

# WEST BLOOMFIELD SCHOOL DISTRICT

WILLIAM D. MULL  
ASSISTANT SUPERINTENDENT FOR  
BUSINESS AND OPERATIONS



## MEMORANDUM

2/26/18

TO: Superintendent Hill & Board of Education

FROM: William Mull, Asst. Superintendent for Business

RE: 2017-18 Budget Amendment #1 – General Fund

The administration is recommending Board approval of 2017-18 Budget Amendment #1 – General Fund. The budget amendment presented broadly is:

West Bloomfield School District General Fund Budget Amendment #1 2/26/2018	Amend #1 Budget 2017-18	Amend #1 Increase (Decrease)	Original Budget 2017-18	Actual per Audit 2016-17
<b>GENERAL FUND REVENUES</b>	<b>\$ 64,592,408</b>	<b>\$ 1,797,923</b>	<b>\$ 62,794,485</b>	<b>\$ 62,991,159</b>
<b>EXPENDITURE ACCOUNTS:</b>				
Salaries & Wages	28,633,970	164,807	28,469,163	27,371,718
Stipends/Extra-duty Pay	353,565	114,079	239,486	251,530
Substitute employee costs (wages only)	684,440	75,429	609,011	635,973
<b>Employment Benefits:</b>				
Retirement	11,482,034	826,890	10,655,144	10,332,959
Health Insurance	4,852,954	(297,512)	5,150,466	4,799,169
Cash in lieu of Health Ins	697,681	75,724	621,957	483,177
FICA	2,232,765	38,176	2,194,589	1,918,999
All Other (combined)	1,112,775	20,453	1,092,322	1,021,836
Sub-total Employment Benefits	20,378,209	663,731	19,714,478	18,556,139
<b>SUB-TOTAL PERSONNEL COSTS</b>	<b>50,050,184</b>	<b>1,018,046</b>	<b>49,032,138</b>	<b>46,815,360</b>
Grant-funded Programs	3,921,080	(133,430)	4,054,510	3,413,971
All Other (non-personnel) Accounts	10,940,111	141,233	10,798,878	10,082,164
<b>TOTAL EXPENDITURES</b>	<b>64,911,375</b>	<b>1,025,849</b>	<b>63,885,526</b>	<b>60,311,495</b>
<b>Operating Surplus (Deficit)</b>	<b>\$ (318,967)</b>	<b>\$ 772,074</b>	<b>\$ (1,091,041)</b>	<b>\$ 2,679,664</b>
Beginning Fund Balance July 1	\$ 8,309,263	\$ -	\$ 8,309,263	\$ 5,629,599
Ending Fund Balance June 30	\$ 7,990,296	\$ 772,074	\$ 7,218,222	\$ 8,309,263
Ending Fund Balance as a % of Revenues	12.4%	0.9%	11.5%	13.2%

REVENUES:

All line items have been analyzed and adjusted as needed. The changes by revenue category are summarized as follows:

	Amend #1 Budget 2017-18	Amend #1 Increase (Decrease)	Original Budget 2017-18	Actual per Audit 2016-17
Pupil FTE's	5,550	103	5,447	5,567
Foundation Allowance:	\$46,568,653	\$ 730,751	\$45,837,902	\$46,376,169
Grant Revenues (Offset by decrease to grant expenditures)	3,921,080	(133,430)	4,054,510	3,413,971
Catergorical Funding for partial offset of Retirement expense (offset by increase to expenditures)	4,975,128	1,005,032	3,970,096	4,178,211
Special Education funding sources (State + Local)	7,709,800	185,332	7,524,468	7,437,883
All other revenue sources combined	<u>1,417,747</u>	<u>10,238</u>	<u>1,407,509</u>	<u>1,584,925</u>
<b>TOTAL REVENUES</b>	<b>\$64,592,408</b>	<b>\$ 1,797,923</b>	<b>\$62,794,485</b>	<b>\$62,991,159</b>

EXPENDITURES:

Since the original budget was adopted on 6/19/17; there are several factors that affect the budgeted appropriations for General Fund expenditures. Among them are:

- Multiple staffing adjustments primarily necessary because budgeted pupil count is +103
- Miscellaneous other (non-personnel) expenditure needs and/or adjustments recommended for FY18
- Audit results from FY17 triggering line item review of all budgets for potential revision
- FY18 Grant awards finalized along with audited carryover amounts from FY17

