

February 15, 2013

To: Smitty

From: Monty Aldrich

THOUGHTS FROM THE UNIT OFFICE...

I've been asked a great deal lately about whether North Clay will need to make deep cuts like other area districts they have been reading about. The answer is "most likely".

Like Yogi Berra's famous saying, "*It's déjà vu all over again*". About four years ago, I began warning staff, parents and community about the financial crisis that our public schools were about to incur. Since that time, there have been chips falling, band-aids applied, bridges built and bridges burned. Our state is in a tailspin and it's in the late stages where it's going to be hard to "pull up".

I firmly believe we are now in our worst stage of financial crisis within our school system. We do still have reserves to work with, but a great analogy would be one that "A hundred dollars doesn't go as far as it used to". A family used to be able to go to Flora or Effingham for a simple night out to eat, catch a movie, and hit some stores. A family could probably do that for around \$50 or so. Now, to take a family of four or more out to eat, shop and enjoy some rec time you'll be glad if it was only \$100. No, I'm not counting the Walmart trip or fuel. We are in the same boat. Our reserves go quickly. When the state does not pay their bills and send us what they promised, we all pay instead. We've done that for four years now, and the check register is getting smaller.

Are we in a financial crisis? I would say at this point that ALL school districts are in financial crisis. Will the state bail us out by paying what they owe us? I'm 95% certain they won't. Will they finally come through just enough to keep us all afloat? I'm still not sure because I'm not sure where those funds could come from at this point.

We have now gone into defense mode again. Our administrative team has met for many hours trying to determine what we can do to lessen the burden on the district while keeping in mind that the top priority in doing this is to cut things that won't hurt kids as much. That's a very hard task because any previous decisions made to enhance the district have been made with an effort to improve teaching and learning or opportunities for students. We now have no choice. Our team has somewhat finalized a priority list of cuts that we will deliver to our Board of Education this month. Once delivered, these items will be discussed, shared with staff, parents and community members. We have tried to look at a balance of cuts across the district.

The situation at hand we are trying to overcome is an expected 20% cut in General State Aid for school year 2013-14. This current school year, we were cut 11% which equated to around \$264,000. For the coming year, the 20% cut is to end up being around \$537,000 that the district won't receive. With over a half-million dollar reduction at

stake, you can only cut some many boxes of pencils, tape, paper clips, and glue until you realize that the only way to dig deeply into this amount is to cut staff and programs. **IT IS EXTREMELY DIFFICULT IN A DISTRICT OF THIS SIZE TO EVEN CUT \$537,000 AND STILL HAVE PEOPLE HERE TO BE WITH KIDS.** We won't get to that amount and we'll probably eat some of it again in reserves, but I'm telling you that if the state cuts stick, you will feel the effect of this situation.

There very well may be several sports cut, some elective programs cut, some field trips cut, some teachers cut, some aides cut, some administration cut, some cooks, custodians, bus drivers, and others cut. Your children's bus routes may be different and you may have to transport to designated spots. Fees may go up, and activities may go down. Hard decisions will be made and it will affect some more than others. **THE VERY REASON THIS HAS TO HAPPEN IS TO KEEP OUR SCHOOL DISTRICT.** Otherwise, we will continue to spend much more than we take in and we all know how long we can do that.

Please take interest in what we are doing and what is going to happen soon. Much is at stake and there are few answers from the north as to how we are going to survive. Thankfully, this district and previous superintendents have been fiscally responsible and we remain that way. Even the larger school districts are hurting with all of this. There's no end in sight. Stay tuned.