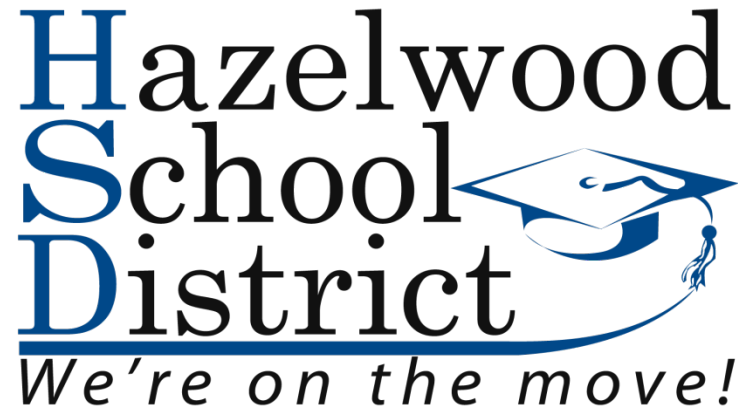


Hazelwood  
School  
District



*We're on the move!*



# **2014-15 Financial Plan**

***Moving Forward!***

**Board of Education Meeting**

**June 3, 2014**

# Agenda

- Where have we been?
- Where are we now?
- Where are we going?

# Where Have We Been?

- August, 2012: operating balances were \$9 million more than the 11-12 budget
- September, 2012: informed employees they would receive 2 steps (\$5.5 million cost)
- January, 2013: district assessed value expected to drop 5% (\$4.7 million less in operating revenue)

# Where Have We Been?

- February, 2013: preliminary 13-14 budget reflects \$11.7 million operating deficit
- February, 2013: recommendation to Board to spend all \$5.5 million even though not all employees would move steps

# Where Have We Been?

- February, 2013: created Budget Advisory Committee
- February, 2013: reviewed possible cost reductions of \$7.8 million
- March, 2013: salary increases of 2 steps plus 2% approved in order to maintain competitive salaries and compensate employees for two years being frozen on the same step (\$1.8 million extra cost)

# Where Have We Been?

- April, 2013: updated 13-14 budget reflected a \$12 million operating deficit
- April, 2013: implemented \$4.5 million in expenditure reductions
- June, 2013: approved 13-14 budget with \$7.5 million operating deficit
- June, 2013 to February, 2014: monitored and revised budget

# Where Have We Been?

- February, 2014: revised budget reflected \$7.8 million operating deficit
- Many unknown items, and concerns, at that time:
  - Delinquent tax revenue, state assessed utilities revenue, basic formula revenue
  - Final projected revenue and expenditures



# Where Are We Now?

## 2013 - 14 Budget

### OPERATING FUNDS ONLY

Revenue	\$ 190.2 million
Expenditures	<u>( 200.4) million</u>
Operating shortfall	\$ (10.2) million

# Where Are We Now?

- 2013 – 14 Budget Changes since February

- Decrease in delinquent tax revenue \$ (876,476)
- Decrease in state assessed utility rev. (337,253)
- Decrease in state formula revenue (297,406)
- Difference in federal grant revenue and expenditures (871,704)

Total change in deficit \$(2,382,839)

# Where Are We Now?

## 2014 - 15 Budget

### OPERATING FUNDS ONLY

Revenue	\$ 192.5 million
Expenditures	<u>( 203.7) million</u>
Operating shortfall	\$ (11.2) million

# Where Are We Now?

- 2014 – 15 Budget Changes since April Projections

- Decrease in delinquent tax revenue \$ (1,100,000)
- Decrease in state formula revenue (1,160,000)
- Difference in federal grant revenue and expenditures (600,000)

Total change in deficit \$ (2,860,000)

# Where Are We Going?

- Review every vacancy for reduction through attrition
- Review Budget Advisory Committee recommendations
- Review class sizes and possibly increase to DESE minimum standards

# Where Are We Going?

- Review decreases in support staff
- Review alternative cleaning schedules, resulting in less custodial staff needed
- Middle and High school task forces reviewing schedules
  - May produce expenditure savings in 2015 – 16 budget

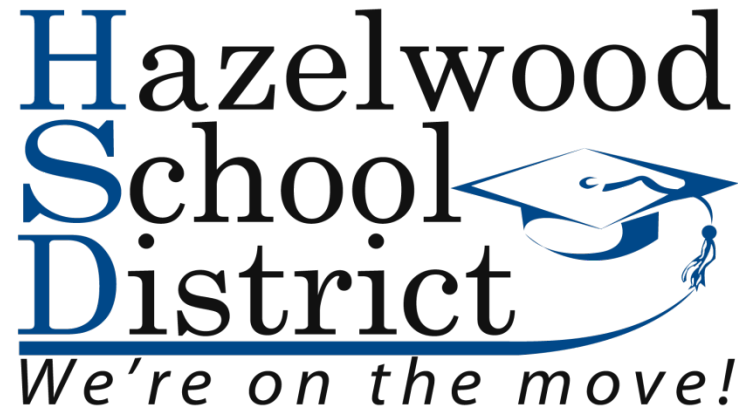
# Where Are We Going?

- Review school and department budgets
- Reduce travel
- Review other possible expenditure reductions
- Review tax recoupment with Board of Education

# Where Are We Going?

- Early Separation Plan Committee to develop plan to recommend to Board of Education by October, 2014 (will produce savings in 2015-16)
- Review employee benefits
- Freeze salaries for 2015-16





# **2014-15 Financial Plan**

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**Board of Education Meeting**

**June 3, 2014**