

TO: Board of Education
FROM: Sharon Raschke, CFO *Sharon*
DATE: November 23, 2015
RE: 2015-16 November Budget Amendment

The 2015-16 November budget amendment is being presented. The amendment was reviewed by the Finance Committee on November 19.

The key parameters included are:

- Carryover of existing programs.
- State Foundation allowance \$7,693, a \$124 increase from 2014-15.
- Student count 3,550, an increase of 3 FTE. We had planned a decrease of 25 from 2014-15.
- New State categorical Hold Harmless Guarantee (20f) of \$135,789 (approx. \$38 per student), based on the guarantee that each district increases \$25 per pupil with the changes in other State categoricals.
- New State categoricals for Early Literacy (35e) of \$39,000 and Computer Adaptive Test K-3 (35a) of \$22,924 will be used to offset planned costs.
- New Federal Title III Immigrant Grant of \$12,316 will be used to offset planned costs of teachers providing ESL supplemental services.
- Existing State categorical for MPSERS Cost Offset (147a) of \$300,181.
- Existing State categorical for Data Collection (152a) of \$88,341.
- Elimination of State categoricals Best Practices and Pupil Performance, a \$150 per student reduction from 2014-15.
- State categorical for At Risk (31a) increase of \$10,343 will be used to offset planned costs.
- Allocation of the WISD Act 18 special education reimbursement received in 2014-15 that had been reserved as a liability. This allocation brings our 2015-16 reimbursement to approximately 70% of anticipated expenses.
- Utilization of a portion of the Medicaid reimbursement received in 2013-14 that had been reserved as a liability.
- Wage change 0.0% on salary schedules. Included is \$150,000 for recommended off schedule payments to staff.
- Staff steps and levels and education levels per negotiated contracts.
- Health benefits per negotiated contracts with fully insured MESSA and BCBS products. Included are runout costs of self-funded health program and employee contributions to health care costs. As a reminder, the district planned to commit an additional \$450,000 toward health care in the June budget adoption.
- MPSERS Retirement Rate 37.06% (including the UAAL rate currently subsidized with a State categorical funding \$2,323,485).

Attachments

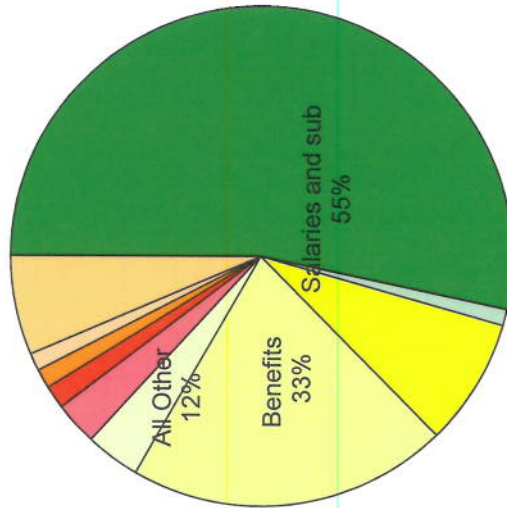
1. Financial Dashboard
2. A long-range scenario with 2014-15 actual, 2015-16 budget (November 2015 revision), 2016-17 trend, 2017-18 trend, and 2018-19 trend.
3. 2014-15 Year-End Fund Balances and designated reserves.
4. The general appropriation resolution for the general fund and required special revenue funds by major function grouping. These resolutions, once adopted by the Board of Education, will be posted on our website.

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

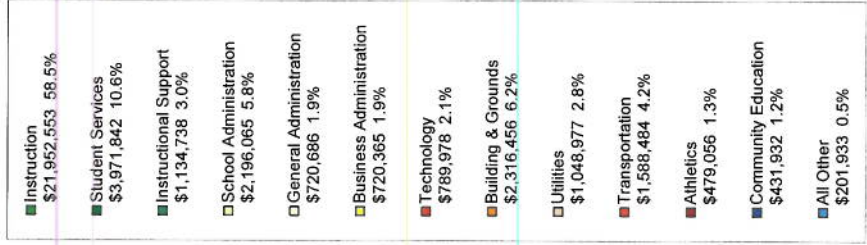
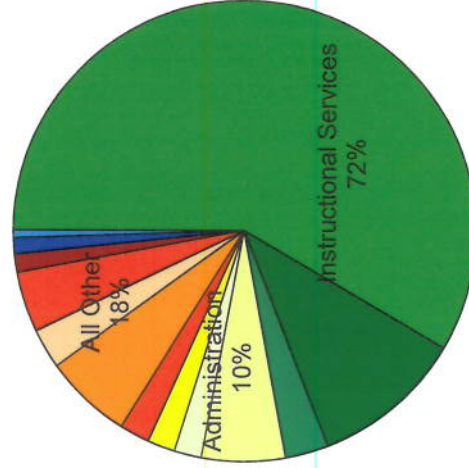
**Dexter Community Schools
Financial Dashboard
2015-16 Budget (November Revision)**

