

2008-2009 Lee County School District Budget

Crisis and Compromise

2008 Budget Issues

- September, 2007-legislature slashed revenue state projections by \$1 billion, costing the Lee County School District \$8.7 million
- October, 2007-Lee County falls short of its growth estimates by over 2,300 students, costing our district a total of \$13.3 million

2008 Budget Issues

- The state slashed revenues another \$1.5 billion in March, costing the district another \$7.1 million
- We are anticipate more FTE shortfall from the February survey to come, probably costing another \$2.5-3.0 million
- Contingency will be tapped to cover these additional losses

2009 Outlook

- Amendment 1, increasing the homestead exemption for property taxes, passed in January, 2008. This is expected to cost the district \$65 million over five years
- State revenue projections are declining on a weekly basis

2009 Budget Outlook

- The small growth we saw at the beginning of the school year continues to decline—we are down to less than 1,000 student growth this year, and still declining
- Class size mandate will be moving to a tighter compliance in 2009
- The budget cuts in 2008 hampered our ability to buffer cuts in 2009

Bottom Line

The district must prepare for a very tight next three years as we deal with

- budget cuts at the state level,
- slower than anticipated growth,
- Dwindling reserves, and
- The effects of the real estate slump, a recessed economy, and amendment one

2009 Budget Process

- February, 2008- Governor's budget gave a very slight increase to our county
- February, 2008-The budget department put together estimates concerning the cost of anticipated budget cuts
- March, 2008-Budget committee was convened

2009 Budget Process

Budget committee consists of:

Superintendent

Executive Officers

Executive Directors

Major Federal grant representatives

Principal representatives

Budget department

2009 Budget Process

Budget committee responsibility:

- Identify areas for budget reductions
- Explore all possibilities for process change to save dollars
- Balance the budget

2009 Budget Process

- Original projections estimated a loss for Lee County of \$17 million
- New estimates two weeks later projected a loss of \$26 million
- Both House and Senate versions of budget have been released

2009 Budget Process

- Budget committee has identified \$8.2 million in budget cuts

\$26.0 million shortfall

(\$8.2) million cut

\$17.8 million dollars to cut to balance budget

- \$8.2 million in cuts included \$4.4 million in department level positions

2009 Budget Process

Next Steps

- Cost of salary increases is \$20 million. Budget committee recommended the reopening of both TALC and SPALC contracts
- Goal: Cut responsibly with the least amount of impact to students