

TO: Board of Education

FROM: Sharon Raschke, CFO *Sharon*

DATE: December 10, 2018

RE: 2018-19 November Budget Amendment

The 2018-19 November budget amendment is being presented. The amendment was reviewed and recommended by the Finance Committee on November 21.

The key parameters of the revised 2018-19 budget included are:

- Carryover of existing programs.
- State Foundation allowance \$8,117, a \$212 increase from 2017-18.
- Student count 3,635, an increase of 7 FTE from 2017-18. The student count reflects the current status of state funding for international students.
- Existing State categorical Hold Harmless Guarantee (20f) of \$145,169 (approx. \$40 per student), based on the guarantee that each district increased \$25 per pupil in 2015-16 with the elimination of other State categoricals.
- Existing State categorical for MPSERS Cost Offset (147a) and MPSERS Stabilization (147c), and an additional MPSERS Reform Payment (147e). Total estimated \$3,468,718.
- MPSERS Retirement Rate 38.66% budgeted all funds \$9,050,000. Net MPSERS retirement cost \$5,580,000. The net amount is 12% of the budget. The State categorical funding is not guaranteed. If eliminated, the full retirement cost would be a district obligation of more than 20% of the impacted budgets.
- Existing State categorical for Data Collection (152a) of \$92,198.
- WISD Act 18 special education reimbursement \$3,829,095 is based on 100% of actual unreimbursed costs of the 2016-17 fiscal year. Additional payments may be made after WISD finalizes actual costs from previous years.
- Increased State and Federal funding for categorical, IDEA, and Title programs.
- Increased 2.37 professional instructional and professional support staff.
- Wage changes per bargaining agreements with all employee groups.
- Staff steps and levels and education levels per negotiated contracts.
- Health benefits per negotiated contracts with fully insured MESSA and BCBS products.
- Long range trend reflects \$106 increase foundation from State. Student increases of 26 and 22 are consistent with the student projections used for the 2017 bond planning.

Attachments

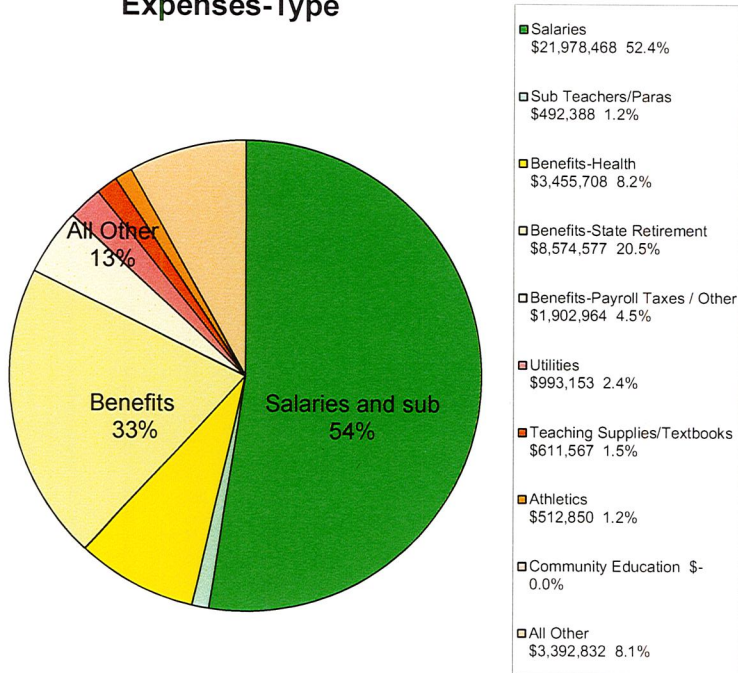
1. Financial Dashboard
2. A long-range trend with 2016-17 actual, 2017-18 actual, 2018-19 (November revision), and 2019-20, 2020-21, 2022-22, and 2022-23 trend.
3. 2018-19 Budget Details highlights the major changes between the adoption and amendment.
4. 2017-18 Year-End Fund Balances and designated reserves.
5. The general appropriation amendment for the general fund and required special revenue funds by major function grouping. These resolutions, once adopted by the Board of Education, will be posted on our Budget Transparency Reporting web page.

