

Facing Deficit, Cedarville School District Must Report Monthly to Education Department

School: From page 1

ing state aid, and no savings to fall back on, the district must now report to the state each month as part of the plan.

Approximately \$24,000 will be saved from the elimination of the two aide positions. Laid off at the meeting were aides Leanne Cason and Shelly Stevenson. Technology services coordinator Janet Haske has been laid off and Superintendent Amy Scott said technology services will be outsourced to the Eastern Upper

Peninsula Intermediate School District (ISD) for the remainder of the school year. Contracting with the ISD could save between \$24,000 and \$29,000. The savings will be greater for a full year, Mrs. Scott said. She is determining what services the ISD can offer for \$20,000 annually.

In June, the board expected a surplus of \$25,869 in its tentative budget for the 2009-10 school year. Districts must adopt their budgets in June, then wait until the state budget is finalized in October to learn how much fund-

ing is approved by the state. This year, the Legislature cut its per-pupil foundation grant by \$292 per pupil. The state cuts, along with declining enrollment and an increase in health insurance costs for the schools resulted in a deficit of \$114,628 at Cedarville, Mrs. Scott said.

The layoffs will take effect December 7. The elimination of aide positions, the outsourcing of technology services, and the retirement of two staff members for fiscal year 2009-2010 contribute to the final deficit of \$65,337.

Mrs. Scott notified the state of the district's deficit Tuesday, November 17. The next step, she said, is to complete worksheets that organize the district's current funds, the savings after changes have been made, and report what led to the deficit and the plans to get out of it, known as a deficit elimination plan.

Among plans to relieve the schools' debt, Mrs. Scott said, is to partner and share services with other districts and examine employee contracts. Contract negotiations are taking place, and Mrs. Scott has spoken to other superintendents concerning services, she said, but she refused to comment on the details of either discussion.

The district already made other cuts this year. Food services staff was reduced June 1 from four people to two, and food staff hours also were cut. Business Manager Kristine Hill said during the school board meeting that food services have been cut "to the bare bone" and that further reductions are not feasible. Mrs. Scott said she is exploring an option to offer a la carte selections at lunch, such as pizza and mixed fruit to drum up additional revenue. Other schools have found this to be profitable, she said.

Mrs. Scott expects the budget elimination plan to be completed and submitted to the state by December.

What guidance will the district get from the state in reducing its debt? Martin Ackley, spokesperson for the state education department, said schools preparing these plans are responsible for determining where they can

save money. Once the plan is submitted, he said, the department reviews the proposed measures and determines if the plan is reasonable and practical. A reasonable and practical measure could be a reduction of staff or consolidation of service, he added. The plan must be submitted by January.

Upon approval of the plan, the school must submit a monthly report showing the schools are following it and detailing the progress that has been made. Because schools must submit their audits to the state by November 15, the department does not yet have an accurate count for the number of schools statewide that are preparing deficit elimination plans at this time, Mr. Ackley noted. Last year the state required 30 to 35 districts to submit deficit elimination plans.

Declining Enrollment

Declining enrollment for Les Cheneaux Schools has been a problem for the past six years and is the major factor for the deficit, Mrs. Scott said. Enrollment shrank from 415 students in fiscal year 2004-2005 to 310 students in 2008-2009. Revenues have also declined as a result, with the school receiving \$3,681,707 in 2004-2005 to \$2,857,926 in 2009-2010.

Expenditures exceeded revenues yearly from 2005 until now. The difference was made up by drawing from the district's savings up to fiscal year 2008-2009, but finally ran dry in the current fiscal year.

Measures to cut costs were taken each year since 2004-2005, Mrs. Scott said. Custodial services were contracted out to Hi-Tech Building Services four months ago. The three-year contract cost \$87,600, and is expected to save more than \$78,000 annually.

Nobody was available from Hi-Tech for this story to explain how such savings could be made.

While the situation is dire, Mrs. Scott said revenues have been closest to meeting expenditures in fiscal year 2009-2010 since 2004-2005. She expects this trend to continue as the schools implement the deficit

reduction plan and continue to examine cost saving measures.

What Are Others Doing?

For most, the focus is still on shrinking school expenses to match school budgets. Most schools statewide have been making cuts since 2001, said Dave Martell, executive director of the Michigan School Business Officials. In the face of recent cuts, many continue to focus on cooperating with other districts to provide services as well as turning to privatized services such as custodial, transportation, and food services. Schools are also falling back on their intermediate school districts for services and expanding class sizes.

Some districts have reduced the number of sports programs offered to save money. For an average district of about 3,000 students, Mr. Martell said, sports programs can cost up to half a million dollars. Cutting sports can be detrimental, he noted, as many schools compete with each other for students. If sports programs are cut, parents may jump ship and enroll their children in other districts.

Mr. Martell suggests schools take a look at the business end of their operations and determine how they can be more efficient.

As the budget climate continues to decline, changes to how schools are funded will have to be examined.

Raising taxes is not an option, as the Les Cheneaux Community Schools district already levies the maximum 18 mills for capital improvements.

How Does Contracting School Services Save Money?

Pete Everson, superintendent

of the Eastern Upper Peninsula Intermediate School District, told *The St. Ignace News* that contracting with third parties or the ISD for services can lead to savings, but the option must be examined closely. When working with a third party, for example, schools need to ensure the contract for the services will not only be lower than the overall price that would be paid for having its own staff do the work, but that the services provided are comparable.

