

Let's Talk



Monthly Updates from Your Superintendent

September 8, 2010

This will be the first in a series of monthly updates regarding the budget. The budget is an area that most people are not terribly familiar with and my hope is that keeping you updated throughout the year will help. These updates are meant to give you the facts as we have them at any given point.

In June, our Board of Education adopted a budget that was approximately \$600,000 in deficit. They adopted this knowing that by the end of the 2010-2011 school year, our fund equity would then be at a level that would potentially put us back in borrowing mode to make payroll for fall of 2011 (just under 15%). Borrowing for payroll means we will have to pay approximately \$90,000 in interest (about the cost of one teacher), further increasing our expenses. Since adoption of that budget, the board has expressed that one of their overall goals for the year is to reduce the amount of the deficit.

Enrollment will be a huge factor in our budget. The June budget is based upon 50 less students. We really don't know at this point how close that prediction will be. We do anticipate much lower initial enrollment in our alternative education program. Our hope is certainly to have no loss of students. To maintain enrollment alone would add about \$375,000 back into our budget. Count day is late in September so we will not have an answer regarding this until then.

Recently, the federal government announced the Ed Jobs program. The State of Michigan has not formally allocated the money from this program yet, but if the House version goes through, Belding would receive about \$420,000 in additional funds this year only. Certainly, we will gladly accept this money, but we must keep in mind that it is a band-aid and will not be there next year. Whatever our deficit budget amounts to, we will start next year again with that plus the \$420,000 added back in.

Additionally, the ISD recently let us know that we would be receiving \$360,000 less in special education funding from them than what was anticipated and what we budgeted for. With all this said, that leaves us with at least a \$960,000 deficit budget today. Hopefully, the federal money will help offset that for one year and hopefully our enrollment will come in better than we budgeted for. However, we need to prepare for the fact that even with the federal money, we could be looking at a higher deficit than was approved in June if enrollment is off.

That's the news as we have it at this point (good and bad). We plan to have an amended budget showing all of this as soon after count day as we can. The next update will include that information. Despite these difficult economic times, we are staying positive and continuing to offer leading education in our area. While Central Office and our Board of Education are working diligently to manage and improve our budget, in the classrooms it's all learning and achieving.

Sincerely,
Leslie Mount

 **Belding Area Schools**
The right size. The right choice.