



**Willow Run Community Schools
Business Services Office**

734.481.8200 Fax 734.481.8227

David M. Houle, Director of Finance (6311)

Janette Allen, Administrative Assistant (6311)

Cecilia Queener, Payroll Specialist (6305)

Rod Ranger, Accounting Specialist (6316)

Internal Memorandum

To: Willow Run Board of Education

From: David M. Houle, WISD Controller – Willow Run / Director of Finance, WRCS

Date: 21 December 2006

RE: DEFICIT ELIMINATION PLAN – OTHER REQUIRED DATA

This memorandum is prepared to address data required under §E of the District's Deficit Elimination Plan (DEP).

1. Negotiations are complete through June 2007 for Administrators and AFSCME Local 3451 Support Staff. Negotiations are incomplete for all other bargaining groups. Negotiations for the teachers have gone through mediation and are now preparing for Fact Finding. The District continues to bargain with all groups.
2. The following is a list of the District's bargaining units and their corresponding contract expiration dates:
 - WREA (Teachers) – expired 8/31/05 – currently negotiating
 - Management Support Unit (Secretaries) – expired 6/30/04 – currently negotiating
 - WRAEA (Adult Educators) – expired 6/30/06 - currently negotiating
 - WR Para Educators – expired 7/1/04 – currently negotiating
3. WR Administrator's Association ratified an agreement through June 30, 2007 that included minor health care cost concessions. AFSCME Local 3451 (Maintenance, Transportation, Food Service) expires June 30, 2007 and includes a wage and health care re-opener for 2006-07 that has yet to be acted on.
4. Negotiations are incomplete for all bargaining groups for 2007-2008.
5. Negotiations are currently ongoing.
6. Yes. The 2006-2007 Budget contemplated minor health care concessions for all staff by replacing the predominate health insurance product with a lower cost Preferred Provider Plan with substantially similar, if not improved coverage. The accompanying prescription co-pay would be increased to move closer to societal reality regarding these benefits. The Budget assumed that this initiative would have yielded \$300,000 in savings had it been implemented for all groups.

7. Yes. The 2007-2008 Projection assumes approximately \$870,000 in savings from replacing the current health insurance product with a lower cost Preferred Provider Plan providing substantially similar, if not improved coverage. The plan is a high deductible plan where the employee is responsible for meeting the deductible prior to insurance coverage. The plan includes much preventative care, not provided under the current product. Prescriptions are without a co-pay once the deductible is met. Additionally, the 2007-2008 Projection assumes approximately \$254,000 in savings by substantially reducing the “cash in lieu” payments from opting-out of District health insurance. Also, the 2007-2008 Projection does not include compensation increases, including step and lane changes for any employee group. The projection establishes a ceiling of \$5,292 per pupil for instructional expense. Recent reports by the MDE indicate that Willow Run Community Schools has had the second highest per pupil instructional spending among Washtenaw County public and charter schools. Finally, the 2007-2008 Projection assumes approximately \$1,100,000 in savings by establishing a ceiling of \$1,100 per pupil for 2,478 students. Currently, the District is spending approximately \$1,500 per pupil, or about \$400 per pupil more than the average for Washtenaw County public school districts. These reductions will likely affect staffing and benefits and as such are subject to negotiations.

8. A variety of factors have contributed to the District’s current financial condition. Primarily, education funding within the State of Michigan continues to be the District’s most formidable challenge. Although the legislature appropriated a \$175 per pupil increase to the foundation allowance for the 2005-2006 school year, those funds paled in comparison to the cost increases experienced from structural step increases, increased retirement costs and health insurance expenses. Michigan districts had not experienced an increase to the foundation allowance for the prior three years. During two of those years (2002-03, and 2003-04) districts experienced a mid-year reduction (proration) to the foundation allowance. The \$210 per pupil increase for 2006-2007 is tenuous at best.

