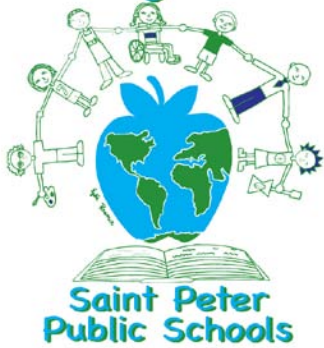


Learning Matters



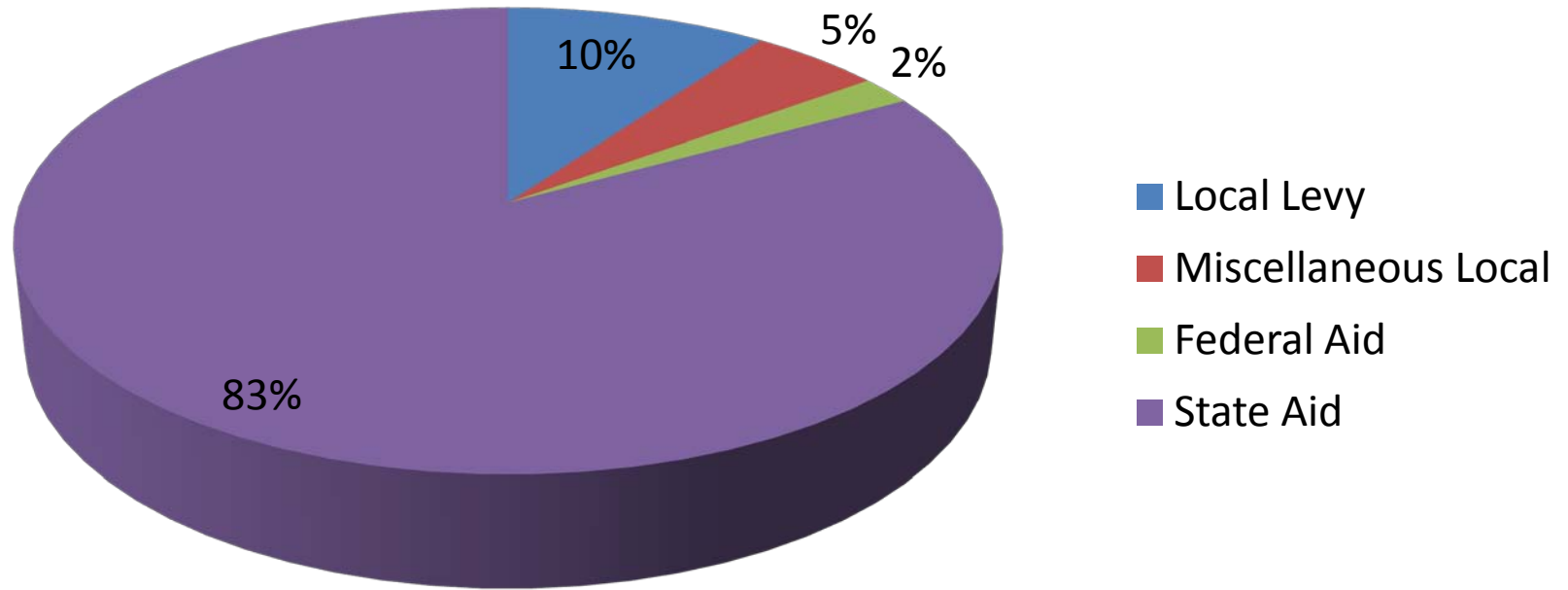
SAINT PETER PUBLIC SCHOOLS

FEBRUARY 25, 2010

2010-11 Budget Reduction/ Adjustment Plan

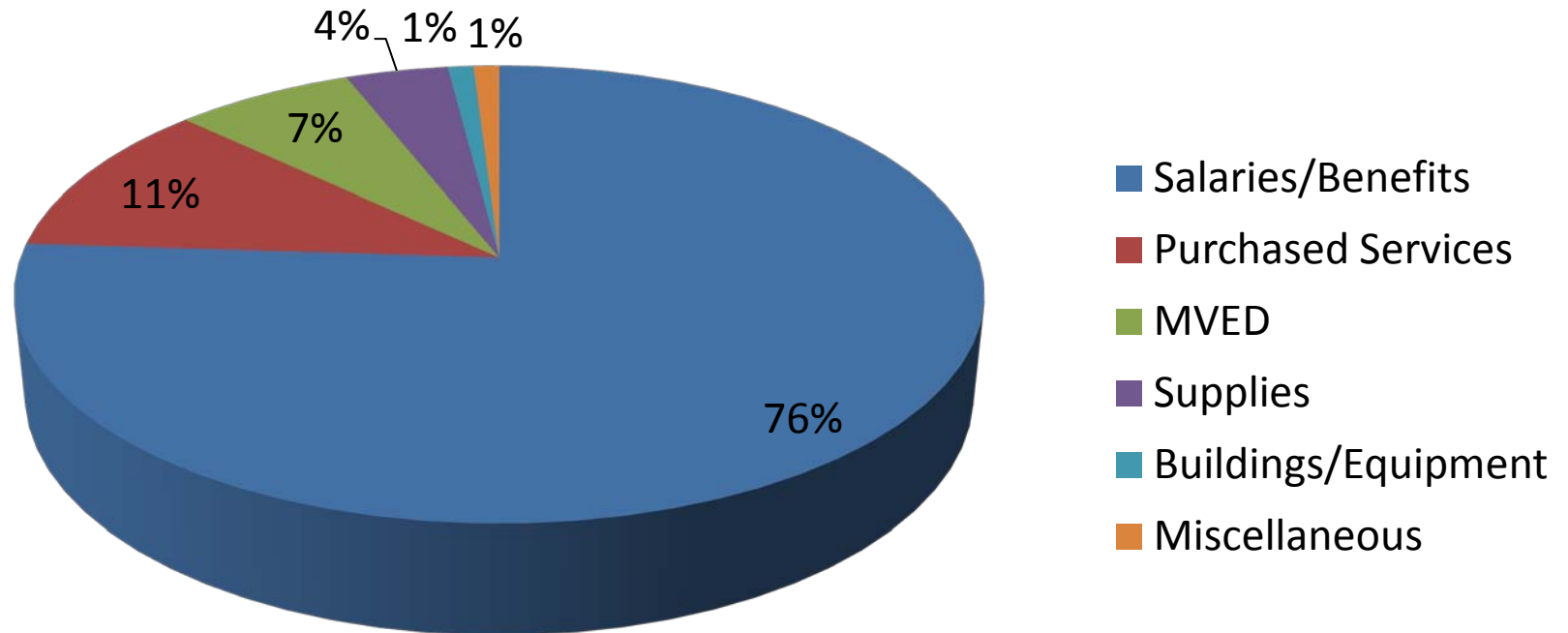
2009-2010 General Fund Revenues

STATE BUDGET PROBLEM WILL IMPACT OUR DISTRICT

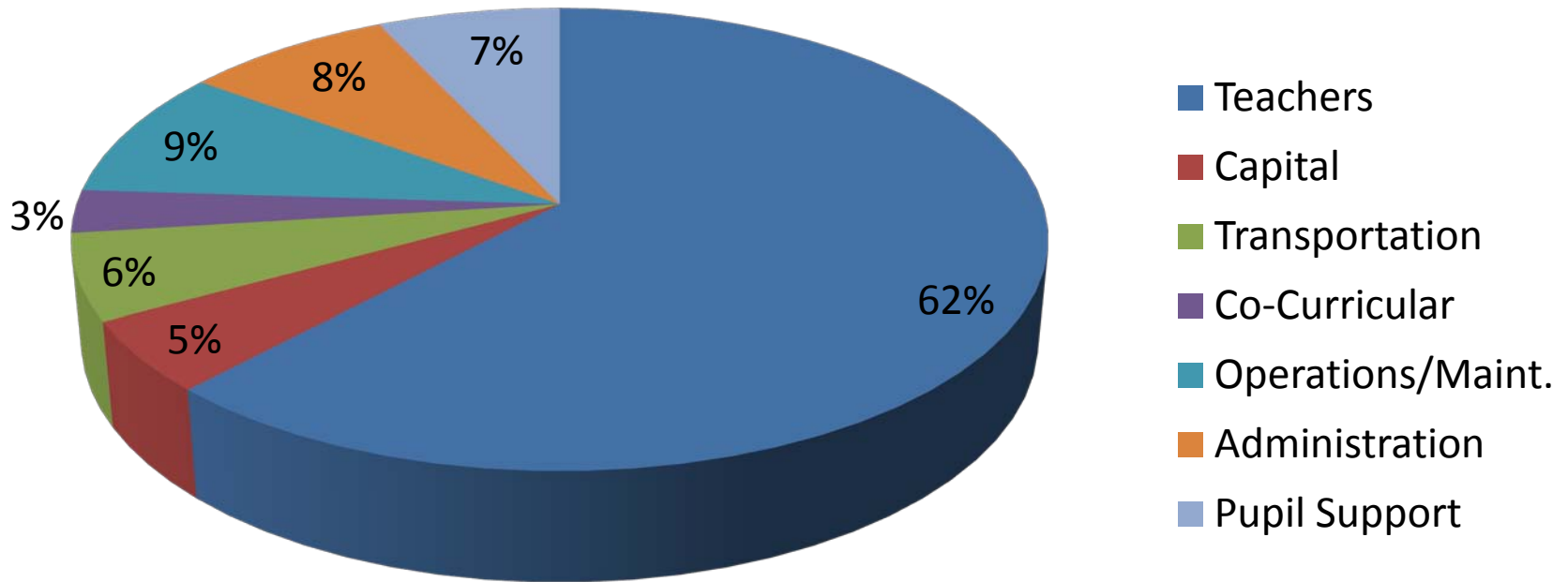


2009-10 General Fund Expenditures

MAJORITY OF COSTS ARE PEOPLE RELATED



General Fund Expenditure Percentages



State of Minnesota — Future General Fund Concerns

- **Public schools operate in a biennium funding period— 2009-2010 and 2010-2011**
 - In the first year, the Governor froze school funding (held schools harmless) while making significant reductions to health/human services, higher education, etc.
 - Governor shifted state aid payments to schools. (An accounting maneuver in which state aid payments were shifted/delayed from one fiscal year to the next to balance the state budget.)
- In the second year, funding levels are supposed to be maintained. However, the State currently projects a **1.2 billion dollar deficit** that must be addressed. Budget cuts or further payment shifts are likely.

