

Robert Shaner, Ph.D.
Superintendent

Debi Fragomeni
Deputy Superintendent for Instruction



Dana J. Taylor, CPA, CFF
Deputy Superintendent for Business Affairs

Elizabeth A. Davis
Chief Human Resource Officer

501 W. University Drive • Rochester, Michigan • 48307 • Phone: 248.726.3000 • Fax: 248.726.3105

MEMORANDUM

March 21, 2022

To: Dr. Robert Shaner, Superintendent

From: Dana Taylor, Deputy Superintendent of Business Affairs

Subject: **School District Budget Amendments for the 2021-2022 Fiscal Year**

The following pages contain Resolutions for amendments to the General Fund and Sinking Fund budgets for the 2021-2022 school year.

The General Fund budget revenue increases \$8,588,759 primarily due to estimated increases in tuition-based programs, the current year revenue recognition and use of federal COVID-19 pandemic funding including the Child Care Stabilization Grant. The General Fund budget expenditures increase \$8,766,977 related to adjustments to staffing salary and benefit costs, and operational costs. As a result, the overall fund balance is projected to decrease by \$2,044,632 to \$36,565,666.

The Sinking Fund budget revenue increases \$18,000 primarily due to a rebate from Consumers Energy for the purchase and addition of pool covers to three high schools. These covers increase energy efficiency and chemical conservation. Sinking Fund budget expenditures decreased \$2,176,069 due to overall construction project estimates and loan principal and interest expenditures being moved to the General Fund. As a result, the overall fund balance is projected to increase by \$279,560 to \$1,056,530.

Board members received information regarding the proposed budget amendments during the week of March 14, 2022. A full budget presentation will occur at the regular meeting scheduled for March 21, 2022.

Based on this information, we recommend THAT the Rochester Board of Education adopt the following resolutions for the General Fund and Sinking Fund.

