

To: Board of Education
From: Kathy Johnson, Executive Director Finance
Date: December 10, 2018
Re: 2018-2019 Budget Reductions (mid-year)

Background:

When the budget was prepared and approved in August 2018, fringe benefits of \$1,114,231 was approved for all employees, but salary compensation packages for teachers, classified and administration were pending. \$1,883,365 was set aside at that time. The district had also only addressed approximately 50% of deficit spending when budget was approved in August.

Rationale:

Compensation packages are a part of the new business agenda tonight, and proposed compensation packages are in excess of the set aside funds of \$1,883,365 by \$319,646. In order to not increase deficit spending further, a mid-year budget cut of \$319,646 is being proposed.

Recommendation:

Administration recommends the following be considered, as planned reductions, and to avoid increased deficit spending. Reductions will be reallocated to salaries, and used to offset the \$319,646, being considered for approval, in excess of budget set aside for compensation packages approved in August 2018.

Administrative Salaries 2% vs. 2.64% being given to Certified and Classified Salary Groups	37,500
Reduce the number of substitutes being used for professional development activities for the rest of the fiscal year (approximately 150 substitutes)	21,720
Reduce Building Budgets (approximately 5%)	77,189
Reduce Department Budgets (approximately 5%)	173,237
Reduce budget allocation at Diploma Completion (historically unused allocation)	10,000
Total Reductions	\$ 319,646

Motion:

"I move the board of education approve the outlined budget reductions for the 2018-2019 fiscal year, as outlined above."