

Let's Talk



Monthly Updates from Your Superintendent

November 1, 2010

Greetings. The month of October was a busy one at Belding Area Schools. Third through ninth grade students completed the MEAP test and kindergarten through fifth grade teachers and students completed our baseline beginning of the year reading inventory (Fountas & Pinnell). Most of our athletic teams have wrapped up their fall seasons. Within the next couple of weeks, the first trimester will be ending and the Thanksgiving break will be upon us. Once again, I'd like to share happenings and news from around the district.

Athletics

Congratulations to the boy's soccer team for winning their first district title and congratulations to Mackenzie Dahl for making the State Finals in girls golf!

The Bond

Work is underway at Woodview Elementary! That project (two additional classrooms and two conference rooms) is set to be completed around March. About that same time, work on Belding High School will begin. At this time it appears that all of the outdoor athletic improvements, renovation of the science labs and construction on the new gymnasium and auditorium will begin this spring. Sometime after the first of the year, site visits to begin plans for the Ellis construction and renovations will begin.

The Budget

An amended budget was presented to the Board of Education in October. The original budget passed in June was at a \$660,000 deficit. The amended budget shows a deficit of \$1,002,150. We expect this to decrease by at least \$450,000 when the final/full Federal Edu Jobs allocations are made (that may be well into 2011). The student count that will be sent into the state shows us 55.49 students down from last year. We had budgeted for 50 so this too will be a hit on our budget. A technology and central office position was cut in the month of October to help bring down the overall deficit. We must keep in mind that the \$1,002,150 is the minimum amount we will start 2011-2012 in deficit without further cuts.

The annual district audit should be presented to the Board of Education at the November or December regular meeting. The audit will show that the district had undesignated fund equity of about 14.5 percent at the end of the 2009-2010 budget year. With this said, those funds are what makes us able to continue operations or make emergency repairs even in a deficit budget mode. Had we gotten the news that we were losing \$360,000 from the ISD after school had started and not had these funds, we would have had to immediately make cuts to avoid an illegal overall deficit budget.

Additionally, we do not get our first State Aid payment until late October each year. Our fund equity has allowed us to make payroll until then without borrowing money. This is the last year we will be able to do that. Cash flow was extremely tight in October and with another deficit budget this year, we will again eat into fund equity and therefore need to borrow (likely \$60,000-\$90,000 in interest payments) next year. This is close to the cost of a teacher.

Last, I'd like to inform you of predictions we are getting for next year. The School Aid Fund is predicted to be in deficit about \$200 million dollars at the state level. This year we will likely receive about \$7,382 per student total (assuming we get the Edu Jobs money). Next year all of the Stimulus funds and Edu Jobs funds will be gone. If those funds are not replaced in some way, the per pupil allowance will be about \$6,880. This is a \$502 reduction per pupil or about \$1,112,934 for Belding Area Schools on top of the current \$1,002,150 deficit that will carry through to next year. This is without any pupil count reductions. If we budget for an additional loss of 50 students next year, that could mean approximately \$350,000 in additional lost revenue.

Negotiations

When the summer started, there were six groups that needed to negotiate contracts at Belding Area Schools. Those included the superintendent, the non-union staff, transportation, support staff, administrators and the teachers. At this time five (administrators, superintendent, support staff, transportation and non-union) of those six have been settled at a net savings to the district to help offset our budget deficit. This was accomplished through pay decreases/freezes in some cases (superintendent and administrators) and change in benefits for all. Each of the five settled groups approved a move to a Priority Health Point of Service Plan with a district funded deductible Health Savings Account. The net effect of this is fully funded insurance for the employee at a savings to the district. Overall savings for 2010-2011 (if the plans had all been in place for the entire budget year) would be approximately \$132,000 for the 42 folks in those groups who take insurance.

Weather

Whenever hazardous weather conditions exist we do our best to make decisions that are safest for the students in our district. Sometimes difficult decisions have to be made with very little information. Recently, when the district was under a tornado watch before school began, this was the case. Surrounding districts were contacted and a decision was made that we could safely get students to school before bad weather hit and that by the time we needed to transport them home the weather would have passed. By bringing children to school, they were in a safe place under adult supervision during the weather situation. Students were safe the entire time they were at school during the tornado warning – a pre-k child could even be overheard saying "this is cool" when they got to look at books in the hallway. Please know we always do our best to work with the districts that surround us and make the best decisions for our children, families and their safety.

As always, our staff and students are doing great things at Belding Area Schools. The rest of fall sports will wrap up in November, winter sports will start, the Marching Redskins will be competing at the state level, the high school drama club will perform their fall play, parent teacher conferences will take place, first trimester grades will be tabulated and many other great things will continue at Belding Area Schools.

Although we are in the midst of difficult financial times, we continue to work hard finding solutions that will keep our students on the path for exceptional learning and achievement. Belding Area Schools continues to be, "The right size. The right choice."

Sincerely,
Leslie Mount
Superintendent

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