

MICHIGAN SCHOOL FUNDING  
BUDGET CRISIS Q & A  
Updated: November 16, 2009

**A Quick Review:**

**What happened to the 2009-2010 school budget to create this funding crisis?**

- In October 2009 the state reduced school district budgets by \$165 per student (\$2.7 million for Livonia). This was four months into our fiscal year and after our budgets were in place for the year.
- In October 2009 the Governor vetoed 20j funding, which was promised under proposal A, to about 39 districts in the state, including Livonia. This resulted in a reduction of an additional \$317 per student or \$5 million – four months into the fiscal year. (For more information about 20j funding: <http://www.livoniapublicschools.org/20j>)
- Again in October, school district budgets were reduced by the Governor by an additional \$127 per student or about \$2.1 million to Livonia. The legislature has until November 20 to override the proration.
- The result is Livonia Public Schools must prepare for reductions to our revenue for this school year somewhere between \$2.7 to \$10 million.

**What is currently happening with this year's funding to the Livonia Public Schools?**

- LPS funding for 2009-2010 remains uncertain at this point. Unless action is taken by the Legislature, these budget cuts will remain in effect and the District's revenues will be reduced this year. The current status is as follows:
  - The October State Aid payment from the state was reduced to reflect the \$165 per student reduction.
  - The November State Aid payment from the state will be reduced further to reflect the \$317 per student reduction and may reflect the \$127 as well.
- In November the House introduced legislation to restore half of the 20j funding and most of the \$127 funding. Now the bill must go through the Senate. There is no certainty that this will be approved in the Senate.

## How is the Livonia Public Schools addressing this school funding crisis?

### Lansing Action Steps:

- Livonia Public Schools parents, community, and staff have been very proactive in sending a message to Lansing that these severe budget cuts occurring 4 months into the school year need to be reversed immediately. All of our legislators have confirmed that the district's response has been powerful.
- Over 4000 signatures on petitions demanding the cuts be restored were delivered to Lansing this week. Several parents delivered these petitions directly to our legislative representatives, the leadership in both houses and the governor's office.
- LPS community continues to stress to Lansing that there is a structural problem with school funding that needs to be addressed:
  - 2009-2010 cuts need to be restored right now.
  - 2010-2011 budget discussions need to start immediately to begin to work on solutions for next school year.
  - Discussion on long-term solutions to fix funding for schools in Michigan is imperative.

### District Action Steps:

- The Board of Education had a meeting on November 9, 2009 to review the 2009-2010 budget. The Superintendent reviewed detailed information on budget line items. This is information the Board of Education can use to discuss and deliberate any action they may need to take on the budget as a result of the cuts. This detailed information is available at the <http://www.livoniapublicschools.org/budgetdiscussion>
- A Budget Committee was formed early this year to begin to work on the 2010-2011 budget. This was done proactively as the District expects the state to reduce the revenues even further next school year. The committee is made up of staff members representing departments in the District. Their charge is to meet with their departments, review budget items, gather information, strategize implementation and share options and priorities with District Administration.

As a result of the reductions to the budget, the committee is currently working on budget items for this 2009-10 school year.

- The District Communications Team (DCT), comprised of staff and parent representatives from each school, will be giving input on budget communications throughout this reduction process.

- As the Board of Education considers the 2009-10 and 2010-11 budgets, the District will seek ways to collect input from the community.

**What are the immediate next steps to address this year's reduced budget?**

- Communities across Michigan are continuing to demand that funding be restored for this school year so we can finish the year with current programs in place. However, it is uncertain at this point what further action Lansing will take to reverse the budget reductions.
- The District will have to consider a range of solutions for this school year based on the possible revenue reductions.
- The Board of Education will meet at a Committee meeting on November 23, 2009 to continue discussion on the budget.
- Over the next several weeks, the Board of Education will determine the timeline and implementation of any actions on the budget.
- Again, any timetable is tentative because of the uncertainty of Lansing's actions and the actual budget reductions needed.

Additional budget information is on the district's website at <http://www.livoniapublicschools.org/>