

## **Questions and Answers Troy School District 2009-2010 budget process**

### **Why does the Troy School District need to make reductions?**

The Troy School District continues to be impacted by the economic conditions that are affecting our state and nation. Over the past seven years, the Troy School District has made \$42 million in reductions to address a revenue shortfall. The district continues to experience a structural deficit where its revenues are less than its annual expenditures.

### **How was the reduction list developed?**

Community and staff suggestions regarding this year's budget were gathered through more than 20 meetings and via the district Web site. Each idea was evaluated for its impact on the district's classroom programs and its overall instructional mission.

### **How will these reductions impact the district's financial picture?**

Currently, the district's structural deficit is \$7.8 million. Next year, the deficit is projected to be more than \$5 million and will grow to \$10 million the following year. Reductions will help the district control its structural deficit issues and protect the future quality of our schools.

### **Why do these reductions need to be made now? Is it possible to delay the implementation?**

Without making budget adjustments now, the district will deplete its savings account and be forced to make drastic reductions. In addition, the District is facing several uncertainties regarding its future budgets, such as: all day kindergarten legislation that could potentially cost an additional \$1 million in annual funding; anticipated state retirement cost increases caused by declines in the stock market; and continued threats to \$2.9 million in annual funding through the 20j categorical by the State of Michigan.

### **I read that Troy School District will receive funds from the federal stimulus package. How will this impact our budget?**

The Troy School District has received information that the federal stimulus package will provide approximately \$2.5 million in revenue over the next two years. Information has not yet been received that indicates whether the revenue can be used to cover general costs of the district or would be restricted for specific uses or programs. In addition, the stimulus funding is one-time only revenue and will not solve the annual structural deficits experienced by Troy Schools.

### **How will the Troy School District ensure that our schools remain strong?**

The Troy School District is committed to the success for every student. Our North Central Accreditation Process establishes four key goals that will target improvement activities established by the Troy community. In addition, the district will continue to move forward with planned improvement programs, such as the K-12 International Baccalaureate efforts and the completion of its 2004 bond issue projects.

**Will there be additional reductions for next year's budget?**

The Troy School District will continue to update its budget forecasts as school funding changes are announced at the state level.

**What is the timeline for the implementation of next year's budget?**

The reduction list represents a recommendation to the Board of Education. The Board is scheduled to consider the adoption of the 2009-2010 budget in mid-June. The new budget will take effect on July 1, 2009.

**How do I offer my opinion regarding reductions?**

The Troy School District has established a Web site to receive feedback and address concerns related to the 2008-2009 budget. Frequently Asked Questions from the community will be posted to provide additional information and respond to feedback.

**Where can I get additional information?**

The list of actual reductions is available at the following link:  
<http://www.troy.k12.mi.us/about/finance/index.htm>. In addition, this site provides information on our current budget, projections, past audits, and questions and answers regarding issues related to next year's budget.