Future Concerns Continued:

- If state expenditures are reduced evenly across all governmental units, all budgets will be reduced by 9 percent. That would mean our foundation aid would be reduced by as much as \$478 PPU or a total of **\$1,051,600** for next year.
- If education is held harmless, all other government budgets will be reduced by 25 percent.
- Consequently, school funding could be reduced between \$100 ppu (**-\$220,000**) and \$250 ppu (**-\$550,000**) or more for the second year of the biennium.
- Current projections for the 2011-12 and 2012-13 biennium are identifying a 6 billion dollar deficit (7-8 billion dollars with inflation). Funding for school districts will be problematic.

Why Does the District Need a Fund Balance?

Maintain fiscal responsibility

- A. Protects programs and services when budget declines**
- B. Maintain credit rating with investment companies so if we determine it is in our best interest to borrow money, we qualify for lower interest rates.**
- C. Avoid borrowing money from a bank or other entity.**
- D. Avoid reducing budget as a result of short-term enrollment declines**
- E. Saint Peter Public Schools currently ranks 277/340 for school districts in terms of fund balance per pupil unit (\$532 PPU)**

BUDGET BUILDING ASSUMPTIONS: Three scenarios

Scenario #1	<ol style="list-style-type: none">1. The current aid shift of 73/27 continues2. There is a reduction in student enrollment of 8 WADMS3. There is a \$100 per pupil unit cut in state aid to schools4. There is an expenditure increase of 2%
Scenario #2	<ol style="list-style-type: none">1. The current aid shift of 73/27 expands to 65/352. There is a reduction in student enrollment of 8 WADMS3. There is a \$250 per pupil unit cut in state aid to schools4. There is an expenditure increase of 2%
Scenario #3	<ol style="list-style-type: none">1. The current aid shift of 73/27 expands to 65/352. There is a reduction in student enrollment of 8 WADMS3. There is a \$478 per pupil unit cut in state aid to schools4. There is an expenditure increase of 2%

What does this mean for us?

