

At a Glance: 2009-10 Budget

Key Facts: A projected \$4.8 billion state budget deficit is expected to mean no increase in state aid to public schools for 2009-10, as well as other potential changes including delays in state aid payments, tax shifts, and continued erosion in special education funding.

The 2009-10 budget includes spending to staff and operate the new Farmington High School and Riverview Elementary School, the district's fifth elementary school which will be at the current Middle School East).

Work to Date:

Prior year budget planning and community support has helped prepare District 192 to weather this downturn. The changes include:

- Reorganize health insurance - \$650,000 savings
- Renegotiation disability, life, property/casualty, workers comp insurance – \$229,000 savings
- Business office staff reorganization – \$56,000 savings
- Voter-approval of levy referendum - \$3.4 million additional revenue to open schools, maintain programs & class sizes

For 2009-10, Finance Director Jeff Priess has prepared preliminary budget estimates which show a projected deficit of \$1.2 million resulting from the expected freeze in state funding.

Initial plans to narrow that gap include **leaving vacant two administrative positions and one administrative support position** – Director of Teaching & Learning, Director of Buildings & Grounds, and one Buildings & Grounds clerical position.

Other areas where the district expects to reduce general fund spending include:

- New school start times will allow for elimination of some high school bus routes;
- Some technology staff salaries will be paid from the capital fund;

Finally, last year, the school board authorized the sale of **Other Post Employment Benefit (OPEB) bonds**. The sale of these bonds would create a fund to pay for post-retirement health benefits, which are currently paid out of the general fund. In 2009-10, OPEB costs are estimated at \$412,000. If the bonds are sold, it would make that \$412,000 available to offset the projected deficit.

All of these actions have prepared District 192 to maintain programs and class sizes for the 2009-10 school year.

Potential Challenges:

State general education aid for 2009-10, which accounts for 75% of district revenue, is unknown. We are currently operating under the assumption that there will be no increase in state aid for next year, but it likely won't be finalized until after the School Board adopts its budget.

What's Next:

- Jan. 12 – Initial School Board presentation
- Jan. 12-16 – Presentations at staff meetings; Make information available online
- Jan.-March – Review program expenditures with principals and budget managers; refine revenue assumptions
- March-April – Present funding recommendations to School Board; refine staffing scenarios; hold public hearings
- May – School Board budget approval

Your Involvement:

You can assist Farmington Area Public Schools by attending informational meetings, asking questions, sharing ideas and thoughts, and sharing information with other stakeholders.

Further Information:

If you have questions, you may contact your building principal or program director, or call Finance Director Jeff Priess at (651) 463-5000, jpriess@farmington.k12.mn.us.

Budget updates will also be posted to the District 192 Web site at www.farmington.k12.mn.us/budget.