

District making \$4 million in budget cuts

As I mentioned in previous financial updates, at the current budget level, the District is spending more than it is taking in this year due to cuts in State funding and declining property tax revenues for the District. Our current year revenues are now expected to be \$35.2 million and our expenses are \$37.6 million, creating a \$2.3 million budget shortfall for the 2011-2012 school year. The District is able to cover this deficit for the 2011-2012 school year with money it has in savings, but this will be exhausted soon if the District does not balance its budget. For the next school year (2012-2013), the District is projected to have \$33.7 million in revenue and \$37.8 million in expenses, which would mean a \$4.1 million dollar shortfall or budget deficit. Therefore, the District is forced to reduce next year's budget by at least \$4 million to balance its budget. To accomplish this large of a budget reduction, this means that the District will have to lay off teachers and other District employees. Because we are a service business, most of our budget costs are personnel-related in the form of payroll. Unfortunately, this means it is impossible to make significant budget reductions in a school district without cutting staff.

For this year and last year combined, the District will be reducing a total of 77 positions which represents about 17% of our employees. The reductions come from all areas with the largest percentage reduction from Administration. We are reducing 5 ½ (27.5%) Administrative positions, 53 (18.2%) Teaching and other certified positions, 19 (12.8%) classified positions such as aides, secretaries, maintenance and custodial staff.

The consequences of this level of personnel reductions will be felt across the District in the form of fewer Assistant Principals to deal with student and discipline issues, fewer teachers mean fewer electives and classroom offerings at the Middle School and High School, and larger class sizes in the elementary schools. The loss of teaching aides means less help with special needs students in school, less help with academic intervention for struggling students, and fewer maintenance and custodial staff will make it difficult to keep our buildings as clean and well-maintained as they always have been.

The District has placed a 5.9 mill levy on the ballot again for the March 6th election day in an attempt to keep the District financially sound and to avoid having to make more cuts which affect our children's future. To help out, our employees are paying more towards the cost of their health insurance and are receiving no raises for two years. The District must maintain a balanced budget and if the levy does not pass, more cuts will be necessary. Additional cuts could mean the loss of more educational offerings like music, art, sports and other extracurricular activities, and transportation.

The Board of Education and the Administration have been working together over the last several months to finalize where budget cuts will be made. I assure you that these decisions were not taken lightly. We strive to make every effort to balance our budget while maintaining the quality education offerings we have today, but it is impossible to continue to offer everything we do now with approximately \$4,000,000 less in the budget.

Thank you for your support and understanding during these difficult times and of course feel free to call me at 937-259-6610 or email at jerry.ellender@madriverschools.org if you have any questions,

Jerry Ellender

Treasurer/CFO