

Lake Bluff District 65

Fiscal Austerity Team

Wednesday May 19, 2010

What Happened?

❖ [Daily Herald](#)

❖ [Chicago Tribune](#)



Team Context

- ❖ The Fiscal Austerity Team will serve in an advisory capacity to the Board of Education.
- ❖ We will be working, primarily, at the policy level. You will not be making recommendations for specific cuts, but you will play a valuable role in laying the groundwork for a common understanding of how we will make those types of decisions.

The strategic goal

❖ Strategy: *We will, in partnership with our community, develop and implement a fiscal austerity plan that emphasizes and preserves our educational mission.*

- The major intent is to maintain a 25% operating fund balance at the end of five years.
- Key components are:
 - District mission statement - academic goals
 - Ongoing communication plan
 - Develop criteria for how we are going to make decisions
 - Budget projections
 - Cost-benefit analyses
 - Decision-making tree(s)
 - Critical indicators of success will be:
 - Actual fund balances
 - MAP scores to show growth

Quick Review

- ❖ The major intent is to maintain a 25% operating fund balance at the end of five years.
- ❖ Education Fund (projected) 2015: 15%
- ❖ O&M Fund (projected) 2015: 7%
- ❖ Transportation Fund (projected) 2015: -51%

Primary Intervening Factors

- ❖ Tax Cap Implications as They Pertain to Our Tax Rate
- ❖ Current and Future Program Wants/Needs
- ❖ Our Ability to Control our Costs

Fiscal Austerity Plan Elements

- ❖ Program Evaluation Data Points (Fiscal Lens):
 - ❖ Human Costs (Salaries, Benefits, Professional Development, Extra Duty Pay, Contracted Professional Support, Maintenance, Administrative Oversight)
 - ❖ Capital Expenses (Supplies/Materials/Capital Outlay [both instructional and miscellaneous], Testing-Related Costs, Cleaning Supplies, Utility Costs)

Fiscal Austerity Plan elements

- ❖ Before the District begins any public discourse regarding raising the tax rate, the following should be considered:
 - ○ District should demonstrate that all reasonable cost-cutting measures have been accomplished, and other planned cost-cutting measures in fiscal out-years have been considered
 - ○ Demonstrate how consolidation of other cost centers with neighboring districts has been explored or area in progress
 - • Busing – How is this contract established? Has a lease-purchase option, purchase, or other hybrid thereof been explored? What is cost per child to bus that actually use the bus?
 - • Teachers Contract – as the largest cost-center, what economies can we reasonably expect to gain during the next round of negotiations?
 - • Demonstrate where cost reduction measures have made a dent but the gap grows (and will continue to do so),
 - • Consider establishing a benchmark of 50% for Instruction Funding---but details are lacking as far as what was included in data tables; definition of Instruction should be established

FA Plan Elements

- ❖ Demonstrate how holding the tax rate constant will irreparably harm the district in the long-term (84.6% of our revenue stream)
- ❖ Show the economic assumptions made at the time of the referendum and remind people that few, if any, predicted the precipitous drop in the economy
- ❖ Graphical format of cumulative impact on school and taxpayer (if tax rate is frozen and if tax rate is increased)