



# Understanding the FY25 Budget Shortfall

# The issue.

District 271 expects costs to be about \$6 million higher than revenue next school year.

That's the *shortfall*.

# Reasons for the shortfall.

1. A change in how the state funds public schools.
2. Lower enrollment.
3. Increased costs.

# State funding change.

*From enrollment-based to attendance-based.*

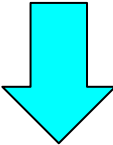
For the last three years, the state has funded public schools based on total student enrollment.

Next year, the state will fund public schools based on the average daily number of students in class.

**This change reduces the amount of state funding public schools will receive every year.**

# District Enrollment

This year

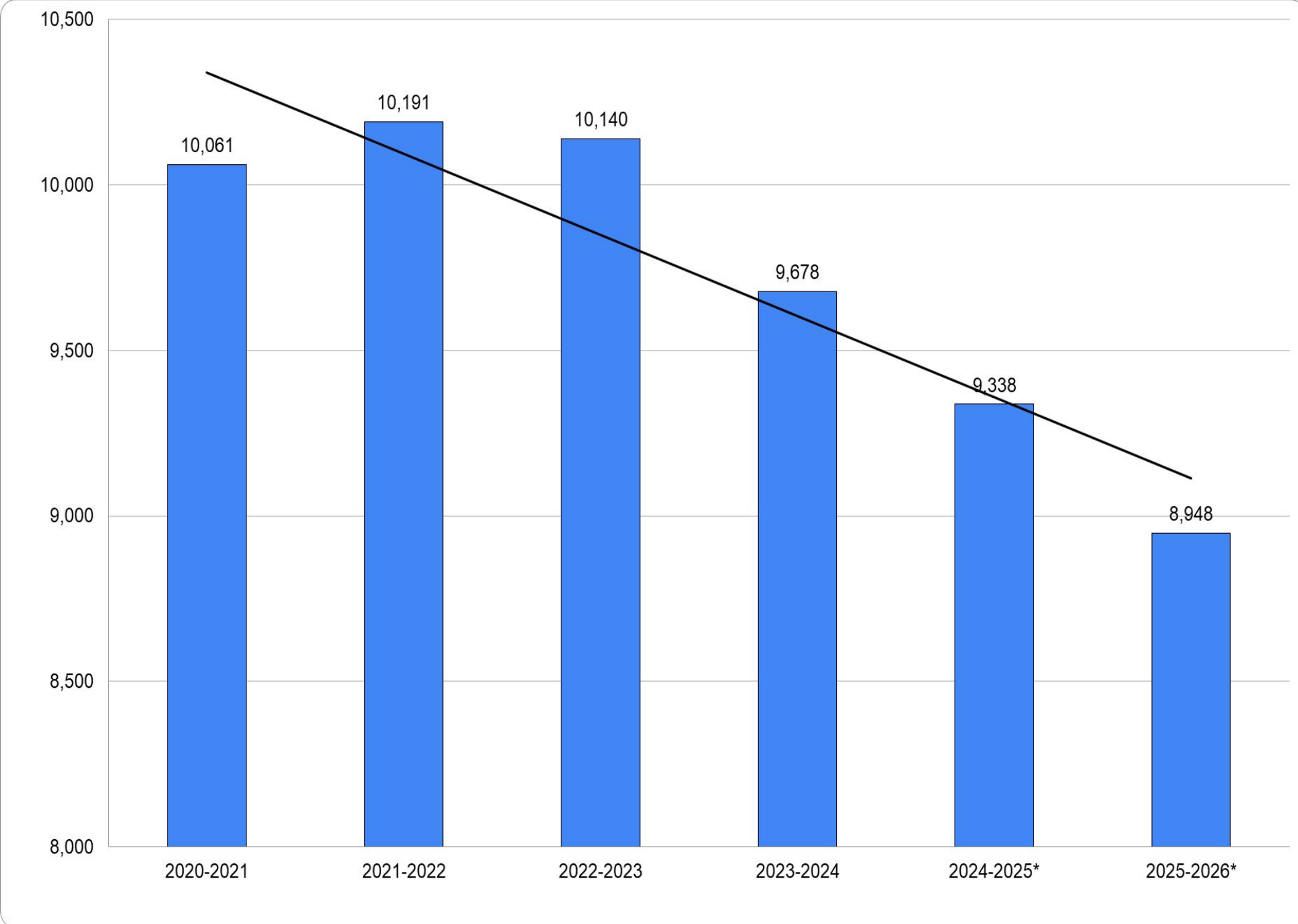


**462** students

Next year



**340** students



# Why is enrollment down?

A decade of lower birth rates.

Parents have many educational options for their children (private, charter, online, homeschooling).

Housing costs are high, which may not be affordable for young families.

An older population is moving here without school-aged children.

# Increased costs.

*Operating costs have increased, including a \$1 million increase to support our special needs students.*

- Staff Health Insurance
- Retirement Benefits
- Special Education
- Child Nutrition
- Inflation

# Why it matters.

*When we lose students, we lose funding.*

State Funding Change + Lower Enrollment = \$4 million

Increased Operating Costs = \$2 million

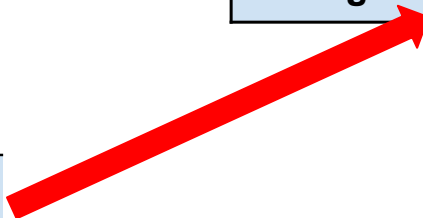
**\$6 million**



# The details.

<b>FY25 Projected Expenditure Increases (Decreases)</b>	<b>Amount</b>
Average Medical Increase of 7%	-\$897,544
PERSI Increase	-\$56,734
APE Increase	-\$110,626
WC Decrease	\$98,000
Additional Contribution to Child Nutrition	-\$400,000
Reduce Title I Contribution	\$117,000
Reduce Carryover and One-Time Expenditures	\$229,289
<b>Total of FY25 Projected Expenditure Increases</b>	<b>-1,020,615</b>

	<b>FY24 Shortfall (A)</b>	<b>-\$788,052</b>
<b>FY25 Changes</b>	<b>Total Loss in Funding (B):</b>	<b>-\$4,204,097</b>
	<b>Increase in Expenditures (C)</b>	<b>-\$1,020,615</b>
	<b>FY25 Shortfall (A+B+C)</b>	<b>-\$6,012,764</b>



# The challenge.

Develop a balanced budget for next year by June 2024.

