

School Board Meeting Date:

July 14, 2008

Subject:

Preliminary Budget Reduction Plan 2009-10

Presenter:

Chuck Klaassen, Director
Finance and Operations

SUGGESTED SCHOOL BOARD ACTION:

Report/Discussion Only

DESCRIPTION:

A Budget Reduction Task Force has worked throughout the summer on developing a preliminary draft of potential budget reductions for 2009-10 in the event of the referendum not passing in the fall of 2008 or additional funding not becoming available from the state legislature. The task force working on this project included Board members Rolf Mohwinkle, Sue Lee and Dave Wilson; Principals Jeff Olson, Michelle Robinson, Julie Swaggert, John Hayden, Rick Toso/Mark Mischke and Matt Lubben; Director of Teaching and Learning Pam Miller, and Tina Burkholder and Chuck Klaassen from the Business Office. In addition, Superintendent Jim Bauck met with the task force several times.

It's important for everyone – Board, administration, staff, parents, community (voters) to understand what the impact of the lack of additional funding (fall referendum or state funding increases) would be on the budget for 2009-10. That's why this work is being done early in the 2009-10 financial planning process. The work of the reduction task force was to review and refine the plan initially approved by the Board of Education in the fall of 2007. This plan becomes the beginning set of assumptions for the development of the budget for the 2009-10 fiscal year.

The original target for the reduction was \$1.5 million. The preliminary plan being presented to the Board outlines \$1.595 million in reductions, giving the Board close to \$100,000 in wiggle room when determining the final reduction total. While this gives the Board some flexibility in its final decision-making, it also could be viewed as room to handle unexpected costs beyond our control that may spring up.

While these reductions would not present a long term solution for the budget, they would help mitigate for a few years the drop in fund balance that would result from a failed referendum or lack of additional state funding. A third round of reductions would no doubt require looking at more broad-based, systemic solutions. This might include such considerations as closing an elementary school, re-aligning the grade level configuration, major reductions in extra/co-curricular activities, major reductions in transportation service, exploring re-alignment of the district boundaries, and other ideas. Ultimately, the best long range solution lies in a more stable and consistent revenue stream for the district, something that depends on local voter support and reasonable increases in state funding.

ATTACHMENT(S): Preliminary Reduction List