2013-14 Actual				
Student Count	Total Revenues	Total Expenditures	Excess Rev/Exp	Ending Fund Balance
3,550	\$33,470,762	\$33,860,867	(\$390,105)	\$6,183,339
Peer Group Ranking from most recent Bulletin 1014 (2013-14 data)				
				6th out of 30
2014-15 Actual				
3,547	\$35,537,573	\$35,590,443	(\$52,869)	\$6,130,470
2015-16 Budget (November Revision)				
3,550	\$37,053,440	\$37,553,065	(\$499,625)	\$5,630,845
				15.0%
				17.2%
				18.3%
				14 th out of 30
				\$7,519
				Foundation Allowance

Expenses-Type



Expenses-Program



ER COMMUNITY SCHOOLS
GENERAL FUND
Long Range Trend

	2014-15 actual	2015-16 budget (November)	2016-17 trend	2017-18 trend	2018-19 trend
Revenue	35,537,573	37,053,440	35,077,779	35,069,441	35,174,283
Expense	35,590,443	37,553,065	37,433,969	37,942,641	38,451,459
Revenue over (under) expense	(52,869)	(499,625)	(2,356,190)	(2,873,200)	(3,277,176)
Fund Balance planned adjustment		(153,395)	-	-	-
Operational Revenue over (under) expense		(346,230)	(2,356,190)	(2,873,200)	(3,277,176)
FUND BALANCE					
Non-spendable-Prepaid Expenditures	85,812	85,812	85,812	85,812	85,812
Committed-Facilities	708,000	708,000	708,000	708,000	708,000
Committed-Athletic Facilities	300,000	300,000	300,000	300,000	300,000
Committed-Health Benefit Claims	296,647	296,647	296,647	296,647	296,647
Committed-Instructional Equipment	1,073,644	1,073,644	1,073,644	1,073,644	1,073,644
Committed-New Programs Implementation	83,333	-	-	-	-
Committed-New Programs Startup Costs	-	-	-	-	-
Committed-Performing Arts Equipment	-	-	-	-	-
Committed-Retirement/Severance	850,000	850,000	850,000	850,000	850,000
Committed-Supply Carryover	70,062	-	-	-	-
Committed-Technology	550,000	550,000	550,000	550,000	550,000
Committed-Textbooks	-	-	-	-	-
Assigned for Subsequent year expenditures	534,551	-	-	-	-
Unassigned	1,578,420	1,766,741	(589,449)	(3,462,648)	(6,739,824)
TOTAL FUND BALANCE	6,130,469	5,630,845	3,274,654	401,455	(2,875,721)
%	17.2%	15.0%	8.7%	1.1%	-7.5%
Unassigned	1,578,420	1,766,741	(589,449)	(3,462,648)	(6,739,824)
%	4.4%	4.7%	-1.6%	-9.1%	-17.5%
STATE FUNDING					
State per pupil foundation	\$ 7,569	\$ 7,693	\$ 7,693	\$ 7,693	\$ 7,693
State per pupil foundation change (\$)	\$ 50	\$ 124	\$ -	\$ -	\$ -
Effective per pupil change		\$ 25			
STUDENT ENROLLMENT					
New student additions(general ed & special ed FTE)	(3.33)	3.11	-	-	-
Student Enrollment (October)	3,547.02	3,550.13	3,550.13	3,550.13	3,550.13
PROJECTION ASSUMPTIONS					
Increase academic staff (FTE)	4.70	7.12	-	-	-
Increase support staff (FTE)	-	-	-	-	-
State Blended Count Method	90%/10%	10%/90%	10%/90%	10%/90%	10%/90%
MPERS Retirement Rate	35.23%	37.06%	38.06%	39.06%	40.06%
FICA Employer Tax Rate	7.65%	7.65%	7.65%	7.65%	7.65%
District Insurance Cost change	0.00%	0.00%	3.00%	3.00%	3.00%
WISD Special Education Reimbursement	70.00%	70.00%	49.00%	49.00%	49.00%
Indirect Cost Rate to Self-supporting Programs	10.00%	10.00%	10.00%	10.00%	10.00%
Inflation (discretionary)	0.00%	0.00%	0.00%	0.00%	0.00%

Dexter Community Schools
Fund Balance
Year end 2014-15

Revenue	\$ 35,537,573.22
Expenses	\$ 35,590,442.59
Net Income	\$ (52,869.37)

