The District's general fund operating budget is approximately 85 percent salaries and benefits. Much of the rest of budget is obligated to required expenditures such as utilities, operational systems, and program costs. The District needs to reduce staffing to maintain its board approved class-size ratios.

Why can't the Superintendent just reduce administration to balance the budget?

The Superintendent is recommending reductions in administration. However, most administration are directly tied to school programs or state/federal-mandated processes. Even if the entire administration was reduced, there wouldn't be enough savings to balance the budget. Approximately 90 percent of the general fund budget is spent in schools or directly supporting schools.

Is the District considering compensation increases for next year?

Yes it is. The District is committed to paying a competitive wage in order to attract and retain quality staff. As a labor-intensive profession, it is essential that we retain and hire the best quality staff in support of our District mission.

Is there any good news?

Yes. This budget reduction provides an opportunity for the District to re-align its resources with the new strategic plan in a manner that best serves the student of District 11. We look forward to the transformation of the District as we change with an eye towards the future.

What is the time line for these decisions?

The Board of Education will consider the budget for FY 19/20 with the following time line:

- Board work session and formal presentation (non-action) on PBDA – March 21, 2019
- Board vote (action) on PBDA – April 10, 2019
- Board receipt of proposed budget – May 26, 2019
- Board formal presentation (non-action) on proposed budget – May 29, 2019
- Board work session on proposed budget – June 5, 2019
- Board vote (action) on proposed budget – June 12, 2019

