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FIX SCHOOL FUNDING CRISIS: A MORAL IMPERATIVE

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On January 18, 2007, state economists announced a revenue shortfall of more than \$800 million, including \$377 million in the state school aid fund. This means that the state must take back approximately \$224 per pupil in state aid, more than was allocated for this current fiscal year at \$210 per pupil. For Farmington Public Schools, this means more than \$2.7 million in lost revenues for the current school year. There is something drastically wrong with a system that provides an increase in school funding, then post election, turns around and takes the funds back mid-year after school districts' budgets are in place. Mid-year proration double the whammy on school budgets because programs and staffing are already in place for the school year while compounding the problem for future years.

Moreover, at the same time that the state has adopted the most rigorous high school graduation requirements in the nation, it is forcing school districts to dismantle the very programs that support increased student achievement. Accordingly, a "Call to Action" is needed for the Governor and legislature to fix school funding and reinvest in public education or Michigan will once again break its promise to its most valuable resource – its children. Legislators also need to address the rapidly increasing costs of employee pensions and retiree health care, something which school districts have no control over and can only be fixed by the legislature. Continuing to do nothing is not only reckless and irresponsible; it is bereft of any moral and ethical responsibility that is entrusted to our elected leaders.

Farmington Public Schools has made more than \$21 million dollars in reductions in the last five years. During that same time period, the state froze the foundation allowance three times and imposed mid-year Executive Order cuts, or proration, twice. Now, we will see a third mid-year proration in the foundation allowance. Given the state's deepening financial crisis and a history of legislative inaction, we do not anticipate a quick fix to this crisis. Thus, we are anticipating and must prepare for an increased revenue shortfall of more than \$13 million for 2007-08. The school district's rainy day fund is also expected to be significantly reduced by this mid-year proration, which will force us to make program cuts of at least \$10 to \$12 million to balance the 2007-08 school district budget. Unfortunately, this means we will have to make deeper staff reductions since more than 89% of the school district's \$150 million budget is in staff salaries and benefits. This is especially painful as we know it takes people to educate children, and in Farmington Public Schools, we employ great people in the wonderful administrators, teachers and support staff who do a fantastic job educating this community's children.

Over the next three months, the District will be developing recommendations for a budget reduction plan as we are required by law to adopt a balanced budget by the end of June. A budget public forum was held on Wednesday, January 31 and a second forum is scheduled for Thursday, March 1 to review the District's financial challenges and proposed reduction plan and receive input and feedback. The forum will take place at 7:00 pm at the Maxfield Training Center, 33000 Thomas Street, in downtown Farmington.

Despite the extent of our financial challenges, our District continues to provide an outstanding educational experience for our student community. Therefore, together with our staff, association leadership and community, we will continue to work hard to resolve the crisis. However, with little ability to raise revenues for operations, there is little we can do locally except make reductions in staff and other expenditures. This is why the system must be fixed by action of our state legislature and Governor.

If ever there was a moral imperative to fix the system, it is now.

