

Superintendent's Report to the Board of Education



Budget Guidelines Summary FY 09-10 Budget



Budget Planning Timeline

- February 10: Budget guidelines discussion at COB
- February 11: All Admin meeting
- March: Training for principals and site councils
- March 2: Distribute building allocations to principals
- March 9: Distribute centrally funded budget allocations
- March - April: Community and staff input
- May 1: Due date for budget, staffing, Title I documents
- May 5: Funds discussion at COB
- June 9: Budget discussion at COB
- June 16, 2009: Budget Adopted



Financial Climate

- District facing projected shortfall of \$25 million
- Structural deficit projected for at least the next four years
- Driven by:
 - Enrollment decline
 - Economic downturn
 - Rising costs



General Budget Guidelines

- Base Budget
- Budget Structure
- Presentation Format
- Budget Reduction Recommendations
- Enrollments
- Inflation
- Average Salary and Benefit Calculation Data
- Pupil Funding Formula
- Fund Balance
- Budget Calendar
- Full Financed Programs
- Intra-school Budgets
- Cost Reduction
- Other Resources Allocated to Schools

Budget Reduction

Proposed Reductions Breakdown

Program	Item	\$10 M Structural Reduction*	\$15 M Economic Downturn Reduction#	Total
XXX	Cost of Living Freeze		5,018,736	5,018,736
XXX	Health Insurance Freeze		1,488,670	1,488,670
XXX	Central Administrative Reduction	1,000,000	400,000	1,400,000
XXX	Use of Fund Balance in Excess of 5%		1,000,000	1,000,000
XXX	Consultants	500,000	150,000	650,000
XXX	Food	100,000		100,000
XXX	Travel	60,000		60,000
610	Itinerent Instrumental Music Teachers	1,400,000		1,400,000
219	ELL Program	500,000	300,000	800,000
420	Special Education (net of revenue loss)@	510,000	290,000	800,000
760	Transportation	700,000		700,000
292	Athletics	500,000	150,000	650,000
XXX	Operations Programs	580,000		580,000
20	Leadership Transition		200,000	200,000
110	Use On-Line Payroll Advice	100,000		100,000
610	Behavior Management Implementation		100,000	100,000
160	Planning for Ideal Day	50,000		50,000
XXX	School Reductions	4,000,000	6,000,000	10,000,000
		10,000,000	15,097,406	25,097,406
*	This \$10 Million represents reductions that are necessary to rightsize the budget due to the structural deficit caused by declining enrollment in place for at least next four years			
#	This \$15 Million represents reductions that are necessary due to the economic downturn that is driving revenue down and preventing it from keeping pace with inflation			
@	Actual reduction in expenditure is \$1.6 million which results in a \$.8 million reduction in revenue resulting in a net reduction in shortfall of \$.8 million			

Future Impacts



FY 09-10

Potential Future Impacts on Budget Shortfall



- Federal Stimulus Package
- State Legislature
 - Direct cuts to Education funding
 - Cost shifting
- Change in economic condition
- Change in enrollment

Federal Stimulus Package

- Signed into law today
- Minnesota will get \$4 Billion creating an estimated 66,000 new jobs fairly evenly distributed across Minnesota's eight congressional districts
- Meeting tomorrow at the Legislature providing more information and details. SPPS will attend.
- Business Office staff is assembling an assessment team to develop the details for impacts on the SPPS 09-10 Budget