



Greeley-Evans

Weld County School District 6

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BUDGET REDUCTIONS

HOW DID THIS BUDGET CRISIS COME ABOUT?

Because of the ongoing recession and numerous legal entanglements in the way K-12 schools are funded (the Gallagher Amendment, TABOR, Amendment 23), Colorado does not have funds to fully support schools in 2010-11. Statewide cuts currently are projected at 7 percent to 12 percent, which translates to between \$9 million and \$16 million less for District 6. We are actively seeking ideas from staff members, students, parents, and the larger community, internal workgroups are generating ideas, but at this point nothing has been proposed or recommended.

One major challenge will be finding areas of the budget to cut when 87 percent of the district budget is for staff salary and benefits. We **will** have fewer employees next year at all levels: administration, support staff and teachers. Hopefully attrition will minimize layoffs.

WHY IS THE BUDGET SITUATION SO BLEAK?

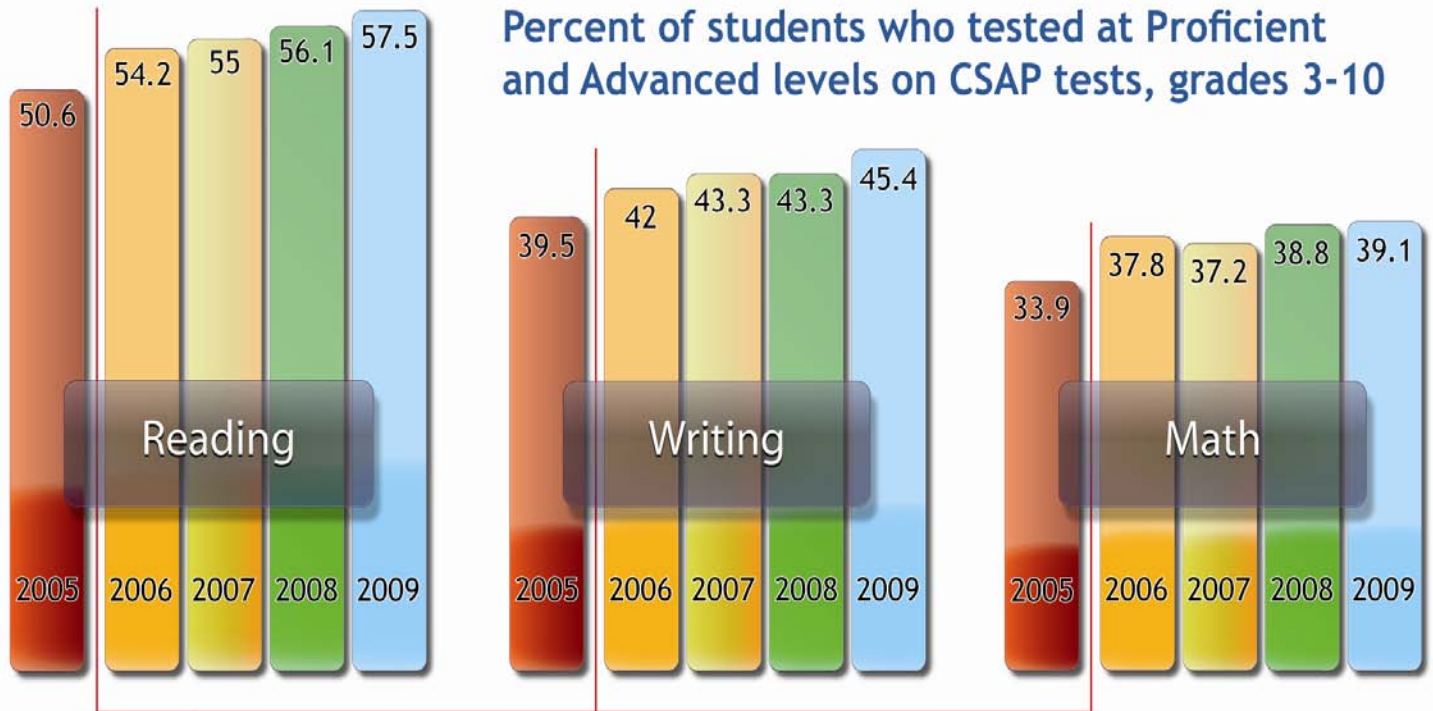
District 6 ranked 170th out of 178 districts in per-student revenue for the 2008-2009 fiscal year. Our funding comes from the Colorado School Finance Act (SFA). The SFA sets the state's funding formula, and the current formula gives us among the lowest per-student revenue in the state. There are only three ways to increase funding:

- Increase through more students enrolling (our enrollment is expected to remain flat)
- Increase through additional per-student dollars from the State of Colorado (highly unlikely)
- Mill Levy Override (ballot issue failed in November 2009)

All of the neighboring districts have passed additional funding for their local district through a mill levy override election (a property tax increase).

