Response to State Budget Crisis

FY 2010-2011

Board Approved, March 10, 2010

Current Financial Threats to All School Districts

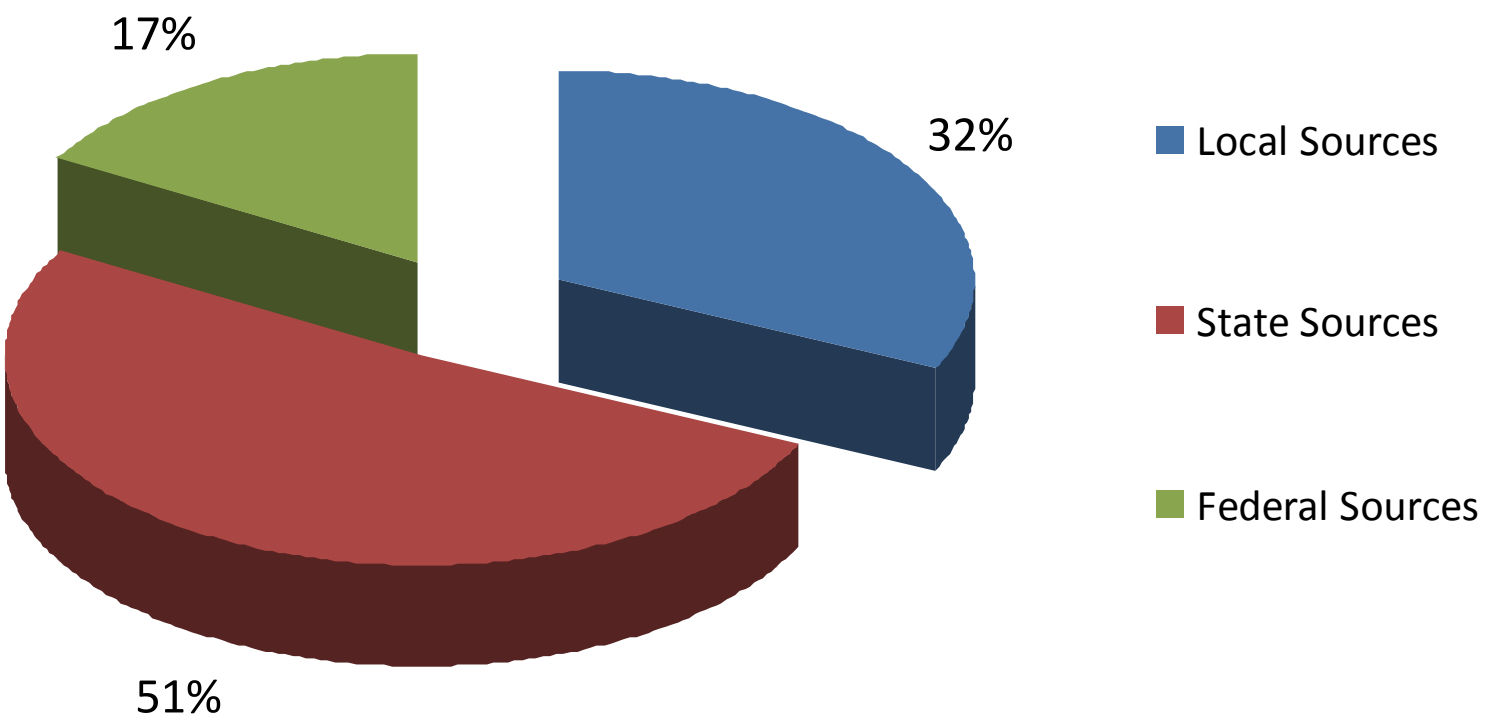
- **National Recession**
- **Economic Crisis in the State of Illinois**
  - State has approximately a $12 billion deficit on a $34 billion budget
  - Utilized $1 billion in ARRA funds to make General State Aid (GSA) Payments in FY 09-10; ARRA funds will not be available in FY 11
  - State will be behind $8.75 billion in payments to Illinois schools by July, 2010
  - State has been very late in paying grants; some commitments and categorical payments may not be made at all
- **Stagnant tax base**
  - EAV (Equalized Assessed Value) is expected to have little to no growth
  - Corporate Replacement taxes are down
    - District 118 revenues are down by $1.1 million over the last two years