Personnel costs (employee wages plus employment benefits) account for approximately 80% of the budget. The staffing matrix modifications; since the original budget are recapped here:

STAFFING ADJUSTMENTS:	Amend #1 increase FTE's
Teachers K-12	2.5
Teachers Special Ed plus other Certified	1.1
Teachers ESL	2.0
Teachers Grant-funded	0.9
Early Literacy Facilitator	1.0
Paraprofessional positions	2.6
Clerical personnel	1.0
Net Staffing Increase	11.1

Some of the notable budget adjustments for expenditures include:

		Amend #1 Adjustment
<b>SALARIES &amp; WAGES:</b>		
Teachers and Other Certified Staff	177,661	
Stipends and Extra-duty Pay:	114,079	
Student Testing		
Building-level web-masters		
Moving		
DAN		
Accompanists		
Professional Development		
Seclusion/Restraint Training		
Employee Coaches/Student Activity Stipends (offset by increase in contracted services)	(43,931)	
Paraprofessionals	(26,566)	
Clerical Personnel	105,504	
Severance pay district-wide	(62,831)	
Other Adjustments to Salaries (net)	<u>14,970</u>	278,886
<b>EMPLOYMENT BENEFITS:</b>		663,731
See pp. 1 of memo for line item breakdown		
<b>SUBSTITUTE EMPLOYEE COSTS:</b>		75,429
Adjustment based on last year audited actual; current year projections; and pay level adjustments		
<b>GRANT-FUNDED PROGRAMS:</b>		
Offset by identical dollar amount adjustment to Grant Revenues		(133,430)
<b>ALL OTHER (non-personnel) ACCOUNTS:</b>		
Special Education Cooperative Agreements	46,000	
Mandarin Chinese Dual Enrollment	12,000	
Contracted Coaches (offset by reduction to employee costs)	42,617	
Musical Instrument Repairs (doubled district-wide budget)	8,587	
Software Maintenance/Licensing Agreements (KALPA, NWEA, Hero K-12)	61,450	
Legal Expense	(54,000)	
Utilities	(25,421)	
Property/Casualty Insurance Policy	30,000	
Taxes Abates	<u>20,000</u>	141,233
<b>TOTAL INCREASE TO EXPENDITURES</b>		<u>1,025,849</u>

ENDING FUND BALANCE:

Assuming actual revenue collections and expenditure of appropriations of 100% the General Fund Balance on 6/30/18 is projected to be \$8.3 million or 12.4% of budgeted revenues. An audited budget variance (budget vs. actual) is virtually assured. The Board established protocol for fund balance is a minimum threshold of 10%. A fund balance of at least 5% is required to avoid "Fiscal Stress Early Warning" designation by the Michigan Department of Treasury.

BUDGET ADOPTION CALENDAR FOR 2018-19:

In order to comply with legal requirements it is necessary for the Board of Education to adopt a budget for all funds for 2018-19 no later than 6/30/18.

February 26	Board Meeting	Budget Amendment #1 2017-18
March 12	Special Board Mtg	Award contracts for Sheiko and Doherty renovation projects  Preliminary Overview of 2018-19 Budget/Budget Analysis Project Update
March 26	Board Meeting	Award contracts for WBHS Phase I renovation project
April 12	Board Finance Committee	Interview prospective custodial service firm finalists
April 23	Board Meeting	Award 3-year contract for Custodial Services Provider (FY19-FY21)  Resolution authorizing annual Line of Credit for Cash Flow borrowing purposes
May 3	Board Finance Committee	Annual update presentation by Aramark Education Food Service Management
May 7	Study Session	Budget Update and ongoing discussion – Preliminary administrative budget recommendations
May 21	Board Meeting	Oakland Schools ISD annual budget resolution  Approval of Notice of Public Hearing on the Budget
June 6	Newspaper ad	Publish Notice of Public Hearing re: 2018-19 Budget
June 18	Board Meeting	Public Hearing on 2018-19 Budget 2017-18 Budget Amendment #2 Establishment of Millage Rates for 2018 Resolution to approve 2018-19 budgets for all funds Extension of Contract with Vendor to provide Food Service Management Services (Aramark Education)

RECOMMENDATION:

The administration recommends that the Board of Education approve the enclosed resolution in order to amend the 2017-18 General Fund budget.

