

June 12, 2015

Dear Dexter Community Schools Staff and Parents,

We are writing to you as promised to provide an update regarding current district revenue projections for the 2015-16 school year, as well as proposed budget reductions.

By law, districts are required to adopt a budget for the next school year by June 30. The majority of our budget (75%) is determined by the per pupil foundation allowance set by the State legislature and our student enrollment. Last week, both chambers of the State legislature passed budgets for the School Aid Fund which determines funding for K-12 schools. This legislation is now awaiting the Governor's signature. For Dexter, the proposed budget includes:

An increase in the basic foundation allowance	+\$124
An elimination of best practice and performance funding (for all districts)	-\$150
An increase in at-risk funding	+\$8
An increase to ensure that all districts receive a minimum net increase of \$25	+\$43
Total Change in Funding from 2014-15 to 2015-16	+\$25

Based upon a projected enrollment of 3,522 students (a decrease of 25 students due smaller incoming classes compared to graduating classes) and an additional \$25 per pupil, the net increase in State funding is \$88,000. This includes \$28,000 which must be spent on increased at-risk student services providing a net increase of \$60,000 in unrestricted funding. However, increased expenses for mandated retirement costs (+\$200,000), health insurance (+\$450,000), and step/level/education salary payments (+\$475,000) will result in expenses exceeding revenue by \$1 million. The Board established a target of \$300,000-\$500,000 to be allocated from the district's savings (i.e. fund balance) and has directed Dr. Timmis to identify proposed cuts to make up the balance.

Given that more than 85% of the district's budget is for staff compensation, reductions inevitably impact staff. We regret that any reductions are necessary and realize the personal impact that they have on both our staff and students. In making these difficult budget decisions, the district strives to provide the highest quality education possible for all Dexter students within the financial resources provided. Listed below are the currently proposed reductions:

- Elimination of one non-instructional supervisory position;
- Elimination of one coordinator position;
- Elimination of one secretarial position;
- Privatization of non-athletic lawn services resulting in a reduction of two Buildings and Grounds staff;
- Collapsing of instructional positions from retirements, resignations, leaves of absence, and the elimination of one teaching fte based on enrollment; and
- Reducing the budget for school improvement materials.

The Board will review the proposed budget for 2015-16 at our next meeting on Monday, June 15. A budget hearing and final vote regarding the 2015-16 budget is scheduled for Monday, June 29. Both meetings will be held at 7:00 p.m. in the Copeland Administration conference room should you wish to attend or provide feedback. In November, the budget will be amended to reflect actual student enrollment, State and federal funding, and any other variables such as retirements, resignations, etc.

As always, we thank you for your continued support of Dexter Community Schools.

Sincerely,

Michael Wendorf
Board President

Julie A. Schumaker, Ph.D.
Board Vice President and Finance Committee Chair