

BHSD to be bankrupt shortly after new high school opens – Chris Fellin

The BH financial forecast shows a **deficit of \$10.1 million** in FY2016. If they are able to garner the projected \$2.3M from HS consolidation then the deficit shrinks to \$7.8 million per year into the future. So how will the district avoid bankruptcy? Perhaps there are other funds available to cover this shortfall for a few years such as \$12M in the co-curricular fund and \$18M in the rainy day fund. But once this is gone we are still stuck with a \$7.8M shortfall per year.


Significant structural changes need to be made as soon as possible. The new HS plan appears like a good step in the right direction, but in reality it doesn't come anywhere close to where our district needs to end up.

So doing some simple math: let's say that average employee's salary and benefits total \$78,000 per year. Take the projected shortfall of \$7,800,000; divide by \$78,000 per employee and you get **100 employees who need to be released**.

I'm pretty sure that I am presenting a very optimistic view of the financial future of this district and am very concerned for our students and community.

The leaders of this district continue to spend countless hours selling the new HS proposal while neglecting education and this financial crisis that is far larger than the comparatively meager savings that will come with the new high school versus the alternative.

I encourage you to vote NO on May 8 when the new HS bond is before you.

	FY2013	FY2014	FY2015	FY2016
 General Fund Forecast Overview* – <i>Just the beginning</i>				
Projected Net Deficit, Fiscal Year 2011/12	(\$1,100,000)	(\$1,100,000)	(\$1,100,000)	(\$1,100,000)
Impact of Assumptions & Anticipated Changes	(5,800,000)	(6,800,000)	(8,000,000)	(9,000,000)
Preliminary Fund Balance Impact	(6,900,000)	(7,900,000)	(9,100,000)	(10,100,000)
Projected Beginning Fund Balance, July 1 st	22,851,040	15,951,040	8,051,040	(1,048,960)
Projected Ending Fund Balance, June 30th	\$15,951,040	\$8,051,040	(\$1,048,960)	(\$11,148,960)

* Long-term projections are in process. This presentation is just the beginning and provides a glimpse of the future based on the current year mid-year budget and assumptions for key revenue and expenditures areas. Future updates will be provided as more details are analyzed, including Deficit Prevention Plan action items that will continue to be analyzed and implemented.