- **SCENARIO #1**

1. Using these assumptions for 2010-11:

- Aid payment shift continues (-\$60,000)
- \$100 per pupil unit cut (-\$220,000)
- 8 student decrease (-\$46,520)
- 2% expenditure increase (-\$350,000)

Then...

2. Our budget reduction/adjustment of:

- New revenue/revenue shifts (+\$40,000)
- Budget cuts (+\$460,000)

Will result in...

What does this mean for us?

3. A fund balance of:

* **(+) \$911,273 on 6-30-14**

(Assumes a \$500,000 cut or \$500,000 operating referendum increase in 2012-2013)

OR

* **(-) \$408,727 on 6-30-14 = with a \$250 PPU cut for 2010-2011**

2010-2011 BUDGET ADJUSTMENT RECOMMENDATIONS (Target = \$500,000)

I.	REVENUE INCREASES AND SHIFTS	
	A. Shift expenditures from general fund (01) to community service (04) and capital (05) funds	\$30,000
	B. New revenue via ALP and senior high academies	\$10,000
II.	BUDGET CUTS	
	C. Reduce supply budgets (\$3,750/\$3,750/\$7,500)	\$15,000
	D. Realign Title I expenditures (reduce support areas: .6 teacher; 5.33 paraprofessionals; tech TOSA)	\$77,000
	E. Reduce custodian contracted services	\$6,000
	F. Reduce 4.0 FTE special education paraprofessionals	\$27,044
	G. Reduce staff development and curriculum writing	\$35,802
	H. Reduce extended time	\$20,233
	I. Reduce co-curricular expenditures	\$31,456
	J. Reduce administrative services	\$30,000
	K. Do not replace or partially replace employees who retire or resign (natural attrition)	\$93,700
	L. Move to 1.0 FTE K-6 media specialist	\$17,600
	M. Eliminate 2.5 teaching positions	\$120,625
		\$514,460

What does this mean for us?

- **SCENARIO #2**

1. Modified Assumptions for 2010-11

- Aid payment shift expands to 65/35 (-\$20,000)
- \$250 per pupil unit cut (-\$550,000)
- 8 student decrease (-\$46,520)
- 2% expenditure increase (-\$350,000)

Then...

2. Our budget reduction/adjustment of:

- New revenue/revenue shifts (+\$40,000)
- Budget cuts (+\$660,000)

Will result in...

What does this mean for us?

3. A fund balance of:

– \$711,273 on 6-30-14

(includes a budget cut or operating referendum increase of \$500,000)

Possible Scenario 2

Recommendations (Add \$200,000)

+	Move to middle school intramural athletic program	\$40,000
+	Eliminate one .5 dean of students	\$30,077
+	Eliminate 2.5 classroom teaching positions	\$120,625
+		\$190,702

What does this mean for us?

- **SCENARIO #3**

1. Modified Assumptions for 2010-11

- Aid payment shift expands to 65/35 (-\$20,000)
- \$478 per pupil unit cut (-\$1,051,600)
- 8 student decrease (-\$46,520)
- 2% expenditure increase (-\$350,000)

Then...

2. Our budget reduction/adjustment of:

- New revenue/revenue shifts (+\$40,000)
- Budget cuts (+\$1,160,000)

Will result in...

What does this mean for us?

3. A fund balance of:

– \$704,873 on 6-30-14

(includes a budget cut or operating referendum increase of \$500,000)

Possible Scenario 3

Recommendations (Add \$500,000)

+	Eliminate 1.5 FTE K-12 physical education positions	\$76,500
+	Eliminate four athletic programs	\$48,000
+	Move to a 2-mile bus transportation policy	\$28,000
+	Eliminate K-6 art (1.67 FTE)	\$79,300
+	Move to a 7-12 7-period day (2.0 FTE)	\$95,000
+	Move to all-day, every-other-day kindergarten	\$166,250
		\$493,050

QUESTIONS?