



## FY 2022 Recommended Budget Budget Question

Board Question #: 33

**BUDGET QUESTION:** How does each 1% reduction in the 6% pay adjustment affect the Schools' budget? How much did the School Board's increase from 2% to 6% for administrators add to the budget?

**RESPONDING DEPARTMENT/OFFICE:** Budget

**RESPONSE:** Based on the information the Schools' staff has provided in work sessions with the School Board, each 1% equals approximately \$2.1 million. The State budget provides additional funding to the Schools for the State's share of a 5% increase in the pay for Standards of Quality (SOQ) positions. As such, from a budget perspective, a decrease of the first 1% would decrease expenditures by \$2.1 million and have no negative impact on revenues. However, each 1% decrease thereafter would be expected to have a corresponding approximately \$1 million decrease in State revenues – a net budget reduction of \$1.1 million for each additional percentage.

The School Board's expenditure budget increased by \$480,000 when the planned increase in administrators' pay was changed from 2% to 6%.

**ESTIMATE OF STAFF TIME SPENT ON RESPONSE:**