The budget detailed by individual account lines are available in the Business Office.

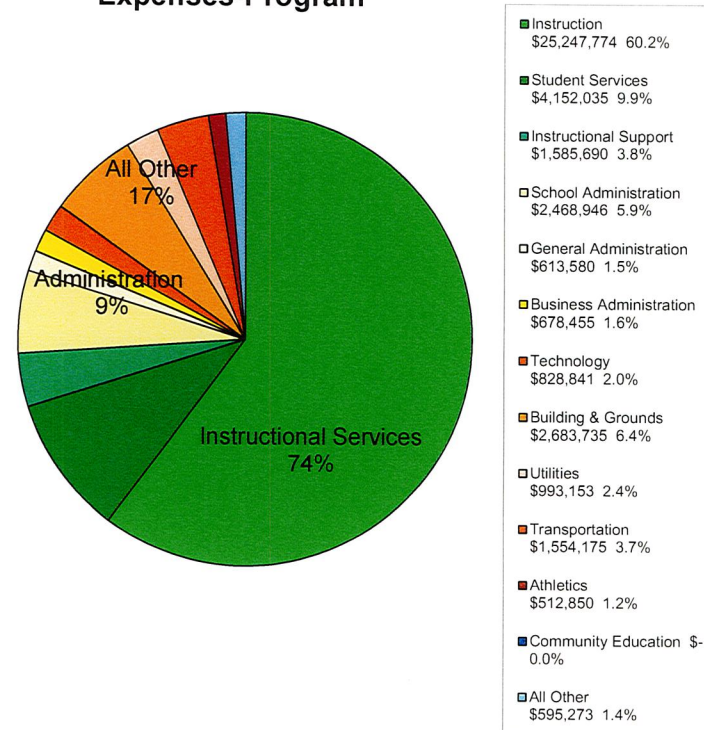
**Dexter Community Schools
Financial Dashboard
2018-19 Budget (November Revision)**

2016-17 Actual						
Student Count	Total Revenues	Total Expenditures	Excess Rev/Exp	Ending Fund Balance	%	Foundation Allowance
3,582	\$39,035,555	\$38,659,108	\$376,447	\$6,525,567	16.9%	\$7,799
Peer Group Ranking from most recent Bulletin 1014 (2016-17 data)					9th out of 30	14th out of 30
2017-18 Actual						
3,625	\$40,716,084	\$40,253,155	\$462,929	\$6,988,496	17.4%	\$7,905
2018-19 Budget (November Revision)						
3,636	\$42,197,765	\$41,914,507	\$283,258	\$7,271,754	17.3%	\$8,117