District	State Funding Per Student	Mill Levy Override Funding Per Student	Total
Weld County Re-8: Fort Lupton	\$7,022	\$1,155	\$8,177
Weld County Re-1: Gilcrest, La Salle, Platteville	\$6,891	\$1,124	\$8,015
Thompson: Loveland, Berthoud	\$6,554	\$969	\$7,523
St. Vrain: Longmont, Firestone, Frederick	\$6,777	\$690	\$7,467
Weld County Re-2: Eaton	\$6,703	\$710	\$7,413
Weld County Re-3J: Keenesburg	\$6,759	\$609	\$7,368
Poudre: Fort Collins	\$6,554	\$773	\$7,327
Weld County Re-4: Windsor	\$6,554	\$692	\$7,246
Weld County 6: Greeley, Evans	\$6,732	\$0	\$6,732
Weld County Re-5J: Johnstown, Milliken	\$6,554	\$174	\$6,728

Percent of students who tested at Proficient and Advanced levels on CSAP tests, grades 3-10



2005: State places District 6 on academic watch

2006: Comprehensive reforms implemented

2007: State removes academic watch status

WHAT ABOUT RESERVE FUNDS?

District 6 does not have sufficient reserves to absorb the impact of the looming budget reduction. This is because of strategic choices to use reserves in recent years to improve curriculum and instruction. In 2005, when the state placed the district on accreditation watch for declining academic achievement, major changes were required in order to improve achievement. As a result of those changes, the district did improve, and it was removed from the watch list in 2007. Those crucial improvements came at a cost, however: Budget reserves in 2006 were \$11,232,259; by 2009 the purchases of instructional tools and personnel has reduced the reserve to \$3,443,442.

This has led to a warning from the state in the CDE Fiscal Health Analysis that the ratio of our reserves to our general fund has been declining too fast. This is a clear warning from the state that we are spending more than we are getting in revenue.

EXPENSES CONTINUE TO GROW

This year, we can expect increases in a number of areas over which we have little to no power to cut:

- State-mandated Public Employees Retirement Account contributions: \$900,000
- Medical/Dental insurance: \$500,000
- Eight percent increase in utilities: \$250,000

EDUCATION IS PEOPLE INTENSIVE

Nearly 90 percent of the District 6 budget is spent on employing people to educate and support students. The remaining 13 percent goes to:

- Utilities
- Fuel
- Textbooks
- Computers
- Office supplies

If a 10 percent reduction were imposed among all employee groups we would have to reduce district staffing levels by at least 200 FTE employees. That would lead to increased class sizes, a reduction in programs and services, an increased “walk radius” to school for students from 2.5 miles to 3 miles, and student achievement would be threatened.

A sample reduction scenario would include laying off 120 teachers and 150 support and administrative employees. Laid-off District 6 employees and their families would be devastated and able to spend less in the community. It is hoped that layoffs can be avoided simply by not refilling positions after retirements and resignations at the end of this school year, but that is difficult to predict right now.



WHAT KINDS OF CUTS MIGHT BE NEEDED?

Here are a small sampling of the dozens of ideas for cutting costs across the district (none of these ideas has been officially proposed, they are included here for discussion purposes):

Reduce all supplies to all schools and offices by 10 percent	\$800,000
One furlough days for all employees	\$400,000
Increase student-teacher budgeted ratio by one student per class	\$1,000,000
Reduce central office personnel costs by 10 percent (administrative and classified)	\$400,000
Eliminate entire textbook budget	\$500,000
Eliminate entire tech replacement budget	\$600,000
Consolidate Cameron, Jefferson; move Maplewood students to Franklin; move alternative high schools to Jefferson	\$2,000,000
Total	\$5,700,000

Each of these cuts would be painful and would represent a major setback for the district, but even if they all were enacted, the district still would need to find ways to **cut between \$3.3 million and \$10.3 million more**.

From where should the rest of the cuts come? More furlough days? Further staff reductions? Larger class sizes? Cuts to magnet programs? Fewer sports? Reductions in transportation?

These are the questions that must be answered soon.

WHAT'S THE PLAN FOR THE NEAR FUTURE?

January

- Transmit 2009-10 budget report to CDE.
- Complete worksheets for budget workgroups using data from first six months of 2009-10.
- Convene staff budget workgroups.
 - "What-If" scenarios
 - Reductions of 8%, 10%, 12% -- where would you make the cuts, and what would happen?
- Budget office begins preparation of proposed budget

February

- Continue with budget workgroups
- Budget meeting with all workgroups to present findings

March

- Board work session around work of budget workgroups.
- Obtain direction from Board
 - Establish Priority Budget

April

- School Finance Act in legislation
- Finalize draft of proposed budget based on School Finance Act, Board, GEA and budget workgroup factors

May

- School Finance Act is finalized by the legislature
- Presentation of draft of proposed budget to Board in May 2010

June

- Public Hearing on Proposed Budget in June 2010
- Board adopts 2010-2011 Budget at final June 2010 Board meeting