

An Update on Kings Local School Districts Financial Situation

Here at Kings Local School District we feel it is important to keep the community updated on the latest events going on in the district, including the district's financial situation and future. The recession has hit everyone, and we are all doing our best to cut expenses. In February Kings Superintendent Dr. Valerie Browning and Treasurer Mike Mowery presented a Financial Update during a community forum outlining the district's current financial situation.

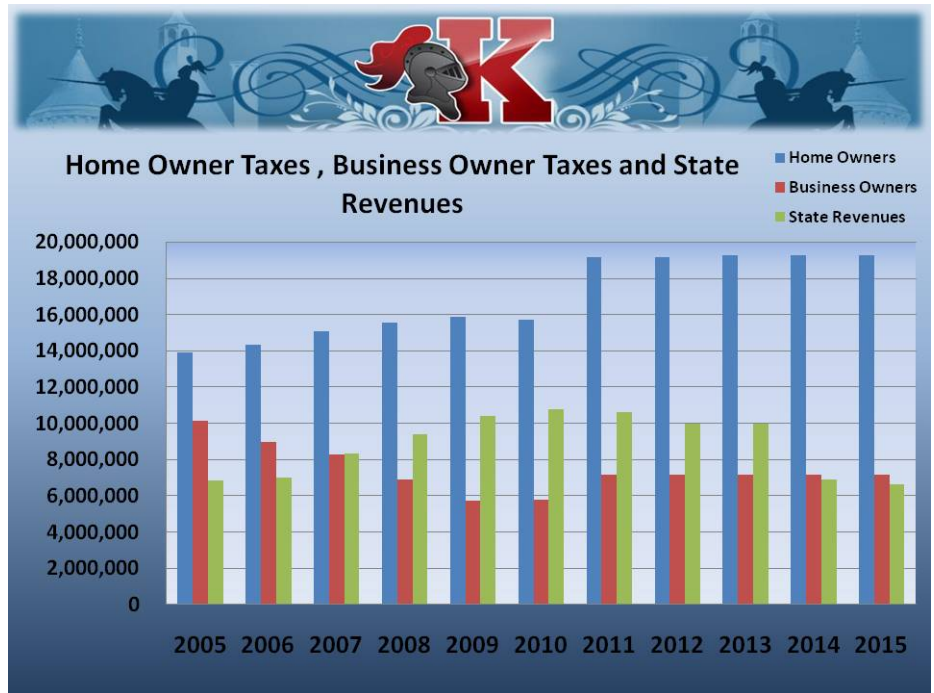
What is the District's Current Financial Situation?

In May 2010 voters generously approved a 6.9 mill operating levy which will bring an additional \$5 million to the District's Operating Fund every year. However, even with those additional funds the district's five year forecast currently shows a projected deficit within three years. A new state budget must be passed this year, and with that we anticipate a decrease in state funding of at least 17-percent.

From 2003-2009 the district's state funding was flat, last year it decreased 1-percent and this year it decreased by 2-percent.

Over the next several years, we do not expect to see an increase in revenues from any of our major income sources, including new housing. In 2009 residential property values declined by 10-percent.

It's important to note that under the current funding mechanism, the burden of support is on district homeowners. The graph shows the disparity between how much the state and businesses pay versus homeowners.



What is the District Doing to Control Costs?

We realize how important it is to cut costs whenever possible. To do that without directly affecting curriculum and the education of our students, the district is getting creative and looking at every facet of our operation.

Through the "Kings Knights Turn Off Lights" campaign and the hard work of Business Manager Steve Waldmann, the district has saved more than \$150,000 on its utility costs over the past year. This was after all the new construction at Kings High School, which added the equivalent of an additional building to the district larger than South Lebanon Elementary. While most districts have seen their utility costs rise, ours have gone down.

The district also saved money when it reduced one administrator this year. When our secondary curriculum director resigned in December the district decided to move some administrators around instead of hiring someone new. This will save the district approximately \$120,000 annually.

When voters approved the levy in 2010, the district promised to cut \$3 million over three years. In the past two years the district has reduced its expenditures by \$2 million and we expect to save another \$1 million next year. This was done mostly through department and building reductions, retirements and attrition.

We will continue to monitor changes at the state level which affect our funding. The district will also continue to research cost saving measures, and develop additional cost reduction plans.

What's Next?

Despite the loss of state funds over the next several years, the district is doing everything it can to stretch the taxpayers dollars. The district is also focused and dedicated to improving student learning and achievement. As we move forward in developing a strategic plan for our district, we will also continue to explore educational opportunities for our students, many of which are made possible through the use of technology. The promethean boards and sound systems will be in every classroom soon, which is a great enhancement to student learning. The district also continues to look at expanding dual enrollment opportunities, expanded class offerings at the high school, and updated and expanded curriculum at the junior high and elementary buildings.

Our most important job is the education of your children. We strive to provide the best education and opportunities throughout the district.