



This information was presented to the Board of Education on October 11, 2010. It is important to remember that budgetary issues are not static and information is coming into the district on a regular basis. This information was accurate as of the date of presentation.

The Process

- Preliminary budget developed in Spring of prior year
- Board approves preliminary budget in July
- Public Hearing held beginning of August
- September 20th is official count date
- State Auditor visits district to confirm district student counts
- It is only after this audit that we have a confirmed budget dollar amount

These are the major aspects of preparing our budget and determining the revenue authority we will have each year. We hope to have our state audit visit by November. We will have the preliminary result when the auditor leaves the district. However, there may be additional adjustments as the year progresses depending on state revenues.

Data Review

- Enrollment
- Budget Implications
- Budget Reductions over the past 2 years
- Future Funding Issues

The remainder of the slides will address these 4 topics.

Enrollment

Enrollment	2009-10	2010-11 Estimated
FTE (Full Time Equivalent)	1673.5	1673.5 (Declining Enrollment 1653Caveat)
Vocational	26.8	22.2
Bi-Lingual	0.9	1.6
At Risk (Free Lunch)	105.8	130.9
Non-Proficient	4	3.6
Transportation (>2.5 miles)	128.6	129
Correlation Weighting	58.6	58.6
New Facilities	82.4	0
Virtual Enrollment	0.5	0.2
SPED Funding	303.2	368.3
TOTAL	2384.3	2387.9
CHANGE		+3.6 FTE

Our district budget is based on our enrollment count as of September 20th. This table shows what our final audited enrollment was for the 2009-10 school year. The 2010-11 column is an estimate of what we anticipate for our enrollment numbers for the school year.

Please note that the first line (FTE) appears to be the same. The reality for our district is that our enrollment declined by 20 students. The budget formula permits us to use last year's figure so we don't lose all of the budget authority at one time. If the decline continues we will be averaging our last 3 years worth of numbers to determine this line.

Vocational—an additional weighting for students participating in vocational courses. This figure is calculated based on the number of minutes students spend in these classes.

Bi-Lingual—this figure is calculated based on hours of instruction for our students who do not speak English as their primary language.

At-Risk—a weighting formula for those students who qualify for free lunch.

Non-Proficient—this number is calculated based on those students who do not qualify for free lunch but did not achieve proficient status on the state assessments last spring.

Transportation—we receive about 80% of our transportation costs for transporting students who live over 2.5 miles away from school. We do not receive any funding for transporting students who live closer than 2.5 miles.

Correlation Weighting—This is a piece of the formula that was put in place years ago to achieve some equity between low enrollment and high enrollment districts .

New Facilities—these dollars are available for the first 2 years that a new building is open. This is Rockville's third year so we lose those dollars this year.

Virtual Enrollment—a small amount for a student who is enrolled in on-line classes.

SPED Funding—this FTE is arrived at by determining our special education expenditures and then divided by the base state aid per pupil. This year the base aid is \$4012.

Total—sum of all the FTE numbers. You will note that our projected increase is 3.6.

Elementary Class Sizes Sept. 20

- KDG 21 (increased to 23 Oct. 11)
- First 19.7
- Second 22
- Third 26.2
- Fourth 24.2
- Fifth 27.2

This slide shows our class sizes as of Sept. 20. Since that time we have increased a few more in some of these grade levels.

Budget Implications

Fund	2008-09	2009-10 (if funded by law)	2010-11 (Estimated)
General	\$10,169,611	\$9,565,812 (\$10,490,920)	\$9,580,255
Local Option Budget	\$3,001,549	\$3,138,860	\$3,057,071
Total	\$13,171,160	\$12,704,672 (\$13,629,780)	\$12,637,326
Difference		-\$466,488 (-\$925,108)	(\$67,346)

Here we see the impact of funding from 2008-09, 2009-10 and our current year. The 2009-10 column is particularly interesting as you can see what the declines have been for us. The numbers in parentheses show what we would have had for our district if the law had been funded. You can see we lost \$925,000 in revenue authority from the 2008-09 year to 2009-10 year. We continue to lose funding authority this year as the Local Option Budget is decreasing based on the formula for calculating it.