Of the many challenges currently faced by the District, significant issues affecting the revenue base for the 2006-2007 budget include:

- Inadequacy and uncertainty regarding educational funding
 - Southeast Michigan current unfavorable economic climate
 - Declining student enrollment (*Fall 2006 - 2,478 FTE, down 782 from 2001*)
 - Salary & Benefit increases – annual salary step increases, insurance premiums, and retirement contributions
 - Utility expense increases
 - Ongoing contract negotiations with multiple bargaining units
 - A teacher “buyout” package costing approximately \$1,350,000 over three years (FYE-2004 through 2006) to provide retirement incentive (*32 teachers*)
 - Plan was extended to administrators. (*4 Principals and 3 central office administrators*)
 - Many of the vacated positions were replaced
 - A lack of leadership continuity as the result of instability and turnover for former chief administrative and financial positions
9. Willow Run Community Schools is approaching its Deficit Elimination process in two (2) phases. The first phase focused on both communicating the fiscal reality of the District

to its stakeholders and developing consensus for adoption of a balanced 2006-2007 budget. The Board of Education adopted the balanced budget for 2006-2007 on June 29, 2006. The budget contemplated increased revenues and cost reductions netting approximately 2.8 Million Dollars.

The second phase will lead to long-term remedies designed to replenish fund balance over time and allow the District to operate safely within its resource base. Initially, the District seeks to rectify its fund balance deficit within two years, as required by law. A long term objective would be to rebuild sufficient fund balance to provide necessary working capital and reduce or eliminate the need for annual cash borrowing and the interest expense that accompanies it. Current cash and working capital requirements resulting from the cumulative effect of past annual operating losses are now in excess of \$6,000,000.

The first installment began with the assembly of the Budget Task Force during the 2005-2006 year, made up of a cross section of the District's staff and community members, to explore and make recommendations to either increase revenue or decrease costs. Although the work of that group was substantive, the final total of the recommended fiscal initiatives fell short of the structural annual operating deficit of the District.

The second installment of the DEP will address long-term initiatives targeted to enhance and improve student achievement while reducing operating costs. Highlights of possible cost reduction initiatives are outlined in response to question #14 below. As the traditional delivery systems of pedagogy are labor intensive, nearly 84 cents of every dollar spent by the District is for salaries and related benefits. Given this, there is the inescapable likelihood that cost saving initiatives will most certainly result in some form of reduced salary and/or benefit costs while attempting to improve achievement for the District's most crucial stakeholders, its students. The second phase of the DEP will be carried out methodically and collegially. Various vehicles for community/parent input will be established including, but not limited to a reconstituted budget task force and various study groups to explore options for the delivery of pedagogical services within the current resource base. This will prove to be no small challenge and will undoubtedly involve substantial sacrifice by all stakeholders for the overall good of the District.

10. Past cost reductions implemented in 2005-2006 included the reduction of many elective courses at the Secondary level and the curtailment of many Advanced Placement courses. Parents have expressed concern that these changes may have suppressed student achievement and exacerbated an already vexing enrollment decline. Therefore, the Administration will assemble various study groups to provide needed community participation in the decision making on these most critical issues. Given the limited financial resources of the District, a budget task force will be reconstituted to examine sizing and deployment of staff relative to enrollment as well as utilization of fixed assets and infrastructure. Needless to say, all budgetary items remain open for review, particularly in light of the recent enrollment patterns experienced by the District.
11. Various Support Services have been retrenched from prior service levels. For the 2006-2007 Budget, the District planned to operate its Child Care facility without the troubling 60 to 70 Thousand Dollar annual subsidy from the General Fund. Under this operating plan, at-risk families will continue to receive service from third-party payment benefits. The District will examine the fee schedule and collection endeavors for these services. A continuing process to examine all support service delivery systems will be conducted

by a task force or study group in an effort to achieve the surplus operations required to restore the District's Fund Balance.

12. The specific steps to carry out this plan include the following:

- a. Build consensus and acknowledgement of the financial challenge of the District by all stakeholders of the District (Board of Education, Staff, Parents, Students, Community)
- b. Reconstitute a budget task force and/or study groups to explore all financial options to increase revenue, decrease expense and employ all assets/resources effectively to generate the required surplus to replenish fund balance.
- c. Contract with local Intermediate School District to provide technical expertise to oversee the financial processes at the District
- d. Maintain a balanced 2006-2007 Operating Budget
- e. File a Deficit Elimination Plan (DEP) with the State of Michigan DOE

Other specific steps initiated as part of the 2006-2007 Budget Process include the following:

- f. The initial projection for the 2007-2008 fiscal year is based on an enrollment of 2,478, consistent with Fall 2006 levels. The stabilization of enrollment will require actual growth in order to offset routine attrition and the negative sloped general enrollment trend. Clearly, if the District intends to operate all of its current facilities for the long-term, enrollment must increase substantially. Recent feedback from parents indicates that some portion of the enrollment declines experienced may have been fostered by general negative perceptions about the District, its safety and security. Again, study groups will examine these matters in detail to develop both retention and recruitment strategies for students. Following that study, it may be advisable to fund a marketing initiative to shape community perceptions towards a more inclusive, engaging and collaborative Community–District relationship paradigm. A shift in perceptions may go far to reacquaint the District with Community members who may have, for a variety of reasons, become disenfranchised and have sought educational alternatives other than Willow Run Community Schools.
- g. The Foundation Allowance is anticipated to increase by \$210 from 2006-2007 levels to \$7,678. This is predicated on the reasonable expectation that if the District is to correct its fiscal affairs within a specified two-year time line, the State will uphold its portion of funding responsibilities during that same period.
- h. Although the 2006-2007 budget was balanced, cursory assessment of subsequent events portends a deficit for the year in the range of \$670,000 due to significant enrollment declines. To develop its 2006-2007 budget, the District utilized a 5-year “survivor rate” enrollment projection. That projection contemplated approximately a two percent (2%) enrollment decline. Sadly, the initial pre-audit count for the Fall 2006 indicates that the District sustained nearly a six percent (6%) enrollment decline from Fall 2005. Following submission of this DEP, the District will undertake a detailed analysis to revise its annual operating budget for the 2006-2007 year. These changes, when available, will be incorporated in the monthly reporting to the MDE as part of the continuing obligations under the DEP process.
- i. The 2007-2008 projection assumes \$870,000 in savings from replacing one of the current health insurance products with a lower cost high deductible Preferred

Provider plan that will provide substantially similar, if not improved coverage. The accompanying prescription co-pay will be increased to move closer to societal reality regarding these benefits. It is important to recall however, that employee benefits are a subject of negotiations and options are being explored with bargaining units.

- j. The 2007-2008 projection assumes \$800,000 in Instructional cost savings, mainly from sizing instructional and administrative staff commensurate with student enrollment. The Administration is currently soliciting recommendations that will develop a sound educational plan to provide exceptional student achievement through a fiscally responsible deployment of instructional staff. Initial recommendations, although varied and diverse, are proffered with passion and resolve and provide a wide variety of options. The Administration will assemble a study group that includes representation from all stakeholders to determine the final plan.
- k. In August 2006 the electorate voted for approval of a Headlee Override Millage. This allows the District to levy its full statutory required 18 Mills on Non-Homestead property in the Willow Run Community Schools District. Formerly, as a result of prior Headlee Millage Reduction Fractions, (MLF) the District's local tax levy was limited to 17.1620 Mills on Non-Homestead property. The additional .8380 Mills allows the District to realize its full statutory foundation allowance and will increase revenues by approximately \$148,084 for the 2006-2007 School Year.
- l. As planned in the 2006-2007 budget, the District sold its Administration Building and adjacent property
- m. No funds have been provided for the bus replacement cycle of the District.
- n. Most material and supply line item budgets were reduced by 10% from projected 2005-2006 levels. This includes teaching supplies, textbooks, office supplies and custodial supplies.
- o. Pursuant to the recommendation of the 2005-2006 Budget Task Force, Board of Education Travel and Conference expense was eliminated.
- p. Pursuant to the recommendation of the 2005-2006 Budget Task Force, funding for pay telephones in all buildings was eliminated and the telephone contracts canceled.
- q. Utility costs for Gas, Electric, Telephone, Water & Sewage were budgeted to remain constant at 2005-2006 levels. In light of the extraordinary rate increases experienced for natural gas during the 2005-2006 school year, budgets for utility expenses have been held at current year rates for the 2006-2007 operating budget. An extremely mild heating season during the first two quarters of 2006 yielded savings relative to budget. A district-wide energy study may well be in order to explore energy saving initiatives to help the District operate within its limited resources.
- r. In the 2006-2007 Operating Budget, the area of Outgoing Transfers has been adjusted down from prior year levels to decrease the subsidy to the Athletics Fund and to eliminate the subsidy to the Community Service Fund (Child Care). The Food Service fund was projected to break even for the 2006-2007 fiscal year however, it is noteworthy that the Food service operations contributed approximately \$134,000 to the General Fund during the 2005-2006 fiscal year. Pursuant to the recommendation of the 2005-2006 Budget Task Force, the planned transfer for Athletics was reduced from 2005-2006 levels by \$40,000, or approximately 10 percent. The transfer required to subsidize the projected loss in the Community Service Fund, resulting mainly from the child care operations,

has been budgeted at zero for the 2006-2007 fiscal year. This will require that operating losses of the Child Care operation be substantially mitigated via some form of restructuring in fees for service, collections of delinquent accounts receivable and / or staffing. This operation will also be examined for possible outsourcing.

