

# Know the FACTS

**To: NCSD Employees**  
**From: Dr. Joel Dvorak,**  
**Superintendent**  
**Re: NCSD budget**  
**Date: Jan. 28, 2010**

**NATRONA**  
COUNTY SCHOOLS

Due to the national economic situation, the Natrona County School District Board of Trustees and I have been anticipating a shortfall in our district's revenue since May 2009. All groups in the district have been looking at ways to become leaner, and we appreciate your efforts. We will use that input along with the district's budget processes to build a budget for this coming school year.

## *New money*

We are fortunate to have some new money coming to us:

- ◆ Approximately \$8 million in American Recovery and Reinvestment Act one-time funds. These monies will be spent on Title I, Title III, Title VI, etc. They cannot be used to fund ongoing costs such as salaries, benefits, etc.
- ◆ \$2.5 million in one-time board priority funds, which likely will be used for one-time startup costs at Summit Elementary School, a remodeled NCHS and Kelly Walsh and a new high school.
- ◆ Money from the School Facilities Commission to build a new Southridge Elementary, as well as design a remodeled NCHS and Kelly Walsh and the new high school.

While we have the funding listed above, it must be understood that there are strings attached to each. We are anticipating no external cost adjustment for 2010-11. This is the funding component used by the Legislature to increase education funding to school districts. While it's a very good thing we won't be taking a cut, it is anticipated that we won't receive increased funding from the state, so we will need to find money within the district's operating budget for the increase in insurance costs and salary steps. These two items are ongoing costs and therefore must be shouldered by the district and/or employees themselves.

## *2010-11 budget projections*

Steve Hopkins, associate superintendent of Business Services, has developed early 2010-11 budget projections.\* He estimates there will be an increase of:

- ◆ \$1.4-\$1.8 million in general fund revenue due to an increase in student numbers. This funds the entire operation of the district, with the exception of that for construction and major maintenance, including salaries, benefits, supplies, equipment and the district's portion of insurance.
- ◆ \$3.2-\$4.3 million in insurance costs. This figure is based on trend information through December 2009. The increase ranges from 15 to 20 percent.
- ◆ \$1.9 million in salary and benefits from experience steps and education upgrades.

Therefore, the best-case scenario is that we will have a revenue of \$1.8 million, with expenditures totalling \$5.1 million, leaving us with a negative difference of \$3.3 million. The worst-case scenario is that we will have a revenue of \$1.4 million, with \$6.2 million in expenditures, leaving a negative difference of \$4.8 million. As you can see, either way we will be short.

*\* Note: These projections are based on the information available at the time of preparation (Jan. 9, 2010). They are subject to change based on future legislative action and changes in the underlying information on which they are based.*

The Compact Issues Committee will begin their work on salaries and benefits sooner than it has in the past, to be concluded by March 19, at which time I will create a conceptual budget. CIC also will weigh salary and benefit demands on an equal level, so one doesn't have priority over the other. Then, on March 29, the Board Budget Committee will meet to work on that conceptual budget. The annual public budget hearing will be July 21, when the board will vote for final approval.

Please, as you speak with people in the store, at church, etc., relay this information accurately. I appreciate your help in spreading the word throughout the community. Community Relations and I will keep you in the loop as to the progress and status of next year's budget.