Expenses-Type



Expenses-Program



Dexter Community Schools
General Fund
Long Range Trend

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	actual	actual	budget (November)	trend	trend	trend	trend
Revenue	39,035,555	40,716,084	42,197,765	43,138,364	43,606,692	44,686,343	45,558,214
Expense	38,659,108	40,253,155	41,914,507	42,885,675	44,339,446	46,129,850	47,786,417
Revenue over (under) expense	376,447	462,929	283,258	252,689	(732,755)	(1,443,507)	(2,228,203)
Fund Balance planned adjustment	-	-	-	-	-	-	-
Operational Revenue over (under) expense	376,447	462,929	283,258	252,689	(732,755)	(1,443,507)	(2,228,203)
FUND BALANCE							
Non-spendable-Prepaid Expenditures	64,363	88,252	88,252	88,252	88,252	88,252	88,252
Committed-Facilities	874,000	874,000	874,000	874,000	874,000	874,000	874,000
Committed-Athletic Facilities	590,000	680,000	680,000	680,000	680,000	680,000	680,000
Committed-Health Benefit Claims	-	-	-	-	-	-	-
Committed-Instructional Equipment	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Committed-New Programs Implementation	-	-	-	-	-	-	-
Committed-New Programs Startup Costs	-	300,490	300,490	300,490	300,490	300,490	300,490
Committed-Performing Arts Equipment	\$110,000	120,000	120,000	120,000	120,000	120,000	120,000
Committed-Retirement/Severance	850,000	850,000	850,000	850,000	850,000	850,000	850,000
Committed-Supply Carryover	139,651	161,739	161,739	161,739	161,739	161,739	161,739
Committed-Technology	831,714	831,714	831,714	831,714	831,714	831,714	831,714
Committed-Textbooks	-	-	-	-	-	-	-
Assigned for Subsequent year expenditures	405,120	264,622	264,622	264,622	264,622	264,622	264,622
Unassigned	1,660,719	1,817,679	2,100,937	2,353,626	1,620,871	177,365	(2,050,838)
TOTAL FUND BALANCE	6,525,567	6,988,496	7,271,754	7,524,443	6,791,688	5,348,182	3,119,979
%	16.9%	17.4%	17.3%	17.5%	15.3%	11.6%	6.5%
Unassigned	1,660,719	1,817,679	2,100,937	2,353,626	1,620,871	177,365	(2,050,838)
%	4.3%	4.5%	5.0%	5.5%	3.7%	0.4%	-4.3%
STATE FUNDING							
State per pupil foundation	\$ 7,799	\$ 7,905	\$ 8,117	\$ 8,223	\$ 8,329	\$ 8,435	\$ 8,541
State per pupil foundation change (\$)	\$ 106	\$ 106	\$ 212	\$ 106	\$ 106	\$ 106	\$ 106
Effective per pupil change							
STUDENT ENROLLMENT							
New student additions(general ed & special ed FTE)	33.97	42.20	7.09	26.00	22.00	22.00	22.00
Student Enrollment (October)	3,586.58	3,628.78	3,635.87	3,661.87	3,683.87	3,705.87	3,727.87
PROJECTION ASSUMPTIONS							
Increase academic staff (FTE)	7.29	8.77	2.37	1.00	1.00	1.00	1.00
Increase support staff (FTE)	-	-	-	-	-	-	-
Salary/Wage DEA change (%)	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
State Blended Count Method	10%/90%	10%/90%	10%/90%	10%/90%	10%/90%	10%/90%	10%/90%
MPERS Retirement Rate	36.90%	39.36%	38.66%	38.78%	38.90%	39.02%	39.14%
FICA Employer Tax Rate	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%
District Insurance Cost change	-1.50%	3.00%	3.50%	6.50%	3.00%	3.00%	3.00%
WISD Special Education Reimbursement	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Indirect Cost Rate to Self-supporting Programs	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Inflation (discretionary)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Dexter Community Schools
2018-19 Budget Details
November Revision**

	Revenue	Expenses	Revenue over (under) Expenses
2018-19 Budget (at adoption)	\$ 41,857,037	\$ 42,121,659	\$ (264,622)
2018-19 Budget (November Revision)	\$ 42,197,765	\$ 41,914,507	\$ 283,258
Change Increase (decrease)	\$ 340,728	\$ (207,152)	\$ 547,880
Revenue changes from June budget adoption			
Student Count 3,635.87 (planned +35; actual +7) -28 from budget	\$ (205,000)		
State foundation (planned \$8,055 actual \$8,117) +\$62 from budget	\$ 222,000		
State MPSERS offset (net change from June)	\$ 334,000		
Federal Grants increases (Title I, II)	\$ 165,000		
Federal Grants increases (IDEA special education)	\$ 84,000		
State At Risk increases	\$ 35,000		
Other	\$ (294,272)		
Expense Changes from June budget adoption			
Increased 1.37 FTE professional staff in addition to 1 approved in June (21 FTE new hire avg \$46,093 w/ fringes \$78,186)			
Retired/Term 19.0 FTE (average term salary \$62,611)		\$ (229,707)	
Teaching per pupil supplies carry over		\$ 161,738	
Other		\$ (139,183)	
Operational changes 18-19 budget adoption	\$ 340,728	\$ (207,152)	

FINAL BUDGETED INFORMATION FOR REFERENCE
MPSERS Retirement Rate 38.66% budgeted all funds \$9,050,000. Net MPSERS retirement cost \$5,580,000.
Employer contribution to medical 7% increase 7/1/18 for Bus Drivers and 7% increase 1/1/19 for other groups. Total health budget \$3,620,000.
Bus fuel (budgeted 50,000 gallons at \$2.50 per gallon)

