

Governing Board Study Session



Dr. George J. Barnes, Superintendent
October 28, 2025

25/26 Budget Adjustment



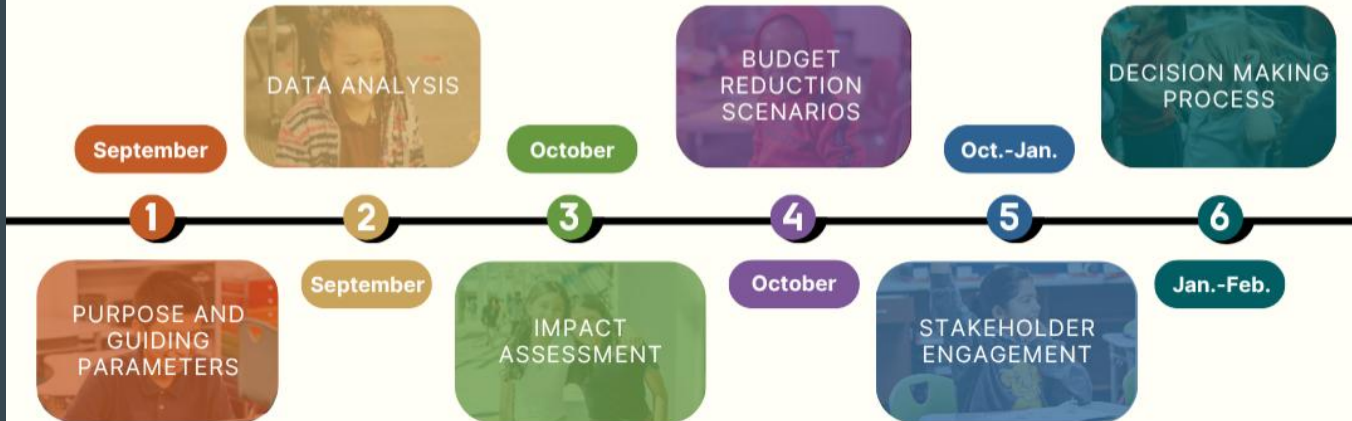
A brief summary of where we are and where we can go.

We are here...



BALSZ BUDGET TIMELINE

BALSZ SCHOOL DISTRICT | STUDENTS FIRST



The Current Facts Regarding the BESD Budget

Based on previous demographic studies within the Balsz district, we have been in an enrollment decline over the past decade plus.

While the projected decline in enrollment was at approximately 60 students per year, the past three years, national enrollment for traditional public schools have declined in unexpected rates.

We have seen the impact of declining enrollment in the Valley and beyond as we see headlines that communicate various districts adjusting their financial footprints to continue to serve their communities.

Reasons for Increased Rate of Decline in Enrollment

- Birth Rate Decline
- School Choice (increase nationally and within the state)
 - Neighboring School Districts
 - Charter Schools
 - Vouchers for Homeschool and Private Options
- Economic Push/Pull with Increase of rent or families finding cheaper options
- Housing and demographic trends within the district boundaries are leaning towards “urban lifestyle” housing which can attract residents without school age citizens.

Increased Rate of Decline in Enrollment

School Choice

Balsz School District
boundaries has
2,920
K-8 school-aged children

1,350 children in our boundaries attend
schools **outside of Balsz**

- 363 to Scottsdale Unified
- 263 to Creighton ESD
- 121 to Sonoran Science Academy

We lost double digits amounts to: Wilson ESD, Veritas, Phoenix ESD, Tempe ESD, ASU Prep, Madison ESD, and others.

The **majority** of in-boundary students not enrolled in Balsz attend another **traditional public** school district.

ESA vouchers in Balsz:

- 2025/26 at 119
 - 2024/25 at 103
 - 2023/24 at 57 ESA
-

Enrollment Update

School	2024/25	2025/26	Net Loss
Brunson Lee	413	369	-44
Crockett	465	470	+5
Griffith	431	392	-39
Tillman	598	535	-63
Orangedale Early Learning Center	33	33	0
Totals	1,940	1,799	-141

What Could The Future Bring Us?