Working with the ISD can be efficient for districts, he said, because it has a greater capacity for offering specialized work. When a school receives service with the ISD, the employee is focused solely on that job. A school employee performing technology work might also be required to mentor students and answer telephones, for instance, because there isn't enough technology work to keep the employee busy full time. In some cases, a single employee from the ISD can serve multiple schools and can do the work remotely, Mr. Everson said. Payroll, for example, can be done electronically.

Mr. Everson said ISDs are required by state law to provide or arrange for any type of service a local school may need, and the ISD may charge for most of those services. Typical services that are contracted with the ISD include technology, business services, and transportation for some special education students. The ISD currently aids four local districts with business services; provides some or all of the technology services at four districts, and provides specialized transportation for eight districts, Mr. Everson said.

Les Cheneaux Party Is Dec. 6

Les Cheneaux residents will celebrate Christmas with a community Christmas party Sunday, December 6, from 2 p.m. to 4 p.m. at the Community Center in Cedarville.

The party is open to Hessel and Cedarville area residents.

Santa is planning a visit around 3 p.m.

There will be toy and candy giveaways for children, and turkey and fruit basket raffles for adults. Coffee and cookies will be offered, along with singing carols.

Rudyard Youth Form Cleanup Crew



Turner-Howson students from Alicia Lawlor's kindergarten and Jamie Curtis' third grade classrooms have formed a cleaning crew to help their school community with the aid of a grant from United Way to purchase cleaning supplies. Pictured are Jordan Howard and Danny Anderson cleaning desks. (Turner-Howson Elementary School photograph)

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Military Note

Bullock Finishes Basic Training

Army Private Joshua Bullock was graduated from basic combat training at Fort Sill, in Lawton, Oklahoma.

He is the grandson of Paavo and Nancy Nurmi of Hessel.

He is a 2006 graduate of Whitmore Lake High School.

During nine weeks of training, Private Bullock studied the Army mission and received instruction and training exercises in drill and ceremonies, Army history, core values and traditions, military courtesy, military justice, physical fitness, first aid, rifle marksmanship, weapons use, map reading and land navigation, foot marches, armed and unarmed combat, and field maneuvers and tactics.

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21164 SMITH ROAD, FIBRE - If you are looking for a secluded, wooded lot that provides a safe place to raise your family and pets, this is the home for you. When you pull in the winding drive you will find at the end a two car garage, a beautiful 3 bedroom, 2 bath bi-level home, a fire pit, park benches and horseshoe pits all nestled in a spruce and pine forest that looks and smells great. #09-319 \$139,000

S. SIMMONS ROAD, HESSEL - This really has been a hunting cabin but it could be used as a year around home with its own hardwired generator system! Plus...it is a very nice custom built log home!! Located 3/4 mile across Federal Forest Land with legal access in place. Can be seen anytime through appointment only. Includes 30x30 pole barn with 10' sidewalls. Just imagine the possibilities. #09-292 \$239,000

10718 S. KABELMAN ROAD, STRONGS - Cabin is usable but needs work, many outbuildings, river runs in front of cabin, comes furnished. Beautiful property, good hunting, surrounded by State and Federal Land. Easement for ingress and egress across Federal Land. #09-1002 \$49,900

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4042 M-123, Moran • julie@vacationmackinac.com

32656 Betcher Road, Trout Lake - 3 bedrooms, 2 baths, wood burning brick fireplace in living room. Upstairs has been framed, plumbed and wired for a master suite. 1st story needs to be remodeled and could be laid out to suit. 125' of Trout Lake frontage, sandy bottom, great views. \$94,900 As Is

7914 M-123, Newberry - This profitable family owned and operated bowling alley has been a community fixture for many years. Has 10 lanes, locker room, rental area and separate bar. Class C Resort Liquor License. There is no kitchen but plenty of room to add one to complete the business. \$450,000

464 Ellsworth Street, St. Ignace - This 2 bedroom, 1 bath home sits perched over downtown St. Ignace with views of the lake. Great starter home or investment property. **Reduced to \$50,000**

W1833 Dukes Road, Moran - Well cared for home with a large yard. Close to Brevort Lake and ORV trails. 2 bedrooms, 1.5 baths and a 2 car garage. Screened in sun porch to enjoy bug free summer evenings, workshop in garage and gas fireplace in the living room. Lots of amenities. \$118,500

2789 Brevort Lake Road, Moran - 2 well maintained cottages sit on a 93'x450' lot. Both cottages are 2 bedrooms, 1 bath, come furnished, includes a 1 car garage with attached shed and 2 additional outbuildings for storage. 93' of Brevort Lake frontage, over 100' of dock and a boathouse to store all of your gear. This property can give your family many years of UP North enjoyment with the option of renting the cottages as vacation rentals to offset the cost of ownership. **Reduced to \$150,000**

Elliott Street, St. Ignace - Professional Building for Lease - 1440 sq. ft. with 5 offices, 2 reception areas, public and private bath, city water and sewer, ample parking spaces. Perfect setup for physicians office. \$10/sq. ft. (utilities not included).

Martin Road, Moran - Two 11.4 acre parcels available to build your country home or great hunting camp. Both pieces come with 1 split and both have some new growth trees such as cedar, pine and birch. **Each priced at \$27,500**

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