FINAL BUDGETED INTER FUND TRANSFERS	Revenue	Expenses
Incoming Transfers from F&N (10%)	\$ 140,153	
Incoming Transfer from Community Ed (5%)	\$ 83,573	
General Fund Subsidy for Athletics		\$ 512,850
General Fund Subsidy for Community Ed		\$ -

OTHER REFERENCE INFORMATION		net revenue over (under) expense
\$25 change in State Foundation -- increase or (decrease)		\$ 90,000
10 change in student count -- increase or (decrease)		\$ 73,000
1% change in salary -- (increase) or decrease		\$ 280,930
Each new teacher cost -- (increase) or decrease		\$ 78,186

Finance Committee Recommended

8/27/2018

Dexter Community Schools

Fund Balance Year end 2017-18

Revenue	\$	40,752,488.16
Expenses	\$	40,289,559.53
Net Income	\$	462,928.63

			Base value		17-18	Board planned	Planned	Recommended	Recommended
Fund Balance Classifications	Account	Methodology of Target	for calculation	Target	Beginning	transfers 17-18	Ending	transfers 17-18	Ending
Required Designated Reserve Funds (policy 6604)									
Non-Spendable									
Non-spendable-Prepaid Expenditures	11-2711-1000	Prepaid expenditure asset	\$ 64,363	\$ 64,363	\$ 64,363.00	\$ (64,363)	\$0.00	\$ 23,888.90	\$ 88,251.90
Committed (required)									
Committed- Supply Carryover	11-2731-7100	Unspent supply carryover	\$ 139,651	\$ 139,651	\$ 139,651.00	\$ (139,651)	\$0.00	\$ 22,087.50	\$ 161,738.50
Board Designated Reserve Funds (policy 6605)									
Committed (management planned)									
Committed-Facilities, Equipment & Maintenance	11-2731-1200	Assets undeprec repl value * 1%	\$ 166,685,081.00	\$1,666,850.81	\$ 874,000.00		\$ 874,000.00		\$ 874,000.00
Committed-Facilities Athletics	11-2731-1300	Artificial turf, pools	\$ 1,500,000.00	\$1,500,000.00	\$ 590,000.00		\$ 590,000.00	\$ 90,000.00	\$ 680,000.00
Committed-Performing Arts Equipment	11-2731-5100	Refurbishing performing arts equipment	\$ 200,000.00	\$ 200,000.00	\$ 110,000.00		\$ 110,000.00	\$ 10,000.00	\$ 120,000.00
Committed-Instructional Materials/Equipment	11-2731-3100	Replacement of Instructional Materials	\$ 1,087,500.00	\$1,087,500.00	\$ 1,000,000.00		\$ 1,000,000.00		\$ 1,000,000.00
Committed-Technology	11-2731-8100	Cost of technology inventory * 50% (includes balance of restitution)	\$ 5,873,973.00	\$2,936,986.50	\$ 831,714.00		\$ 831,714.00		\$ 831,714.00
Committed-New Programs	11-2731-4100	Startup and implementation transition of new programs (3-5 yrs)	\$ 348,000.00	\$ 348,000.00	\$ -		\$ -		\$ -
Committed-New Buildings/New Spaces	11-2731-4200	Startup and implementation transition of new building (3-5 years)	\$ 300,000.00	\$ 300,000.00	\$ -		\$ -	\$ 300,490.00	\$ 300,490.00
Committed-Retirement/Severance	11-2731-6100	Retirement obligation * 2/3	\$ 1,487,662.00	\$ 991,774.67	\$ 850,000.00		\$ 850,000.00		\$ 850,000.00
Assigned Fund Balance									
Assigned Fund Balance	11-2741-0000	Subsequent year expenditures	\$ 264,622.00	\$ 264,622.00	\$ 405,120.00		\$ 264,622.00	\$ (140,498.00)	\$ 264,622.00
Unassigned Fund Balance (policy 6612)									
Unassigned Fund Balance (policy 6612)	11-2751-0000	3-5% of general fund expenses (value at 5%)	\$ 40,289,559.53	\$2,014,477.98	\$ 1,747,200.51		\$ 1,747,200.51	\$ 156,960.23	\$ 1,904,160.74
Total Fund Balance									
Total Fund Balance					\$ 6,612,048.51	\$ (204,014.00)	\$ 6,408,034.51	\$ 462,928.63	\$ 7,074,977.14
Non-Spendable Fund Balance									
Non-Spendable Fund Balance				0.2%	\$ 64,363			0.2%	\$ 88,252
Committed Fund Balance									
Committed Fund Balance				11.5%	\$ 4,395,365			12.0%	\$ 4,817,943
Assigned Fund Balance									
Assigned Fund Balance				0.2%	\$ 405,120			0.7%	\$ 264,622
Unassigned Fund Balance									
Unassigned Fund Balance				5.0%	\$ 1,747,201			4.7%	\$ 1,904,161
Total Fund Balance									
Total Fund Balance				16.9%	\$ 6,612,049			17.6%	\$ 7,074,977