# Things we must do.

Align staff with enrollment.

- Reduce 19 positions

# Things we may do.

Close an elementary school.

Change the weekly school schedule.

Alternating 5-day/4-day schedule

4-day school week

Increase class sizes.

# The \$25 million question.

Why is there a \$6 million shortfall when the community passed the school levy in May 2023?

# The answer.

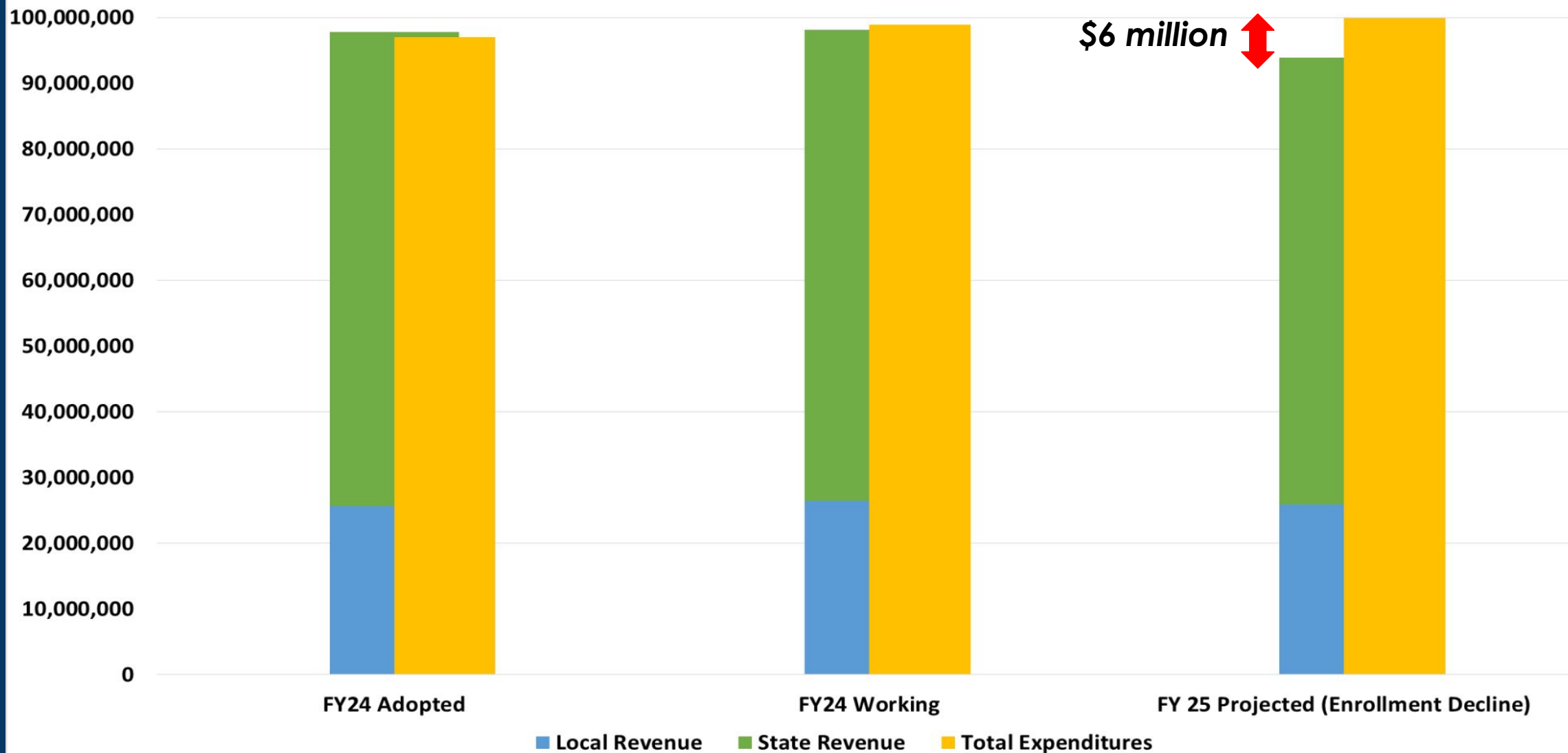
The levy makes up 25% of our budget.

It pays for things the community wants for our children; things the state doesn't fund.

We needed the funding last May, and we'll need it again next year.

**A decrease in state funding means our students need levy/community support now more than ever.**

**Levy Funding + State Funding - Expenses = \$6 million**



# Timeline to develop the budget.

Board Budget Workshop #1

January 22, 2024

Gather Cost Reduction Ideas

January 22-31, 2024

Prioritize Cost Reductions Ideas w/  
Building Admin & Staff

January 31-February 19, 2024

Board Budget Workshop #2

February 5, 2024

JFAC K-12 Budget Expected

March 4-22, 2024

Board Workshop

March 18, 2024

Staffing & Budget Meetings

March 22 - April 15, 2024

Pre-Negotiation Budget Finalized

April 30, 2024

Negotiations (Tentative Dates)

May 16, 2024 - TBD

Budget Hearing

June 10, 2024

Budget Adoption

June 24, 2024



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