The other piece to the budget puzzle is the expenditures we make each year. This is being calculated at this time and includes all salary information, utility costs, insurance premiums, instructional supplies, etc.

Caveat—Declining Enrollment

- Declining enrollment calculation saved \$83,051 in our budget for 2010-11
- State permits us to use 2009-10 enrollment numbers since we declined this year.
- Another decline will result in a 3 year average calculation to determine our enrollment number for budget purposes.

Staffing Budget Decisions made in 2008-09 for the 2009-10 Year

- Teaching Positions 1.4 FTE
 - Reduced Elementary Music and P.E. by 1.4FTE
- Classified Positions 3.0 FTE
 - 1 Maintenance position
 - 1 School Resource Officer
 - 1 School Nurse
- Total \$ 202,700 cut from budget
- The Base State Aid Per Pupil for the 2008-09 school year was \$4,400 and our enrollment was 1644.7 FTE

This slide shows the major items that were reduced in the 2008-09 school year to be implemented in the 2009-10 school year.

Staffing Budget Decisions made in 2009-10 for the 2010-11 year

- **Classified Staff \$93,233**
 - 4 student intern custodial positions
 - 1 full-time custodial position
 - 1 clerical/food service position
- **Teaching Staff \$293,959 (5.26 FTE)**
 - 4 classroom positions at the elementary level
 - 1.26 classroom positions at the secondary level
- **Retiree Savings \$46,516**
 - Reduced amount of KPERS retired employee contracts by 10% (\$21,900)
 - Offered a retirement incentive to qualified staff (\$24,500)
- **Administrative Staff \$36,317 (0.5FTE)**
 - Activities Director Position suspended
- **Seventh Grade Sports \$33,481**
 - \$30,153 in coaching salaries and balance in extra duty and transportation
- **Total \$ 503,507**
- The Base State Aid Per Pupil declined from \$4,400 in 08-09 to \$4,012. These cuts were implemented in 3 phases: May 09 (\$4280), July 09 (\$4218), November 09 (\$4012).

Additional cuts and savings were necessary for this year. Here you can see all that was suspended for the current year. The serious issue is the reduction of the base state aid per pupil during the year. There were 3 reductions that dramatically impacted our revenue.

Other Budget Implications for 2010-11

- Worked 4-day weeks during summer to save on utilities (estimated savings \$32,000)
- Will close all buildings over winter break for 7 more days of savings (estimated savings \$28,000)
- Increased fees for transportation and materials
 - Bus fees revenue increased **\$2789** from 2009-10 to 2010-11. Total for this year is \$20,967.
 - Material fees decreased by **\$17,068** from last year . Total collected this year is \$51,310.
- Decreased dollars for instructional classroom and athletic expenses.

This slide shows some other ways we have tried to cut our expenses for the year.

Planning for the Future?

- November Elections
 - No definitive plans have been outlined for addressing the future funding of public education
- State Revenues
 - When will the economy start to rebound?
- District enrollment and budget implications
 - Another year of decline in enrollment will see our budget authority decline.
 - Federal Stimulus dollars of **\$167,605** will be gone after this year
- Failure to make up for the stimulus money at the state level may see the base state aid per pupil decrease by as much as \$300 taking it to \$3712. At current enrollment would be a loss of **\$703,784**.

The current economic situation does not bode well for our school district. If there is no mechanism in place to replace the federal stimulus money that has helped to mitigate our financial situation, we could see the base state aid per pupil decrease by \$300. This would translate to a loss of \$703,784 or more for us in the 2011-12 school district.

Need more information?

- Email us at usd416@usd416.org
- Answers to all inquiries will be posted on our website. Click on the budget tab for the Frequently Asked Questions Document.
- Watch for upcoming district-wide meetings on this topic.
- Thank-you for taking time to review this information.