4.7%

**General Appropriation of the General Fund
Resolution for Adoption by the Board of Education, Dexter Community Schools**

RESOLVED, that this resolution shall be the general appropriation amendment of Dexter Community Schools for the 2018-19 fiscal year; a resolution to make appropriations; to provide for the expenditure of the appropriations; and to provide for the disposition of all revenue received by Dexter 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 the school district for fiscal year 2018-19 which includes 18 mills of ad valorem taxes to be levied on non-homestead and nonqualified agricultural property to be used for operating purposes is as follows:

Revenue:

1xx Local	\$ 5,483,543
2xx Other Political Subdivisions	\$ 5,412
3xx State	\$ 30,190,030
4xx Federal	\$ 1,661,926
5xx-6xx Other Financing Sources	\$ 4,856,854
Total Revenue	\$ 42,197,765

Total Fund Balance, July 1 Available to Appropriate	\$ 6,900,244
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Total Available to Appropriate	\$ 49,098,009
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BE IT FURTHER RESOLVED, that of the total available to appropriate in the General Fund, it is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures:

1xx – Instruction

11x- Basic Programs	\$ 20,764,004
12x- Added Needs	\$ 4,483,770

2xx – Support Services

21x- Pupil Support	\$ 4,152,035
22x- Instructional Staff Support	\$ 2,414,531
23x- General Administration	\$ 613,580
24x- School Administration	\$ 2,468,946
25x- Business Services	\$ 678,455
26x- Operations and Maintenance	\$ 3,676,888
27x- Transportation	\$ 1,554,175
28x-29x Other Central Support	\$ 314,504

3xx-Community Services	\$ 265,027
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4xx-6xx Other Financing Uses	\$ 528,592
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Total Appropriated	\$ 41,914,507
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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.

BE IT FURTHER RESOLVED, that for purposes of meeting emergency needs of the school district, transfers of appropriations may be made upon the written authorization of the superintendent but no other transfers shall be made without prior approval of the board of education. When the superintendent makes a transfer of appropriations as permitted by this resolution, such transfer shall be presented to the board of education at its next regularly scheduled meeting in the form of an appropriation amendment, which amendment shall be adopted by the board of education at such meeting.

AYES: _____ NAYS: _____ ABSENT: _____ RESOLUTION DECLARED ADOPTED.

The undersigned duly qualified and acting Secretary of the Board of Education of the Dexter Community Schools, Counties of Washtenaw and Livingston, State of Michigan, hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the board of education at a regular meeting held on December 10, 2018, and further certifies that notice of the meeting was given to the public pursuant to the provisions of the Open Meetings Act, 1976 PA 267, as amended.

Secretary, Board of Education

**General Appropriation of the Community Service Fund
Resolution for Adoption by the Board of Education, Dexter Community Schools**

RESOLVED, that this resolution shall be the general appropriation amendment of the Community Service Fund for the 2018-19 fiscal year; a resolution to make appropriations; to provide for the expenditure of the for the expenditure of the appropriations; and to provide for the disposition of all revenue received by the Community Service Fund of Dexter Community Schools.

