



## BUSINESS SERVICES DEPARTMENT

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Erik J. Kass, Assistant Superintendent for Business Services

Daniel A. Nerad, Superintendent of Schools

To: Members of the Board of Education

From: Daniel A. Nerad, Superintendent

Date: February 1, 2010

Subject: 2010-2011 Budget Projection

Appendix LLL-8-14  
February 8, 2010

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**Background:**

In November of 2008 the district was given voter approval for a three year operating referendum: \$5 million in 2009-2010, \$4 million in 2010-2011, and \$4 million in 2011-2012. The approved operating referendum has a shared cost plan between property tax payers and the district.

During the fall adoption of the 2009-2010 budget the Board of Education worked to reduce the impact for property tax payers by eliminating costs and utilizing fund balance. The State 2009-2011 budget impacted the district funding significantly in the fall of 2009-2010 and will again have an impact on the 2010-2011 projections.

The district and PMA Financial Network, Inc., worked to prepare a financial forecast for 2010-2011.

**2010-2011 Projection Assumptions:**

The following items are included in the Budget Projection:

1. The budget holds resources in place and maintains programs and services.
2. October enrollment projections – Projection accounts for enrollment changes in 2010-11.
3. Salary and Benefits – Teacher salary projections are based on their current settlement, and all other units are at a projected increase consistent with recent contract settlements.
4. Supplies & Materials – A 1% (~\$275,000) projection was applied to supply and material budgets.
5. Interfund Transfers – Interfund transfers remain consistent with the 2009-2010 budget.
6. Revenues – The district utilized revenue limit and equalization aid calculations based on the 2009-2011 State Budget. All other revenues remained constant.

**Budget Impact:**

The 2010-2011 financial forecast is projecting a general fund budget gap of \$2,825,693. The tax impact with this projected budget gap will be provided no later than Monday's Board of Education Committee meeting.

**Budget Efficiencies:**

The following are areas District Administration has identified as budget efficiencies to be implemented in the 2010-2011 budget:

<b>Department/Division/Efficiency</b>	<b>Budget Impact</b>
<b>Food Service</b>	
Reduction due to position efficiencies And Purchasing Strategies	<b>\$190,000</b>
<b>Administrative Services</b>	
P-Card Rebate with the State	<b>\$82,000</b>
<b>Buildings and Grounds</b>	
Energy Management Services	<i>TBD - March/April Projection</i>
<b>Budget, Planning &amp; Accounting</b>	
NSF Process	<b>\$15,000</b>
Medicaid Administrative Claming Process	<b>\$300,000</b>
Refinancing WRS	<i>Incorporated into 2010-2011</i>
Auxiliary Insurances	<i>TBD - May Projection</i>
Partnerships with the City	<i>TBD - March/April Projection</i>
<b>Community Service Fund/MSCR</b>	
Evaluation of Fee Schedules	<i>TBD - May Projection</i>
MSCR Efficiencies	<i>TBD - March/April Projection</i>
<b>District Wide</b>	
Reorganization Efficiencies	<i>TBD - March/April Projection</i>
<b>Total Impact</b>	<b>\$587,000</b>

Salary Savings

None

Recommendation(s)

None

Attachments:

None