

District Budget FAQ

What is happening?

In January, the school board and community learned for the first time that the district is facing unexpected budget challenges and that prior budgets presented to the school board in June 2023 and October 2023 did not fully capture the extent of the budget deficit. The board was also informed that our savings would be insufficient to cover the expected deficit in the 2023-2024 budget.

In the past several weeks, the board has engaged experts to review our financial standing, develop a clear picture of the deficit, and determine a fiscally responsible, student-focused path forward.

Why is there a budget deficit?

Many public schools in Wisconsin are facing deficit budgets. There are many contributing reasons, including tax levy limits, underfunding of state mandated services, rising food and transportation costs, and private school vouchers. In addition to these challenges, we now know that during the past two years, there were significant errors in accounting and budgeting made by staff that are no longer with the district.

We have engaged financial consultants to verify and correct the financial data from prior years, investigating past revenue and spending to determine the full extent of the budget deficit. The prior errors have increased the complexity of this accounting investigation, requiring a significant amount of due diligence, but it is progressing as quickly as possible.

How much is the budget deficit?

Our accounting and financial experts are working to determine the full extent of the budget deficit. This complex process requires a significant amount of due diligence, but it is progressing as quickly as possible. We understand from our experts that we are getting closer to firm answers about our fiscal status. We will share more details when they are available.

Any estimates that have been discussed or stated in previous meetings have not fully been vetted and verified by our current financial consultants.

Who is the district working with to fix this issue?

Since we learned of the budget challenges in January, the board has hired an interim business manager, Gus Knitt, and a financial consultant, Todd Gray, each a former public school business manager, superintendent and highly-regarded expert in their fields. These financial experts are working directly with the administrative team and the board in addition to several professionals at Baird.

What work has been done so far?

Since January, the board has hired a new interim business manager and financial consultant(s) to investigate past revenue and spending, as well as provide opportunities for staff to share their feedback and questions regarding district finances.

To address immediate financial concerns, the district is working with Baird to ensure that district operational expenses are fully covered through the 2023-24 school year and into next fall when a new budget will be adopted.

Our financial consultants are working to verify and correct comprehensive financial data to determine the full extent of the budget deficit, cut spending without impacting student experiences, and seek additional revenue opportunities.

From a policy perspective, the board immediately instituted new policies to ensure thorough financial oversight, including a comprehensive budget and review calendar, requirements for board approval for expenditures that will exceed the fund balance, and additional requirements for the administration and board to review budget status and future projections throughout the school year.

The board is closely monitoring progress on all of these complex, time-intensive efforts and have been told that we are getting closer to firm answers about our fiscal status.

Once the district has a truly accurate picture of our financial status, we will be able to make informed next steps to address the deficit and build a fiscally responsible budget for the 2024-25 school year.

How does the district plan to balance its budget?

The very important first step has already been taken in bringing in experts to analyze our financial standing. Once the district has a truly accurate picture of our current financial status, revenue, and future cost saving opportunities, we will be able to make informed next steps to address the deficit and build a fiscally responsible budget for the 2024-25 school year.

The school board meetings made several mentions of cuts in the future. What do those cuts look like?

The district has already worked with our financial consultants to ensure that we have the cash flow necessary to meet all district financial obligations, including salaries and benefits, for the 2023-24 school year. The services and experiences we are providing to our students during the 2023-24 school year will not be impacted, and our staffing this school year will not change because of budget concerns.

The administrative team and the board are looking for future efficiencies with the goal to keep reductions away from classrooms and student experience as much as possible.

The board and administration are confident we will be able to address the 2024-25 budget deficit without harming student experiences and success.

Will one or both of the schools close?

We can say, with certainty, that neither Parkway Elementary nor Glen Hills Middle Schools will close as a result of the errors discovered in our budgeting process.

How will this affect my student(s)?

The district has already worked with our financial consultants to ensure that the services, experiences and staffing during the 2023-24 school year will not change because of budget concerns.

It is our priority to maintain the exceptional educational experience that our students deserve and keep any future reductions away from classrooms and student experience as much as possible.

Will teachers lose their positions?

We know that our most valuable asset is our staff working with students every day.

The district has already worked with our financial consultants to ensure that we have the cash flow necessary to meet all financial obligations, including salaries and benefits for the 2023-24 school year. Staffing during this school year will not change because of budget concerns.

The administrative team and the board are looking for efficiencies with the goal to keep reductions away from classrooms and student experience as much as possible.

When will the district have a plan to address the budget shortfall?

The board, administrative team and financial consultants are working with urgency to determine the full extent of the budget deficit. Significant errors in accounting and budgeting made by staff that are no longer with the district have increased the complexity of this accounting investigation, but it is progressing as quickly as possible while ensuring proper due diligence is taken.

We understand from our experts that we are getting closer to firm answers about our fiscal status. We fully anticipate having an approved, fiscally responsible 2024-25 budget in time for the start of the school year. We will share more details when they are available.

Where do I direct additional questions?

We know that the current unknowns with our financial situation are unsettling; we share your frustration. However, know that many districts across the state face budget deficits each year due to tax levy limits, underfunding of state mandated student services, loss of tax revenue to voucher schools, and rising costs. Once we develop a clear picture of our deficit, we are confident that we will determine a fiscally responsible, student-focused solution.

We promise we are working quickly to address the situation and will share more details when they are available.

In the meantime, you can attend board meetings in person or on Zoom, visit <https://www.glendale.k12.wi.us/school-board> for more information, or reach out to Board President Danielle Bailey at danielle.bailey@gdrh.org or 414.491.1094. Thank you for entrusting the board and our staff with stewardship of your school district. The administration and board are thankful that our community cares deeply about our schools.