



April 4, 2011

Dear Keene School District Staff:

I am sure most of you have been reading the news about the State budget cuts currently under discussion in Concord. These include the elimination of building aid, a reduction in catastrophic aid, and doing away with the State's obligation to pay its portion of New Hampshire retirement. The impact of these cuts on the Keene School District is both significant and unexpected. Keene could potentially lose millions of dollars in revenues from the State.

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While we may be able to make up some of the potential revenue cuts through tax increases, the proposal that would require the District to fund the State's portion of the New Hampshire retirement contributions would leave us with a deficit of over \$1,000,000. Because of the nature of this expense, we have no way to easily make it up without cutting positions and programs.

I have asked the Principals to review their budgets and identify cuts that will have the least impact on student learning. They are doing this in a two-step process. The first step is to identify staff that may be impacted by a reduction in staff or programs. The second step is to carefully review each school's operating budget to find areas to cut that will reduce the impact on staff.

The process is further complicated by our legal obligation to either issue contracts to certified staff or notify them no later than April 15th that their contract will not be renewed. In order to meet our legal obligations, and to give the principals and myself time to make good decisions which will allow the Board to see how these budget reductions line up with Board priorities, we will be issuing non-renewal letters to some certified staff members.

Once the contracts and non-renewal letters have been issued, we will be working to find other areas to cut so we can issue contracts to staff. Our ultimate goal is to identify reductions that will have the least impact on children, education and staff.

The purpose of this email is to inform everyone about what we are up against and to share our immediate plans. I will send another email out to all staff as the scope of our budget deficit and our plans to deal with it become clearer.

I am frustrated by this development and I know all of you are as well. We worked hard to create a budget that met the Board's guidelines and insured a great education for all of the children in the Keene schools. To be put into financial limbo because the State may renege on their funding responsibilities is unfair to the staff, the students and the community. Hopefully, these cuts will

not come to pass and we will be able to move forward with the budget the citizens of Keene approved in March.

In the meantime, we will prepare for the worst and reduce costs in the most responsible manner possible. I will continue to share news as I have it and continue my efforts at the State level to minimize these sweeping cuts to education. You should notify your elected officials to let them know the impact their proposals are having on the school system and the community.

Thank you for your understanding.

Bill Gurney

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