

School district facing \$4M cut

Gov. Barbour cuts full education budget by \$87.8M

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DeSoto County Schools are preparing for a hard hit following a recent announcement by Gov. Haley Barbour to cut the state's education budget.

In the face of a national recession, Barbour has cut the state's full education budget by \$87.8 million with a 3.49 percent or \$76.6 million" cut to the Mississippi Adequate Education Program.

For DeSoto County schools, the 3.49 percent MAEP cut means a loss of about \$4.36 million.

MAEP is a funding formula that pays for elementary and secondary schools.

DeSoto County School District officials said the cut was feared but expected.

We have anticipated a cut and we have prepared to absorb the loss, said Milton Kuykendall, superintendent of DeSoto County Schools.

Kuykendall said some relief from the cut would be provided to the district with actual costs for energy and fuel coming in below budgeted figures.

The district also plans to manage the shortfall with the implementation of a district-wide energy management plan; centralized purchasing, a new program in place to buy in bulk, from materials such as paper and office supplies to computer systems; delaying new textbook adoptions; and reducing the number of new buses planned for next year.

District officials also noted the receipt of nearly \$1 million more than budgeted from TVA since its purchase of the Cogentrix electric plant in Southaven in place of revenue.

"We are going to make financial moves that will carry us through this period without negatively impacting students," said Stacey Graves, business manager for DeSoto schools.

Kuykendall said 85 percent of the district's budget funds salaries.

"Teachers sign contracts and their salaries cannot be cut," he said. "While the current fiscal crisis will require tough decisions, I feel DeSoto County Schools is on sound financial footing.

"We are good stewards of every penny we receive. I am proud of the fact that we have the lowest per pupil expenditure of any school district in the state and have some of the highest performing indicators. We also have the lowest administrative costs in the state."

"We don't know what the future holds, but we are taking proactive steps to face serious financial challenges."

State Superintendent Hank Bounds suggested that some school districts, mostly those with a strong tax base, tap into their rainy day funds to help them get through the budget crunch.

He also said some districts may survive the reduced funding by shutting down sports programs or eliminating cafeteria, maintenance and school bus driving jobs.

"We do not have a massive rainy day fund. Fund balance is working cash," said Ken Reid, assistant superintendent of finance and operations for DeSoto schools. "All of the money is obligated."

Reid made an analogy how fund balances were similar to farming operations.

"A farmer sells his crop in the fall, but all of that money must last until the next fall," he said. "He has to use it to plant next year's crop plus live on that money. We collect local tax money in February, March and April, but we use that money to help us through the next school year."

Reid added, "We keep less reserve than is recommended by the Mississippi Association of School Business Officials.

"It would be total fiscal irresponsibility on our part to allow our fund balance to drop to the point that we did not have enough money left in January to pay our January payroll. Once this happens and districts have to borrow money to make payroll, they are going to be operating at a deficit from then on. School districts must maintain enough working capital to get through the first semester and prepare to meet emergencies."

Bounds said there are more than 20 of the state's 152 school districts that won't be able to absorb the budget cuts the governor plans to make to K-12 public education.

Barbour said the State Department of Finance and Administration now estimates that revenues for this fiscal year, which ends June 30, will fall between \$175 million and \$310 million dollars below the budgeted level, prompting deeper cuts.

Barbour said it means he can no longer exempt MAEP from state budget cuts that began in November.

Public education takes up much of the state's \$5 billion budget. Barbour has cut the budget by \$158.3 million