



Buffalo School District RE-4J
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February 25, 2014

Colorado School Finance Project,

The Buffalo School District has looked at the Governor's Preliminary Budget and have found that, if approved, we stand to gain approximately \$90,000 for the 2014/2015 school year.

When we break down the dollars associated with the increase we find that it will not keep up with costs associated with operating our district. The increase in insurance, teacher steps, and PERA increases consume approximately \$65,000 of the "new" money- leaving \$25,000.

One would think that we should have nothing to worry about because we will have an additional \$25,000 for next year. Well, that is not the whole story. We had to use \$71,000 of our beginning fund balance in 2012/2013 school year and we are projecting that we will use \$200,000 out of the beginning fund balance this year. We are anticipating that we will have to use approximately \$225,000 out of beginning fund balance for the 2014/2015 school year. So that \$25,000 does not look so good at this point.

If we do not get relief from the negative factor, we will have to find cuts equaling \$200,000 which is equivalent to 4 teachers. We are a single track district. The question is- who do we cut? I cannot cut the 1st grade teacher as she is THE 1st grade teacher and so on.

If we do get an additional \$200 million buy down of the negative factor it would equate to approximately an additional \$97,000. Clearly this is not enough. However, if we are given a guarantee that this would be recurring dollars, we can re-open that conversation regarding beginning fund balance. As it currently sits, the conversation about using beginning fund balance has stopped. We cannot continue to use reserves to balance the budget, we will bankrupt the district.

\$200,000 buy down would mean that we would have to find \$103,000 in cuts. Still quite impossible, but less intimidating. If it is a recurring buy down, we may be able to use beginning fund balance once again and take care of the issues through attrition as we are an aging staff and several are getting prepared to retire.

"Building Tomorrow's Leaders Today"