**ROCHESTER COMMUNITY SCHOOLS
GENERAL FUND BUDGET
March 21, 2022**

	2020-21	2021-22	2021-22	2021-22		2021-22
	Final	Original	Budget	Budget		Budget
	Actual	Budget	Amendment 1	Amendment 2	Adjustments	Amendment 3
REVENUE:						
Local Revenue	\$ 24,499,022	\$ 26,858,071	\$ 26,858,071	\$ 26,969,799	\$ 1,564,545	\$ 28,534,344
State Revenue	139,080,313	139,794,792	139,794,792	139,076,019	4,438,421	143,514,440
Federal Revenue	7,684,829	5,586,289	5,586,289	9,254,419	2,583,803	11,838,223
Transfers In & Other Financing Sources	13,005,395	12,633,810	12,633,810	12,501,822	1,990	12,503,812
TOTAL REVENUE & OTHER SOURCES	\$ 184,269,559	\$ 184,872,962	\$ 184,872,962	\$ 187,802,059	\$ 8,588,759	\$ 196,390,818
EXPENDITURES:						
INSTRUCTION:						
Basic Programs	\$ 86,106,652	\$ 88,345,958	\$ 88,345,958	\$ 87,478,609	\$ 3,239,438	\$ 90,718,047
Added Needs	21,965,677	22,820,407	22,820,407	23,587,276	1,652,193	25,239,469
Adult and Continuing Education	213,608	304,556	304,556	256,344	1,443	257,787
TOTAL INSTRUCTION	108,285,937	111,470,921	111,470,921	111,322,229	4,893,073	116,215,303
SUPPORT SERVICES:						
Pupil Support	16,651,293	16,488,058	16,488,058	16,785,844	1,000,773	17,786,617
Instructional Staff Support	11,801,138	8,511,977	8,511,977	9,517,890	30,204	9,548,094
General Administration	1,639,536	1,863,738	1,863,738	1,878,623	141,976	2,020,599
School Administration	9,054,385	9,091,168	9,091,168	8,575,364	690,481	9,265,845
Business Support	2,034,048	2,285,428	2,285,428	2,234,572	107,726	2,342,298
Operations, Maintenance & Security	15,757,925	15,862,409	15,862,409	16,205,846	467,380	16,673,226
Pupil Transportation Services	5,549,401	7,768,946	10,169,948	10,236,286	(17,737)	10,218,548
Central Support	6,131,867	7,088,852	7,088,852	7,002,973	522,556	7,525,528
Other Support	2,892,837	3,045,093	3,045,093	3,102,049	(313,604)	2,788,445
TOTAL SUPPORT SERVICES	71,512,430	72,005,669	74,406,671	75,539,447	2,629,754	78,169,201
COMMUNITY SERVICES	1,950,705	3,119,664	3,119,664	2,679,859	626,550	3,306,409
BUILDING IMPROVEMENT SERVICES	238,819	-	-	-	-	-
PAYMENTS TO OTHER GOVERNMENTS	-	-	-	-	4,000	4,000
DEBT SERVICE	-	-	-	-	-	-
	2,189,524	3,119,664	3,119,664	2,679,859	630,550	3,310,409
OTHER FINANCING USES:						
Loan Principal	-	-	-	-	586,400	586,400
Interest on Debt	-	-	-	-	37,200	37,200
Interfund Transfer	2,200,164	116,937	116,937	116,937	-	116,937
TOTAL OTHER USES	2,200,164	116,937	116,937	116,937	623,600	740,537
TOTAL EXPENDITURES & OTHER USES	\$ 184,188,055	\$ 186,713,191	\$ 189,114,193	\$ 189,658,473	8,776,977	\$ 198,435,450
EXCESS (SHORTAGE) REVENUES OVER EXPENDITURES	\$ 81,504	\$ (1,840,229)	\$ (4,241,231)	\$ (1,856,414)	(188,218)	\$ (2,044,632)
FUND BALANCE - BEGINNING OF YEAR	38,528,794	38,610,298	38,610,298	38,610,298		38,610,298
FUND BALANCE - END OF YEAR	\$ 38,610,298	\$ 36,770,069	\$ 34,369,067	\$ 36,753,884		\$ 36,565,666
FUND BALANCE AS PERCENT OF EXPENDITURES	21.84%	19.69%	18.17%	19.38%		18.43%

**RESOLUTION FOR ADOPTION BY
THE BOARD OF EDUCATION
OF ROCHESTER COMMUNITY SCHOOLS**

2021-2022 BUDGET AMENDMENT

RESOLVED, that this resolution shall be the **GENERAL FUND** Appropriation Act of the Rochester Community Schools

BE IT FURTHER RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriation in the **GENERAL FUND** of Rochester Community Schools for fiscal year 2021-2022 which includes 18.000 mills of ad valorem taxes to be levied on non-homestead property to be used for general operations be adopted as follows:

Revenues		
Local		\$ 28,534,344
State		143,514,440
Federal		11,838,223
Other Financing Sources		<u>12,503,812</u>
Total Revenue		196,390,818
Fund Balance July 1, 2021	\$ 38,610,298	
Fund Balance Appropriated to Expenditures	<u>(2,044,632)</u>	
Projected Fund Balance June 30, 2022	36,565,666	
Fund Balance Appropriated to Expenditures		<u>2,044,632</u>
Total Appropriated for General Fund Expenditures		<u><u>\$ 198,435,450</u></u>

BE IT FURTHER RESOLVED, that \$198,435,450 in the **General Fund** is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures		
INSTRUCTION:		
Basic Programs		\$90,718,047
Added Needs		25,239,469
Adult and Continuing Education		<u>257,787</u>
SUPPORT SERVICES:		
Pupil Support		17,786,617
Instructional Support		9,548,094
General Administration		2,020,599
School Administration		9,265,845
Business Support		2,342,298
Operations & Maintenance		16,673,226
Transportation		10,218,548
Central Support		7,525,528
Other Support		<u>2,788,445</u>
COMMUNITY SERVICES		3,306,409
PAYMENTS TO OTHER GOVERNMENTS		<u>4,000</u>
OTHER FINANCING USES:		
Loan Principal		586,400
Loan Interest		<u>37,200</u>
TRANSFERS:		
Transfer to Other Funds		<u>116,937</u>
Total Appropriated for General Fund		<u><u>\$ 198,435,450</u></u>

