

New Report Ranks Michigan School Districts Financial Health

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Dixon Academy in Detroit. (credit: WWJ/Pat Sweeting)

SOUTHFIELD (WWJ) There's a new tool to help Michigan school districts determine the state of their [financial](#) health. Michigan-based Munetrix has developed a [rating system](#) ranking districts from zero for low risk, up to ten for those at highest risk of facing a financial crisis. The analysis allows school districts to compare what they're spending per pupil, compared to nearby districts. It's designed to help the districts before they get into deep trouble. It's very important information for bondholders.

The new financial report card is especially timely considering that two Michigan districts, Inkster and Saginaw Buena Vista, have

recently been dissolved by the state for failing to come up with a plan showing they would have enough money to make it through the next school year starting in September. The Munetrix ranking shows a number of districts, including Pontiac, Highland Park, Mount Clemens, and Taylor with a score of ten, indicating they are at the highest risk of financial distress.

Turnaround expert Patrick O'Keefe, CEO of O'Keefe [Consultants](#), said it's not surprising that those districts have such a high score on this analysis.

"Those school districts face declining enrollment, which impacts the ability for them to cover infrastructure costs on a per pupil basis," said O'Keefe. "And also the great source of revenues for school districts is property taxes. And property values have fallen dramatically in those areas in the last five years."

O'Keefe adds that there could be a plus side for communities where school districts are forced to dissolve. "All of a sudden you don't have the stigma of poor quality education in those school districts," said O'Keefe. "And arguably that should help property tax values which would enhance property taxes."

O'Keefe says the ranking should serve as a warning for all school districts in the state. "There is opportunity to consolidate and **save** taxes and do what the taxpayer wants, which is to put more money into the classrooms and the students," O'Keefe said.

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