
November 6, 2009

Dear Parents and Community,

As you are aware, the legislature finally passed a school aid bill recently, 100 days after we were required to adopt a budget. The news was not good for this 2009-10 school year; our funding will drop \$165 per student, a loss of over \$425,000.

Conversely, we had good news in our enrollment this fall. We have been experiencing an accelerating decline in students for four years, and anticipated a loss of 100. Instead we enrolled 28 more than last fall. Under the State's "blended count" system, we will be funded on the basis of a number roughly equal to last year's count. That is excellent news. The increase, coupled with last year's budget cuts, appeared to put us in a good situation to finish this year with a projected budget deficit of just \$79,000, down from our July projected deficit of \$289,000. Preserving remaining fund equity will be critical, as the State projects that 2010-11 will be worse than 2009-10.

Unfortunately, the Governor has now recognized that the shortfall this year in the School Aid Fund (SAF) was much larger (\$204 million) than expected, and has issued an executive order cut to keep the SAF budget balanced. Consequently, if the legislature does not act, now, Vicksburg Schools will lose another \$127 per pupil. The combined reduction for 2009-10 would be almost \$300 per student, totaling nearly \$755,000.

In addition, it is predicted that in 2010-11 we will face a reduction of an additional \$224-600 per student (a loss to the District of \$.5 - \$1.5 million). Should we also experience another enrollment decline at that time, which is likely, it would be doubly devastating, wiping out 10% of our revenue.

How is this happening? The greatest factor appears to be the decline of the auto industry. Michigan has the nation's highest unemployment rate, and has rapidly moved from being a high-wage state to being one of the ten lowest in the country. No turnaround is likely in Michigan for several years.

Unfortunately, the legislature has been told for years that the State's revenues and expenditures do not work, even in the best of times. The tax structure is set up to collect on areas that are declining, and spending has not been prioritized, systems streamlined, or guaranteed expenditures overhauled.

Schools, as well as all State operations, will be getting less money, and will not be able to deliver all of the services we've grown accustomed to. In addition, cuts become increasingly more difficult; Vicksburg cut its budget by nearly \$1 million already in the last year alone, so additional cuts of this magnitude will be noticeable and painful.

As our parents and public, your input is important to us as we consider how we must prioritize and change as we move forward. Your support is critical as we move through these uncertain times of unprecedented decline in State funding. One way you can help us is to give us your feedback on the attached survey. We will assemble the input of our employees and communities, and will continue the dialogue as we make these difficult decisions to protect the most critical services for our students.

Thank you for your input and support,

Charles Glaes,
Superintendent
