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HOUSE OF REPRESENTATIVES
STATE OF MICHIGAN

HOWARD C. WALKER

104TH DISTRICT

January 16, 2007

APPROPRIATIONS
SUBCOMMITTEES:
DEPARTMENT OF
NATURAL RESOURCES, CHAIR
AGRICULTURE, VICE-CHAIR
STATE POLICE/MILITARY AND
VETERANS AFFAIRS, VICE-CHAIR

Governor Jennifer Granholm
George W. Romney Building
111 South Capitol Avenue
Lansing, MI 48909

Dear Governor Granholm:

I am writing in regards to the current budgetary situation affecting the School Aid Fund.

As you remember, just a few months ago, we were able to provide an increase of more than \$200 per student to each school district in the state, with an additional \$23 per student "equity payment" for the lowest funded districts. After a number of years with low or no increases, this was a wonderful change for all school districts, and for the lower funded school districts, the equity payment was a tremendous sign that the State was concerned about the inequities present in our school funding system.

Unfortunately, with the current state of the economy, sales tax revenues are coming in much lower than what was forecast as we were negotiating the increases, and as a result, it is my understanding that a pro-rata reduction in funding may be needed. While I hope that a reduction is not needed, if you are faced with the decision to issue this pro-ration, I would encourage you to take into account the inequities in school funding, and make a smaller reduction on the lower funded districts. A reduction in the middle of the year will have a negative affect on all of our schools, but such a move will have a much more dramatic impact on those districts that have historically been funded at lower levels.

I appreciate your time and attention to this vitally important issue. If you have any questions, please do not hesitate to contact me.

Sincerely,

Howard Walker
State Representative
104th District