

# Budget Realities 2.0

---

BROKEN ARROW PUBLIC SCHOOLS

APRIL 10, 2017



# Budget Reduction Process - Goals

---

Original goals are becoming harder to attain.

1. Keep cuts away from the classroom
2. Maintain ALL student instructional programs
3. Secure funding for employee stipend
4. Protect the fund balance



# Recent Developments

---

- State Board of Equalization declared a General Revenue failure
- 0.7% cuts for all state agencies
- \$11.1 million dollar cut to common education from GR failure
- Shortfall in Education Reform Revolving Fund (1017) of \$39,151,255
- State legislature failed to meet April 1 deadline to “Fund Education First”



# Historical Funding Factor

---

2008	\$3,189.00
2009	\$3,275.60
2010	\$3,210.05
2011	\$3,113.40
2012	\$3,040.20
2013	\$3,035.00
2014	\$3,032.00
2015	\$3,075.80
2016	\$3,058.11
2017	\$3,008.60



# Cuts to BAPS

---

<b>FISCAL YEAR</b>	<b>REDUCTION</b>
Total cuts to date for 2016-17 Includes the Jan. & Feb. cash shortfalls AND the adjusted factors in formula	(\$1,220,996.00)
Cash management shortfall – March	(\$470,523.00)
<b>Total Loss as of 3/31/17</b>	<b>(\$1,691,519.00)</b>



# Anticipated cuts to BAPS for 16-17

---

<b>FISCAL YEAR</b>	<b>REDUCTION</b>
April State Aid	(\$250,000.00)
May State Aid	(\$250,000.00)
June State Aid	(\$250,000.00)
<b>Total Cuts for 16-17</b>	<b>(\$2,441,519.00)</b>



# Fund Balance impact

---

<b>FISCAL YEAR</b>	<b>REDUCTION</b>
Beginning Fund Balance	<b>\$13,192,180.00</b>
Loss in 16-17	<b>(\$2,441,519.00)</b>
	<b>\$10,750,660.00</b>



# What did BAPS cut LAST year

---

ITEMS	SAVINGS
Reduced returning employee stipend	\$1,000,000.00
Increase class size by average of 2 students	\$2,000,000.00
Increase class size by average of 1 student	\$1,000,000.00
Reduce central office	\$310,000.00
Reduce instructional programs	\$75,000.00
Reduce support staff	\$570,000.00
Charge \$50 annually for transportation	\$315,000.00
Reduce utility costs by 10%	\$300,000.00
Reduce staff travel by 50%	\$250,000.00
Reduce textbook expenditures	\$250,000.00
Reduce transportation costs	\$240,000.00
Reduce co-curricular programs	\$200,000.00
Reduce site administration	\$150,000.00
Reduce printing costs by 50%	\$110,000.00
Eliminate field trips	\$80,000.00
<b>TOTAL</b>	<b>\$3,615,000.00</b>





# How will future BAPS cuts be determined?

---

1. Minimize impact to classroom and student programs
2. Reduce positions through retirement and resignations
3. Evaluate costs in all departments for areas of potential savings

