

## Jefferson County Schools - Operational Funding Cliff

### What Happens When American Recovery and Reinvestment Act (AARA) Funding Goes Away?

#### **Issues the School District Faces:**

- 1) Declining enrollment in all grade levels and at all schools.
- 2) Operational obligations of running six schools.
- 3) Continued, drastic cuts in state funding - \$6 million in the past 7 years.
- 4) Local revenues shrinking due to economic conditions in the county, state and nation.
- 5) SPLOST revenues are declining.

#### **Enrollment:**

Year	Total Enrollment	PreK	Enrollment Less PreK
1995-96	3,861	202	3,659
2000-01	3,671	185	3,486
2008-09	3,119	182	2,937

Loss of Enrollment since 1995-96 = 722 students

Note: The Georgia Department of Education projects that Jefferson County Schools will lose an additional 266 students by 2012-13.

**Why are we losing enrollment?** The county as a whole is losing residents.

#### **Funding:**

- All public school districts in Georgia have lost funding over the last seven years due to reductions in state revenue. Jefferson County's loss of revenue from the state since 2002-03 = \$5,999,859.
- Jefferson County Schools earned \$1.2 million in federal funds related to the American Recovery and Reinvestment Act (AARA). Those funds are earmarked for stabilization, Title 1 and Special Education Programs. The district will receive those funds for this year and next school year. In 2011-12, the funds go away and the district will be left in the red unless plans are made now to address the shortfall.
- The school system is currently operating six schools that are each experiencing a loss of enrollment. Operating fewer schools would allow the system to concentrate dollars in the classroom rather than on costs for administration, facilities maintenance, lunchroom costs and other expenses that can't be shared between separate schools.
- Because the school district has operated in a fiscally responsible way, reserve funds were available to offset some loss of funding. Reserves cannot be counted on to address the coming loss of funding, however.

#### **Options to address loss of revenue and declining enrollment:**

**Option 1:** House all 7th and 8th graders at the high school; 6th graders would remain at their elementary schools. (Another possibility is to have all 6th, 7th and 8th graders at the high school.) While there would be some initial cost for the building to house the students at the high school, this option saves on expenses related to operating two additional schools.

**Cost** = \$5 to 7 million estimated cost of facility, equipment, parking, etc. Funding would come from a new SPLOST that would go into effect when current SPLOST expires in 2010. No millage increase is anticipated. A budget cut of \$187,291 would be necessary.

**Savings** = \$1 million in operational savings per year.

**Option 2:** Build a new middle school and close existing middle schools; new facility would house all 6th, 7th and 8th graders.

**Cost** = \$16.8 million estimated cost of facility, equipment, parking, etc. An additional \$424,562 in operational funds would have to be found to prevent any further program cuts. A 1 mill increase is anticipated. A budget cut of \$187,291 would be necessary.

**Savings** = \$588,147 per year.

**Option 3:** Build a new wing onto Louisville Middle School to house all 6th, 7th and 8th graders in the county.

**Cost** = \$1.1 million estimated cost of facility, equipment, parking, etc. An additional \$424,562 in operational funds would have to be found to prevent any further program cuts. A 1 mill increase is anticipated. A budget cut of \$187,291 would be necessary.

**Savings** = \$588,147 per year.

**Option 4:** Stay as we are.

**Cost** = An additional \$1 million in operational funds would have to be found to prevent any further program cuts. A 2.36 mill increase is anticipated. A budget cut of \$187,291 would be necessary.

**Savings** = \$0