

More Michigan schools on the brink of insolvency

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Nearly 50 public school districts across Michigan are mired in deep budget deficits at the end of the school year. Over the past month, one district after another has announced mass layoffs or closed buildings, or has taken other drastic measures.

On May 15, the Flint School District announced the layoff of 138 teachers effective June 10, the last day of school. The district also plans to close six schools.

Like many urban districts, Flint is under a “deficit elimination plan” imposed by the state. The plan ties continued funding to cuts, with the threat of state takeover and the appointment of an emergency manager for districts that do not go far enough. Flint has three years to eliminate a \$15.6 million deficit.

Saginaw School District may lay off 150 teachers. Under its deficit elimination plan, remaining teachers will be subjected to numerous furlough days. At least three buildings will be closed. In the past year, the district has already fired 127 employees.

Neighboring Buena Vista School District closed down May 6 after running out of money to make payroll. The tiny district owes the state payments on a \$2 million loan and has been placed on a deficit elimination plan that will decimate staff and consolidate schools. The district would “probably request an emergency manager,” Superintendent Deborah Harvil told MSNBC.com.

In the suburban-Detroit city of Pontiac, the district pledged “massive reductions” in its staff to cut its \$37.7 million deficit. In March and April, the state Department of Education withheld funding, declaring that Pontiac had not made “sufficient progress” to reduce expenditures. Superintendent Brian Dougherty announced that he was resigning after less than a year on the job.

Howell Public Schools announced \$2.2 million in cuts, including laying off 21 employees. Goodrich schools issued pink slips to transportation and secretarial workers. Countless districts are outsourcing busing, food services

and janitorial work.

Inkster Public Schools announced in its weekly board meeting Tuesday night that its entire teaching staff were laid off, effective June 28. Inkster’s deficit elimination plan calls for the high school to be taken over by a charter operation. Superintendent Micha Bashir abruptly resigned at the meeting, according to Detroit radio station WWJ. Bashir reportedly tried to turn in a resignation letter, and after the board refused to accept it, “she quit anyway before walking out of the meeting.”

The central Michigan city of Albion is closing its only high school, citing a \$1.1 million deficit. At a packed meeting, the school board voted to transform the district to a K-8 grade system. Students will be forced to travel to Marshall High School, in a smaller community 13 miles away to attend school, or go to charter academies. Many students burst into tears at the decision.

Ypsilanti and nearby Willow Run have begun a process of consolidation that has left nearly 200 teachers and staff jobless. The city’s student population has hemorrhaged in the past five years as public schools have been shut down and charter facilities spring up in their place.

Even wealthier districts are imposing cutbacks on services and laying off staff. A week after borrowing money for the first time in its history, Ann Arbor Public Schools announced Wednesday that 70 jobs were on the chopping block. The board of education announced that it would no longer provide transportation to high school students, including ninth and tenth graders who do not have licenses. Ann Arbor plans to cut expenses by \$8.67 million by the end of the fiscal year June 30.

Credit rating agency Moody’s has singled out 11 districts that are “most at risk of increasingly narrow cash flow margins as they approach statutory limits on cash flow borrowing and, absent further structural reforms, could become targets for state aid withholding.” The districts are Avondale, Bedford, Brighton, Perry, Van

Dyke, Mt. Clemens, Oak Park, Clintondale, Ypsilanti, Detroit and Pontiac.

“While the withholding of aid provides the state with a strong tool to hold distressed districts accountable to a plan for financial recovery, the disruption in revenue presents a clear operating and credit risk,” Moody’s said.

The political establishment is using the economic crisis as an occasion to dismantle public education and lower living standards. Michigan education officials, speaking last week at a conference, said the state’s school aid fund has nearly \$100 million more than previously anticipated, but that it would not be used to help struggling districts.

“There are a lot of Pontiacs, Buena Vistas in the next two to three years that are facing those decisions,” said Battle Creek senator Mike Nofs. “That money is not going to be enough money to save everybody.”

“The magnitude of these deficits seems almost insurmountable,” Michigan deputy superintendent Carol Wolenberg said.

In fact, the deficits are minuscule in comparison to the tax breaks enjoyed by major corporations and the state’s wealthiest residents. The government is deliberately starving school districts of funding in order to facilitate the booming charter school industry. The administration of Governor Rick Snyder has been holding secret meetings with business leaders to find a way to funnel public education funding to private schools, cutting state outlays by thousands of dollars and padding the bank accounts of the rich.

Snyder has expressly refused to release emergency aid from the state’s \$500 million rainy day fund to help districts like Buena Vista. “That’s not what the rainy day fund’s really intended for,” he said Thursday. “I think people are trying to look through good, constructive solutions that wouldn’t require that.”



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