## GENERAL FUND SUMMARY

PP. #	FTE's or POSITIONS	AMEND 1 BUDGET	INCREASE (DECREASE)	ORIGINAL BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL	
	2017-18	2017-18	2017-18	2017-18	2016-17	2015-16	2014-15	2013-14	
16	ELEMENTARY BASIC INSTRUCTION	102.2	\$ 11,321,445	\$ (193,125)	\$ 11,514,570	\$ 11,535,386	\$ 11,770,075	\$ 11,925,877	\$ 13,274,221
17	MIDDLE SCHOOL BASIC INSTRUCTION	52.9	6,340,927	(18,284)	6,359,211	6,266,244	6,230,936	6,916,932	7,157,840
18	HIGH SCHOOL BASIC INSTRUCTION	71.6	8,770,368	36,478	8,733,890	8,220,134	7,944,578	8,486,834	8,653,882
19	VOCATIONAL EDUCATION WBHS	6.9	846,481	67,126	779,355	799,779	734,788	776,195	689,494
20	OAKLAND EARLY COLLEGE	9.7	1,425,144	39,846	1,385,298	1,342,354	1,249,526	1,316,726	1,274,604
21	OAKLAND SCHOOLS TUITION-BASED PROGRAMS	1.5	525,990	(8,435)	534,425	491,880	419,106	447,613	461,804
22	INTERNATIONAL ACADEMY	1.0	290,595	-	290,595	274,527	264,934	288,954	282,335
23	GUIDANCE COUNSELORS	9.6	1,082,336	28,846	1,053,490	1,044,541	1,112,002	1,262,225	1,185,517
24	MEDIA CENTERS PROGRAM	12.7	1,019,857	3,690	1,016,167	1,004,685	871,070	1,084,506	1,057,720
25	SPECIAL EDUCATION	80.2	6,862,009	437,655	6,424,354	6,116,412	6,500,884	7,088,022	7,645,896
26	AUTISTICALLY IMPAIRED SPECIAL EDUCATION	23.9	1,751,127	(7,621)	1,758,748	1,693,614	1,559,768	1,664,910	-
27	STEPS PROGRAM SPECIAL EDUCATION	7.4	612,676	23,950	588,726	-	-	-	-
28	IDEA SPECIAL EDUCATION	13.2	1,432,446	(20,564)	1,453,010	1,449,020	1,365,281	1,327,146	1,227,311
29	TRANSITIONS SPECIAL EDUCATION	11.9	858,995	20,781	838,214	804,609	740,837	662,229	611,955
30	PROJECT SEARCH SPECIAL EDUCATION	1.0	152,135	66,472	85,663	82,903	99,500	136,895	113,674
31	AT-RISK STATE CATEGORICAL FUNDING	2.0	303,793	(41,983)	345,776				
32	ESL EDUCATION	14.1	960,260	36,832	923,428	723,053	668,749	653,523	584,508
33	MANDARIN CHINESE PROGRAM	0.0	152,023	15,470	136,553	126,915	234,510	54,895	-
34	TITLE I GRANT	5.7	524,050	(3,317)	527,367	360,689	295,571	348,740	385,091
35	TITLE II GRANT	0.0	175,554	5,548	170,006	123,186	126,630	121,450	130,421
36	TITLE III GRANT	0.0	84,148	(1,187)	85,335	57,597	71,141	77,668	53,535
37	GREAT START READINESS PROGRAM	15.7	656,134	3,300	652,834	659,735	694,555	531,280	454,132
38	SUMMER SCHOOL PROGRAM	13.0	70,262	8,845	61,417	63,347	61,266	61,109	59,826
39	NON-PUBLIC SCHOOL INSTRUCTION	4.0	242,170	(15,105)	257,275	228,623	198,872	219,641	257,073
40	ADULT EDUCATION PROGRAM	12.6	306,099	2,818	303,281	294,391	303,296	310,034	314,854
41	OTHER MISCELLANEOUS GRANTS	0.0	132,014	(162,136)	294,150	207,507	11,915	304,224	125,297
42-44	ATHLETICS/STUDENT ACTIVITIES/FINE ARTS	2.5	1,099,774	18,289	1,081,485	1,132,081	1,079,462	1,079,187	1,021,822
45	CURRICULUM & INSTRUCTION	7.0	1,399,222	332,831	1,066,391	860,856	1,053,717	937,313	953,748
46	INSTRUCTIONAL TECHNOLOGY	1.0	1,276,287	122,074	1,154,213	1,101,670	1,064,143	1,156,148	1,320,144
47	SCHOOL ADMINISTRATION	33.8	3,697,611	2,754	3,694,857	3,560,393	3,518,564	3,493,724	3,408,999
48	SUPERINTENDENT & SCHOOL BOARD	2.0	802,532	(38,155)	840,687	700,016	774,879	719,239	879,509
49	COMMUNITY RELATIONS	1.0	197,337	1,936	195,401	197,131	170,343	150,722	134,705
50	HUMAN RESOURCES	4.0	621,473	49,379	572,094	560,537	528,406	520,467	498,189
51	BUSINESS OFFICE	7.0	931,580	135,886	795,694	785,043	740,969	735,359	753,632
52	PUPIL TRANSPORTATION	0.7	2,921,272	(11,488)	2,932,760	2,815,161	2,655,896	2,625,551	2,469,537
53	MAINTENANCE & CUSTODIAL	6.0	2,491,205	83,180	2,408,025	2,320,084	2,232,532	2,275,263	2,284,571
54	UTILITIES		1,236,080	(30,273)	1,266,353	1,120,793	1,142,308	1,260,779	1,587,359
55	CROSSING GUARDS & SECURITY	14.0	279,214	(29,510)	308,724	271,200	319,120	412,990	386,813
56	AUDITORIUM	1.5	141,208	6,183	135,025	133,240	130,788	128,313	128,478
57	OTHER DISTRICT LEVEL COSTS		917,542	56,868	860,674	782,170	1,037,739	1,630,764	1,671,072
	GRAND TOTAL GENERAL FUND EXPENDITURES	553.1	\$ 64,911,375	\$ 1,025,854	\$ 63,885,521	\$ 60,311,495	\$ 59,978,647	\$ 63,193,447	\$ 63,499,565

