

School Budget Forum Scheduled for January 5th

By Neil Hufnagel, Superintendent

I would like to invite parents and community members to a community forum to discuss the budget challenges that our district is facing. This meeting is planned for **Tuesday, January 5th in the high school library at 7:00 p.m.** I expect it to last an hour to an hour and a half, depending on the number of questions that participants may have.

The purpose of the meeting is to provide an update on our budget situation, and hear from community members regarding their priorities, concerns, and ideas. This meeting will be a part of a series of meetings, surveys, and conversations that will be included in the process for building the budget for next school year. This is not a meeting to identify specific staff or program reductions, as none have yet been determined.

Our challenge is basically twofold. Job one is to determine how the district will address the budget shortfall of \$157,000 in the current year budget due to the \$165 per pupil reduction in the budget passed by the legislature, and the additional \$127 per pupil proration ordered by the governor (currently placed on hold) due to lack of revenues in the school aid fund. We will likely manage this budget adjustment through a combination of spending down a portion of our fund balance and some budget reductions. My hope is to do this without major upheavals in schedules or programs for our students during this school year. These adjustments will be made as part of our annual mid-year amended budget that will be adopted at the January board meeting.

Job two is to plan a budget for next school year that is based on an anticipated state funding reduction of approximately \$270,000. While spending some additional fund balance will be part of the solution, substantial reductions in expenditures will be unavoidable. This will require significant restructuring of how we educate our students and serve our community. I believe the best way to manage our challenge is to not simply think in terms of “cuts”, but instead of how we can do things differently that might allow us to educate kids just as successfully at less expense. (Not easy, likely not comfortable, but not necessarily impossible.) This work will take place over the remainder of the school year in preparation for the adoption of the 2010-2011 budget at the June board meeting.

I'm sure that the news of reductions in other districts is causing lots of speculation throughout our community. To try to honestly address a few concerns that I anticipate might be out there, the following are a few Q and A's related to our budget situation. We will certainly talk about these in more depth at the January 5th community forum.

Q. #1 Other schools are making dramatic cuts within a month of the announced state funding cuts. Why aren't we making cuts right now?

A. #1 We went into the fall with a working fund balance of over 10% or \$420,000. The reduction of \$157,000 for this year can largely be absorbed by that fund balance, if we so choose, without going into “the hole” as a district. Other districts with less fund balance were forced to make immediate reductions to avoid running out of funds this year. We will likely address the reduction for this year through a combination of spending some fund balance and making reductions, but we have a little time to work with.

Q. #2 Will there be staff or program reductions yet this year?

A. #2 Possibly. While I do not anticipate staff reductions that would affect student schedules, classroom assignments, etc. we may determine reductions are appropriate that have less direct impact on classroom instruction. Again, we plan to address the \$157,000 shortfall this year through a combination of spending down our fund equity and budget reductions. What the balance is between the two has yet to be determined. I would expect that if any reductions in staff or programming occur, they would be determined as part of our mid-year amended budget in January.

Q. #3 Will there be staff or program reductions next year?

A. #3 Yes. I wish I could give a different answer, but I would be lying if I said I thought we could manage our challenges through reductions or restructuring non-people costs only. Our auditors reported that staff costs make up 86% of our budget. Our two year reduction in funding is over 10% of our budget. We would have to cut costs for utilities, supplies, equipment, property insurances, fuels, professional development, contracted services, etc. by 70% or more to manage the reductions through non-people costs alone. We will certainly look at reductions in these areas as well, but that won't do it without reductions in staff costs.

Q. #4 Is \$270,000 the worst case scenario for next year?

A. #4 No. I will provide more detail at the meeting, but that estimate is based on the level of funding the state was able to provide to schools this year, along with projected shortfalls in state revenues through next year. Additionally, the \$270,000 is the shortfall in state funding that we expect. It does not include the increase in costs that we expect for next year. When we consider the increased costs associated with step increases, longevity adjustments, rising insurance and retirement costs, inflationary costs for utilities and supplies, etc. we can anticipate our deficit growing by another \$60,000+. I would anticipate that the actual deficit that we will be trying to manage for next year being in the range of \$330,000. Please note that these numbers definitely are estimates, and I would be as thrilled as anyone if they are high. I honestly don't think that is the case however.

Q. #5 What opportunities will parents and community members have to provide input on budget decisions?

A. #5 In addition to the community forum scheduled for January 5th, there will be community surveys made available through parent email lists and our website. Information gathered through the meeting and surveys will be considered by the myself and the board as restructuring and reductions are considered. As specific options emerge, another round of forums and surveys will be completed in the spring to assist with prioritizing and developing the final budget. Throughout the process, please follow the updates provided in the Eagle Flyer each month. I am also more than happy to discuss thoughts or concerns with any community member. Please feel free to contact me via email at nhufnagel@edzone.net or by phone at 593-2250 with any ideas, suggestions, or questions you may have.

Q. #6 Can we truly manage this and survive as a quality school district?

A. #6 Yes – if we can accept the challenge that school must look differently in a couple of years for our students, staff, and our community. We have the opportunity to use our fund balance to create a transition period between the funding levels of the past, and the funding levels of the future, but we must embrace the challenge of finding a way to educate our students just as well at less cost. It will require all of our collective creativity, flexibility, imagination, and hard work to make this happen. Last week our basketball coach, Paul Hungerford, was a guest on the Stout on Sports radio program. Tim Stout asked how small schools are managing in these

tough funding times. Paul answered “It’s tough but we are working together. Teamwork has taken on a whole new meaning for our school and community”. I couldn’t agree more. I have great confidence in our team, and in our ability to find a way forward in these tough times that will assure continued success for our students and a high quality school district for our community.

Merry Christmas and Happy Holidays!

Warmest wishes, from our entire school family here at Fowler Public Schools, for a peaceful and happy holiday season. May our upcoming break prove to be a restful, reflective time as you celebrate the holiday traditions meaningful to you with those you love. Enjoy the time away from school routines and we look forward to seeing everyone back safe and sound on January 4th. Happy New Year!

CMAC Implements Spring Sports Admission Prices

At the December meeting of the Central Michigan Athletic Association, the member schools voted to implement admission fees for spring sports events. Like the fall and winter sports seasons, admission will be charged for spectator for the spring sports of Baseball, Softball, and Track and Field. Admission will be \$5 for Varsity contests, \$4 for JV contests, and \$3 for Junior High contests. Senior citizens passes and Fowler individual and family passes will be accepted for home events. To accommodate individuals and families who might find the passes a more economical way to go, the Board of Education has approved selling them at a reduced rate for the remainder of the year. Individual passes can be purchased for \$125 and family passes for \$250 for use at Fowler home events starting January 1 and through the end of the 2009-2010 school year. Passes can be purchased at the high school office.

Thanks for Conference Participation

Our fall parent/teacher conferences were held November 11 and 12. We appreciate all of the parents who took time out of their busy schedules to make this investment in their child’s education. Your willingness to make this a priority speaks volumes about the importance you place on education in your respective households. Thank you for working with us in the best interests of your child’s education, and please feel free to contact any of our teaching staff if you have any concerns about your child. You do not have to wait for conference times to discuss your child’s progress with their teacher. Refer to our website at www.fowlerschools.net for contact information.