## Scenarios – 10% cut

---

**\$4,644,000.00** reduction in state aid

**\$1,000,000.00** Timber Ridge staffing

**Total Cuts = \$5,644,000.00**



## Scenarios – 5% cut

---

**\$2,323,000.00** reduction in state aid

**\$1,000,000.00** Timber Ridge staffing

**Total Cuts = \$3,323,000.00**



## Scenarios – 3% cut

---

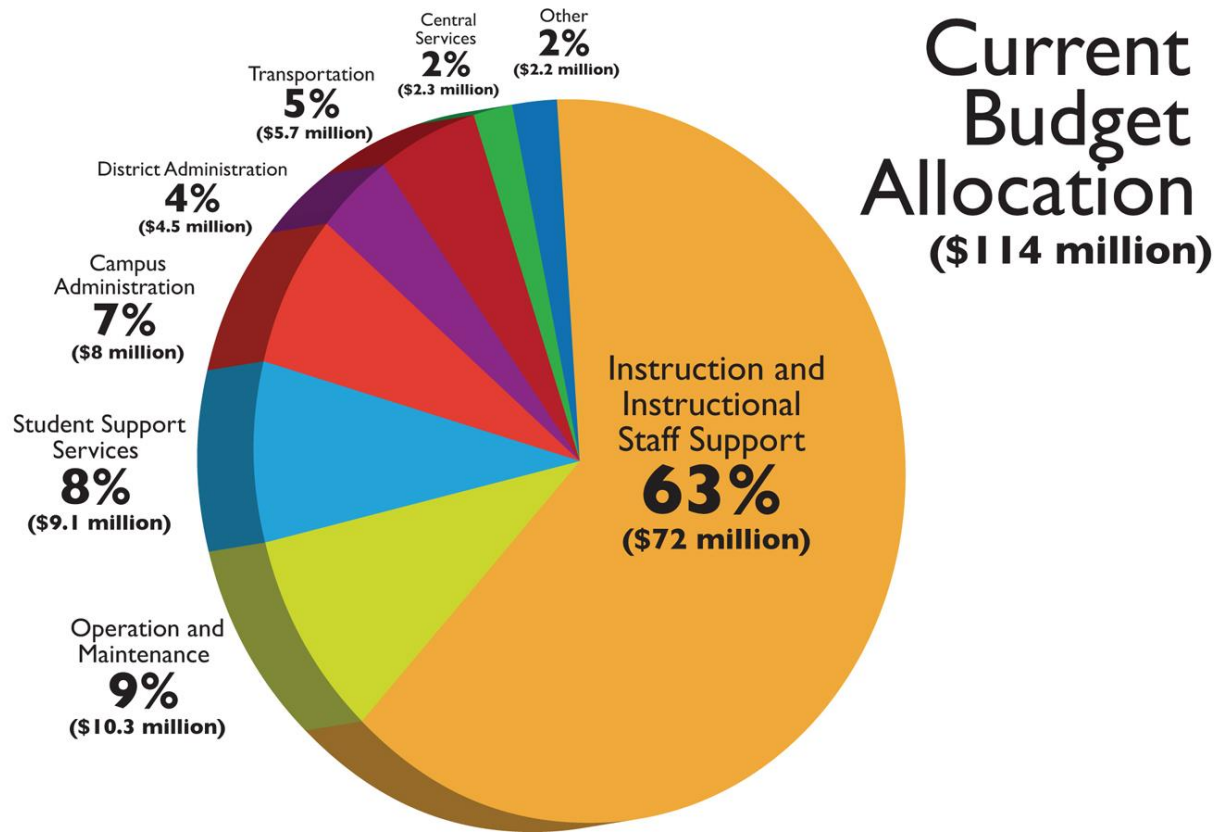
**\$1,394,000.00** reduction in state aid

**\$1,000,000.00** Timber Ridge staffing

**Total Cuts = \$2,394,000.00**

# Current BAPS Budget Allocations

---



# What has BAPS cut this year?

---

<b>CURRENT REDUCTIONS</b>	<b>SAVINGS</b>
Savings on Fuel Costs	\$69,000.00
Eliminate 3 Administrator positions	\$225,000.00
Reduce 1 support Staff	\$35,000.00
<b>TOTAL</b>	<b>\$329,000.00</b>

\*Difference is made up by accessing reserved funds in fund balance.



# BAPS Potential Areas for Reduction

---

ITEMS	SAVINGS
Eliminate returning employee stipend	\$1,500,000.00
Absorb 14 positions	\$430,000.00
Absorb 2 administrator positions	\$150,000.00
Eliminate staff travel	\$150,000.00
Reduce department budgets by 10%	\$700,000.00
Energy management conservation	\$150,000.00

