

THE GROSSE POINTE PUBLIC SCHOOL SYSTEM
Grosse Pointe, Michigan

AGENDA NUMBER AND TITLE

**Resolution to Commence 2017-18 Budget
Development and Related Parameters**

Under Policy 6220, the Board is required to adopt a resolution documenting budget parameters in January of each year to cause the formal commencement of the administration's preparation of the budget. The Treasurer drafts the resolution after review of the various financial reports and projections, taking into account the district goals and after receiving input from fellow Board members. The resolution should articulate the preference of the Board in advance of budget development to avoid ambiguity and to allow the community to have a clear view of the budget development process from its inception. The resolution should:

- A. Identify specific financial goals and objectives that the Board requires in regards to specific cost reduction, revenue increases or other financially related objectives for particular budget elements.
- B. Identify particular budget related strategies that the Board prefers the administration to pursue or avoid in their development of the budget.
- C. Be as specific as possible in terms of the objectives, but allow for flexibility in the administration's approach to budget development.

In accordance with this policy, the Board directs the administration to begin preparation of the 2017-18 Budget. The budget shall be consistent with all state and federal laws, the Board's policies, and the District's strategic plan. The budget shall further aid in the achievement of the District's goals, and provide for long-term financial stability. Specific objectives and strategies include:

- 1. Providing resources to achieve the action points identified in the District's strategic plan;
- 2. Not participating in Schools of Choice;
- 3. Achieving a fund equity of at least 9% of expenditures;
- 4. Making recommendations to eliminate the structural deficit in 2017-18;
- 5. Using enhancement millage exclusively for capital improvements (which means building, technology, and security improvements), and determining technology and general repair and maintenance budget line items consistently with previous years;
- 6. Continuing to operate the District's elementary, middle school, and high school programs in the current buildings, making appropriate adjustments to staffing and resources to reflect the student enrollment and the students' educational needs in each building;
- 7. Maintaining elementary class sizes at or below 24 students for Kindergarten, 27 students for 1st through 3rd grades, and 30 students for 4th and 5th grades;
- 8. Prioritizing facilities maintenance and capital improvement projects, including allowable expenses for security and technology upgrades, by those that, if delayed, will create safety issues, negatively impact programs, or increase costs, and looking for other options to fund them;
- 9. Continuing public relations and communication strategies to improve the educational experience for students, increase student enrollment, and communicate effectively with the community;
- 10. Researching potential opportunities to decrease energy and related costs across the district;
- 11. Ensuring tuition-based preschool programs are self-funded

12. Identifying and proposing new or additional revenue streams, including enrollment expansion programs (excluding Schools of Choice), adding or raising fees and rates, leasing, and actively developing relationships with community businesses;
13. Providing for Board member training;
14. Looking at ways to reduce rising costs for faculty and staff substitutes;
15. Addressing the steadily rising costs of Custodial/Vehicle supplies;

The Board encourages the administration to explore budget alternatives and make proposals. Budget recommendations resulting in significant program or related changes should only be brought to the Board if the administration deems them to be in the best interest of the education of all students. If the administration determines that it cannot achieve any parameter because it conflicts with another parameter, the administration should advise the Board as quickly as possible of the conflict to receive further direction from the Board regarding priorities.

The first draft of the administration's budget recommendations should be presented to the Board by April 30, 2017. For each review or adoption of the budget, the administration shall present all information required under Policy 6220, including updated versions of the following:

1. General Fund Budget Model Utility (or equivalent)
2. Staff Utilization Report
3. Enrollment Projections
4. Class Size Projections
5. Debt Fund budget
6. Sinking Fund and Enhancement Millage budget and proposed projects
7. School Service Fund budget
8. Capital Project Fund budget
9. Details of any program enhancements, reductions, movements, or eliminations
10. A report on energy savings opportunities with an investment and payback analysis
11. If not otherwise disclosed, a brief description of how the budget meets the objectives and strategies set forth above.

Any changes to the budget will be made following Board of Education reviews and recommendations. Other changes will also be made based on directives from the State of Michigan. The final budget proposal will be presented for approval by the Board of Education no later than June 30, 2017, including the required Appropriation Act Resolutions for all funds.

REQUEST: That the Board of Education approve the Resolution to Commence 2017-18 Budget Development and Related Parameters.

Submitted by:

Brian C. Summerfield, Board Treasurer
January 17, 2017