

MADISON METROPOLITAN SCHOOL DISTRICT



2007-08

Budget Preparation

2007-08 Budget Timeline

5 Year Forecast

| | | Begin Date 2007-08 | End Date 2007-08 |
|---------------------------------|---|-----------------------|---------------------|
| Inflation Assumptions | Business Services | October 30, 2006 | November 30, 2006 |
| Budget Parameters | Administration/ Board of Education | December 1, 2006 | December 22, 2006 |
| Labor Cost Parameters | Administration/ Board of Education | December 1, 2006 | December 22, 2006 |
| 5 Year Budget Forecast to Board | Administration | | January 18, 2007 |

Mandates

A report that we continuously update since the Functional Analysis of 2001-02.

This report identifies the many requirements that the district must adhere to.

It also discusses whether or not we meet or exceed the specific mandates for each of the items.

Current estimates project the revenue gap in 2007-08 will be \$9-12 million.

January
Budget Forecast

May
4 - Operating Budget

October
10 - Approved Budget

Known:
None

Based on:
•Trends
•Projections
•Assumptions
•2005-06 Personnel

January - April
2 -Balanced Budget

Known:
of Allocations

Based on:
Trends
Projections
2005-06 Personnel
Preliminary State Aid
Preliminary Fed. Aid
Preliminary Rev. Limit


Known:
of Allocations
Final State Aid
Final Fed. Aid
Final Rev. Limit
2006-07 Personnel

Based on:
Projection of Non-Controllables

Known:
of Allocations

Based on:
Trends
Projections
2005-06 Personnel
Preliminary State Aid
Preliminary Fed. Aid
Preliminary Rev. Limit

3 -Amendments



9 - Adjustments



Parameters Used To Build 2007-08 Budget Forecast Model

Revenue

Revenue Limit Increase per Pupil

Per Statutes, the statewide per pupil increase in the revenue limit (\$256.93 in 2006-07) will be increased by the percent increase in the CPI from March 31, 2006 to March 31, 2007. An increase of 1.3% is being applied in this forecast, resulting in a per pupil increase of \$260.27 for 2007-08.

September Enrollment

The enrollment projection model used by the district indicates an increase in pre-K thru12 enrollment of 168 students for 2007-08.

Parameters Used to Build 2007-08 Budget Forecast Model

Revenue

Student Fees

Student fee revenue of all types is assumed to be unchanged for 2007-08.

State Equalization Aid

Equalization Aid assumed to decrease approximately \$3.0 million (5.3%) for 2007-08.

State Categorical Aids

Categorical aids for libraries, transportation and bilingual programs is assumed to be unchanged for 2007-08.

Parameters Used to Build 2007-08 Budget Forecast Model

Revenue

State Special Education Aid

A state reimbursement rate of 27% of eligible special education costs is assumed for 2007-08, (and is expected to decline by an additional 1% each subsequent year).

Other Revenue

Other forms of revenue are assumed to be unchanged for 2007-08.

High Cost EEN Program Aid

The budget includes \$600,000 for state aid for high cost/low incidence programs. This aid was received prior to 2006-07 under authority of the State Superintendent but is now provided by Statute.

Parameters Used to Build 2007-08 Budget Forecast Model

Expenditures

Employee Salaries & Benefits

Salaries and fringes for regular employees will reflect agreements and estimates based on guidelines established for negotiations in units not yet settled.

Teacher Salary Horizontal Movement

Horizontal movement of teachers on the salary schedule is assumed to be \$400,000 each year, based on historical averages.

Temporary Salaries & Benefits (Substitutes, Overtime, etc.)

Temporary salaries are being increased 3% and fringe benefits 5%.

Parameters Used to Build 2007-08 Budget Forecast Model

Expenditures

Retiring Teachers

It is assumed that 77 teachers will retire each year. The number of teachers and the savings are both based on the average of the previous five years. The cost of the resulting vacancies is based on Step 4 and Lane 4 of the salary schedule.

Staffing

Staffing levels have been established per enrollment projections.

Parameters Used to Build 2007-08 Budget Forecast Model

Expenditures

Natural Gas, Electricity, Sewer & Water

Based on discussions with representatives of utility suppliers, gas and electric are assumed to increase by 8%; water, sewer and phone 3%.

Pupil Transportation

Pupil transportation costs are assumed to increase 4.5%. We don't know what, if any fuel escalator will apply, so that is not included at this time. The cost of City services is expected to increase as well and is estimated at 5%.

Other Non-Salary Objects

All other budget categories having a bearing on the projected revenue shortfall are assumed to increase by 1.3% for 2007-08, based on the October 2006 CPI annualized.

Parameters Used to Build 2007-08 Budget Forecast Model

Expenditures

Open Enrollment

Open enrollment expenses and revenues are being estimated based on maintaining the ratio of incoming to outgoing students as in 2006-07.

Maintenance

Maintenance revenue and expenditures reflect amounts authorized by taxpayers in the 2005 referendum.

Fund 80 Reserve

Fund 80 will have \$300,000 unallocated reserve for new programs and ongoing unanticipated costs added each year.

2007-08 Budget Discussion Items

The 10 categories will be considered in preparing a balanced budget for presentation to the Board in early April.

There are a range of dollar impacts for each item that will be considered by the Management Team.

2007-08 Budget Discussion Items

As indicated in the budget materials presented this evening the assumptions used in completing the five-year forecast, show a gross budget gap for 2007-08 of \$9 – \$12 million.

2007-08 Budget Discussion Items

1. Athletics/Extra Curricular
 - Reduce number of sports and club activities options -- up to \$500,000
 - Reduce/eliminate administration -- up to \$250,000
2. Consolidate schools -- up to \$1 million
3. Teacher/staff ratios
 - Change Special Education/ESL ratios -- up to \$4.28 million
 - Reduce/eliminate supplemental -- up to \$1.824 million
 - Increase class size -- up to \$2.5 million
 - Reduce librarians -- up to \$310,000

2007-08 Budget Discussion Items

4. Building/facilities

- Reduce Custodial/Trades staffing -- up to \$570,000
- Reduce maintenance -- up to \$500,000

5. Reduce administrative staffing -- up to \$200,000

6. Services

- Reduce printing -- up to \$100,000
- Decrease district mail and delivery services -- up to \$62,000
- Provide less transportation -- up to \$750,000
- Eliminate grant writer -- up to \$100,000
- Reduce technology -- up to \$100,000

2007-08 Budget Discussion Items

7. Student Services

- Reduce psychologists -- up to \$2 million
- Reduce social workers -- up to \$2.5 million
- Reduce/eliminate Minority Staff Coordinator -- up to \$200,000
- Reduce nurse -- up to \$1 million

8. Curriculum Development and Support

- Reduce professional development -- up to \$50,000
- Reduce/eliminate planners -- up to \$140,000
- Reduce Learning Coordinators -- up to \$840,000

9. Decrease allocations for Instructional Supplies/Materials/Equipment by up to 20%

- Formula reduction -- up to \$570,000
- ELM (Evaluation of Learning Materials) -- up to \$180,000

2007-08 Budget Discussion Items

10. Eliminate/Reduce Direct District Student Programs/Services
 - Stress Challenge -- up to \$85,000
 - Alternatives -- up to \$3.4 million
 - Strings -- up to \$300,000
 - Environmental Education -- up to \$40,000

2007-08 Budget Discussion Items

- Step One Gross gap \$9-12 million December 2006
- Step Two Forecast January 2007
- Step Three Balanced budget April 2007
- Step Four Adjustments based on
actual numbers Fall 2007

QUESTIONS?