

Kenosha Unified School District Budget Presentation FY 201-12

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And

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Interim Chief Financial Officer

Agenda

- Opening Dr. Hancock
 - Budgetary Consideration/Timeline
- Budget Overview Sheronda Glass
 - Financial and Process Assessment
 - What We Are Facing
 - How Did We Get Here
 - Summary
 - Recommendations
- Budget Revenue/Expenditures Ren Vavrik
- Budget Assumption Details Leadership Council

Budgetary Consideration Timeline

Why These Discussions Now?

- Zero-based Budgeting Timeline started in December 20, 2010
- State Legislative Issues/Budget Deliberations began in January 2011
- Information from State about cuts February 2011
- Presentation to Board April 20, 2011

Financial and Process Assessment

Millions

310

300

- If unchecked, approximate \$12M increase in expenditures will continue to grow. Expenditures growing at

- The FY2012 revenue gap consists of an \$9.2M revenue increase

- From 2012-2015 revenue growth is calculated at 3.3%

Revenue 280

240

260

240

2011

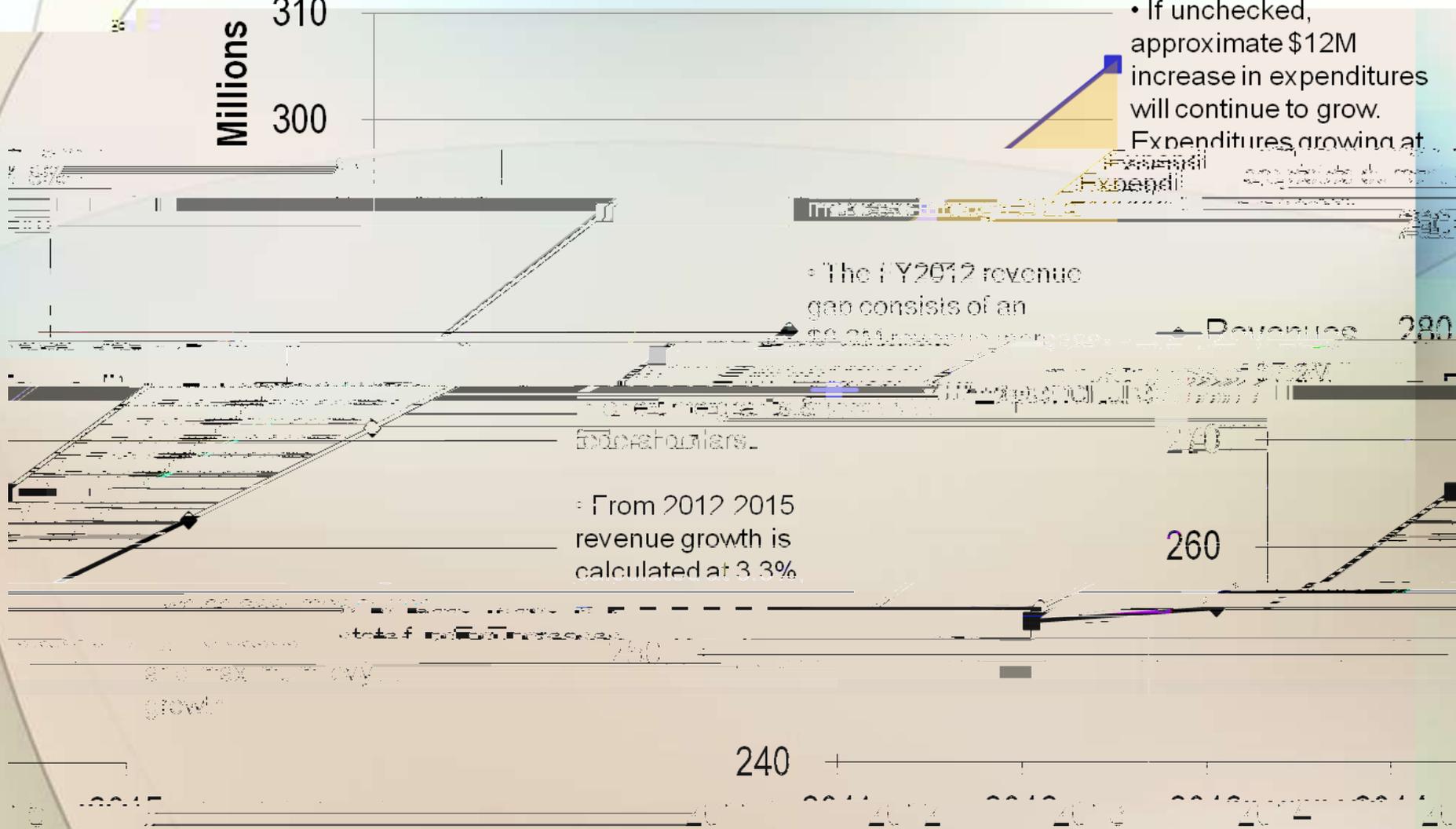
2012

2013

2014

2015

2016



REALITY

Deficit of
\$30,411,406

Why Such A Large Deficit/Loss of Revenue

- Elimination of Jobs Funds (\$4,232,263)
- Elimination of ARRA Federal Funds (\$2,602,034)