**TOTAL**

**\$3,080,000.00**



# Staff and Patron Feedback

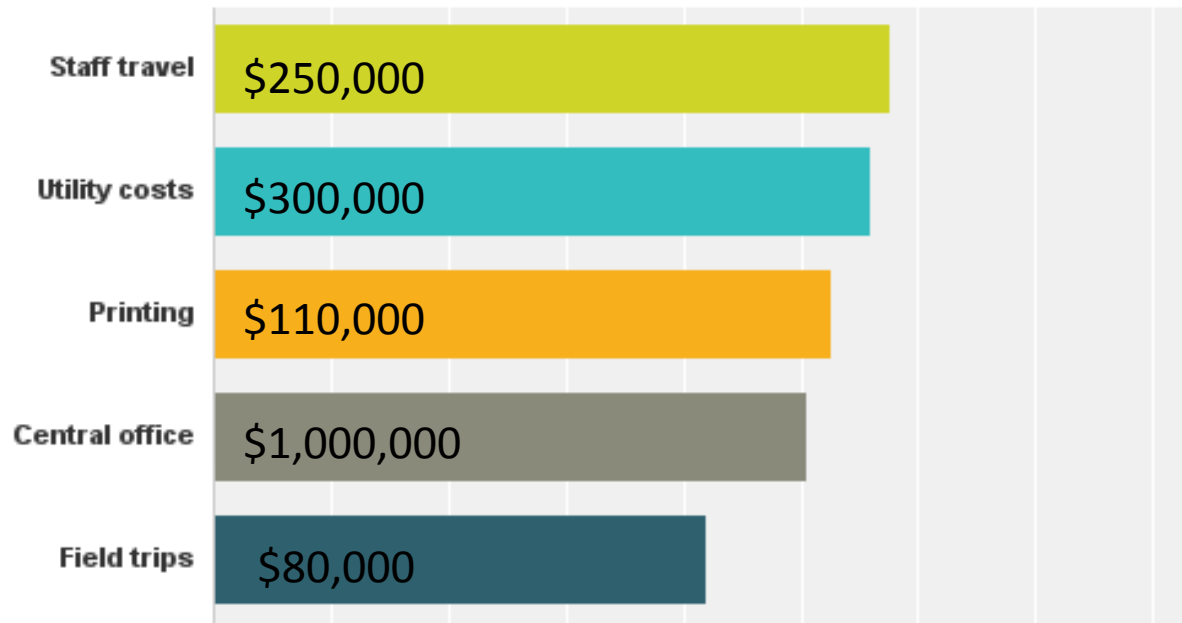
---

- Employee survey in March provided preliminary information for reductions
  - 60% of employees participated - 1508 respondents
- Further evaluation of potential budget reduction items
- Community survey in April ranked priorities
  - More than 3,136 completed survey
  - 75% were parents



