



Milford Board of Education Meeting Summary

The Milford Board of Education held a special board meeting on October 12, 2010 to discuss the five-year financial forecast.

The projected five-year forecast shows a \$5.2 million deficit beginning in FY13 which points to the need for an operating levy to be passed in 2012 in order to be collected in 2013. A levy in 2012 was anticipated and the timeframe that has been promised to the community.

The forecast shows that the district will be losing \$5.02 million of revenue from the general fund over the course of the forecast due to the following:

- Movement of 0.5 mills of inside millage to Permanent Improvement Fund (\$497,000)
- Reduction of 2% in state support each year through FY2015 (\$340,000 compounded annually)
- Reduction of Budget Stabilization Funds beginning in FY2012 (\$1,183,000)
- Reduction of reimbursement for tangible personal property in FY2014 and FY2015. (\$1,536,700)
- Loss of Duke Energy taxes (\$548,000)

Typically, revenue from local, state, and national sources stays flat. Due to these unexpected losses, the district will have to make significant cuts to postpone a levy until 2012. In this fiscal year (FY2011), the Board has asked the administration to save three percent (3.0%) or approximately \$1.8 million of the current year's adopted appropriations (budget) and make further reductions for FY12. Dr. Farrell stated that the district must make up for lost revenue and make good on its commitment to sustain a quality education in Milford at a reasonable cost. Milford is already spending significantly less per pupil than the state average and similar districts.

Mr. Seymour and Dr. Farrell will present the budget cuts to the Board by February, 2011. According to Dr. Farrell, if the district does not make reductions now there will be more drastic cuts ahead. The focus will be to reduce expenditures without negatively impacting the high quality of education.

The Central Office Team reviewed each of the different areas of expenditures in the budget: personnel, curriculum adoptions, technology improvements, and maintenance. These are some of the areas that will need to be examined in order to reach the goal of \$1.8 million or 3% in savings for this school year (FY2011).

Dr. Farrell also covered the list of unfunded mandates from the state and national level which impacts the forecast. These include: extensive special education requirements, supply fees for students on free and reduced lunch, all day kindergarten, body mass index, financial literacy classes, and No Child Left Behind.

The adoption of this five-year forecast will be on the board agenda at the regular Board meeting held on October 21, 2010.