

## **Deficit Reduction Plan-Background/Assumptions**

### **Fiscal Year 2013 through Fiscal Year 2016**

---

**Western CUSD 12**      **01-075-0120-26**

---

*Please complete the following schedule and include a brief description to identify any areas of the budget that will be impacted from one year to the next. If the deficit reduction plan relies upon new local revenues, identify contingencies for further budget reductions which will be enacted in the event those new revenues are not available. For additional information, please see:*

[www.isbe.net/sfms/budget/2013/budget.htm](http://www.isbe.net/sfms/budget/2013/budget.htm)

---

#### **Background and Narrative of Budget Reductions:**

Western CUSD 12 has experienced a significant reduction in revenue from the state due to the reduction in the General State Aid (GSA) foundation level in FY 12 and FY13. Therefore, Western CUSD 12 must institute significant reductions in expenses at the district level.

#### **Assumptions Used in the Deficit Reduction Plan:**

Western CUSD 12 assumes that the General State Aid foundation level will be reduced in FY14 and beyond.

##### **- Foundation Levels for General State Aid:**

Western CUSD 12 experienced loss of revenue due to reductions in the General State Aid foundation levels. In FY 12, Western received 95% of the GSA entitlement. In FY13, Western anticipates receiving 89% of the calculated GSA entitlement. In FY 14, Western projects receiving 80% of the calculated GSA entitlement.

##### **- Equal Assessed Valuation and Tax Rates:**

Western anticipates that the EAV and tax rates will hold steady in FY 13 and FY 14.

##### **- Employee Salaries and Benefits:**

In FY 13, Western CUSD 12 reduced expenditures for employee salaries and benefits by 10% through a reduction in force of certified educators and educational support personnel. For FY 14 and beyond, ongoing review and revision to certified and noncertified personnel assignments may lead to additional reductions.

##### **- Short and Long Term Borrowing:**

In FY 13, Western CUSD 12 will begin discussions regarding the possibility of issuing Working Cash Bonds.

##### **- Educational Impact:**

In FY 13 due to the reduction in force, class sizes in grades K-3 increased from approximately 15 to approximately 22, the amount of available sections in K-12 art, music, and PE were reduced, and classroom support provided by educational support personnel support in grades K-12 was decreased. In FY 14 and beyond, ongoing review and revision of course offerings and innovative blended learning solutions may lead to changes in delivery of instruction and course offerings.

##### **- Other Assumptions:**

In FY 12, FY 13 and FY 14, Western CUSD 12 has been assessed several audit adjustments by ISBE. By FY 15, these adjustments in the Education Fund and in the Transportation Fund should be completely paid, which will result in an increase in revenues for both funds. Due to several one-time expenses in FY13 we anticipate a reduction in operating expenses in FY14 and beyond.

**- Has the district considered shared services or outsourcing (Ex: Transportation, Insurance) If yes please explain:** Western CUSD 12 currently shares services through agreements with Four Rivers Special Education District, West Central Regional System, Quincy Area Vocational Technical Center, and Adams/Pike Regional Safe Schools Program. The District is also a member of the Illinois School District Casualty Pool for liability insurance and Workman's Compensation Self Insurance Trust for workman's compensation insurance. At this time, outsourcing for transportation/bus services are not available in the area.