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March 18, 2011

All Employees
Montgomery County Schools

Dear Employees,

One concern I continue to hear regarding the current budget situation is uncertainty about where possible cuts will be made. That uncertainty is genuine because we have yet to receive a Senate or House budget from the General Assembly. The process begins when the Governor issues a budget. We have received that. While it sounds good on the surface when the Governor says she is not going to cut teacher or teacher assistant position, the reality is that the budget proposed shifts numerous expenses to the county for funding. As these items have not been historically funded by the county, the possible cuts are just being passed down the line for the district to make. Once we receive a Senate and House proposal, we will have a much better idea of what that final budget will look like.

I understand that there is some anxiety in not knowing where possible cuts will be made. It has been my intention to not create a situation that panics anyone in regards to these possible cuts. At this time, we do not know what cuts will come to fruition. That is why I continue to say “possible” cuts with an emphasis on “possible.” We have convened a budget committee that has been discussing all the scenarios. We will present those scenarios to the Board of Education on April 4. The purpose of this letter is to share those scenarios with you so that you will know the depth of those discussions.

As you review the following information, realize that we understand discussion of possible cuts is a painful exercise. Based upon the magnitude of the possible cuts, it could be a painful process. But, I believe there is a way to cover our cuts through attrition. That has been my goal all along and what I have communicated to our staff at every juncture. It is still my goal that we help maintain all of our employees who want to be here. The numbers for those who resign or retire are still coming in. We will continue to watch those numbers closely.

Further, any possible cuts mentioned here are reduced because the Board of Education directed me to save our Federal Jobs Bill money this year. The impact of their wise decision leaves the system with \$950,000 to apply to saving jobs next year. We will also be allocating our fund balance in the upcoming budget to further reduce possible cuts. These possible cuts are listed below in tiers. As we do not know our final budget, the committee and I felt it best to communicate possible cuts in a way that shows how they will be made. Those things listed in the first tier will more than likely have to be made. As you move up in the amount of possible budget cuts, the more likely the items in the other tiers will have to be made. The items in tier 3 represent the absolute worst case scenario and will not be cut unless it becomes absolutely necessary. Once again, the emphasis is on saving jobs and this proposal could allow us to do that

through attrition. If one school has multiple resignations or retirements, employee would be transferred as necessary to fill gaps.

Possible Cuts

Tier 1

| | |
|--|--|
| More at Four – 2 Teachers/2 TA | \$150,000+ est. (Service level will match actual budget) |
| Central Support Services – 3 Positions | \$150,000 |
| CIS position | \$40,000 |

Tier 2

| | |
|---|------------------------|
| Middle School Athletics | \$15,000 (Pay to play) |
| 15 TA positions | \$300,000 |
| 10 additional positions* | \$250,000 |
| *Note – Any vacated position (classified and certified) will be analyzed for possible reduction and/or placement of existing staff to maintain employment | |
| Health Centers | \$115,000 |

Tier 3

| | |
|---------------------|-----------------------------|
| Coaching supplement | \$75,000 (Pay ½ supplement) |
| Teacher supplements | \$500,000 |

Once again, I emphasize the items listed here are POSSIBLE cuts. Until we have a final budget, we will not know. Also, if we must make these cuts, particularly the supplements, these items would be the first to be replaced as additional funding becomes available. The one variable here is the final budget. It is imperative at this point that we communicate with our leaders in a professional way to let them know that any cuts to the K-12 education budget will be painful. We will provide you contact information on our website if interested in participating in our grassroots “Fund Education First” campaign. If you have any questions, please do not hesitate to contact me at 910-576-6511 or dale.ellis@montgomery.k12.nc.us.

Sincerely,



Dale Ellis, Ed. D
Superintendent