

WEST BLOOMFIELD SCHOOL DISTRICT

WILLIAM D. MULL
ASSISTANT SUPERINTENDENT FOR
BUSINESS AND OPERATIONS



MEMORANDUM

2/27/17

TO: Superintendent Hill & Board of Education

FROM: William Mull, Asst. Superintendent for Business

RE: 2016-17 Budget Amendment #1 – General Fund

The administration is recommending Board approval of 2016-17 Budget Amendment #1 – General Fund.
The budget amendment presented broadly is:

WEST BLOOMFIELD SCHOOL DISTRICT GENERAL FUND BUDGET AMENDMENT #1

	Amended Budget 2016-17	Amendment #1 2016-17	Original Budget 2016-17	Actual 2015-16
Beginning Fund Balance	\$ 5,629,598	\$ -	\$ 5,629,598	\$ 1,021,605
Revenue Budget	\$ 62,892,859	\$ 1,538,431	\$ 61,354,428	\$ 64,586,641
Expenditures Budget	\$ 62,299,700	\$ 1,407,999	\$ 60,891,701	\$ 59,978,648
Operating Surplus (Deficit)	\$ 593,159	\$ 130,432	\$ 462,727	\$ 4,607,993
Ending Fund Balance	\$ 6,222,757	\$ 130,432	\$ 6,092,325	\$ 5,629,598
Ending Fund Balance %	9.89%	-0.04%	9.93%	7.13%

REVENUES:

All line items have been analyzed and adjusted as needed. The primary increase to budgeted revenues is for foundation allowance per pupil revenue. The original budget was predicated on a blended funded pupil FTE count of 5,371. The revised projection for 2016-17 is 5,567 which is an improvement of +196. The revision in the pupil count amounts to an increase in budgeted revenues of \$1,525,950. All other revenue sources combined are being recommended for a net adjustment of +\$12,481. The changes by revenue category are summarized as follows:

Foundation Allowance: Pupil FTE's +196		\$ 1,525,950
MIPSRs categorical Retirement expense offset		(150,666)
Other State categorical revenue sources (net)		(24,832)
Mandarin Chinese Program expense offset (-1 exchange student; plus transportation reimb.)		14,130
Grant Funded Programs:		
Title Grants (I, II, III)	59,296	
E-Rate Grant	157,098	
Technology Infrastructure Readiness (TRIG)	62,382	
Early Literacy	57,255	
Other Miscellaneous Grant Funded Programs	(7,539)	
Great Start Readiness Program	(34,473)	
IDEA Special Education	86,366	
Sub-Total Grant Funded Programs		380,385
Special Education State and Local:		
State Categorical Funding	(67,299)	
ISD PA 18 County Millage Revenue	(31,550)	
Tuition Revenue from Sending Districts	(73,693)	
Sub-Total Special Education State and Local		(172,542)
Other Miscellaneous adjustments (net)		(33,994)
Total Adjustments to Revenues		\$ 1,538,431

EXPENDITURES:

Since the original budget was adopted on 6/20/16; there are several factors that affect the budgeted appropriations for General Fund expenditures. Among them are:

- Collective bargaining agreements were settled for all groups
- Multiple staffing adjustments primarily necessary because budgeted pupil count is +196
- Miscellaneous other (non-personnel) expenditure needs and/or adjustments recommended for FY17
- Audit results from FY16 triggering line item review of all budgets for potential revision
- FY17 Grant awards finalized along with audited carryover amounts from FY16

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	Amendment #1	Change	Orig. Budget
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Teacher Retirements FY16	-9	0	-9
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Teachers K-5 & Specials	-1.55	4.45	-6
Teachers 6-8	0.1	1	-0.9
Guidance	0.5	0	0.5
Curriculum Spec	0.6	0	0.6
Teachers 9-12	4.35	-0.05	4.4
Spec Ed RR teachers	-1.45	1.05	-2.5
Spec Ed RR paras	1	2	-1
ESL teachers	1	1	0
ESL paras	-2	-2	0
Sch Soc Workers	2.4	2.4	0
Sub-total	4.95	9.85	-4.9

A broad summary of the budget amendment recommendation for expenditures is presented here:

	Amended Budget 2016-17	Amendment 1 Change 2016-17	Original Budget 2016-17	Actual Expenditures 2015-16
SALARIES & WAGES				
Teachers and Other EA certified staff salaries	\$ 21,330,252	\$ 716,901	\$ 20,613,351	\$ 20,728,834
Teachers Supplemental/extra pay	597,032	14,600	582,432	586,216
Paraeducators wages	1,430,108	(47,880)	1,477,988	1,435,553
Administrators, Directors, Supervisory salaries	2,780,954	58,665	2,722,289	2,713,099
Clerical salaries and extra pay	1,368,544	21,516	1,347,028	1,316,267
Maintenance/Technical	344,982	1,993	342,989	334,969
Substitute employees: Teachers, paras, clerical	243,731	(53,285)	297,016	204,968
Severance payouts	211,669	(34,206)	245,875	108,941
Grant-funded Programs salaries & wages	1,746,975	51,606	1,695,369	1,620,286
SUB-TOTAL SALARIES & WAGES	30,054,247	729,910	29,324,337	29,049,133
EMPLOYMENT BENEFITS (includes Grant-funded programs)				
Retirement Expense (36.58% 2016-17)	10,993,229	208,686	10,784,543	10,901,327
Health Insurance	5,124,776	(466,359)	5,591,135	5,378,395
Employer portion Social Security (FICA 7.65%)	2,298,319	64,238	2,234,081	2,046,783
Cash in lieu of Health Ins. (employee opt out)	489,220	176,634	312,586	307,015
All other employment benefits (net)	1,170,558	26,010	1,144,548	1,150,271
SUB-TOTAL EMPLOYMENT BENEFITS	20,076,102	9,209	20,066,893	19,783,791
ALL OTHER (non-personnel) COSTS				
Instructional Supplies and Textbooks district-wide	639,621	20,982	618,639	689,752
Contracted substitute employees; teachers, paras	382,680	77,866	304,814	393,730
OTHER CONTRACTED SERVICES (and other supplies):				
Tuition Expense: OOA, VLAC, Grad Alliance, IA Prgs	473,480	(53,462)	526,942	403,163
Special Education Tuition expense	285,225	74,225	211,000	187,020
Special Education Contracted Instructional Services	443,802	54,467	389,335	436,291
Special Education other contracted services	95,164	14,582	80,582	86,066
Mandarin Chinese (increase is for reimbursable transportation)	157,627	24,130	133,497	232,500
Band / Music uniforms / instrument repairs	96,913	90,500	6,413	4,326
Instructional Technology (increase is for website compliance)	994,956	17,672	977,284	909,123
Superintendent/Board consultants (increase for Capturing Kids Hearts)	40,000	10,000	30,000	-
Superintendent/Board all other expenditures (net)	362,980	(13,500)	376,480	293,858
Community Relations (reclassify consultant; marketing video +\$7k)	83,012	20,500	62,512	50,013
Pupil Transportation Durham Services (+1 Bus Aide)	2,643,195	25,000	2,618,195	2,429,571
Pupil Transportation all other expenses (net)	288,180	(20,891)	309,071	211,590
Maintenance & Operations GCA custodial services	1,142,500	22,500	1,120,000	1,113,224
Maintenance & Operations Capital Outlay (replacement truck \$37k)	47,000	47,000	-	7,669
Maintenance & Operations supplies/other contracted services (net)	566,545	(3,037)	569,582	501,801
Utilities Expense	1,238,479	(33,100)	1,271,579	1,142,306
All other departmental expenditures (net)	1,405,241	(10,257)	1,415,498	1,660,109
Grant Funded Programs	782,751	303,703	479,048	393,612
SUB-TOTAL ALL OTHER (non-personnel) EXPENDITURES	12,169,351	668,880	11,500,471	11,145,724
GRAND TOTAL EXPENDITURES	62,299,700	1,407,999	60,891,701	59,978,648

ENDING FUND BALANCE:

Assuming actual revenue collections and expenditure of appropriations of 100% the General Fund Balance on 6/30/17 is projected to be \$6.22 million or 9.89% 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 2017-18:

In order to comply with legal requirements it is necessary for the Board of Education to adopt a budget for all funds for 2017-18 no later than 6/30/17.

