

2018-19 General Fund Budget Recommendation

June 13, 2018

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Local Budget Considerations



AAPS Initiatives

- Reduced class sizes
- Pre-school and early childhood expansion
- Implementation of Project Lead The Way (PLTW)
- Science, Technology, Engineering, Arts & Mathematics (STEAM)
- International Baccalaureate (IB)
- Elimination of split classes
- Implementation of social/emotional supports
 - Intervention Specialists
 - 9th Grade Counselors
 - 9th Grade Deans



AAPS Millages

Millage Type	Primary Residence	Commercial Personal Property (ex. equipment)	Non-Primary Residence Real Property (ex. rentals, agricultural, industrial, commercial)
Operating		6.0000	18.0000
Hold Harmless	4.1442	4.1442	
Sinking Fund	2.4673	2.4673	2.4673
Debt	2.4500	2.4500	2.4500
Total	9.0615	15.0615	22.9173



Foundation Grant Funding Sources Breakdown

2018-19 Pupil Count Enrollment Estimate	2018-19 Foundation	Revenue	Revenue Source	Percent
17,938	\$9,410	\$168,796,580		100%
		21,857,018	Hold Harmless- Primary Residence 4.1442 Mills	13%
		2,827,163	Commercial Personal Property 10.1442 Mills	2%
		62,847,048	Operating- Real Non Residential 18.0000 Mills	37%
		81,265,351	State	48%



2018-2019 State Aid Proposals

	Executive
Foundation increase of \$120 per pupil	\$2,123,477
Computer Adaptive Tests (section 104d)	(65,000)
MPSERS One-Time (section 147c(2)) (Michigan Public School Employee Retirement System)	(2,700,000)
	\$ (641,523)



2018-2019 Revenue Assumptions

Local Revenues	
2017-2018 Amended Budget	\$88,832,147
One-time revenue in prior year for cell tower income, easements and rent settlement	(3,790,000)
Operating millage restoration to 18 mills	2,489,082
Local Revenues	\$87,531,229



2018-2019 Revenue Assumptions

State Revenues	
2017-2018 Amended Budget	\$124,849,658
Foundation Revenue Increase of \$120 per pupil	2,123,477
Increased Enrollment: 240 students at the estimated foundation allowance of \$8,400 per pupil	2,016,000
Increase in special education reimbursement	1,500,000
Elimination of section 104d, Computer Adaptive Tests	(65,000)
Elimination of section 147c(2), MPSERS One Time Deposit	(2,700,000)
Tax base one time revenue for prior year adjustments	(3,800,000)
Tax base increase, which reduces State's responsibility	(1,062,358)
State Revenues	\$122,861,777



2018-2019 Revenue Assumptions

Federal Revenues	\$ 8,906,275
Incoming Transfers and Other Transactions	
2017-2018 Amended Budget	\$ 28,346,600
PA 18 Increase	1 1/2 170
PA 16 IIICrease	1,142,179
Incoming Transfers and Other Transactions	\$ 29,488,779
TOTAL REVENUES	\$248,788,060



2018-2019 Expenditure Assumptions

Expenditures	
2017-2018 Amended Budget	\$252,768,179
Wage increases per negotiated CBAs (OP, Para, TSP, ASCSA)	671,428
Health Insurance increase	217,215
Retirement rate increase from 25.56% to 26.18%	834,318
Operations contracts COLA	200,000
	Cont'd



2018-2019 Expenditure Assumptions

Expenditures cont'd	
Elimination of section 147c(2), MPSERS One Time Deposit	\$ (2,700,000)
One-time expenditure in prior year for FICA on 3% refund	(525,000)
Professional staff retirements of 50, replaced	(2,000,000)
Additional staff (15) due to enrollment increases	1,550,000
Instructional materials due to enrollment increases	200,000
TOTAL EXPENDITURES	\$251,216,140



2018-2019 Fund Balance Assumptions

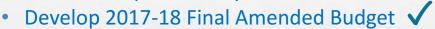
Fund Balance	
2017-2018 Beginning Fund Balance, <i>Actual</i>	\$ 19,880,752
Change in Fund Balance per <i>Amended Budget</i>	(1,833,499)
2018-2019 Beginning Fund Balance, <i>Projected</i>	18,047,253
Total Revenues 248,788,	,060
Total Expenditures 251,216,	,140
Change in Fund Balance	(2,428,080)
2018-2019 Ending Fund Balance, <i>Projected</i>	\$ 15,619,173



Next Steps

Continue Preliminary Budget Discussions

- Analyze Conference Budget Proposal
- Consider impact of May Consensus Revenue Estimating Conference



Continue to monitor Spring enrollment processes

Other Considerations

- Monitor expenditures
- Make internal adjustments
- Seek opportunities to increase revenue
- Enrollment
- Compensation and Benefits
- Federal Budget Implications
 - Medicaid
 - Federal Grants



Next Steps (cont'd)

Board Adoption of a balanced budget prior to June 30, 2018 (in accordance with state law)

- Board Study Session April 25, 2018
- Approve Notice Calling for Public Hearing on Budget May 9, 2018
- Notice of Public Hearing on Budget Published May 17, 2018
- First Briefing and Public Hearing May 23, 2018
- First Briefing of Final Amendment 2017-18 Budget June 13, 2018
- Second Briefing and Approval of the 2018-19 Budget June 13, 2018
- Second Briefing and Approval of the Final Amendment 2017-18 Budget June 27, 2018