



Department of Human Resources

389 St. Clair

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M. Jon Dean, Ed.D., Deputy Superintendent of Educational Services

To: GPPSS Board of Education

From: Lisa Abbey, Deputy Superintendent

Jon Dean, Deputy Superintendent

Date: April 28, 2017

Re: Various Budget Development Documents and Fund Updates

Budget Development Documents:

Administration has created and included many budget development documents in the packet for this weekend for your review. The information below is intended to provide context and an explanation of these documents.

Please note that most of the documents below are also being posted on the district website under the 17-18 Budget tab so that the community has this important information as well. Documents noted with an '*' are not being publically posted since we are not comfortable posting specific information about specific individual employee salaries.

- **Updated 2017-18 Budget Development Document**- This is a reformatted set of information you have already received. In terms of assumptions it assumes that the current House version of funding will be provided. In terms of expenditures it includes the increasing MPSERS rate and the District portion of the increasing cost of health care. In addition, the transfer of \$3.1 million of enhancement millage revenue to a Capital Projects fund is also included. The savings from the elimination of 11.0 FTE in teachers due to declining enrollment has been removed from this document.
- **Potential Budget Changes Document** – This is a new document that lists and quantifies potential budget changes that have either been recently discussed or suggested be considered.
- **Updated Budget Modeling Utility** – An updated BMU including the summary page, revenue page, HR summary page and variable expense page are included for your review. Please note that while the numbers for 2016-17 are accurate through the second amendment, numbers from prior years are not necessarily accurate. As has been shared with the BOE, due to various accounting and budget management issues numbers from prior years are potentially suspect. Also, please remember that the BMU is a forecasting tool. It will not be identical in all respects to the current amendment and may differ slightly from some of the projections included in other budget documents.
- **Tuition Enrollment Document** – Administration has included a document that provides details regarding the current tuition enrollment participation in Birmingham and Bloomfield Hills. Additionally, this document answers a question received regarding how tuition funds would be received.
- **Leases and Building Use** – Administration has included a document that summarizes all current leasing rates and revenue in the District. This same document suggests a potential lease rate increase for next year.
- **Athletic Participation Fee Comparison Document** – Administration has collected athletic participation fee information from many of our peer districts and included it for your reference via this document.



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- **Current High School Athletic Cost Document** – The athletic directors have provided information regarding current participation, current costs and current sports offered at both North and South.
- **Hall Monitor Cost Analysis*** - Administration has summarized current North and South hall monitor and security costs. This same document provides a specific estimate regarding potential savings via using a security service rather than hall monitors for providing this service.
- **Plant/Custodial Current Cost Analysis*** – Administration has included a document that quantifies current plant/custodial costs. During this past week administration has spoken with both legal counsel and other districts regarding potential custodial privatization. Based on those conversations administration has included in this analysis the plant/custodial positions that administration believes could be privatized if the BOE elects to purpose that option. Additionally, this document includes an estimated savings amount based on research on other districts.

Potential Fund Changes:

Per previous conversations with the Board of Education, administration is working to segregate certain revenue and expenses into separate funds so that the general fund can be a more accurate portrayal of funds that the district has discretionary control over. Specifically, it is the intent of administration to have the following funds for the 2017-18 budget year:

- **General Fund** – The majority of revenues and expenditures would continue to be included in the general fund.
- **School Services Fund** – This fund would continue to include the majority of the fee based programing in the district.
- **Debt Fund** – This fund would continue to exist to segregate funds raised and expended to pay off the existing district bond issue.
- **Sinking Fund** – This fund would continue to be the location for sinking fund revenue and expenditures.
- **Grant Fund (new)** – This fund would be established to include all cost neutral grants including IDEA, Title I, Title II and Title III. Additionally, other grant funds from state and federal sources would be included in this fund.
- **County Act 18 Fund (new)** – This fund would be established to include all Act 18 expenditures and revenues.
- **Capital Projects Fund (new)** – This fund would be established to house enhancement millage revenue and segregate it to be used for building and technology needs. Per advice from WRESA, enhancement millage revenues will be recorded in the general fund and per BOE direction funds could be transferred to this fund.

Please note that the creation of these funds will lead to more transparency moving forward. Additionally, the creation of these funds will potentially impact our current fund equity percentage since some of the movement of the revenue and expenditures to these funds will correspondingly impact the general fund.