**RESOLUTION FOR BUDGET AMENDMENT  
TO BE ADOPTED BY  
THE BOARD OF EDUCATION OF  
WEST BLOOMFIELD SCHOOL DISTRICT**

**RESOLVED**, that this resolution is to amend the general appropriations of the West Bloomfield School District for the fiscal year 2017-18, an act to make appropriations; to provide for the expenditure of the appropriations; and to provide for the disposition of all income received by the West Bloomfield School District.

**BE IT FURTHER RESOLVED**, that the total revenues and unappropriated fund balance estimated to be available for appropriations in the **GENERAL FUND** of the West Bloomfield School District for the fiscal year 2017-18 is as follows:

**REVENUE:**

Local Sources		\$12,480,913
State Sources		45,546,442
Federal Sources		2,344,603
Other LEA's/ISD's/Sale of Property		4,130,450
Transfers In from Other Funds		<u>90,000</u>
<b>TOTAL REVENUE</b>		<b>\$64,592,408</b>
Fund Balance, July 1, 2017	\$8,309,263	
Fund Balance Available to Appropriate		<u>8,309,263</u>
<b>TOTAL AVAILABLE TO APPROPRIATE</b>		<b><u>\$72,901,671</u></b>



**BE IT FURTHER RESOLVED**, that \$64,911,375 of the total available to appropriate in the **GENERAL FUND** is hereby appropriated in the amounts and for the purposes set forth below.

**EXPENDITURES:**

Instruction	\$39,307,848
Supporting Services	25,223,891
Community Services	306,898
Payments to Other Govt. Agencies	-0-
Other Financing Uses-Debt Service Principal/Interest	72,738
Transfers Out	<u>-0-</u>

**TOTAL APPROPRIATED**

\$64,911,375

**PURPOSE OF AMENDMENT:**

These amendments to the General Fund require an increase in revenues of \$1,797,923 and an increase in appropriations of \$1,025,849.

The budgeted ending fund balance in the General Fund as a result of this amendment for fiscal year 2017-18 is \$7,990,296.

**This resolution shall take effect on February 26, 2018.**