February 27	Board Meeting	Budget Amendment #1 2016-17
March 13	Study Session	Preliminary Overview of 2017-18 Budget Budget Analysis Project Update
March 27	Board Meeting	Contract Awards for Summer Sinking Fund Projects <ul style="list-style-type: none">• WBHS Track and Field Turf Replacement• WBHS Roofing Replacement (Gym/Pool areas)
April 17	Study Session	Budget update and ongoing discussion (tentative) Food Service Program Update (Aramark)
April 24	Board Meeting	Budget update and ongoing discussion (tentative) Extension of support service contracts for custodial (GCA services) and pupil transportation (Durham School Services) Resolution authorizing annual Line of Credit for Cash Flow borrowing purposes
May 2	Special School Election	Bond Issue Ballot Question election day
May 8	Study Session	Budget Update and ongoing discussion – Preliminary administrative budget recommendations

May 22	Board Meeting	Administrative budget recommendations presented Oakland Schools ISD annual budget resolution Extension of support service contract for food service (Aramark) Approval of Notice of Public Hearing on the Budget Recap of Special School Election results
June 5	Study Session	Ongoing budget discussion (tentative)
June 7	Newspaper ad	Publish Notice of Public Hearing re: 2017-18 Budget
June 19	Board Meeting	Public Hearing on 2017-18 Budget 2016-17 Budget Amendment #2 Establishment of Millage Rates for 2017 Resolution to approve 2017-18 budgets for all funds

RECOMMENDATION:

The administration recommends that the Board of Education approved the enclosed resolution in order to amend the 2016-17 General Fund budget.

GENERAL FUND SUMMARY

	FTE's or POSITIONS 2016-17	AMEND #1 BUDGET 2016-17	AMEND #1 CHANGE 2016-17	ORIGINAL BUDGET 2016-17	ACTUAL 2015-16	ACTUAL 2014-15	ACTUAL 2013-14
ELEMENTARY BASIC INSTRUCTION	102.4	\$ 11,551,641	\$ 523,819	\$ 11,027,822	\$ 11,803,405	\$ 11,950,877	\$ 13,299,221
MIDDLE SCHOOL BASIC INSTRUCTION	52.1	6,280,517	166,276	6,114,241	6,250,936	6,936,932	7,177,840
HIGH SCHOOL BASIC INSTRUCTION	70.6	8,383,727	(325,176)	8,708,903	7,984,486	8,516,834	8,683,882
VOCATIONAL EDUCATION WBHS	7.6	795,282	1,011	794,271	734,788	776,195	689,494
OAKLAND EARLY COLLEGE	9.2	1,328,662	(37,263)	1,365,925	1,249,526	1,316,726	1,274,604
OAKLAND SCHOOLS TUITION-BASED PROGRAMS	1.7	509,546	(22,640)	532,186	419,106	447,613	461,804
INTERNATIONAL ACADEMY	1.0	280,401	8,702	271,699	260,306	288,954	282,335
GUIDANCE COUNSELORS	9.6	1,031,018	(88,809)	1,119,827	1,112,002	1,262,225	1,185,517
MEDIA CENTERS PROGRAM	10.5	1,036,175	169,545	866,630	869,185	1,084,506	1,057,720
SPECIAL EDUCATION	75.8	6,370,570	(130,891)	6,501,461	6,498,542	7,088,022	7,645,896
AUTISTICALLY IMPAIRED SPECIAL EDUCATION	20.8	1,705,030	215,795	1,489,235	1,570,382	1,664,910	-
IDEA SPECIAL EDUCATION	14.5	1,447,717	82,436	1,365,281	1,365,281	1,327,146	1,227,311
TRANSITIONS SPECIAL EDUCATION	10.1	772,423	24,272	748,151	742,503	662,229	611,955
PROJECT SEARCH SPECIAL EDUCATION	1.0	82,277	(20,473)	102,750	99,500	136,895	113,674
ESL EDUCATION	15.4	905,073	233,659	671,414	668,749	653,523	584,508
MANDARIN CHINESE PROGRAM	3.0	160,683	24,130	136,553	234,510	54,895	-
TITLE I GRANT	3.3	527,367	65,391	461,976	295,571	348,740	385,091
TITLE II GRANT	0.0	170,006	5,542	164,464	126,630	121,450	130,421
TITLE III GRANT	0.0	85,335	(11,637)	96,972	71,141	77,668	53,535
GREAT START READINESS PROGRAM	15.7	652,834	(39,273)	692,107	694,555	531,280	454,132
SUMMER SCHOOL PROGRAM	15.0	61,150	(190)	61,340	61,266	61,109	59,826
NON-PUBLIC SCHOOL INSTRUCTION	4.0	255,250	65,245	190,005	198,872	219,641	257,073
ADULT EDUCATION PROGRAM	12.4	294,793	(3,169)	297,962	309,641	310,034	314,854
OTHER MISCELLANEOUS GRANTS	0.0	294,150	282,235	11,915	11,915	304,224	125,297
ATHLETICS/STUDENT ACTIVITIES/FINE ARTS	2.5	1,168,179	75,247	1,092,932	1,058,365	1,079,188	1,021,822
CURRICULUM & INSTRUCTION	5.5	970,288	(15,555)	985,843	1,067,110	937,313	953,748
INSTRUCTIONAL TECHNOLOGY	1.3	1,182,767	18,960	1,163,807	1,064,196	1,156,148	1,320,144
SCHOOL ADMINISTRATION	33.8	3,663,131	(2,195)	3,665,326	3,516,977	3,493,724	3,408,999
SUPERINTENDENT & SCHOOL BOARD	2.0	895,238	2,946	892,292	774,879	719,239	879,509
COMMUNITY RELATIONS	1.0	198,846	23,288	175,558	170,343	150,722	134,705
HUMAN RESOURCES	4.0	572,415	49,855	522,560	528,406	520,467	498,189
BUSINESS OFFICE	6.0	780,501	49,090	731,411	740,969	735,359	753,632
PUPIL TRANSPORTATION	0.7	2,946,621	6,345	2,940,276	2,644,235	2,625,551	2,469,537
MAINTENANCE & CUSTODIAL	6.0	2,394,619	78,249	2,316,370	2,231,763	2,275,263	2,284,571
UTILITIES		1,238,479	(33,100)	1,271,579	1,136,897	1,260,779	1,587,359
CROSSING GUARDS & SECURITY	13.0	296,713	(19,918)	316,631	319,120	412,990	386,813
AUDITORIUM	1.5	134,603	1,265	133,338	130,788	128,313	128,478
OTHER DISTRICT LEVEL COSTS		875,674	(15,014)	890,688	961,801	1,555,764	1,596,072
GRAND TOTAL GENERAL FUND EXPENDITURES	532.7	\$ 62,299,701	\$ 1,408,000	\$ 60,891,701	\$ 59,978,647	\$ 63,193,445	\$ 63,499,570