BE IT FURTHER RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriation in the Community Service Fund of the school district for fiscal year 2018-19 to be used for operating purposes is as follows:

Revenue:

1xx Local	\$	2,057,877
3xx State	\$	43,698
4xx Federal	\$	125,000
5xx-6xx Other Financing Sources	\$	512,850
Total Revenue	\$	2,739,425

Total Fund Balance, July 1 Available to Appropriate	\$	-
Total Available to Appropriate	\$	2,739,425

BE IT FURTHER RESOLVED, that of the total available to appropriate in the Community Service Fund, it is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures:

1xx – Instruction		
11x- Basic Programs	\$	110,038
2xx – Support Services		
22x- Instructional Staff Support	\$	7,075
26x- Operations and Maintenance	\$	81,850
27x- Transportation	\$	80,000
28x-29x Other Central Support	\$	685,550
3xx-Community Services	\$	1,632,498
4xx-6xx Other Financing Uses	\$	83,573
Total Appropriated	\$	2,680,584

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.

BE IT FURTHER RESOLVED, that for purposes of meeting emergency needs of the school district, transfers of appropriations may be made upon the written authorization of the superintendent but no other transfers shall be made without prior approval of the board of education. When the superintendent makes a transfer of appropriations as permitted by this resolution, such transfer shall be presented to the board of education at its next regularly scheduled meeting in the form of an appropriation amendment, which amendment shall be adopted by the board of education at such meeting.

AYES: _____ NAYS: _____ ABSENT: _____ RESOLUTION DECLARED ADOPTED.

The undersigned duly qualified and acting Secretary of the Board of Education of the Dexter Community Schools, Counties of Washtenaw and Livingston, State of Michigan, hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the board of education at a regular meeting held on December 10, 2018, and further certifies that notice of the meeting was given to the public pursuant to the provisions of the Open Meetings Act, 1976 PA 267, as amended.

Secretary, Board of Education

**General Appropriation of the Food Services Fund
Resolution for Adoption by the Board of Education, Dexter Community Schools**

RESOLVED, that this resolution shall be the general appropriation amendment of the Food Services Fund for the 2018-19 fiscal year; a resolution to make appropriations; to provide for the expenditure of the for the expenditure of the appropriations; and to provide for the disposition of all revenue received by the Food Services Fund of Dexter Community Schools.

BE IT FURTHER RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriation in the Food Services Fund of the school district for fiscal year 2018-19 to be used for operating purposes is as follows:

Revenue:

1xx Local	\$	1,056,558
3xx State	\$	73,727
4xx Federal	\$	295,473
5xx-6xx Other Financing Sources	\$	137,600
Total Revenue	\$	1,563,358
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Total Fund Balance, July 1 Available to Appropriate	\$	345,892
Total Available to Appropriate	\$	1,909,250

BE IT FURTHER RESOLVED, that of the total available to appropriate in the Food Services Fund, it is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures:

2xx – Support Services

26x- Operations and Maintenance	\$	2,735
28x-29x Other Central Support	\$	1,398,797
4xx-6xx Other Financing Uses	\$	140,153
Total Appropriated	\$	1,541,685

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.

BE IT FURTHER RESOLVED, that for purposes of meeting emergency needs of the school district, transfers of appropriations may be made upon the written authorization of the superintendent but no other transfers shall be made without prior approval of the board of education. When the superintendent makes a transfer of appropriations as permitted by this resolution, such transfer shall be presented to the board of education at its next regularly scheduled meeting in the form of an appropriation amendment, which amendment shall be adopted by the board of education at such meeting.

AYES: _____ NAYS: _____ ABSENT: _____ RESOLUTION DECLARED ADOPTED.

The undersigned duly qualified and acting Secretary of the Board of Education of the Dexter Community Schools, Counties of Washtenaw and Livingston, State of Michigan, hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the board of education at a regular meeting held on December 10, 2018, and further certifies that notice of the meeting was given to the public pursuant to the provisions of the Open Meetings Act, 1976 PA 267, as amended.

Secretary, Board of Education