

CPS on the Rise, Making Investments in Improved Education

The Charlotte Public School's finances are strong and well managed. This was the outcome of the latest independent audit presented to the CPS School Board at our October board meeting. While the audit paints a picture of sound financial management, it doesn't tell the full story about how a trend in increased student enrollment mixed with prudent financial management has led to a surge in investment in the classroom and student supports.

There will always be much debate amongst the staff, administration, board and community members about how we spend the limited resources we receive, but there is never any doubt that the management of funds is done well. Once again, the annual financial audit of the schools has come back virtually flawless.

Everyone associated with public education in Michigan knows that times were tough during the past ten years, beginning with the Great Recession that severely cut tax revenues, and in turn, slashed funding for public schools. Tough decisions were made during those times that kept our district from falling into even harder times and mortgaging our future, as so many schools were forced to do around the state. Because of those prudent financial decisions, we are now able to make investments in our schools, instead of paying off old debts.

To put it in terms of a family budget, we did not max out high-interest credits cards that had to be paid off for many years down the road.

The big question that always gets asked is "why do we have a fund balance" and "why is it so big." Having a fund balance is important for several reasons that all equate to putting more money into the classroom and providing a safety net for unexpected events. In Charlotte, we do not have to borrow money at the beginning of the school year, like many other Michigan districts, which saves us from having to pay banks for the privilege of using their money on a short-term basis. We can immediately handle emergency purchases without delay or mid-year cuts, such as we did when two busses broke down beyond repair in the middle of winter last year. We are also able to make large investments when needed as we did in reopening Galewood this year when we had an opportunity.

The board listened to concerns about high fund balances and recently had lengthy discussions about what amount is appropriate. We determined that the previously established 15 percent, which amounts to about 30 days of operations in the district, was the right number. But, we also agreed that we do not need to hold a balance above that amount, so when times are good, the extra money will be immediately invested back into our staff, classroom instruction and student programming to improve the education experience for all.

This was exactly the case when books were closed on the 2017/18 school year in September. Due to prudent financial management and increased student enrollment, we were in a position to put \$323,941 into our savings which put us at an 18 percent fund balance. It was immediately decided that this money would be invested in two new student support specialists at the Middle School and High School to help with our most vulnerable students, elementary science kits, replacement computers, and numerous other classroom improvements. And, the biggest thing that we were able to do is give some financial appreciation to the biggest asset in the district, our staff. At Superintendent Rosekran's request, we provided a much deserved \$300 stipend to every eligible CPS staff member. While we recognized that

this isn't a life-changing amount, it is a sign of our appreciation and willingness to reward everyone when the budget allows, while still being strong financial stewards of public funds.

There have been a lot of financial ups and downs through the years, but it looks as though we are trending up in Charlotte with increased enrollment, new houses being built around town and a palatable buzz about our city. It's a good time to be an Oriole, young or old. Go Orioles! Oriole Pride!

Caleb Buhs

CPS Board of Education Treasurer