**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 2016-17, 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 2016-17 is as follows:

REVENUE:

Local Sources	\$12,429,693
State Sources	44,223,717
Federal Sources	2,351,080
Other LEA's/ISD's/Sale of Property	3,794,476
Transfers In from Other Funds	<u>93,893</u>

TOTAL REVENUE	\$62,892,859
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Fund Balance, July 1, 2016	\$5,629,599
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Fund Balance Available to Appropriate	<u>5,629,599</u>
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TOTAL AVAILABLE TO APPROPRIATE	<u>\$68,522,458</u>
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BE IT FURTHER RESOLVED, that \$62,299,701 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

Basic Programs (Pre-K, Elementary, MS, HS, Summer Schl.)	\$28,870,938
Added Needs (Special Educ., Compensatory, Career Tech.)	8,853,006
Adult/Continuing Education	<u>146,630</u>

Total Instruction **\$37,870,574**

Support Services

Pupil	4,553,030
Instructional Staff	2,956,665
General Administration	898,886
School Administration	4,055,542
Business	1,062,773
Operations & Maintenance	4,092,566
Transportation	2,988,687
Central	2,212,553
Student & Athletic Activities	1,148,574
Community Services/Parent Involvement	19,487
Non-Public Schools	367,626
Capital Improvements	0
Debt Service-Long Term (Principal & Interest)	<u>72,738</u>

Total Supporting Services **\$24,429,127**

TOTAL APPROPRIATED **\$62,299,701**

PURPOSE OF AMENDMENT:

These amendments to the General Fund require an increase in revenues of \$1,538,431 and an increase in appropriations of \$1,407,999.

The budgeted ending fund balance in the General Fund as a result of this amendment for fiscal year 2016-17 is \$6,222,757.

This resolution shall take effect on February 27, 2017.