



Budget News for 2011-2012

Current Projections and the
Challenges Ahead



Some Good News

- No more cuts for 2010-2011
- Cuts already for this year included:
 - \$245,007 (state stabilization factor)
 - \$101,019 (covered by Ed Jobs Fund)
 - \$38,788 (ARRA)



Colorado State Budget

- 1 Billion dollar shortfall
- K-12 Education is 42% of the state budget
- Governor Hickenlooper stated that:

“We are in a recession, and it has affected Colorado in ways no one fully understands. Because people are not willing to increase taxes, we have to be more pro business in our decision making.”

Stagnant revenue combined with increasing demand for services is squeezing all services-public education, health care, human services.



Budget Problems Will Persist

- According to a recent report commissioned by the 2010 Legislature from the Denver University Center for Colorado's Economic Future:
“Budget problems will persist for years even after the economy bounces back. Possibly for the next decade and a half unless major state fiscal reform takes place.”



Governor's proposal to JBC

- \$332 Million cut for K-12 education beyond cuts for 2010-2011.
- \$836 Million below full funding.
- Will/could change by May (end of legislative session).
- “Probably optimistic”.



Vody Hermann, Asst. Commissioner

- “These reductions are beyond our wildest imaginations and will be difficult to manage. The magnitude of the impacts will be felt by children across the state. Students will be getting less support for their learning.”



Translation:

- Results in loss of people and programs.
- 80% of school budgets current funding are about people, the cuts come from a limited source.
- We will always do our best to serve students, but this will be extremely difficult.



How Sargent will be affected in 2011-2012

- **Additional \$523.00** less per student.
- At 2010-2011 enrollment levels:
\$250,000 reduction in state and local funding

With less funding, we can not continue with “business as usual”.



Call to forward thinking

- Look at items that are required:

By law

By policy

By standards

These are not negotiable.



“Desirable” Items

- They are on the table.
- When we want or need to add something, something else must be taken away.
- A reflection of grim reality.



Decreases in other funds

- Loss of ARRA funding (2 years only)
Last two years, added \$38,788 to our GF
- SRS-Forest Service Lands funds (one more year)
Added \$37,454 to our GF this year



Increase to Cost

- Insurance requirements due to health care reform. As mandated changes occur, our costs will increase.
- Fuel prices
- Food prices
- Unfunded mandates
- PERA \$19,600 additional cost
- Increased internet cost (\$3,100 to go from 6mg to 10mg)

Total Projected Loss for Sargent Budget

- -\$250,000 (state and local)
- -\$38,788 (ARRA)
 - \$19,600 (PERA increase)
- Total=



Fund Balance

| | |
|-----------------|------------------|
| ■ TABOR | \$125,000 |
| ■ Designated: | \$913,437 |
| ■ Undesignated: | <u>\$219,400</u> |
| ■ Total FB | \$1,257,83 |

Some Ideas From Last Year

- Sports participation fee
- Fee for full day kindergarten (\$30,000 if 40 students x \$750/yr)
- Fee for transportation or reduction of routes
- Salary freeze (\$16,786)
- 4 day school week
(\$77,562GF + \$15,777LF=\$93,339)
- Reduction in staff leave days
- Increase lunch prices (\$15,000 if raised by .30)
- Use of reserves



Planning for Sargent

- We can only plan so much until we know how much state aid to expect.
- This timing problem was exacerbated this year because we have a new Governor, new JBC, new school finance committee and new legislators.
- We will have to make tough choices so that we can live within our means during tough economic times.
- These are the largest cuts to K-12 education in state history.



Budget Planning Process and Decision Making

- Community Forums
- District Accountability Committee
- District Leadership Team
- Staff Input
- Website
- Suggestion Box