

Let's Talk



Monthly Updates from Your Superintendent

February 4, 2011

Winter is in full swing at Belding Area Schools. Our students are about half way through the second trimester and our winter activities are off and running. As is true across the state and nation, it is a time of change in education at Belding Area Schools. So much of what we do is now driven by forces outside of our control and we are continuously working to remain focused and move ahead. While it can sometimes feel daunting, change is the new “normal,” and ultimately our students will be better for it. Our graduates are so much more prepared for the world beyond high school than even those from 10 years ago. The Class of 2011 will be our first group to graduate under the new rigorous Michigan Merit Curriculum. Technology, funding issues and outside pressures will continue to have an impact on what we do every day. While it may be difficult at times, it is our reality. We have embraced it and will continue to serve our students at a high level.

The Bond

The district has received a lot of positive press about the bond lately. The Woodview addition is scheduled to be done when we return from spring break. Hopefully, the high school project will start in April – this will depend on weather and the state review process. We have some “new” news with relation to our outdoor athletic facilities. The football field will still be off limits this spring, but the baseball and softball fields will be assessable for our spring seasons. Initially, they were not going to be available, but our construction manager has determined that our best course of action is to use them this year and not next year. So, the “road seasons” for baseball and softball will be next year. We are hoping to patch the track and be able to use it for practice and home meets this spring and then it will be completely redone when the season is over. Soccer will be playing their matches inside the track as the football field will not be available and we’d like to still have home contests. Meetings and tours for the Ellis project are underway. Plans will begin soon. We will also start looking at the middle school project later this winter/spring.

Keep in mind that there will be some unavoidable “inconveniences” (academic and athletic) along the way, but that ultimately we will have wonderful new facilities for our students, staff and community to enjoy when the entire project is done.

The Budget

Since our December update, the Edu Jobs money has been allocated from the federal government. The district is receiving almost \$500,000 in one-time federal funds under this program. That money reduced our projected deficit for the year from \$860,000 to about \$360,000 (in June we had projected a \$660,000 deficit – this increased initially and then was offset by the Edu Jobs funds). While this is wonderful news, keep in mind it is one-time funding. All sources are telling us that outside help (Stimulus Funds, Edu Jobs Funds etc.) are at an end.

Over the past two years we have spent about \$500,000 of fund equity each year to “balance” the budget and in an effort to maintain programs/services. This year we anticipate spending about \$360,000, which is our projected deficit. If our projections are close for next year, we will be at 1.94% fund equity at the end of the year if we do nothing as far as cuts or reductions. This represents a \$2,315,550 deficit for the 2011-2012 budget year.

The assumptions we are using come from the professional organizations in education. They predict the per pupil funding will go from \$7,390 this year to \$6,880-\$7,046 next year. This is due to the loss of federal Stimulus and Edu Jobs funds. We are budgeting our student loss to be less than this year at 50 (our total loss for fall this year was about 55). They tell us retirement (up to 21% this year) will increase again to at least 25%, but likely 26-27% (at least a \$600,000 increase). This alone is a tremendous hit. Over the next three years they predict it could go to 36%. While we budgeted for a 10% health insurance increase (\$200,000), sources tell us it could be up to 25%. Believe it or not, many say this is not at all an unreasonable prediction. We know that annually, step increases for staff average about 2% (\$175,000). There are also built-in salary increases for the support staff and bus drivers for next year (\$20,000).

As for savings, we do know we will save the cost of the retirement incentive offered two years ago (\$60,000). The cuts that have been made this year will continue to help the budget as well, but are already included in the budget prediction above. We are keeping in mind that as of now, many of these numbers are simply projections, but obviously it could be worse than predicted (a 25% health insurance increase or higher loss of students) and it could turn out to be better. We simply do not know many of the important variables yet, but must start to formulate some kind of plan. With that said, we have some work to do to brainstorm cuts/reductions that will allow us to save as much as possible while also maintaining programs and services essential to our students. This work will continue through June when an initial budget for 2011-2012 will go to the board for approval.

From the former state treasurer we know that birth rates continue to decline in Michigan and that folks continue to leave the state. In fact, Michigan ranks 51st (Washington D.C. is included) in population growth, employment and real per capita income from 2000-2009 (Citizens Research Council). We also know that community colleges and universities, which have traditionally been funded from the state general fund, may now get funds from the K-12 school aid fund. This along with tax cuts will decimate the school aid fund. Michigan is facing some of the largest budget cuts in the nation. It is predicted that the private sector will slowly begin to recover, but that the public sector (education included) will continue to decline. Relevant to us, it is predicted that the cap on charter schools will be lifted, that consolidation of districts and or district services will move forward, that health care and wages of public employees will be examined and that there will be no new revenues for education.

It is hard to believe that we are now more than halfway through the 2010-2011 school year. There are many exciting things happening with our programs, in our classrooms, on the competitive fronts and with the bond. Please remember public education as a whole is struggling to find our place in this new world of technology, accountability and economic hardship. While there may be some bumps along the way, we will prevail and ultimately our organization, community and most importantly students will be better for it.

Sincerely,
Leslie Mount
Superintendent