

# The Detroit News

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## Is there a financial crisis in public education?

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The issue of funding for public education is attracting a lot of attention these days. Some have argued we're in a "crisis" that needs addressing in Lansing. Let's look at this issue from the perspective of students, families and taxpayers.

If simply spending more money were the answer to the challenges of public education, we would expect our students to be leading the nation in academic achievement. With over \$13 billion spent on K-12 education each year, Michigan ranks in the top half of states in terms of our per-pupil investment. Given that less than 20 percent of our high school graduates are considered ready for college or meaningful careers, however, shouldn't we question the return we're getting for our investment?

And how do local school boards manage the taxpayer funds made available to them to provide this public education? Out of over 850 traditional and charter public school districts in the state, roughly 55 school districts are operating at a deficit this year. This works out to only 5 percent of all public school districts in the state. These few districts are the exception rather than the rule, since the vast majority of public school districts are operating in the black and making ends meet.

There has been a lot of focus on the plight of Buena Vista Public Schools, which was forced to close its doors for two weeks earlier in the year. What is less reported is that the district's cash flow problems were caused when the state withheld nearly \$500,000 in school aid funds the district received because of an accounting error.

Buena Vista's largest debt is a \$2 million loan they took from the state, which they clearly do not have the funds to repay. So what did the district do? They applied for — and just

received — another \$2 million loan from the state which will be used to repay their previous loan. Michigan taxpayers should not be expected to bail out school boards that mismanage districts.

It's worth noting that despite the fact that charter public schools receive 20 percent less in per-pupil funding than traditional districts, Superintendent Mike Flanagan recently testified to the legislature that he hasn't had to request a Deficit Elimination Plan from a charter public school, largely because charter authorizers simply do not allow their schools to operate at a deficit.

If we could provide some advice to the roughly 4,000 school board members in the state, we'd suggest starting with you shouldn't spend more money than you receive. School boards have the responsibility to spend within their means.

Unless this fundamental principle is followed, school board members are abdicating their fiduciary responsibility.

Students, families and taxpayers deserve accountability in both spending and student performance.

**James Barrett**, chairman of the Great Lakes Education Project advisory board



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