- Decrease in Revenue Limit (\$9,853,604)
 - Based on per pupil reduction of \$557.80 per student
- Elimination of Categorical Aid (Grants) (\$16,570)
- Elimination of Base Registration Fees (\$1,000,000)

Summary of Revenue Changes

Total Loss of Revenue

\$19,304,471!

This loss of revenue impacts how we provide education for our children!



Why Such a Large Deficit Expenditure Changes

- Total Required Expenditure Changes (\$11,212,821)
 - Increased Salary and Benefit costs (\$10,245,489)
(Negotiated Contracts)
 - Increased Fixed costs such as transportation, liability insurance (\$664,489)
 - Increased Operational Costs such as utilities, repairs and contracted services (\$302,854)

Summary of Required Expenditure Change

Total Required Expenditures

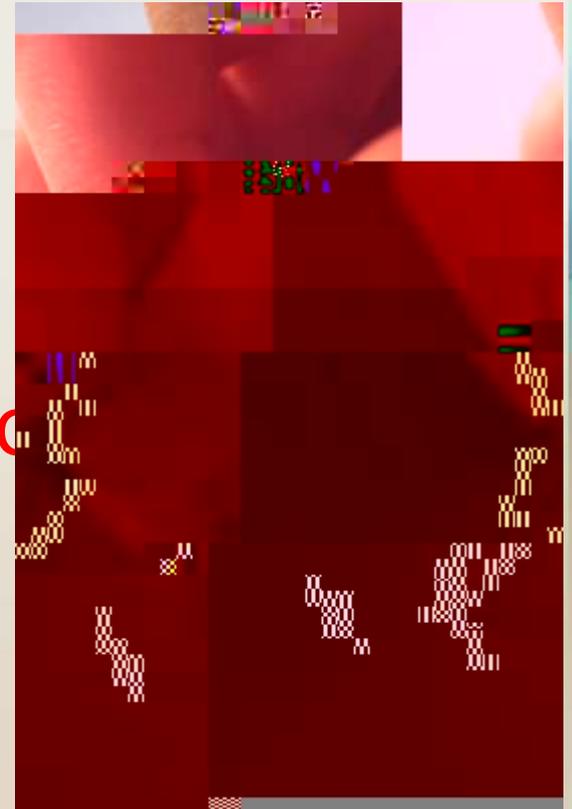
\$11,212,821

Approximately

\$10,245,478 or 91% of

\$11,212,821

Is due to an increase in negotiated salary and benefits for current staff!



What Does This Mean To The Taxpayer?

The increase in the property tax for the residents of Kenosha, Pleasant Prairie and Somers under the existing revenue limit is dependent on the amount of state aid the district receives. The property tax levy is the difference between the revenue limit and the amount of state general aid the district receives. **The larger the state general aid, the lower the property tax**

