



DATE: June 11, 2008
TO: Board of School Trustees
FROM: Walt Rulffes *Walt Rulffes*
SUBJECT: Budget Reductions

On June 10, 2008, several Nevada superintendents met with State Superintendent Keith Rheault, Assemblywoman Debbie Smith, and Speaker Barbara Buckley. The discussion focused on the projected state budget situation and the likelihood of an additional 14% funding reduction to K- 16 in the next biennial budget. The recently proposed 3% room tax increase was discussed during which the obstacles for passage were explained. Even at best case, the outcome of the additional 3% room tax revenue will not be known until the 2009 legislature takes action, and should it be passed and signed by the Governor, it would still fall short of providing sufficient revenue to cover the projected 14% budget reduction.

Against this background, Dr. Rheault indicated he would advise the State Budget Office that his department would address how K-12 school districts will address the 14% budget cuts by September 1, 2008. This may then be modified after statewide enrollments are determined in late September. The projected statewide budget reduction for K-12 is \$185 million, which will require CCSD to identify cuts in the amount of \$133 million. The reduction of \$133 million is the equivalent of approximately 2,500 positions that will need to be eliminated. This is also the scenario that faces the Nevada System of Higher Education (NSHE) with cuts of over \$80 million, which will have a negative effect on the interactive K-16 partnerships that currently exist.

There was not an indication that there will be additional budget reductions in the remaining year of the current biennium (2008-2009 school year), although this remains uncertain. Assemblywomen Smith said she would provide more information later as to checkpoints that are being monitored regarding revenue collections that may require further revisions to State expenditures.

The requirement for CCSD to identify budget reductions of \$133 million to the Department of Education will start with a Cabinet meeting in which Chief Financial Officer Jeff Weiler will

facilitate a discussion on potential options for reductions in expenditures. At the onset, it needs to be recognized that certain restraints are in place that influence what programs cannot or should not be reduced. Following are some examples:

- A four-day school week is not permitted under current Nevada statute.
- A shortened school year is not permitted under current Nevada statute.
- A reduction in food service cost also creates an approximate and equal reduction in revenue.
- A reduction in transportation cost will eventually result in a corresponding reduction in funding.
- An increase in class sizes will revise the state funding ratios and reduce future funding.

The Cabinet will provide input that will be incorporated into options for budget reductions. That information will then be summarized for further public discussion. Areas that will be under consideration are not limited to, but will include:

- Administrative services – central, region, and school
- Capital equipment, supplies, and travel allocations
- Professional and consulting services
- Possible use of fund balance
- Support aides, non-classroom teachers and facilitators
- Maintenance, grounds, and custodial staffing
- Adult Education
- Student fees will be considered for athletics, activities, and transportation services
- Class size waiver requests for Grades 1 through 3

The District will attempt to protect current class sizes, security levels, and nursing services. Reductions in non-core areas and services such as librarians, counselors, AP classes, AVID, block scheduling, gifted, etc. will only be considered if necessary.

Financial materials are being prepared by the CCSD Budget Department to be used as a point of departure for further budget reduction discussions. This budget reduction exercise will be fraught with uncertainty and thus very unsettling to the staff and community. Final K-12 funding for the 2009-2011 biennium will not be known until June 2009. Meanwhile, however, contingency program and staffing decisions must be in place in order to make staffing reductions and adjustments that are in compliance with collective bargaining agreements.

cc: All CCSD Administrators