- s. All non-personnel line item budgets for Directors and Principals are based on prior year information and again, certain line items for office supplies have been reduced by 10 percent.
 - t. Line item budgets for Directors and Principals for furniture & equipment have been eliminated, as well as “miscellaneous” expense lines.
13. Pursuant to the recommendations of the 2005-2006 Budget Task Force, selected positions were not included in the 2006-2007 budget for return of the incumbent or replacement. A summary of the staffing retrenchment is as follows:
- Custodial savings related to sale of Administration Building
 - Eliminate Technology Stipends
 - Layoff / Reduce one Grounds / Maintenance position
 - Layoff / Reduce two Custodial positions
 - Reduce one Custodial position due to vacancy
 - Layoff / Reduce two Hall/Building Monitor positions
 - Layoff / Reduce six Teaching staff positions
 - Retirement of two Teaching staff positions
 - Retirement of two Para Educators positions
 - Retirement of one Professional
 - Resignation of three Teaching staff positions
 - Police Liaison position shifted partially to grant funding.
 - Reduce Coaching Stipends
 - Continue to leave HR Director position vacant

14. To date, employees have not made wage concessions. However, with the exception of annual step and lane adjustments, wage increases have not been granted. As we move toward the 2007-2008 fiscal year, the District will need to explore various labor cost reduction initiatives, including the following:

- Wage freeze at 2005-2006 salary levels
- Reduction or elimination of payments to “opt-out” of health care insurance
- Convert to a high deductible health care plan with the employee responsible for the deductible
- Require a monthly contribution to the health care insurance premium to be deducted from pay
- Renegotiate the compensation for “extra duty” and other “stipends”
- Explore outsourcing options for Support Staff

Other cost saving / increased revenue initiatives will need to include the following:

- Explore building closure for cost savings and evaluate the consequential revenue implications from the potential of further enrollment declines
- Explore other major assets for sale or liquidation

- Explore ways to increase student enrollment through both new students and increased retention of current students.

15. Board Budget Adoption Resolution for the 2006-2007 operating budgets to be included

16. Deficit Elimination Plan Adoption Resolution for the 2007-2008 operating projection to be included

17. Teacher stipends of approximately \$100,000 could be avoided by the elimination of all remaining extracurricular activities, but not without substantial harm to student achievement given the already reduced elective course options at the secondary level and the current community funded activities previously funded by the District.

18. The District does not have a sinking fund.

19. Explanation of changes: (See DEP form, page 3 continued)

The Board of Education of Willow Community Schools recognizes the gravity of the District's financial condition and respectfully requests the Michigan Department of Education to approve the Deficit Elimination Plan as submitted with the proviso that monthly reporting to the DOE will be forthcoming and an earnest plan to replenish the District's fund balance will be developed with the support of the Board and the Willow Run Community.

AUTHORITY: Section 102, Act 94, P.A. 1979, as amended.

COMPLETION: REQUIRED. (Failure to file will result in withholding of state aid funds.)

Michigan Department of Education
OFFICE OF STATE AID AND SCHOOL FINANCE
P.O. Box 30106, Lansing, Michigan 48909

Direct questions regarding this form to Phil Boone
at (517) 335-4059 or BooneP2@Michigan.gov

SCHOOL DISTRICT PLAN FOR ELIMINATING A DEFICIT BUDGET

EDUCATIONAL AGENCY	Legal Name of School District	District Code	Contact Person	Telephone (Area Code)
	Address	City	Zip Code	
	Willow Run Community Schools	81150	David M. Houle	(734) 961-6308
	235 Spencer Lane		Ypsilanti	48198

SUBMISSION INSTRUCTIONS: Return ONE copy within 30 days of receipt to the State address indicated above, or send as an email attachment to BooneP2@Michigan.gov, or fax to (517) 241-0196 Attention Phil Boone.

