

West Bloomfield School District

Kyle Anderson
Assistant Superintendent for Business and Operations



**WEST BLOOMFIELD
SCHOOL DISTRICT**

*Educating Students to be their
Best IN and FOR the World!*

**MEMORANDUM
2/19/2020**

TO: Superintendent Hill & Board of Education
FROM: Kyle Anderson, Asst. Superintendent
RE: 2019-20 General Fund Amendment #1

Amendment #1 for the General Fund was reviewed with the Board’s Finance Committee on February 6, 2020 and is being presented to the full Board for its consideration and approval.

GENERAL FUND BUDGET AMENDMENT #1 SUMMARY:

2019-20 GENERAL FUND BUDGET AMENDMENT #1	2/24/2020			
EXECUTIVE BUDGET PROPOSAL	Actual 2018-19	Original Budget 6/24/19	Amendment #1 2/24/2020	Amendment #2 Change
Beginning Fund Balance, July 1	\$ 9,883,942	\$ 11,108,208	\$ 11,108,208	\$ -
REVENUES	65,818,973	65,761,612	65,948,774	187,162
EXPENDITURES	64,594,707	67,261,694	66,975,203	(286,491)
OPERATING SURPLUS (DEFICIT)	1,224,266	(1,500,082)	(1,026,429)	473,653
Ending Fund Balance, June 30	\$ 11,108,208	\$ 9,608,126	\$ 10,081,779	\$ 473,653
Ending Fund Balance as % of Revenues	16.9%	14.6%	15.3%	0.7%

The 2019-2020 General Fund Budget is being adjusted to account for known factors such as enrollment, foundation allowance, grant allocations, staffing changes, and overall adjustments to better reflect new information since the original budget was developed. The budgeted spending deficit for 2019-2020 has improved by \$473,653. Assuming zero budget variance, the forecasted fund balance on June 30 is just under \$10.1 million or 15.3% of budgeted revenues. It is likely that there will be a budget variance based on year-end audit results that would directly affect this forecast.

Budgeted revenues are increasing by \$187,162 as summarized below:

SUMMARY OF CHANGES TO BUDGETED REVENUES - ORIGINAL TO AMENDMENT #1			
		Net Change	
Local Sources:		\$ 4,219	Federal Sources:
GF Tuition Payment	\$ 6,000		Title III ELA
Summer School Tuition	\$ (8,968)		Title I Part A
Adj Adult Ed Tuition	\$ (7,965)		Title II Part B
One-Time Increase Misc Revenue	\$ 16,000		IDEA (-36 SE Headcount)
Changes to Various Line Items	\$ (848)		Changes to Various Grants
State Sources:		\$ 291,816	Incoming Transfers & Other:
State Aid Foundation Allowance Revenue	\$ (259,304)		Summer School Tuition
			Oakland Schools PA18
Enrollment Original Budget FY20	5,459		Community Education Transfer
Enrollment Amendment #1 FY20	5,424		
Change	(35)		Total Change in Revenue
			\$ 187,162
Foundation Allowance Original Budget FY20	9,171		
Foundation Allowance Amendment #1 FY20	9,156		
Change	(15)		
SE Cost Reimbursement	\$ 216,135		
HS Per Pupil Allocation	\$ (47,814)		
At-Risk Allocation	\$ 56,451		
Pension Offset	\$ 291,912		
Sec 61d CTE Per Pupil Incentive	\$ 7,594		
Sec 107 Adlt Ed Categoricals	\$ 28,037		
Sec 102d Analytic Tools	\$ (5,946)		
Sec 35a Early Literacy Grant	\$ 6,721		
Changes to Various Line Items	\$ (1,970)		

The main changes to revenue include adjustments to enrollment, foundation allowance, and grant allocations. The original budget was based on a \$135 per pupil increase in the foundation allowance, but the actual foundation increase was \$120 or \$15 per pupil less. The original budget forecast had enrollment decreasing by 80 pupils, but the new forecast is a decrease of 115 pupils or 35 more pupil loss. The main changes to grants are Title I allocation being decreased by \$80,015 due to lower poverty levels, which dictate this grant allocation. Individuals with Disabilities Education Act (IDEA) funding decreased \$153,775 due to 36 less special education students from the previous year and the elimination of a one-time \$25,000 funding source from the previous year. Finally, the PA 18 allocation, which flows through Oakland Schools, is being increased by \$245,000 due in large part to increased area taxable values.