Based on the most recent demographic report, we understand that the district could lose another 400 - 500 students over the next 10 years.

We could see an increase in families in the boundaries based on multi-family options being built over the next 10 years.

There are some optimistic options to discuss later in this presentation, but our first issue is reducing the annual budget in M&O.

Response to Enrollment Decline

To address the impact of the growth of decline in enrollment, we have to become more aggressive with our financial adjustment.

The end result in dollars to be found is \$3 million.

Process Vision

- 1) Develop a sustainable (5 year) budget to address the enrollment of the district with annual reviews to address future needs.
 - 1) Develop opportunities to recruit and retain students and families in and near the district.
-

Communication Efforts

We have had the communication lines open.

To date we have received no phone calls or emails voicing concerns about the pending decisions.

We have received 43 responses on our current survey on our website.

We have met with staff at 4 of the 5 school venues as of today. Staff has requested for more specifics about pending positions that may be removed and any information regarding a reduction in force.

The majority of the requests included making the decision sooner than February.

Additionally, we are continuously updating the dedicated webpage and sending out emails, social media posts, printed flyers and robo calls going out to all stakeholders.

Survey Results Question 1: Top Priorities to be Protected

43 responses = 10 parents, 31 staff members, and 2 community members

Parents = Teacher Pay, Academic Growth, Security, and keeping Art, Music, PE, and Science

Staff = High number in support of SpEd staffing, student supports such as speech and occupational therapy, equity in academic growth supports. Lower mention of teacher retention and pay, socio-emotional support for students, and considering the K2,3-5, 6-8 model

Community = Keeping Tillman, moving OELC to Brunson Lee, and student:teacher ratio

Survey Results Question 2: Essential Services or Programs to Preserve

43 responses = 10 parents, 31 staff members, and 2 community members

Parents = Academics, Free Lunches, Extracurricular Activities, and Mindfulness

Staff = (High Number) SpEd and SpEd support, Extracurricular Activities, Food for Students. (Lower Number) Music and Art and Math and Reading Labs

Community = Free Meals for Students and SpEd Services

Survey Results Question 3: Specific Questions

43 responses = 10 parents, 31 staff members, and 2 community members

Parents = Why is this happening, How many schools may close, will this impact the student:teacher ratio, and how will this affect the academic performance of students?

Staff = When will we know, how do we ensure the adjustment won't impact SpEd, legal requirements, and IEP needs, What will be the criteria to determine program reduction, will there be space for staff feedback on decisions considered, and how will you communicate decisions made?

Community = None

Survey Results Question 4: Specific Concerns

43 responses = 10 parents, 31 staff members, and 2 community members

Parents = Academic impact and student:teacher ratio

Staff = Student:Teacher ratio, reducing staff this year to only close a school two years later, losing valuable personnel, becoming a K8, academic impact, loss of pay, morale, school closure, and job security

Community = None

Staff Focused Stakeholder Meetings

Four of five venues completed.

Fifth venue will be later this week.

Replies included, but not limited to:

Quicker communication of specific details such as a direct path and/or specific staff impacted.

Questions regarding the selection process for school site and/or specific staff role reduction.

What can we do to drive enrollment up?

A Major Step Forward Pending

As we wrestle with this difficult decision, the sooner we can start lifting one option above the other the better.

Tonight I will offer information to consider two options.

However, as we listen tonight, please remember our parameters:

- Maintain access to high quality education for all students
- Maximize resources for students
- Minimize disruption where possible
- Ensure transparency and community input
- Long term sustainability
- Expect a decision by the end of February 2026

Burden of Proof - School Closure/Repurpose

We continue to check our bias in any decision making.

However, if the burden of proof falls onto the school closure/repurpose, a key consideration is our parameter of asking what will disturb our families the least.

There remains the possibility of more input which could offer more public opinion that supports the school closure/repurpose decision.

However, based on several factors the option of a large scale reduction in staff and an adjust in our offering in support, leadership, and specials has gain slightly more support qualitatively to resist closing or repurposing a school.

