



**From the Superintendent's Desk**  
**Proctor Public Schools, ISD 704**  
**John Engelking – Superintendent of Schools**  
**Thursday January 22, 2010**

This is my weekly update on the state of the district which focuses on a variety of issues relating to facilities, curriculum, activities, and programs occurring throughout our district. There may be weeks in which I only focus on one or two topics, but I do want to keep you informed. I welcome comments and feedback regarding this update or any of your concerns regarding our district.

**Finance and School Funding:**

One of our toughest challenges in education is finding adequate funding to run our schools and help our students be successful in our classrooms and in the activities that schools provide. The challenges aren't getting easier. As legislators return to the State Capital, they are faced with the difficult challenge of closing a huge budget Shortfall. There are only two ways to accomplish that, cut spending or raise taxes. Either option isn't pleasant. I thought I would take some time this week to explain what school administrators are faced with and how state budget shortfalls might impact Proctor Schools.

To begin with, there is a consensus from school leaders across the state that we need three things from our legislators this session. First of all we need STRUCTURE. This simply means that we need a predictable and steady income stream. School finance becomes nearly impossible when the income that is anticipated is constantly in flux or subject to changes without any kind of well thought out notice. The state shifts payments to schools and proposes delayed payments which only add to the uncertainty and lack of structure in school finance. Secondly, schools need FLEXIBILITY. Schools are inundated with over one hundred mandates, many of which are un-funded. Additionally, the Minnesota Department of Education tends to have the proclivity to over manage school affairs. I'm not suggesting that schools should be given free reign, but I am suggesting that we need some of our mandates repealed. Thirdly, Schools need to be allowed INNOVATION. Teachers need an arena that stimulates innovation and allows teachers and schools the freedom to explore new ways of helping students reach their full potentials.

Although the governor has indicated that he would try to not cut payments to schools, deficits of \$1.2 billion are predicted for this biennium ending in June 2011 and a whopping \$5.4 billion deficit is predicted in the next biennium. It seems like a foregone conclusion that schools can anticipate cuts or delayed payments during the 2011-2012 school year, maybe both.

That being said, what does this mean for Proctor Public Schools. The good news for us this that we have been very wise in our budget process and Steve Anderson, our Director of School Finance, along with our entire administrative staff and School Board have done a stellar job making sure we have an adequate fund balance to weather potential delays and shifts in funding. The bad news is, without a 10 percent unreserved fund balance in our general fund, moving into the 2011-2012 school year, Proctor Public Schools could be facing some significant short falls. I am confident that Proctor will weather this financial storm and have a healthy fiscal future. In order to achieve this, we can't spend down our reserves.

**Closing Comments:**

I certainly hope I didn't depress you too much with all this rather glooming budgetary dialoged. There are two things we can be sure of. First, Proctor Schools is in a much better financial position than many districts in the state. Second, Proctor Public Schools is a great place to work and provides the type of

working and learning environment of which we can all be proud. I'm picking the Colts, but wouldn't a Saints' victory be a thing to behold. (How's that for being politically correct?)