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Board of Education

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February 24, 2014

Dear Colorado School Finance Project,

The Holyoke School District has studied the Governor’s Preliminary Budget and the impact of an additional \$200 million as a beginning point for buying down the negative factor.

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|---|------------|--------------|
| Holyoke’s increase in the Preliminary Budget | \$ 123,000 | |
| Cost of Steps with current staff | \$ 40,000 | } \$ 126,000 |
| Cost of PERA Employer’s increase with current staff | \$ 36,000 | |
| Estimated Health Insurance increase (12% - not final) | \$ 50,000 | |

As you can see, the increases included in the Governor’s Preliminary Budget do not cover our three main on-going costs. This does not take into account any other rising costs such as: utilities, workman’s compensation insurance, property-liability insurance, fuel, equipment, supplies or any other cost keeping the district status quo.

An additional \$200 million into the negative factor would bring \$ 146,701.71 to Holyoke. Unfortunately, we would not be able to use this additional money for any new priorities or to restore programs for students. Instead, we would use this additional money to stop the use of our beginning fund balance as revenue. Each of the past four years, the Board has utilized some beginning fund balance as revenue. Several cuts have been made, and the use of the fund balance has been the only way to maintain basic programming when the negative factor in Holyoke is \$ 743,393 this year.

Our final budget in December was approved using \$ 130,000 of beginning fund balance as revenue. Therefore, the additional \$200 million will mean Holyoke can keep its current status quo operation. While it is better than more cuts, restoring under one-fifth of the negative factor does not begin to heal the district or address priorities:

- More ELL teachers to meet the needs of our growing ELL population,
- Reinstigate teaching positions cut to reduce class size and reinstate course offerings for students,
- Maintain a minimum capital outlay program,
- Keep up with technology needs for students and for new state-mandated tests, and
- Provide the first cost of living adjustments for staff in seven years.

To be clear, \$200 million of recurring funds is needed. Due to the unique circumstances in which we cut and our local priorities, those funds only help if they are delivered to the district with no strings attached. However, please know that even with \$200 unrestricted, recurring funds, the district will only be able to maintain status quo. If the \$200 million is not given to the district, or money is given with strings attached that do not fit our scenario, then the school district will need to cut \$130,000 from its budget as we can no longer use our beginning fund balance. We have cut all of the positions we can to date. The next round of cuts will eliminate programs and defer maintenance dangerously into the future. There is nowhere left to cut and meet the needs of our community.