

## **FINANCES**

We have two main financial realities involved in the last two bond proposals that make it impossible for the ABC's Committee, and the majority of voters, to support.

- 1) Extremely high Cost-Per-Student construction costs, and
- 2) The second lowest Valuation in Nebraska Class C school districts.

### **HIGH COST-PER-STUDENT**

The cost-per-student with the last bond proposal was in excess of \$51,000. This was calculated using \$10,280,000 (\$9,780,000 bond plus \$500,000 building fund) versus approximately 200 students in grades 7-12 for the 2004-2005 school year. The 2005-2006 student count is now down to approximately 193 students, per information provided in the August 15, 2005, school board meeting.

Numbers exceeding \$40,000 per student is almost unheard of in the upper midwest. By comparison, recent school bond proposals in the region have been built or upgraded for less than \$20,000 per student.

The only way to decrease from \$51,000 per student is to drop the cost or increase the students.

The costs in the last bond proposal can be divided into four pieces (with approximate dollar figures).

1. Class Rooms totaling about \$5,000,000 (50,000 square feet at \$100 per sq ft),
2. Gymnasium totaling about \$3,000,000 (30,000 square feet at \$100 per sq ft),
3. Demolition of the old high school totaling about \$250,000 (includes putting a façade on the elementary school after demolition),
4. Site totaling about \$2,000,000 (remainder of \$10.25M).

By proposing building off-site, none of these costs can be reduced significantly. The other way to reduce the cost per student is to increase the number of students. This leads to the other problem; valuation.

### **LOW VALUATION**

To significantly increase the number of students would require a merger with adjoining school districts; Jackson and/or Newcastle. This would also increase the valuation in the district.

Conversations with the school board members supportive of the proponents committee have been unanimously negative. None of the four members have been open to the possibility of formally inviting the other school districts to merge/consolidate. This is a shame since we need them as much, if not more, than they need us.

**In short, working on-site is the only meaningful way to reduce the overall costs to the point that would be supported by a super-majority of the voters. The discussion must begin with the budget and find ways to work within that dollar figure.**