Burden of Proof - Reduction in Force

If the burden of proof falls onto the reduction in force option, a key consideration is our parameter of long term sustainability.

There remains the possibility of not achieving the goal of growing enrollment at schools which could bring the district back to the conversation of school closure in 26/27 or later as we review the data.

Step 1: Resting on Policy and Prior Wisdom

Policy IIB - Class Size

Proper operations for sound fiscal management includes creating a school operations skeleton based on the enrollment of each school location. This enrollment based resourcing model is based on the class size policy of the district.

Our schools are currently operating based on enrollment sizes of over 2200 students.

We need to first consider the operational expectations based on policy as well as the overall management of schools in their daily operations.

An Important Note

Our efforts to reclaim \$3 million dollars must come from a reduction in spending in Maintenance and Operations (M&O) budget.

School leaders have Grant Funding available with the opportunity to use the school-level grant funds to replace any suggested position that would no longer be funded by the M&O budget.

Efforts to replace Grant Funded employees with the M&O budget will most likely result in removing one or more employees who are currently funded through grants.

Grant funds are not guaranteed annually, and employee job descriptions would include specific contract addendums regarding the funding source.

Grant Funded Roles for Consideration

As we look across school level Title grant funded positions, there is approximately \$1.3 million dollars in funding that can be reallocated to support desired wants on campus.

This funding is based on annual offering from the state and federal levels and positions are not guaranteed year over year.

As the potential \$1.3 million dollars is currently being spent in salaries, decisions would have to be made on current roles and responsibilities if leaders are interested in supporting other needed positions.

Roles to consider would include, but not limited to, Academic Deans and Reading and Math Interventionists.

Policy IIB - Per School (Option A)

Reviewing each K5 school and predicting based on grade level cohort rollover to the next years, we can consider the following:

Adjusting the district based on policy IIB would result in reducing 17 teacher roles from the district.

Not all positions have names to them as some roles are currently vacant.

Some reduction could occur with attrition.

We have reduced the number of teachers by at least two during the year and have not backfilled those roles.

The overall total after policy based reduction would save approximately \$1.15 million

Reduction in Support Staff (Option B)

We appreciate the various roles of support we currently have, however the costs to operate with said roles at the current reality is too high.

By reducing positions across the district as support staff in various roles including, but not limited to, vacant van and bus driver roles, custodian shifts, and other support options the district could save \$588,223.22.

Combined with policy reduction, the total would equal \$1.7 million dollars.

Deeper Professional Staff Reduction (Option C)

Considering what we offer in our current model of administration and course/curriculum choices, there is a possibility that we could limit or change our current models.

Potential model or role changes = 11

Deeper Professional Staff Reduction = \$857K

Total thus far = \$2,565,223.22

Consideration of Where We Were (Option D)

There was a time, pre-pandemic, when our district didn't have a few roles and/or our organizational chart was set up differently.

Adjusting in \$196K returning to the budget.

Total thus far = \$2,761,223.22

A Leaner Executive Office (Option E)

As the district is shrinking, so should all other offices.

There are roles and responsibilities to be considered in the leadership and management of the district that could result anywhere from \$20K to \$200K in savings.

Adding to the running total we could save approximately \$3 million to \$3.25 million dollars.

Stamping the Model

This option will most likely change how we operate and what we offer.

This model will reduce art and music availability for all students and reduce electives offered at Tillman.

This model could reduce academic and social support.

The proposed model would be “Back to Basics” adjacent as we would heavily depend on foundational skills, but still stretch students creatively, infuse technology, and offer access to the arts where possible.

Questions, Clarifications, and Discussion on the Large Reduction Option

Closure/Repurpose of School

As districts consider the option, “repurpose” is optimal for community optics and comfort and in the best case scenario as a possible financial asset with a partner lease.

These decisions include enrollment of schools as a factor, but other factors are included such as the age of buildings, maintenance needs, recent improvements and investments, and the overall worth in dollars the buildings a district has.

