

School District of Durand News, Notes and Answers

By Jerry Walters, District Administrator

Please allow this space to address some of the questions, misconceptions, and concerns you may have regarding the School District of Durand.

How did the district realize a budget surplus for the 2007-2008 fiscal year?

As district administrator, one of the major responsibilities of the position is overseeing the annual budget. Sharie Weisenbeck, our financial manager and I take this responsibility very seriously. We budget conservatively, and manage expenditures closely. Our primary goal is to ensure that our annual expenses do not exceed our annual revenue limit.

The 2007-2008 fiscal year was the final year of projected financial advantage created by the consolidation of students and staff. The recreation of the Durand Jr/Sr High School, the Arkansaw Elementary School, and Caddie Woodlawn Early Learning Center, allowed the district to save enough money to balance the budget for a few years. The consolidation was strictly a financial decision, not an educational one. The financial impact of the move, due to revenue limits being less than annual expenditure increases, was as expected, a short-term solution.

When we prepared and presented our annual budget to the Board of Education last October, the State of Wisconsin still did not have an approved state budget. Understand that over 65% of our revenue comes from State dollars, so having an unsettled State budget created some uncertainties in our revenue. With that in mind, we anticipated some increases in SAGE dollars and declining enrollment exemption dollars that were discussed in the state budget, but we did not budget that money into a required expenditure. As a result, if the State approved the increases, we could allocate that money to an unexpected need or apply to district liability. If the State did not approve the dollar increases, we would not need to cut a program or staff member in the middle of the school year. I view this as the fiscally responsible way to budget. The State approved their budget with increases in both SAGE and declining enrollment exemption dollars which generated an additional \$90,000 in revenue for the district. That money was not spent thus produced part of the 'surplus'.

Our special education costs came in under budget by a total of \$84,000. This is a very difficult budgetary area to predict because of the uncertainty of special needs that a student may need. If a special needs student moves to the district, our costs instantly go up. If a student were involved in an accident of some sort requiring special equipment or homebound instruction, large increases in expenditures are generated. Some student needs may require an additional aide to be hired. These costs need to be accounted for. Fortunately, we did not have those additional, unexpected needs, thus came in under budget. Last year, we also had a special education aide resign her position, and the district did not fill that position, saving almost 70% of that salary and benefit budget.

The season ticket sales generated \$6,000 more than expected, and the parking fees generated \$3,000 more than anticipated; investment interest was \$18,699 higher than budgeted. We changed health insurance carriers for a savings of \$29,000; made drastic reductions in summer school realizing a \$45,000 savings; froze the purchasing of teacher supplies on April 1st; limited professional development for staff; virtual education costs were under budget, as was purchasing instructional software.

These reductions, freezes, and limitations were the result of the anticipated financial difficulties for THIS year when the referendum failed. We know that the state imposed revenue limit will increase our revenue by only approximately 1.5%, and our cost to continue will increase at least 4% for this year. We face a real budget deficit, and took steps during the last fiscal year to try and address this year's deficit.

It is too easy to ask "why did we have a referendum if there is a budget surplus?" The referendum was for the upcoming years, NOT last year. Increases in state dollars, conservative spending and immediate reductions allowed our year-end audit to come in under budget. With an \$11.5 million dollar budget, this 'surplus' is a small percentage of the entire budget.

The district's financial difficulties will continue into the future, and our children's educational opportunities will continue to be compromised until the state's school funding formula gets changed. Until that time, we continue to monitor all dollars that we are responsible for.