A. FINANCIAL DATA

			Actual 2005-2006	Estimated 2006-2007	% Change from Previous Year*	Estimated 2007-2008
			(1)	(2)	(3)	(4)
1.		BEGINNING FUND EQUITY	\$194,269	(\$1,775,233)		(\$1,775,233)
2.	(1XX)	ADD: Revenues Local Sources	\$4,092,576	\$4,028,744	-1.56%	\$4,152,354
3.	(2XX)	Other Political Subdivisions	\$0	\$0	0.00%	\$0
4.	(3XX)	State Sources	\$18,560,581	\$19,322,278	4.10%	\$18,796,028
5.	(4XX)	Federal Sources	\$3,162,859	\$3,134,476	-0.90%	\$3,134,476
6.	(5XX)	Incoming Transfers & Other Transactions	\$2,593,587	\$3,046,031	17.44%	\$2,546,031
7.	(6XX)	Fund Modification (Incoming)	\$134,218	\$0	-100.00%	
8.		TOTAL REVENUES, INCOMING TRANSFERS AND OTHER TRANSACTIONS	\$28,543,821	\$29,531,529		\$28,628,889
9.		TOTAL RESOURCES AVAILABLE	\$28,738,090	\$27,756,296		\$26,853,656
		LESS: Expenditures				
10.	(1XX)	Instruction	\$14,744,331	\$14,263,639	-3.26%	\$13,114,455
11.	(21X)	Support Services: Pupil	\$3,641,566	\$3,655,987	0.40%	\$3,513,632
12.	(22X)	Instructional Staff	\$2,270,671	\$2,220,432	-2.21%	\$2,171,802
13.	(23X)	General Administration	\$262,648	\$417,099	58.81%	\$409,011
14.	(24X)	School Administration	\$1,646,369	\$1,574,423	-4.37%	\$1,481,118
15.	(25X)	Business	\$548,639	\$640,784	16.80%	\$605,174
16.	(26X)	Operations and Maintenance	\$4,075,980	\$3,853,762	-5.45%	\$2,770,455
17.	(27X)	Transportation	\$1,226,840	\$1,461,380	19.12%	\$1,371,548
18.	(28X)	Central	\$1,139,201	\$548,192	-51.88%	\$527,137
19.	(29X)	Other	\$0	\$0	0.00%	\$0
20.	(3XX)	Community Services	\$230,357	\$290,541	26.13%	\$284,034
21.	(4XX)	Outgoing Transfers and Other Transactions	\$247,570	\$224,300	-9.40%	\$224,300
22.	(5XX)	Debt Service	\$0	\$0	0.00%	\$0
23.	(6XX)	Fund Modifications	\$479,151	\$380,990	-20.49%	\$380,990
24.		TOTAL EXPENDITURES, OUTGOING TRANSFERS AND OTHER TRANSACTIONS	\$30,513,323	\$29,531,529		\$26,853,656
25.		ENDING FUND BALANCE:	(\$1,775,233)	(\$1,775,233)		\$0

B. STATE SCHOOL AID MEMBERSHIP PROJECTIONS

Please list your State School Aid Membership **projection** as defined by the State School Aid Act Section 6 (4):

YEAR:	2006-2007	2007-2008	2008-2009
ENROLLMENT:	2,511.64	2,473.37	2,473.37

C. TAXABLE VALUE DATA

	2006-2007	2007-2008 (Projected)
Homestead Taxable Value	\$253,557,560	\$276,439,283
Non-Homestead Taxable Value:	\$175,094,021	\$182,802,323

D. SALARIES AND UNEMPLOYMENT BENEFITS

1. Estimated Gross Savings as a Result of Staff Reductions (FTE) reflected in Part A:

FUNCTION	STAFF REDUCTIONS in FTE		Amount of Savings Reflected in Part A	Additional Savings Projected in Part A
	2006-2007	2007-2008	2006-2007	2007-2008
	(1)	(2)	(3)	(4)
Instructional	13	10	\$407,725	\$800,000
Support Services	8 ?		\$316,683 ?	
Community Services	0	0	\$0	\$0
TOTAL	21	10	\$724,408	\$800,000

2. Estimated Cost of Unemployment Benefits as a Result of Staff Reductions:

	2006-2007	2007-2008
TOTAL	\$83,320	\$0

E. OTHER REQUIRED DATA

1. For which employee groups have negotiations been completed for 2006-2007?

Answer:

2. For which employee groups have negotiations not been completed for 2006-2007?

Answer:

3. For which employee groups have negotiations been completed for 2007-2008?

Answer:

4. For which employee groups have negotiations not been completed for 2007-2008?

Answer:

5. When is the next year employee negotiations will be open?

Answer:

6. Are projected savings from employee negotiations included in Section A for 2006-2007?

Answer:

7. Are projected savings from employee negotiations included in Section A for 2007-2008?

Answer:

8. What factors caused the school district's deficit?

Answer:

9. What is the school district's plan to eliminate the deficit?

Answer:

10. What subjects or instructional programs is the district proposing to discontinue or curtail?

Answer:

11. What support services would be reduced or eliminated?

Answer:

12. What specific steps have been initiated to carry out the plan?

Answer:

13. Please give the details of staff reductions for instruction, support services, and community services.

Answer:

14. Please give the details of any proposed employee wage concessions. Have any of those concessions been adopted?

Answer:

15. Please submit the most recent board approved budget along with the board resolution with which it was adopted or provide the URL at which it is located.

Answer:

16. Please submit the Board Resolution showing approval of this Deficit Elimination Plan.

Answer:

17. List expected savings to be achieved by eliminating specific extra-curricular activities.

Answer:

18. Do you have a sinking fund? If so, what is it designated for?

Answer:

19. Explain any variances of 10% or more from section A.

Revenues

(1XX) N/A

(2XX) N/A

(3XX) N/A

(4XX) N/A

(5XX) Incoming Transfers & Other Transactions 17.44% Change

Explanation: The FYE-2007 budget includes \$500,000 from the sale of the Administration Building and adjacent property.

(6XX) Fund Modification (Incoming) 100% Change

Explanation: In FYE-2006 Food Service contributed \$134,218 in fund modification to the General Fund.

Expenditures

(1XX) N/A

(21X) N/A

(22X) N/A

(23X) 58.81% Change

Explanation: The FYE-2007 budget contemplates that the Interim Superintendent is charged in function 230. Because the Interim Superintendent was formerly the Human Resources Director, the Interim Superintendent continued to be charged to Central Support Services (28X) during FYE-2006.

(24X) N/A

(25X) 16.8% Change

Explanation: During FYE-2006 certain benefit expenses were charged to restricted funds related to grant administration and accounting, thereby saving the District approximately \$18,500 from FYE-2007 budget levels. Additionally, the Business & Finance Director position was held vacant and the District contracted with the W.I.S.D. to provide part-time services, thereby enjoying savings during FYE-2006 of approximately \$66,000. The FYE-2007 budget contemplates full-time direction to the Business and Finance area to be provided by the W.I.S.D. Finally, the FYE-2006 actual activity included an expense for judgements and settlements in the amount of \$15,000.

(26X) N/A

(27X) 19.12% Change

Explanation: The FYE-2007 budget contemplates approximately \$51,000 in additional repairs and service supplies as well as approximately \$153,000 of increased staff and benefit expense for Special Education related transportation. Transportation expenses related to restricted activities were expected to increase approximately \$30,000 from FYE-2006 levels.

(28X) 51.88% Change

Explanation: The FYE-2006 actuals include approximately \$420,000 in Teacher Severance incentive payments as the last of a three year payment scheme that totaled approximately \$1,350,000. These payments were charged to function code 283 rather than to the instructional account function to which the teachers were charged. Also, the FYE-2007 budget contemplates that the Interim Superintendent will be charged in function code 230, as should be. Because the Interim Superintendent was formerly the Human Resources Director, the Interim Superintendent was inadvertently charged to Central Support Services (283) during FYE-2006.

(29X) N/A

(3XX) Community Services 26.13% Change

Explanation: The FYE budget contemplates an increase in restricted funding to promote Parental Involvement in Education. (PIE)

(4XX) N/A

(5XX) N/A

(6XX) Fund Modifications 20.49% Change

Explanation: The FYE-2007 budget contemplates that no fund modification will be required to subsidize the Child Care operations. In FYE-2006 the Community Service fund modification was \$65,547. Also, the FYE-2007 fund modification to subsidize Athletics was budgeted at \$380,990. The actual Athletics subsidy for FYE-2006 was \$413,604.

Note: Please attach any other data that are pertinent to the school district's plan to eliminate its deficit.