What This Means for Taxpayers

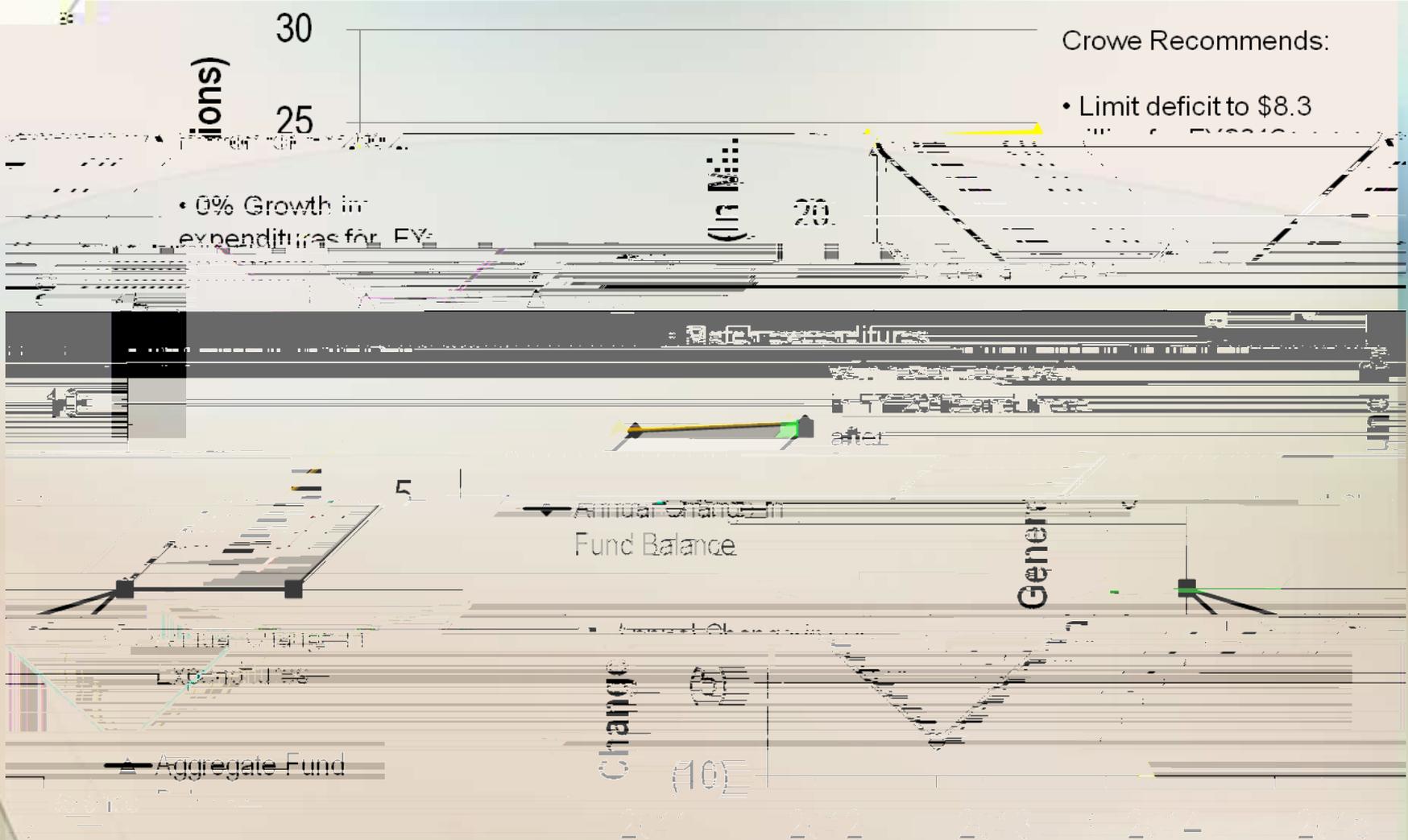
The 2011-12 revenue limit is estimated to decrease approximately ~~\$9.8~~ \$9.8 million. If the state decreases general aid by 75% of that amount, the remaining

What Does This Mean To The Taxpayer?

We have to conform to the revenue limit so we are forced to make changes to the way we do business. We have no choice.

The state, through the revenue limit and the distribution of the state public school general aid appropriation, dictates the size of our budget and the amount of property tax.

Where We Need To Be



What Does It Take To Balance the Budget? TRANSFORMATION!

- ZeroBased Budgeting
- Operational Changes
- Fiscally Responsible Decisions
-

Recommendations To Balance The Budget

- Operational Changes
- Educational Program Changes/Restructuring
- Examination and Reduction of Staffing Levels

Operational Changes

- School Closings
 - Columbus and Jefferson Annex
- Educational Support Center Discretionary Budget Reductions (\$1,000,000)
- Examination and renegotiation of expired professional contracts (garbage collection, nursing services)

Educational Restructuring/Program Change

- Charter School Funding Reductions

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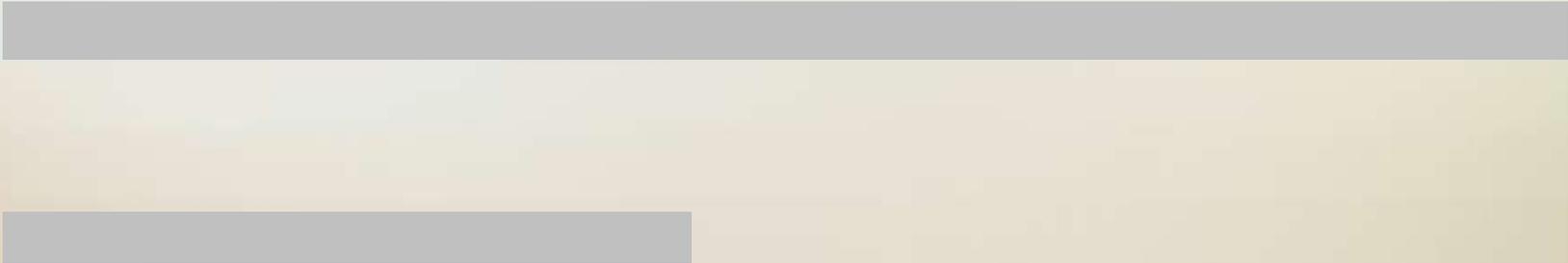
Reduction of Human Resources

