

February 13, 2016

Dear Friends of New Mexico Public Schools,

Public school budgets have been a focal point of debate in the recent legislative sessions. There have been inaccurate claims that education has been protected during the State's budget crisis. However, educators and their communities are painfully aware of their districts' financial decline, as many districts have been creating their own "bare bones" budgets since 2008.

Moriarty-Edgewood School District's current financial circumstances (attached), like many others' throughout the state, simply cannot absorb further reductions. Below are some examples to illustrate MESD's critical budget actions to date:

- Despite the desire to maintain small, neighborhood schools, MESD was forced to close two elementary schools due to budgetary constraints.
- A recent Legislative Finance Committee report commended MESD for making such difficult financial decisions.
- Recent legislative "sweeps" of Districts' cash balances has exacerbated already depleted cash positions – dramatically for MESD!
- The District has been able to address declining enrollment through staff retirements and resignations; however, additional reductions in staffing across all grade levels and programs were necessary to address annual budget shortfalls. This has resulted in larger class sizes and a loss of programs.
- Classrooms have seen a reduction in materials and supplies at all levels due to budget constraints.
- The District's bond rating was downgraded due to limited cash balances in 2014 – 2015, resulting in higher interest rates on bond sales.
- Transportation contractors went out of business, forcing the district to take over and subsidize bus services.
- Staff have only seen one minimal raise in the last decade, while their income has declined due to increased insurance premiums and retirement deductions, even imposing furlough days upon themselves to address budget shortfalls.

In closing, recent state solvency actions have literally pushed the District to the brink of bankruptcy. These cuts to education have made it virtually impossible to maintain the level of services our students and families expect, need and deserve. This current reality insures the District's need to apply for Emergency Supplemental Funding to even open the doors in August of 2017.

Please stand with us as advocates for MESD and New Mexico's children, by calling your legislator today, urging no further cuts to education!

Sincerely,

The Moriarty-Edgewood School District Board of Education and Administration

Inspiring Excellence

P.O. Box 2000 • 200 Center Ave. • Moriarty, NM 87035 • Phone: (505) 832-4471 • Fax: (505) 832-4472

MESD Budget Crisis Overview

CURRENT	Current Budget Reality		Amount	Percent
	State Equalization Guarantee (SEG) 2016-2017		\$ 18,028,917.32	100.00%
	Cash Balance June 30, 2016 (% based on 2015-2016 SEG)		\$ 1,180,984.00	5.97%
	December SEG Reduction		\$ (278,961.13)	-1.55%
	December Transportation Reduction (Operational Subsidy)		\$ (117,985.00)	
	2017 State Solvency Reduction		\$ (357,470.00)	-1.98%
	Total 2016-2017 Reductions		\$ (754,416.13)	
**Potential Remaining Cash Balance on June 30, 2017		\$ 426,567.87	2.37%	
**This may improve somewhat due to spending freeze enacted December 2016.				

PROJECTED	2017 - 2018 "Open the Doors" Costs		Amount	Percent	
	First July Payroll ("risky" minimum)		\$150,000.00		
	"Loan" Federal Programs Until Reimbursed (low estimate)		\$400,000.00		
	Total "Start Up" Costs		\$550,000.00	3.05%	
	*July 1, 2017 Shortfall		\$ (123,432.13)	-0.68%	
	* This figure is based on existing SEG and potential remaining cash balance.				
	2017 - 2018 Initial Budget				
Additional budget reductions and obligations (including loss of funding due to decreased Training & Experience (T & E) and loss of Bilingual funds, as well as increased cost in salaries due to licensure advancement).			\$	(289,667.00)	
We must also account for the December reduction as a recurring loss from our SEG base for the 2017 - 2018 funding.			\$	(278,961.00)	
Estimated loss of 80/120 day enrollment average decline of 34 students			\$	(250,000.00)	
Further Impacts to Budget (ERB, insurance, utilities, etc.)				??????????????	
Total 2017 - 2018 MESD Estimated Budget Deficit			\$	(942,060.13)	

HISTORY	Historic Budget Cuts	
	Closure of Two Elementary Schools Effective 2014 - 2015 School Year	
	Program Reductions (no longer taught by a certified teacher):	
	* Elementary Technology	* Elementary Art
	* Elementary PE	
	Programs Eliminated:	
	* Home Economics Elective	* MHS GRADS Program
* Photography Elective	* Athletic Trainer	
* Psychology Elective	* Alternative High School	
* After School Activities Transportation	(Crossroads)	
* Saturday School	* Summer School	

**"Bottom Line" : MESD truly cannot survive another round of cuts!!
Our students and community have lost and endured enough!**