

# **May 2009**

## **Education Funding is Challenging & Uncertain**

**As spring arrives and the dreariness of winter has faded, one hopes the same will soon be said of our current economic crisis. At the Public Schools of Petoskey, we continue to address our fiscal and educational challenges. There have been financial challenges over the last several years, and we will continue to face more over the next few years. However, the District is committed to maintaining our tradition of academic and extra-curricular excellence, while at the same time staying fiscally prudent.**

**Over the past eight years, we have trimmed our budget annually. In total, these cuts equal \$5.6 million, and that number is expected to rise as we deal with declining enrollment and a stagnant economy. Yet, during that time, we have maintained high academic and extra-curricular standards. In fact, the District's average MEAP scores have consistently increased, while numerous sports, arts, and academic teams have been recognized and honored in regional, state, and national competitions. You have every right to be proud of the District's staff and students for the wonderful things accomplished despite shrinking resources.**

**The fact remains that attention to finances will continue to take an inordinate amount of our energy. School funding is largely determined by the number of students in the district and by how much the State has available for schools. Our student population continues to decrease, just like most other districts across the state, and lower student numbers result in less money for our schools. The second critical factor, the amount of money our State allocates to schools, is determined by our State's economy and tax structure. Hence, it should not be a surprise that we expect to see minimal increases in funding while expenses continue to rise.**

**The Public Schools of Petoskey are trying to lessen the impact of these problems on our classrooms. For instance, thanks to the voters, we are blessed with a Sinking Fund. This summer the Sinking Fund will pay for upgrades to our buildings that will save our operational budget over \$120,000 in energy costs annually. This is one example of the kind of ideas we look for when trying to stretch the dollars entrusted to us by our taxpayers.**

**On the horizon, we continue to see challenges and uncertainty. Federal stimulus may be of help, but that help is of limited duration and size. We must be cautious so that we can sustain efforts in two years when those**

**funds go away. The recent court ruling in regards to the Revenue Sharing money brings a mixture of emotions. It certainly provides a feeling of relief as significant pressure is taken off the budget. Subsequently, we look at a future that leaves our educational programs largely intact. This is tempered by the knowledge that, over the years, many worthy agencies and programs have relied on this same pool of funds. Rest assured, this money will not be wasted or squandered. These funds will allow the District to continue offering a wide variety of opportunities to students at all grade and achievement levels, programs that would otherwise be trimmed or eliminated as we deal with the on-going financial issues.**

**Looking forward, the Public Schools of Petoskey will strive to continue to be the best that we can be with reduced resources. The path will not be easy, and many tough decisions will have to be made. Be assured that our overriding principle when making those decisions will continue to be based upon the premise of "What is best for kids." Thank you for your support as we work to make the Public Schools of Petoskey a "Special Place for Everyone."**

**Kent J. Cartwright**

**Chief Financial Officer**

**Public Schools of Petoskey**