- Examination of Five Year Staffing Trend
- Total Compensation for Each Negotiated Contract
- Breakdown of Reductions by Bargaining Group
(overall reduction of staffing FTEs. How they will be used will be based on programs)

Five Year Staffing Trend

School Year	Total Staff All Groups	Staff Increase Over Prior Year	*Actual Student Population	Student Increase Over Prior Year (Actual)
2006-07	2475.72		22858	
2007-08	2582.17	106.45	22769	184
2008-09	2642.11	59.94	22838	69
2009-10	2678.07	35.96	23019	181
2010-11	2740.27	62.2	23122	103
Grand Totals		264.55		537

Total Compensation Costing for Each Group



Proposed Reductions By Bargaining Group

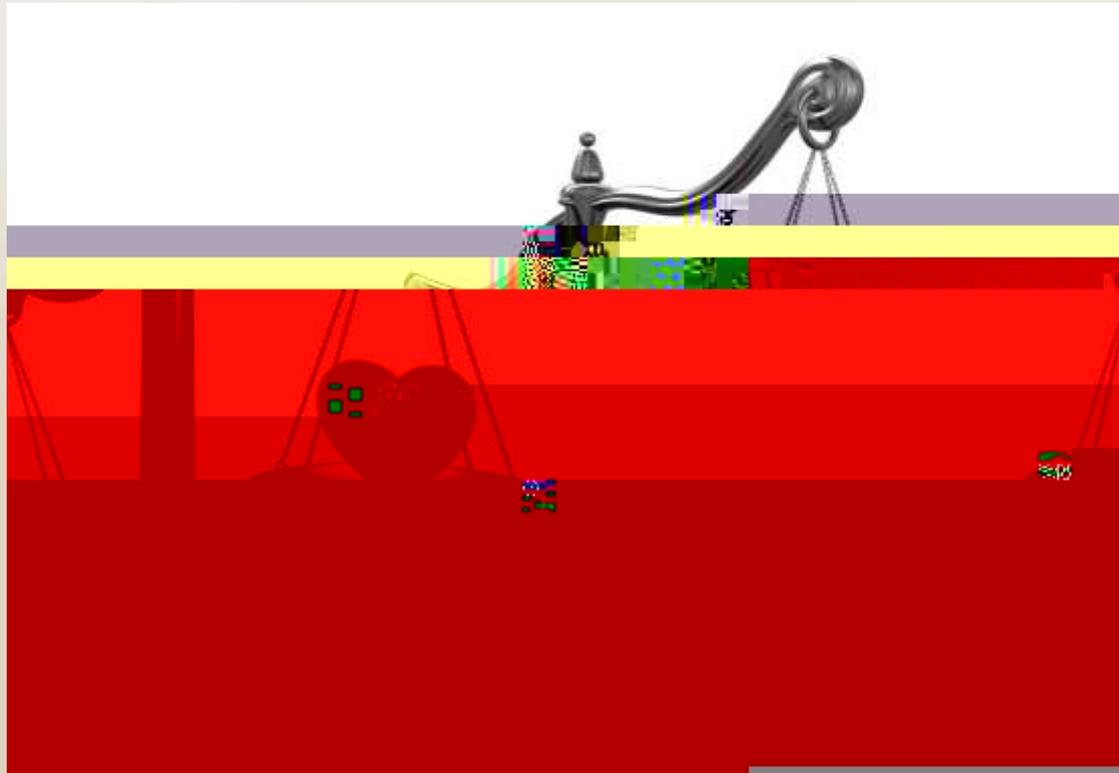
Bargaining Group	Members	Reductions	Cost Savings
Administrative, Supervisory & Technical	130	6	\$831,714
Teachers	1893	212	\$173,424,232
Secretaries	144	11.5	\$772,156
Services	206	7.5	\$527,835
Educational Support Professionals	297	9	\$373,896
Carpenters/Painters	8	0	\$0
Interpreters	11	0	\$0
Miscellaneous	50	1	\$49,812
Total Cost Reduction			\$19,979,645

Our Vision for the Future

- Equity and Increased Achievement **All Students**
- A Top Performing School District in the Country
- Fiscal Responsibility to KUSD Families and Taxpayers
- Commitment to Maintaining A Quality Program and Enhance Educational Rigor and Relevance

So, There is a Balance!

- There is a cost to do what we love, however, we can balance the scales by becoming more fiscally responsible!



Next Steps

- Ron Vavrik Interim Chief Financial Officer
 - Detailed Revenue
 - Detailed Expenditures
- Leadership Council
 - Budget Assumption Details/Reductions/Rationale