DOWN, BUT NOT OUT

Despite a hard-hit economy, educators in Michigan are finding ways to overcome financial setbacks and maintain student achievement.

BY CHRIS HAMMILL

ALMOST DAILY, RESIDENTS OF MICHIGAN read newspaper headlines announcing another school district laying off principals and teachers to address the ever-shrinking available funds from state government to fund public education. Schools are feeling the direct impact of the mix of financial tsunamis that have hit the Michigan economy. The state has been reeling from a 10-year recession due to the decline of the American auto industry, the national housing crisis, and the mass exodus of parents leaving Michigan to find work—and taking their kids with them. Education simply isn’t receiving the proper state funding for our schools. Mt. Morris Consolidated School District, where I serve as a superintendent, is no exception to this phenomenon.
Mt. Morris is a northern suburb of Flint, Michigan, a community of predominantly white, blue-collar families, many of whom rely on the General Motors plant for employment. Like so many other cities in Michigan coping with the fall of the auto industry, Mt. Morris and its school system have seen a large number of residents leave the state for work. For the past five years, the school district has lost more than 110 students every year to out-of-state transfers, which translates into nearly $1 million in lost revenue each year. During the 2010-2011 school year, Michigan lost more than 24,000 students to transfers and it is projected that more than 26,000 students transferred out of Michigan schools for the 2011-2012 school year.

As is typically the case when revenue declines, district budgets have been reduced each year for the past seven years as a result of the declining Michigan economy, which funds public education. The Mt. Morris operating budget was reduced for the 2010-2011 school year by $470 per student for the district’s 2,500 students, representing a $1.2 million cut to our state student aid revenue. This combination of factors is extremely distressing, but both district and school leaders have found ways to manage despite these setbacks.

Focus on School Improvement
They say opportunity springs from adversity; within my own district

Principal ONLINE
Access the following web resources by visiting Principal magazine online: www.naesp.org/NovDec11

DonorsChoose.org is a site where educators can post requests for materials necessary for a classroom project and donors can access and fund requests.

In the Principal article “Making Sense of Dollars and Cents,” the authors present a model for developing a school budget that focuses on organizational improvement and instructional success. I have watched principals and their staffs think creatively and do more with a lot less. While superintendents and district business managers are keenly aware of the current financial hardships, principals and their staffs remain focused, and properly so, on educating children.

Our district administrative team, which includes principals and district staff, has identified opportunities to better use federal Title dollars to offset reductions from the state, maintain programming and personnel key to student growth, and pay for new equipment, software, and professional development to ensure that student achievement continues to increase throughout the district.

This collaborative leadership model has proved to be a valuable tool for the district. I meet with principals and district administrators regularly to keep our focus on educating students and identifying and prioritizing needs as they relate to our school improvement plans. This key process has allowed us to stretch our budget dollars even further and keep as many cuts as possible out of the classroom. The leadership teams kept such programs as response to intervention and professional learning communities, while nonessential programs such as Reading Recovery were cut due to cost, return on investment, and program capacity.

The district and school improvement plans have become even more important documents, as they are the cornerstone for prioritization of needs and wants, as well as sources for the documentation required by the federal government when using Title dollars.

Alternative Means
Acknowledging that state dollars are limited, principals have become more skilled at identifying alternative funding options when they bring a purchase request forward, and have become experts in using federal and state Title dollars effectively and appropriately, writing grants, and raising funds. For example, the district implemented new diagnostic software that would allow us to more easily implement interventions and monitor student progress in reading and math. When preparing their proposals for purchasing the software, principals included funding sources other than general fund such as Title I and Title II dollars. Many grant dollars are diverted to cover what were once general fund expenditures. For example, they’ve been used to offset teacher, counselor, and support staff salaries that are eligible under federal guidelines.

And when money isn’t available, principals have shown how frugal they can be. They have shared various textbooks and print resources, many times shuttling these materials between buildings using their own vehicles. In addition, online resources such as www.donorschoose.org are a common resource principals have used as a way to obtain classroom materials for a project.

Federal Assistance
Tapping into federal money is one way Michigan principals have been able to continue to fund programs. In fact, Mt. Morris school leaders have developed a greater appreciation for what was once seen as a time-consuming administrative task: applications for free and reduced-price lunch. These applications, and
the subsequent use of free and reduced-price lunch, are the major metric used by the federal government and other fund-granting agencies to identify a district’s level of need. Mt. Morris, like districts around the state, has witnessed its use of free and reduced-price lunch skyrocket, showing a jump of more than 20 percent in qualifying students during the past two years. Today, principals are vigilant about ensuring that every student submits a free and reduced-price lunch application, which could mean an increase in federal grant funding for the following school year.

The free and reduced-price lunch metric is not only true for Title dollars, but also for federal E-rate dollars, which districts can use to improve their technology infrastructure as well as to purchase a wide range of technology-based items. Every local school district should work with their county intermediate school district or an E-rate consultant to ensure they are maximizing their available E-rate dollars. One technology option that is picking up steam in Michigan and around the country is moving away from expensive Microsoft Exchange servers and toward free resources such as Google Apps for Education and Open Office to reduce software licensing costs each year.

**Effects Beyond the Classroom**

The effects of the economy are not just felt in the classroom; they also have hit our parent teacher organizations. These were once vibrant organizations that could raise significant amounts of money to provide schools with the “extras,” but now many of them don’t even break even on their fundraising projects. While the PTOs have a reduced fundraising ability as a result of the economy, they still give freely of their time and help in the classrooms and at various school events and clubs.

If the PTOs can’t provide something, principals are leaving no stone unturned to ensure students have what they need, including reaching out to community organizations such as Kiwanis and Rotary. I am amazed at how the community, its civic organizations, and churches have rallied around the schools to support our children during this tough economic period. For example, the Mt. Morris Kiwanis Club provides students in need with shoes, hats, gloves, and coats.

While the community has joined forces to come to the aid of schools, many of our students’ families are struggling to make ends meet. What were once households where both parents worked and enjoyed a nice, middle class lifestyle are now families with one parent working at a significantly reduced wage and relying on state assistance and community resources such as food pantries and soup kitchens. These major changes in family life have made our counselors and social workers an even more valuable resource for students as we help them cope with the stress in their homes through individual or group counseling, as well as whole-class activities about change. Our counselors and staff also serve as a lifeline for families to access a wide array of community resources to help keep their families and homes stable.

The state budget woes are also hitting educators in their pocketbooks. Prior to the 2011 budget year, which began in July, public school employees did not contribute to their health care costs. However, now they are required to pay 20 percent of these costs. In response, superintendents around the state are finding creative, low-cost ways to support and provide a sense of security to district staff by offering low-cost, employee-funded voluntary benefits to provide employees with a steady income during pregnancies or unforeseen emergencies. These plans can be used in conjunction with sick days. Districts are also offering flexible spending accounts or health savings accounts to offset the rising cost of health care.

**Still Achieving**

Keeping morale high during these times is always a challenge, so we celebrate everything. I write out birthday cards to every staff member; we honor employee-nominated staff members of the month at our school board meetings; and principals and staff organize buildingwide events such as potluck lunches or staff nights out.

Mt. Morris district staff have learned to lean on one another and work as a team to make it through the tough times. Despite the financial difficulties, students are still achieving at the highest levels, as evidenced by score increases on the ACT and Michigan Educational Assessment Program. We also are changing the culture and climate in our district through the implementation of response to intervention and professional learning communities.

The most important lesson learned from this economic crunch for all of us is the value of collaboration within and outside of our district, county, and state.

---

Chris Hammill is interim superintendent of Mt. Morris Consolidated School District in Michigan.