



News Release

Elk River Area School District ISD 728
Communications
815 Highway 10
Elk River, Minnesota 55330
(763) 241-1250

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ANNUAL OPERATING BUDGET APPROVED

ELK RIVER, MN – The Elk River Area School District Board of Education has approved an \$112,031,711 expenditure budget for the 2008-2009 school year.

The new budget is approximately \$4 million more than the previous year; however, due to a slowing of enrollment growth and increasing expenditures, the district's senior business officer says that there will be a deficit for 2008-2009.

Tom Walerius, Executive Director of Business Services says the budget is aligned with the district's new mission, strategic plan and organizational goals. "This is a budget that supports educating, inspiring and empowering students and staff," he said. "At the same time we are being fiscally prudent, transparent and responsible to the taxpayers."

Budgeting assumptions are that the district will face nearly a \$2 million shortfall; however, that it can be offset by a portion of the district's \$6 million fund balance. Walerius cautioned that using this "rainy day fund" is a temporary solution and that without increased revenues, either through increasing enrollment or through taxpayer support, the district will face cutbacks in programs and services in future years.

Among the major revenue assumptions for the coming fiscal year is the district enrollment will continue to grow, but at a slower rate. The projection calls for a 1.5 percent increase (189 students). The district hopes to see an increase of one percent (from \$5,074 to \$5,124 per student) in the basic general educating formula and an increase of 4.5 percent in the basic formula special education revenue.

On the average district employee salaries will increase three percent. Employee benefit increases include health (10 percent), dental (seven percent), long-term disability (five percent) and group life insurance (two percent). As with individual homeowners the district is also facing increases in utilities, property insurance and transportation.

The Elk River Area School District is funded through taxes with the majority of the budget (83 percent) coming from the State of Minnesota with a growing percentage (12 percent) coming from local property taxes. The budget is available on the district's Web site. Questions are encouraged and should be directed to Tom Walerius at (763) 241-1203 or Manager of Finance Michelle Vargas at (763) 241-1211.

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