Overview of District 118's Current Status

- 51% of revenue from State sources (State Avg.=28%)
- 71% of expenses are salaries and benefits
- State owes District 118 $6.2 million as of 3/10/10
- Uncertainty in planning for next year regarding state funding:
  - 5%-10% cut in General State Aid ($1.7m - $3.5m)
  - Unknown amount of State grant cuts
  - Reduction of categorical payments (Special Ed/Transportation)
- Fund balances
  - While a fund balance exists, the District could lose a significant portion of the balance depending on the shortfall from the state
    - Even with the proposed cuts, any reductions in State funding over 5% will force us to utilize our fund balance
  - The total fund balance includes monies that cannot be used except for dedicated purposes (Tort, Debt Services, IMRF/SS, Fire/Safety, Site/Construction)

District 118 Revenue Sources

State Funding = 51% of Total (IL State Avg. is 28%)



District #118 is much more dependent on State funding than the average district.

Goals

- To support the District mission to help all students achieve their potential while maintaining fiscal responsibility
- Minimize cuts that affect student learning
- Honor union contract language

Process …

- Reviewed every administrative or management position in the district
- Reviewed every coordinator position
- Reviewed enrollments and class size projections
  - Reduce staff where enrollment dictates
  - Stay within union contract language
- Reviewed programs
  - Our goal is that all non-grant funded programs be continued to maintain current opportunities for students

Response to State Budget Crisis

- Preserve non-grant funded programs
- District 118 will continue required Restructuring and new innovative programs district wide
- Maintain infrastructure
  - Continue to maintain and update old buildings
    - The longer we wait, the greater the cost
    - Many repairs needed to maintain functionality

Response to State Budget Crisis

Three Categories of Cuts

- Approximately $300,000 in cuts in professional development/travel, supplies, textbooks, etc.
- Approximately 40 non-grant funded positions that will not be reinstated unless enrollment increases
- Approximately 43 grant funded positions, some of which may be reinstated if funded

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Reduction in Other Expenses

Approximately $300,000 in Savings

- $ 50,000 Professional Development/Travel (between all buildings and departments)
- $ 4,000 Elimination of extended contract days
- $ 10,000 Food Service- assuming eligible monitor expenses
- $ 25,000 Building and Grounds- reduction of custodial hours for special events
- $200,000 Supplies and Textbooks- (between all buildings and departments)
- $ 10,000 Extra-Curricular Activities with low student interest or activity

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Administrative/Management Cuts

- Eliminate three School Administration Managers (SAMs)
  - DHS
  - North Ridge
  - South View

*Also eliminated Director of Secondary Education, September, 2009

Response to State Budget Crisis

District/Grant Cuts

	District		Grants	
	Approximately $1.94 million in savings		$0 savings, but a loss of $3.3 million in valuable programs	
Administration/Management	3	SAMs	-	
Coordinators	2	Special Education	4	1 Title I, 1 RTI, 1 Care, 1 Pre-K
Teacher Mentors	1		1	
Nurses	2		-	
Teachers	25	5 HS, 6 MS, 14 Elem,	15	1WECEP, 1TAEOP, 12 CARE, 1 Title I
Teaching Assistants	5	5 class size	20	9 RIP, 9 Pre-K, 1 Title I, 1 Title 4
Elementary PE/Music	2	1 PE/1 Music- Elem	-	
Secretary	-		1	Pre-K
Social Worker	-		2	1 CARE, 1 Homeless
Total	40		43	

*High School Division/House Leaders (Will teach one additional class equivalent to adding 1.8 teachers)

Response to State Budget Crisis

Breakdown- Non- Grant Teaching Positions

- Elementary
  - 14 Teachers
  - 1 PE and 1 Music (Split among three schools; no impact on student services- daily music/PE will continue in all elementary schools)
- Middle School
  - 6 Core Teachers
- High School
  - 5 Teachers
  - 1.8 (Division Leaders/House Leader teach extra class)

Increased Class Sizes

Response to State Budget Crisis
Summary

- Maintenance of all non-grant funded programs
- Reduction in non-salary expenses district-wide
- Increased class size, at each level, without violating any union contract language
- 10% reduction of Administrative/Management positions
- 9% reduction of Non-Grant Teaching positions
- Total reduction in Non-Grant expenditures of approximately $2,240,000
- >5% cut in state funding, reserves will be used
- 100% reduction of State Grant Funded positions and programs until assurance of continuance is received
  - Decrease of up to $3,300,000 in revenue that causes a loss in services currently provided to our children