This appropriation is to become effective March 21, 2022

FURTHER RESOLVED, that no board of education member or employee of the school district shall expend any funds or funds or obligate the expenditure of any funds except pursuant to appropriations made by the board of education and in keeping with the budgetary policy statement hitherto adopted by the board. Changes in the amount of appropriated by the board shall require approval of the board.

**ROCHESTER COMMUNITY SCHOOLS
SINKING FUND BUDGET
March 21, 2022**

	2020-21	2021-22		2021-22
	Final	Original		Budget
	Actual	Budget	Adjustments	Amendment
REVENUE:				
Property Taxes	\$ 8,126,293	\$ 8,476,631	\$ 4,500	\$ 8,481,131
Interest	6,436	40,460	-	40,460
Other Local Revenue	-	-	13,500	13,500
Transfers In & Other Financing Sources	5,000,000	-	-	-
TOTAL REVENUE & OTHER SOURCES	13,132,729	8,517,091	18,000	8,535,091
EXPENDITURES:				
SUPPORT SERVICES:				
Capital Outlay	12,355,759	9,674,240	(1,446,469)	8,227,771
Professional Services	-	-	760	760
Other	-	115,760	(88,760)	27,000
TOTAL EXPENDITURES	12,355,759	9,790,000	(1,534,469)	8,255,531
OTHER FINANCING SOURCES (USES):				
Loan Principal	-	586,400	(586,400)	-
Interest on Debt	-	37,200	(37,200)	-
	-	623,600	(623,600)	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	776,970	(1,896,509)	2,176,069	279,560
FUND BALANCE - BEGINNING OF YEAR	-	3,997,657	(3,220,687)	776,970
FUND BALANCE - END OF YEAR	\$ 776,970	\$ 2,101,148	\$ (1,044,618)	\$ 1,056,530
FUND BALANCE AS PERCENT OF EXPENDITURES	6.29%	21.46%		12.80%

**RESOLUTION FOR ADOPTION BY THE BOARD OF EDUCATION
ROCHESTER COMMUNITY SCHOOLS**

2021-2022 BUDGET AMENDMENT

RESOLVED, that this resolution shall be the **SINKING FUND** Appropriation Act of the Rochester Community Schools for the fiscal year 2021-2022: A resolution to make appropriations; and to provide for the disposition of all income received by Rochester Community Schools.

BE IT FURTHER RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriation in the **SINKING FUND** of Rochester Community Schools for fiscal year 2021-2022 which includes 1.4732 mills of ad valorem taxes to be levied on non-homestead and homestead property be adopted as follows:

Revenues	Property Taxes	\$ 8,481,131
	Interest Income	40,460
	Other Local Revenue	13,500
Total Revenue		8,535,091

Fund Balance July 1, 2021	\$	776,970
Revenue Appropriated to Expenditures		279,560
Projected Fund Balance June 30, 2022	\$	1,056,530

Fund Balance Appropriated to Expenditures	(279,560)
Total appropriated for Sinking Fund Expenditures	\$ 8,255,531

BE IT FURTHER RESOLVED, that \$8,255,531 in the **SINKING FUND** is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures	Capital Outlay	\$ 8,227,771
	Professional Services	760
	Other	27,000
Total appropriated - Sinking Fund		\$ 8,255,531

This appropriation to become effective March 21, 2022

FURTHER RESOLVED, that no board of education member or employee of the school district shall expend any funds or obligate the expenditure of any funds except pursuant to appropriations made by the board of education and in keeping with the budgetary policy statement hitherto adopted by the board. Changes in the amount appropriated by the board shall require approval of the board.