

1. ORIGINAL		\$689,000		\$200 per pupil		
	A. Property tax under levy contingency from 10-11			355000		\$334,000
	B. Recode to Fund 80 - frees up revenue limit			43816		\$290,184
	C. Increased revenue			16000		\$274,184
	D. Post-retirement benefit reduction			21996		\$252,188
	E. .49 4K one-year contract reduction			21295		\$230,893
	F. Attrition of 1.0 with 1st grade reduction			76721		\$154,172
	G. ETEA settlement of 09-11					\$154,172
	proj of 11-12 from 3.20 10-11			150896		\$3,276

## ORIGINAL \$689,000 SHORTFALL

-Line A, due to several past years of high property tax increases (approximately 9 – 10%) for two years, a contingency was developed last spring, one year ago to buffer against another property tax increase for the fall of 2010. State aid figures, which directly offset property taxes, are not finalized until October, a few weeks before the tax levy is set. If state aid is reduced late, or in any another way is less than expected, property taxes can then be higher than planned for. 4 months into a 12 months budget, with 80% of the budget in staffing, little can be done at that point effectively to reduce expenditures. Therefore, the district prior to issuing contracts in the spring, reduced expenditures to plan for this contingency. When in October of 2011, state aid was not further reduced, and the expected 3% property tax increase was calculated, after much discussion, the full levy was still utilized. That means that contingency of funds which was not underlevied is now available going forward to offset this year's budget deficit.

- Line B, recode to Fund 80 a portion of our social worker and police liason. This is not a reduction in services, but rather portion's of a school's budget related to community services can be recoded to a Fund (Fund 80) outside of the revenue limit formula, therefore freeing up dollars for the regular budget. This can be done this year within the amount of Fund 80, not increasing that total, due to other expenditures no longer Needed in Fund 80.

-Line C, increased revenue – approximately 4% of a District's budget comes from "other revenues" – not property taxes, not state aid, not grants, but rather school fees, fines, and many other small categories. This line item is specifically related to a structure of a rebate, or dividend, from our insurance company relating to a 35% worker's comp refund projected for 11-12.

- Line D – Post – retirement benefit reduction – current retirees receiving post-retirement health insurance – this amount saved is both due to one known change in one individual's plan, and one retiree's coverage ending.

- Line E - .49 4K one-year contract reduction – we currently have 5 half day sections of 4K. Based on preliminary enrollment for next year, 4 sections are currently scheduled.

- Line F – Attrition of 1.0 and 1<sup>st</sup> grade reduction – Currently KG has five sections of classes that will move to 1<sup>st</sup> grade next year with six classes. Therefore due to the retirement of one teacher in another grade at the elementary schools, one first grade teacher will be teaching another grade next year and 1<sup>st</sup> grade will be in five sections.

- Line G – ETEA settlement of 09-11 – in February the Board and teacher's union for the East Troy schools settled the 09-11 contract that expires June 30, 2011. The settlement for 10-11 was what is called a package of 3.2%. This includes salary and fringe benefit totals. The settlement was no change in the salary schedules for the 09-10 and 10-11 school years (0% per cell), teachers were advanced in step and lane movement if qualifying for those movements. From a financial perspective, this allowed closure of the costs from 09-10 as well as 10-11, and going forward allowed savings of the approximately \$150,000 shown towards addressing the 11-12 shortfall.