

New WIC budget stays in black

Written by Peter Nocerini

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IRON RIVER—Now that the Legislature has resolved its annual school aid debate, local districts can finalize their budgets. West Iron County's budget for 2013-14 was the focus at the School Board meeting June 17. ___PUBLIC___

A "truth in budgeting" hearing has been scheduled at 4:45 p.m. this Wednesday, June 26, followed by a special board meeting at 5 p.m. to adopt the budget and handle other business—two potential teacher hires were mentioned.

Superintendent Chris Thomson said West Iron had started work on the new budget in March, but the state only decided key numbers near the end of May. "It did change our assumptions quite a bit," he said.

"A lot of effort went into making efficiency, into looking at programs, and we have already begun the cycle to look at next year, because we know we are losing a big class [the 2014 senior class].

"That's what our job is: Not to stay in the present but to be forecasting out." As long as the state's economic health is uncertain, Thomson added, "We're always going to maintain the conservative approach in our assumptions."

In a written memorandum to the board, Thomson noted uncertainties with the state economy and the state aid. "In spite of these factors beyond our control," he continued, "the district will remain financially stable due to our fund balance."

At a time when many other Michigan districts face financial problems, "The budget reflects a balanced budget and adheres to the board and administration goal to maintain the financial position of the district," Thomson wrote.

The budget, he said, shows a "modest" fund balance, a sign of its short-term stable financial condition. "The district will continue to monitor the state's fiscal instability, which will likely continue in 2013-14, and much caution in spending and considerable planning needs to take place this next year."

Amber Laturi, the district's business manager, walked the board through the budget. When the new fiscal year starts July 1, she said, West Iron expects a fund balance of \$1.19 million. The new budget for 2013-14 projects revenues of \$7.52 million and expenditures of \$7.77 million—a difference of \$247,548. That will reduce the projected fund balance on June 30, 2014, to \$942,619, which is 12.1 percent of total expenditures.

Revenue comes from local (property taxes, \$2.83 million), state (state aid payments, \$3.97 million), federal (Title programs, \$483,000) and transfers (the intermediate school district, \$233,000).

Expenditures are split between instruction (basic K-12 programs, \$3.49 million; added needs (special ed, at risk, Title, voc ed, \$1.58 million) and support services (which includes operating building services, \$788,000; pupil transportation, \$511,000; school administration, \$387,000; general administration, \$270,000; among others).

For the special revenue funds (mostly food service and athletic funds), revenue of \$550,010 and expenses of \$549,432 are projected.

The multi-year "blended" pupil count used by the state shows that West Iron's projected enrollment is 860 students, down by 14.8 from the 2013-14 blend total.

In the new state budget, state aid was increased by \$60 per pupil, and the district will also get a one-time foundation equity payment of \$50 per pupil; along with a performance-based funding increase of \$100 per pupil (up from \$40 per pupil last year). Combined, it adds about \$95,700 to

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district revenue.

Even with the \$60 per student increase in state aid, Laturi pointed out, West Iron's lower enrollment means the district will get \$51,025 less state aid than in 2012-13. Lower enrollment continues in West Iron's future. "We're dropping off a big number when you take the three-year blend," she told the board. "That affects us big-time."

The figures project a wage increase of 1 percent for support staff and teachers, with a total administration wage decrease of \$8,638. The retirement rate is up by about half a percent, to 24.8 percent.

- After an evaluation held in executive session, the board approved Thomson's contract as superintendent for another year.

Earlier, the board approved other administrative contracts for the next year: Mike Berutti as middle school/high school principal; Michelle Thomson as elementary principal; Amber Laturi as business manager; Denise Maloney as early childhood director (all money paid from a grant); Rick Kent as consultant to the district (mostly paid from grant revenues); and Angie Williams as executive assistant to the superintendent.