



May 5, 2023

Dear staff,

Thank you for the great work you are doing to provide our students safe, engaging and rigorous instruction. We are in our last seven weeks of school and time is flying by fast. Thank you for finishing the year strong. I would like to update you on where we are today with the budget.

As a reminder, this spring we have done the following:

- February 9, the Board passed a resolution directing me to prepare a budget reduction plan for the 2023-24 school year.
- February 28, the Board approved the [budget reduction plan](#) and implementation started immediately.
- March – April, staffing workbooks were completed and 2023-24 staffing was finalized.
- April 23, the legislative session ended.

The visual timeline can [be viewed here](#).

Our budget reduction plan was created by gathering input from many stakeholders, fleshing out staffing based on projected enrollment, and estimating predicted legislative outcomes. Months of deep dives into data and strategies and working through many scenarios while following our [guiding principles](#), helped us design the plan. As estimated numbers became clearer, we have “spot tested” some of our assumptions and scenarios. As a result, we have made some adjustments to the plan, but it is still a reduction plan of \$28 million.

Adjustments have been made due to the following factors:

1. **Enrollment projections** finalized. We are predicting a reduced enrollment of 125-150 next year. This aligns with our estimate in February.
2. **Implicit Price Deflator (IPD)**, or cost of living set. The Legislature set the IPD at 3.7 percent. In budget calculations, we predicted it would be closer to 6 percent. This works out to our favor in the budget but is balanced with other changes, so it does not affect the total we need to reduce.

3. **Special Education funding** calculated. The Legislature's calculation for special education funding improved. While still not fully covering our Special Education costs, it does help offset some of the costs we have for the increased need for special education staffing that was not in the original plan.
4. **Staffing reductions** adjusted. We could not reduce the number of positions we predicted because of initial cautious staffing given our modest anticipated enrollment decline and because of our commitment to maintain class sizes in alignment with Collective Bargaining Agreements (CBAs). To date, most of our reductions have been offset by retirements and resignations for next year.
5. **Transportation safety net funding** set. At this time, it looks like we will not benefit from this funding.

In addition, during March and April, Human Resources met with union leadership to ensure the CBAs were followed for any represented staff affected by the budget reductions. We made fewer reductions than anticipated due to a higher number of retirements and resignations. Affected non-represented staff were met with and were given support and resources to aid them through the process and next steps.

The next step in the budget process is the first reading of the 2023-24 budget at the June 27 board meeting, and the final budget hearing and adoption at the August 22 board meeting.

I hope this helps clarify where we are with the budget process. I am proud we have been able to make these budget adjustments without compromising the quality education our students receive. You all do great work and I appreciate you.

Thank you for all you do.

Stay safe and be well.

Ian