



## MEMORANDUM

### Communications Office

On February 24, 2011, BISD's Board of Trustees adopted a resolution declaring a financial exigency. It is important that employees understand what this means to BISD.

#### **What is a "financial exigency"?**

By declaring a financial exigency, a district is declaring a financial emergency. The Texas Education Agency considers the following areas as reasons for declaring a state of financial exigency (emergency): declining student enrollment, declining tax base, loss of state funding, tax revenue decreases, and efforts to conserve the district's fiscal resources. The law allows school districts that declare a financial emergency to do a reduction in force (RIF). A RIF is authorized at any time a financial emergency is declared. BISD's policy on financial exigency is [DFE \(LOCAL\)](#).

#### **Will staff be laid off?**

The district does not have any plans to lay-off any employees at this time. The district plans to make the necessary staff reductions through attrition (retirements and resignations).

#### **How many staff positions does the district need to lose from attrition?**

The exact amount will not be known until after the legislative session ends on June 1. Every five percent reduction in state funds represents about 120 positions.

#### **Are BISD's finances that bad?**

BISD has been advised by legislative leaders as well as from the analysis of the initial state budget to prepare for reductions that could range from five percent to as much as 15 percent. Reductions of these amounts would mean a loss of revenue of \$8 million to as much as \$23 million for next year.

#### **Is there a chance that things could get better before the next school year begins?**

Yes, but not likely. The legislature indicates that all aspects of the State budget will be cut. Since public education funding is a large part of the State's budget, cuts are inevitable.

#### **Why is the district declaring this emergency now?**

1. BISD has been advised that the legislature is planning to reduce revenues to public schools during this legislative session.
2. The district feels it is prudent to begin preparing now for budget reductions. Everyone should begin to look for every possible savings in the district's operations.

**Why not cut administration?**

Some administration and operational positions have already been cut and future reductions are being considered.

**What about using the district's fund balance to help with the budget?**

Part of the fund balance was used to balance the 2010-11 budget. Using the fund balance will be an option considered once the uncertainty of the current legislative session ends and the exact shortfall is known.

The district has a goal of maintaining a fund balance of at least 20 percent. This allows the district to meet financial responsibilities during difficult times.

**What about salaries?**

It is unlikely that next year's budget will have any pay raises or step increases.

**What about transfer of staff?**

As needs arise, transfers may be made among campuses depending on an employee's certification. Staff members may be transferred or reassigned at any time during the school year to meet the financial needs of the district.

**What else is the district doing?**

Additional resignations/retirements will allow for reductions in staff without layoffs. Therefore, the Board is providing an additional \$1,000 to employees eligible to retire who notify the district by March 15, 2011 of their intent to retire at the end of the 2010-11 school year.

The BISD family must come together and work through these difficult times. No matter what happens, school will begin again next year. It may not look like it today, but students will still come everyday expecting to receive a quality education.

Additional questions can be e-mailed to [Dr. Quentin Burnett](#) or [Mark Thomas](#).