

Audit Highlights

Noteworthy Accomplishment



» After the defeat of a levy in May 2019, the District took steps to proactively address projected deficits by approving budget reductions including the elimination of bus routes and drivers, changes to health insurance policies, postponing bus purchases, and reducing academic and support staffing. All staff also agreed to a base, step, and merit pay freeze for FYE 2021. These reductions total approximately \$2 million in cost savings which were able to postpone the projected deficit until FYE 2022.



Recommendation Eliminate the General Fund Subsidy of Extracurricular Activities.

Impact \$703,000 in annual general fund savings



» Generally, OPT recommends districts facing financial distress reduce the amount of funding for extracurricular activities based on peer averages. However, the projected deficit is so severe that a full elimination of the subsidy is necessary. In order to begin to address the projected deficits, BSLSD would need to fully eliminate the extracurricular subsidy and raise funds through other methods such as increased pay to participate fees or activity admissions fees or avoid the costs through the elimination of activities.



Escalatory Measures



» Standard cost savings measures would delay the projected deficit fund balance until FYE 2023. In order to address the remaining projected deficits, the District would need to identify an average of \$1.4 million in additional savings annually during the forecast period. The audit identifies options to address the remaining deficit including:

- The continuation of existing pay freezes;
- Elimination of 16 teaching positions; or,
- 10.5 percent across-the-board staffing reductions.

These recommendations could drastically change service levels within BSLSD and leadership will need to determine what is in the best interest of the District's constituents