Budgeted expenditures are being decreased by \$286,941 as summarized below:

SUMMARY OF CHANGES TO BUDGETED EXPENDITURES - ORIGINAL TO AMENDMENT #1			
	CHANGE IN DOLLARS		CHANGE IN DOLLARS
SALARIES		ALL OTHER EXPENDITURES	
ADMIN/SUPERVISORY POSITIONS		BENEFITS	
Administrators (TMA)	(56,676)	Retirement	76,900
High School Principal Salary	(26,437)	FICA	32,252
Changes to Multiple Accounts	(8,507)	Health Insurance	(56,743)
Sub-Total:	(91,620)	Dental	(13,293)
		All Other (net)	13,787
CLERICAL		Sick/Vacation Payouts	(6,402)
Athletic Dept.	19,229	Total Change in Benefits	46,501
Pupil Accounting	26,211		
Changes to Multiple Accounts	(5,356)		
Sub-Total:	40,084	Substitute Employees	(152,382)
TEACHERS - GENERAL EDUCATION		ALL OTHER	
Elementary	272,583	Security Educational Consultants (Security)	37,000
Middle School	(209,058)	Telephone Service (provider change 8/15/2019)	(13,400)
High School	396,797	OEC Tuition Increase	19,585
Non-Public	9,554	Software Maintenance Agreements	123,230
	2,395	Textbooks / Science Kits	50,227
Sub-Total:	472,271	Adjustment to Durham Contracted Service	(158,897)
		Interest on Short-term borrowing	(12,000)
SPECIAL ED TEACHERS		IDEA Flowthru (offset by revenue)	(164,736)
Social Workers (Adjustments to correct salary amounts)	(158,518)	Title I (offset by revenue)	(80,015)
Speech Therapists	(37,804)	Title II (offset by revenue)	(62,989)
Changes to Multiple Accounts	(7,011)	Changes to multiple accounts (net)	(36,262)
Sub-Total:	(203,333)	Sub-Total:	(298,257)
PARAEDUCATORS	(114,867)		
CURRICULUM SPECIALISTS/COACHES	14,662		
TOTAL CHANGE IN SALARIES	117,197	TOTAL CHANGE IN BUDGETED EXPENDITURES	(286,941)

The main purpose of these expenditure adjustments came because of a line item review based on the 2018/2019 audit results. The 2018-2019 audited expenditures were \$1,849,083 below the final budget amendment, which resulted in a positive budget variance of \$1,774,401 or 2.7% for the year. Although a positive budget variance at year-end is desirable, it should be more in-line with general budgeting practices of 1.5%.

RECOMMENDATION:

The recommendation is to approve the attached resolution amending the General Fund Budget for the 2019-2020 fiscal year.

**RESOLUTION FOR ADOPTION BY THE BOARD OF EDUCATION
WEST BLOOMFIELD SCHOOL DISTRICT**

RESOLVED, that this resolution is to amend the the general appropriations of the West Bloomfield School District for the fiscal year 2019-2020.
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 2019-2020 is as follows:

REVENUE		
Local Sources		\$12,819,953
State Sources		46,518,222
Federal Sources		2,135,947
Other LEA's/ISD's/Sale of Property		4,434,652
Transfers in from Other Funds		40,000
TOTAL REVENUE		\$65,948,774
Fund Balance, July 1, 2019	\$11,108,208	
Fund Balance Available to Appropriate		11,108,208
TOTAL AVAILABLE TO APPROPRIATE		<u>\$77,056,982</u>

BE IT FURTHER RESOLVED, that **\$66,975,203** 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		\$40,148,430
Supporting Services		26,450,678
Community Services		303,357
Payments to Other Govt. Agencies		0
Other Financing Uses-Debt Service Principal/Interest		72,738
Transfers Out		0
TOTAL APPROPRIATED		<u>\$66,975,203</u>

Budgeted Ending Fund Balance in the General Fund for Fiscal Year 2019-20 is \$10,081,779.