

Root Causes / Contributing Factors and Action Items

External Causes and Contributing Factors

- Sudden increase in Out of District special education placements and related costs; and we welcome all district students. Out of district private schools are not capped at raising the tuition they charge us. Also, busing costs have sky-rocketed since the pandemic.
- Increased healthcare costs - double digit increases
- Reduction of state aid and extraordinary aid reimbursement for the aforementioned out of district special education students. More is being put on to the local taxpayer by the state
- State deferral of aid into next fiscal year

Contributing Factors to the Problem and Delays in Understanding

- Insufficient detail was provided to the board on the financial position for both this year and next year's budget. While the influx of special education students was unexpected, we were not made aware of the implications until late in the budget process
- Lack of accounting and forecasting, comprehensively, for increased out of district placements
- Treasurer of School Monies, an oversight position, was held by the BA and not a different person
- Treasurer of School Monies reports were not completed since October until Interim BA was hired
- Single point of failure practices in business office cost time of Superintendent and Interim BA in understanding the true financial position
- 2024/2025 goal of earlier budgeting for 25/26 and beyond challenged by incomplete information provided to finance committee

Action Items

- Treasurer of School Monies to be separated from the Business Administrator position
- Department heads and admins to fully own their budgets, gain understanding of the entire budget process, and be given transparency into their domains so that if cuts need to be made, they can be done in an efficient basis
- Repay capital reserves in three years (adhering to state Corrective Action Plan)
- Discontinue reliance on state aid in the fiscal year budget that would not be received in that year
- We need to increase the use of shared services when there can be savings and is right for the district
- Create a Grants subcommittee to work under the Finance Committee to maximize funding opportunities
- Unfortunate budget cuts