We are taking the steps necessary to assess the value of buildings and will have the outcomes in the future to help decision making.

Repurpose of School

By reducing by one school, we would reduce by a standard operations package:

- Principal
- Assistant Principal
- Social Worker (Depending on location)
- Nurse
- Admn Asst
- Office Asst
- Plant Manager
- .5 Speech Therapist
- Art Teacher
- Music Teacher
- PE Teacher

This package costs approximately \$1 million dollars.

Stamping the Model

If we were to remain a K5 and Middle School Model, we would see a decrease in FTE and possibly elective options at Tillman.

At the K5 level, we would have two K5s that potentially would look similar to how we operate today in the three K5s.

An interesting challenge may be space in the two K5s in the event we grow in enrollment based on efforts.

We would also need to determine the future of the empty building as we move forward to ensure the building remains utilized.

Other Adds on for School Repurpose

We would need to use the aforementioned options to match with the school repurpose model to reach the required \$3 million dollars.

Option A - IIB directed reduction @ \$1 million (fewer teachers reduced) and

Option B - Support Staff Reduction @ \$588,223.22 (could make adjustments) and

Option C- Deeper Professional Staff Reduction @ \$857K (could make adjustments) and/or

Option D - Pre Pandemic Staffing Reset @ \$196K (could make adjustments) and/or

Option E - District Office Adjustments @ \$20K to \$200K (could make adjustments)

Another Note on Closure/Repurpose

We may decide on not closing/repurposing a school this year, however the conversation may become an unavoidable option in the future.

If not now, we will need to consider what enrollment number moves us to the decision of school closure/repurpose.

A “lever pull” at 275 would allow us to compete and prepare as we move into the season if needed.

A new understanding for schools across the country is how do we regularly engage the community to increase enrollment.

**Questions, Clarifications, and
Discussion on the
School Closure/Repurpose Option**

A Response to Competition

Offered during our most recent Governing Board meeting, we heard a sense of optimism in what could be in our future.

We heard that the district could reduce another 400-500 students over the next 10 years, but we also heard a few points of “positive”:

- We are serving 52% of possible families which means there are plenty to bring back.
- We are expecting growth in multi-family homes in the next ten years with opportunities to bring in students.
- We have over 100 students from outside of our district boundaries and we could grow this number.

A Response to Competition

Unless we choose to accept and plan for the possibility of a further decline in enrollment, we will need to redefine student recruitment and retention efforts.

Adding CaissaK12's grassroots student recruiting campaign is a great tool added to the district with a mission to drive up enrollment.

Schools and staff will also need to increase events at multi-family home locations within the district.

Schools will also need to capture loss of students and reasons for withdrawal.

The District Office will have to collect data and report out to the Governing Board.

Final Thoughts

No easy road to take.

Each path will equate a double digit number of roles being reduced.

By keeping all schools open, we will need to change our school model based on staffing.

By repurposing a school, we will make few changes in the remaining schools, but we will shake one community and disrupt several others.

As we continue to listen and communicate, the sooner we can begin leaning in a specific direction, the sooner we can offer more detailed communication.

Questions, Clarifications, and Discussion on Any Desire to Lean Towards a Specific Option.

Perhaps we are not there yet, but with each meeting, I will ask for a potential lean in a direction.

The sooner we start to lean in a direction the more we can hammer down details and begin to share those out for a more robust conversation with stakeholders.

Next Steps

- Communicate with stakeholders the outcome of this meeting.
 - Remind stakeholders of the next Study Session and Community Forum dates.
 - Solidify the 25/26 Budget Adjustment Advisory Committee.
 - Collect more information regarding school building costs.
 - Possibly work with stakeholders to offer more specific details.
-

Moving Forward

- There will be difficult decisions to make this year.
- We desire and expect input from all stakeholders.
- We will remain grounded in specific parameters:
 - Maintain access to high quality education for all students
 - Maximize resources for students
 - Minimize disruption where possible
 - Ensure transparency and community input
 - Long term sustainability
 - Expect a decision by the end of February 2026

**Thank
You**

