

**OFFICE OF THE SUPERINTENDENT
130 WESCOTT ROAD
SOUTH PORTLAND, MAINE 04106-3442**

Suzanne T. Godin, Superintendent of Schools
Steven Bailey, Assistant Superintendent
Polly S. Ward, Business Manager



Kathleen Cox, Director of Instructional Support
Dianne Paton, Assistant Director of Instructional Support

February 5, 2010

To the Members of the South Portland School Community:

I would like to take this opportunity to share the preliminary information we are working with as we develop the 2010-2011 budget. As we all know, the state is continuing to suffer from declining revenue. The Department of Education released preliminary subsidy figures indicating a \$1,672,185 reduction in state subsidy to South Portland. We are anticipating increased expenditures in insurance, fuel costs, unemployment insurance and debt service and decreased revenues in tuition for state agency clients and MaineCare reimbursement. On January 4, the City Council requested departments build a budget for the next fiscal year that does not increase the local tax rate. For the School Department this combines to a projected budget deficit of approximately \$2,400,000.

This loss is significant. We have trimmed our operating budgets as far as they can go without significantly impacting teaching and learning. Over the past three years we have eliminated or reduced 26 positions in central office administration, teachers, athletics, transportation and maintenance. There is nowhere left to go that doesn't impact staffing. With these subsidy projections we are anticipating reducing 30-50 positions district wide, possibly closing school buildings, increasing class size, instituting pay to participate and initiating other cost savings measures.

A number of people question whether or not American Recovery and Reinvestment Act (ARRA or Stimulus) funds will be available next year. The preliminary subsidy figure released by the Department of Education includes approximately \$1,960,000 of ARRA funds for the FY11 budget. This year seven positions are funded through ARRA funds in the FY2010 budget and we are currently using ARRA funds to mitigate the \$1,230,208 curtailment enacted by the Governor this fall. Through the budget curtailment measures approved by the Board of Education, we are hopeful to realize the savings in ARRA funds needed to cover the curtailment while also providing carryover savings that can be used to offset subsidy losses next year. In other words, whatever we save this year, will help in lessening reductions next year.

Through strong fiscal management on the part of the Board of Education, we anticipate using \$1,200,000 of district surplus funds as a beginning balance for the FY2011 budget. While the utilization of surplus and ARRA funds are short term ways to mitigate estimated subsidy losses, it is obviously not a strategy that can be sustained from year to year. The bigger the hole is dug, the harder it will be to get out of when ARRA and surplus funds are depleted.

"ENRICHING LIVES THROUGH QUALITY LEARNING FOR ALL."

As the Administrative Team and the Board of Education begin their work on developing the 2010-2011 budget, your participation, input and knowledge of the budget will be critical. I ask you to be active participants in the process by attending Board Budget Workshops, sharing your suggestions and ideas for budget reductions through our website www.spsd.org, and staying informed. It will also be critical to have your input as the Board presents a finalized budget to the City Council.

Budget Workshop Schedule

Wed., Feb. 24, 2010	Board Budget Workshop	7:00 pm	Memorial Middle School
Thurs., Feb. 25, 2010	Board Budget Workshop	7:00 pm	Small Elementary School
Mon., March 1, 2010	Board Budget Workshop	7:00 pm	Skillin Elementary School
Tues., March 2, 2010	Board Budget Workshop	7:00 pm	Mahoney Middle School
<i>Tentatively Scheduled</i>			
<i>Wed., March 3, 2010</i>	<i>Board Budget Workshop</i>	<i>7:00 pm</i>	<i>Dyer Elementary School</i>
<i>Thurs., March 4, 2010</i>	<i>Board Budget Workshop</i>	<i>7:00 pm</i>	<i>Kaler Elementary School</i>
Mon., March 8, 2010	Board Budget Adoption	7:00 pm	City Council Chambers
Mon., March 29, 2010	Board Budget Presentation to City Council	7:00 pm	City Council Chambers
Mon., April 26, 2010	City Council School Budget Vote	7:00 pm	City Council Chambers
Thurs. May 6, 2010	School Budget Referendum		SP Community Center

This is truly a time for us to work together, to support each other and to determine what is an acceptable level of education in South Portland so that we continue “Enriching Lives through Quality Learning for All.”

Sincerely,

Suzanne T. Godin
Superintendent of Schools