

WEST BLOOMFIELD SCHOOL DISTRICT

WILLIAM D. MULL
 ASSISTANT SUPERINTENDENT FOR
 BUSINESS AND OPERATIONS



MEMORANDUM 6.24.19

TO: Superintendent Hill & Board of Education

FROM: William Mull, Asst. Superintendent for Business

RE: 2019-20 General Fund Administrative Budget Recommendation

The proposed net budget spending deficit (Expenditures in excess of Revenues) for 2019-20 is (\$1,500,083). The ending fund balance calculation for 6.30.20 is projected to be \$7,833,723; or 11.9% of budgeted revenues. This assumes no variance in budget vs. actual for either fiscal 2018-19 or 2019-20. It is expected there will be some level of budget vs. actual variance for both school fiscal years. In broad terms here is how the proposed budget is summarized:

SENATE BUDGET PROPOSAL	Proposed 2019-20	Change	Amend #2 6/24/19	Change	Amend #1 2/24/19	Orig. Budget 6/18/18	Actual 2017-18
Beginning Fund Balance, July 1	\$ 9,333,806	\$ (550,135)	\$ 9,883,941	\$ -	\$ 9,883,941	\$ 9,883,941	\$ 8,309,263
REVENUES	65,761,611	91,622	65,669,989	368,759	65,301,230	64,102,507	64,609,299
EXPENDITURES	67,261,694	1,041,570	66,220,124	(341,568)	66,561,692	65,615,538	63,034,621
OPERATING SURPLUS (DEFICIT)	(1,500,083)	(949,948)	(550,135)	710,327	(1,260,462)	(1,513,031)	1,574,678
Ending Fund Balance, June 30	\$ 7,833,723	\$ (1,500,083)	\$ 9,333,806	\$ 710,327	\$ 8,623,479	\$ 8,370,910	\$ 9,883,941
Ending Fund Balance as % of Revenues	11.9%	-1.3%	14.2%		13.2%	13.1%	15.3%

MITIGATING FACTOR

Revenues are based on SENATE budget proposal. The Executive Budget Proposal is more optimistic than the Senate Proposal, and the House Budget Proposal is more pessimistic than the Senate Proposal. The Final State Budget will most likely necessitate a budget amendment at the LEA level. School districts are required by law to adopt budgets for all funds by June 30, and over 80% of district revenues are dependent upon the outcome of the State legislative process. The State fiscal year begins not until October 1, so at this point it is unknown exactly when the State budget will be finalized.

2019-20 SOURCES

Proposed total general operating revenues are \$65.76 million:

- State Aid Revenue \$ 46.0
- Property Taxes and Interest 11.87
- Revenue via Oakland Schools ISD 4.1
- Federal Revenue 2.88
- Other Local Revenue .52
- Tuition-based programs .39

2019-20 USES

Proposed total general operating expenditures are \$67.26 million:

- Salaries and Wages \$30.08
- Substitute Employees .79
- Employment Benefits 20.87
 - Sub-total Personnel Costs 51.74 (76.9% of budget)
- Grant-funded Programs 4.11 (primarily additional personnel costs)
- All other expenditures 11.41 (Purchased Services, Supplies, Capital Outlay, Other)

ASSUMPTIONS

- Hold Harmless Millage Rate (\$886/FTE) 3.0219 mills
- Non-Homestead Millage Rate 17.0055 mills
- Taxable Values Homestead \$ 1,530,950,480
- Taxable Values Non-Homestead \$ 414,391,460
- Foundation Allowance \$ 9,171
- Student Blended (Funded) FTE count 5,459
- Blended FTE Count based on: Feb. 2019: 10% / Oct. 2019: 90%
- MIPSRS Retirement Rate 38.9%
- Health Insurance Cap Employer cost increase +3% (annualized) +1.5%
- Collective Bargaining Contracts settled & budgeted