

Balancing the Budget

In these current times, everyone is feeling the effects of the slowing economy. The school is no exception. Across the state, superintendents hoped to receive clarification of the Federal stimulus package before school districts are required by law to publish their budgets. That guidance has not been forthcoming, and we have been advised by the State to plan budgets without any consideration of the stimulus package. The State's 1.5% across-the-board cut means a reduction of revenue to Hampton-Dumont Schools of over \$82,918 for this school year, as well as the next. Also for the 2009-10 budget, the State will not fully fund the 4% allowable growth for per-pupil spending. That rate has been decreased to 2%. That means our district will see an additional decrease of \$122,715. This compounds the problem of a decline of 46 students in our enrollment this year, which will reduce our State funding an additional \$255,000 for next year.

School districts have three options or any combination thereof when the State does not fulfill obligations. They can dip into cash reserves (H-D is currently running a negative cash balance as we work out of a period of over-spending), raise taxes (both the board and I feel this is not the time and currently we are the highest-taxed school district in North Central Iowa) or lastly, cut expenditures (which is what I am obligated to do).

As an educational leader, I must try to keep the school district's budget focused on things that will have the greatest impact on the education of our students. I believe that the single biggest factor in our students' education is our teachers. The Iowa Association of School Boards recommends that a school district spend between 75% and 85% of the district's general funds on salaries and benefits. Currently, Hampton-Dumont is spending very close to the 75% mark. If we cut teaching staff, we will be below the recommended levels.

For these reasons, I am recommending to the board that we close both the old middle school in Hampton and the intermediate school in Dumont. Closing both these buildings will save over \$275,000 in an administrative position, cuts to custodians and secretaries, transportation, natural gas, electricity, building supplies and repairs. Other savings in areas like insurance and child nutrition do not come out of the general fund.

With these building closures, 3rd graders would attend South Side and 4th graders would attend the Middle School. Both buildings currently have classrooms that are not fully utilized. We currently pay mileage for fourteen staff members as they travel between Hampton and Dumont. This means that we are paying these staff members to travel instead of being available to work with kids.

The closing of a building is roughly a three-month process. During that time, community members will have opportunities to express their opinions. This will be a very emotional time for some. It is my hope that we all keep in mind what is best for kids as we prepare them for this ever-changing world in which we live.