# Community Priorities 1- 5

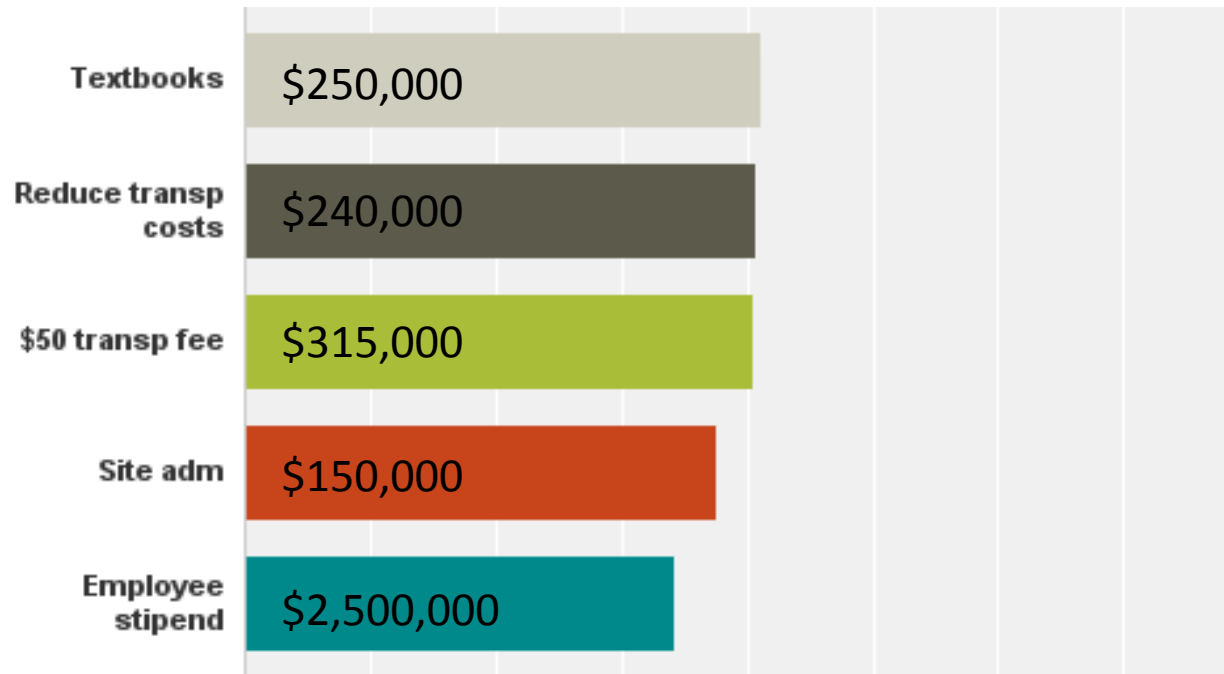
---



**Total for Priorities 1 – 5 = \$1,740,000**

# Community Priorities 6 -10

---

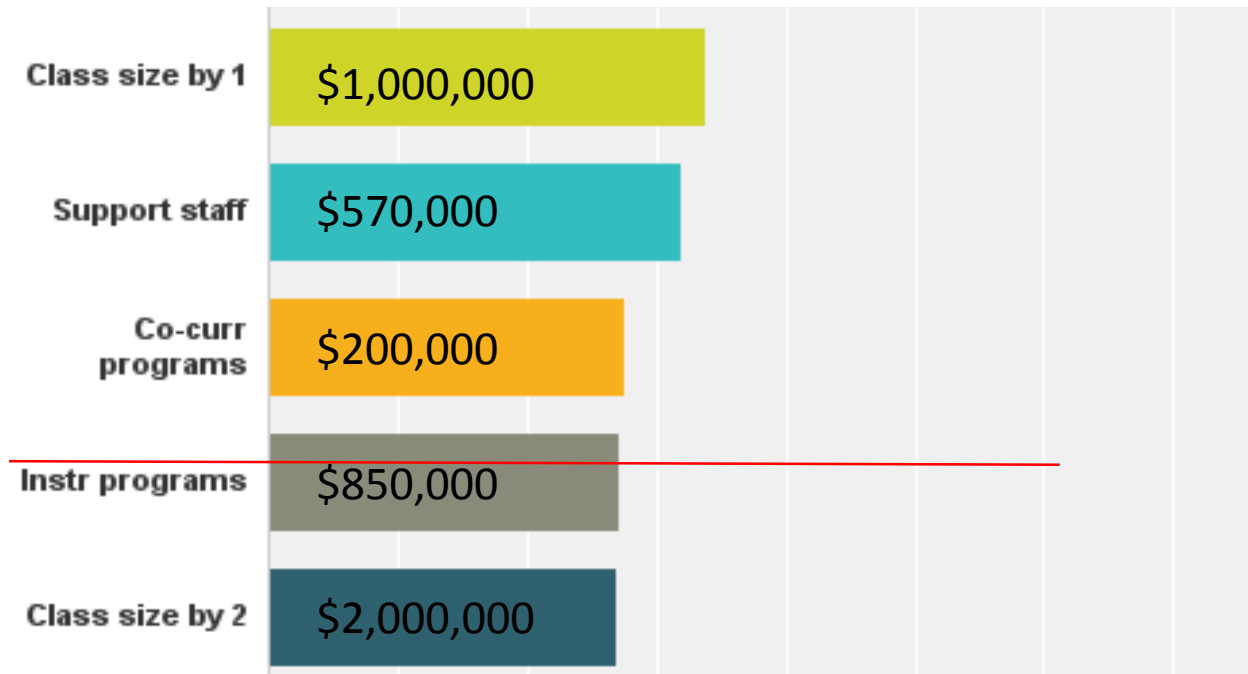


**Total for Priorities 6 – 10 = \$3,455,000**

**Total for Priorities 1 – 10 = \$5,195,000**

# Community Priorities 11 - 15

---



**Total for Priorities 11 – 15 = \$4,620,000**

**Total for Priorities 1 – 15 = \$9,815,000**

# Questions?

---