Fund Balance Classifications	Account	Methodology of Target	Base value for calculation	Target	14-15 Beginning	Board planned transfers 14-15	Planned Ending	Recommended transfers 14-15	Recommended Ending	Board planned transfers 15-16
Required Designated Reserve Funds (policy 6604)										
Non-Spendable										
Non-spendable-Prepaid Expenditures	11-2711-1000	Prepaid expenditure asset	\$ 71,855	\$ 71,855	\$ 71,855.00	\$ (71,855)	\$ -	\$ 13,957.00	\$ 86,812.00	
Committed (required)										
Committed-Health Benefits Claims	11-2731-2130	IBNR from third party administrator	\$ 296,647	\$ 296,647	\$ 470,002.00			\$ (173,355.00)	\$ 296,647.00	
Committed- Supply Carryover	11-2731-7100	Unspent supply carryover	\$ 70,062	\$ 70,062	\$ 108,301.00	\$ (108,301)	\$ -	\$ (38,239.00)	\$ 70,062.00	
Board Designated Reserve Funds (policy 6605)										
Committed (management planned)										
Committed-Equipment Maintenance	11-2731-1100	(board action designation)	TBD	TBD	\$ -				\$ -	
Committed-Facilities	11-2731-1200	Assets undeprec repl value * 1%	\$ 88,585,220	\$ 885,852	\$ 708,000.00		\$ 708,000.00		\$ 708,000.00	
Committed-Facilities Athletics	11-2731-1300	Refurbishing artificial turf and pools			\$ 200,000.00	\$ 100,000	\$ 300,000.00	\$ 100,000.00	\$ 300,000.00	
Committed-Instructional Materials/Equipment	11-2731-3100	Major items list * 50%	TBD	TBD	\$ 1,073,644.00		\$ 1,073,644.00		\$ 1,073,644.00	
Committed-New Programs Implementation	11-2731-4100	3 years funding for all-day K			\$ 166,667.00	\$ (83,334)	\$ 83,333.00	\$ (83,334.00)	\$ 83,333.00	\$ 83,333.00
Committed-New Programs Startup Costs	11-2731-4200	Implementation of IB/Everyday math			\$ 10,201.00		\$ 10,201.00	\$ (10,201.00)	\$ -	
Committed-Performing Arts Equipment	11-2731-5100	(board action designation)			\$ -		\$ -		\$ -	
Committed-Retirement/Severance	11-2731-6100	Retirement obligation * 2/3	\$ 1,325,351	\$ 883,567	\$ 850,000.00		\$ 850,000.00		\$ 850,000.00	
Committed-Technology	11-2731-8100	(board action designation)			\$ 550,000.00		\$ -		\$ 550,000.00	
Committed-Textbooks	11-2731-9100	(board action designation)			\$ -		\$ -		\$ -	
Assigned Fund Balance	11-2741-0000	Subsequent year expenditures	\$ 534,551	\$ 534,551	\$ 622,400.00		\$ 534,551.00	\$ (87,849.00)	\$ 534,551.00	
Unassigned Fund Balance (policy 6612)	11-2751-0000	3-5% of general fund revenue (value at 4%)	\$ 35,537,573	\$ 1,421,503	\$ 1,362,268.50		\$ 1,362,268.50	\$ 226,151.63	\$ 1,578,420.13	
Total Fund Balance					\$ 6,163,338.50	\$ (163,490)	\$ 6,019,848.50	\$ (52,869.37)	\$ 6,130,469.13	
Non-Spendable Fund Balance								0.2%	\$ 86,812	
Committed Fund Balance								11.0%	\$ 3,931,686	
Assigned Fund Balance								1.5%	\$ 534,551	
Unassigned Fund Balance								4.4%	\$ 1,578,420	
Total Fund Balance								17.2%	\$ 6,130,469	

**General Appropriation Amendment 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 2015-16 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 which includes 18 mills of ad valorem taxes to be levied on non-homestead and nonqualified agricultural property for fiscal year 2015-16 to be used for operating purposes is as follows:

Revenue:

1xx Local	\$	4,875,034
2xx Other Political Subdivisions	\$	3,564
3xx State	\$	27,357,475
4xx Federal	\$	868,055
5xx-6xx Other Financing Sources	\$	3,949,312
Total Revenue	\$	37,053,440
Total Fund Balance, July 1 Available to Appropriate	\$	6,044,657
Total Available to Appropriate	\$	43,098,097

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	\$	18,297,426
12x- Added Needs	\$	3,655,127
2xx – Support Services		
21x- Pupil Support	\$	3,971,842
22x- Instructional Staff Support	\$	1,924,716
23x- General Administration	\$	720,626
24x- School Administration	\$	2,196,065
25x- Business Services	\$	720,365
26x- Operations and Maintenance	\$	3,365,433
27x- Transportation	\$	1,588,484
28x-29x Other Central Support	\$	200,287
3xx-Community Services	\$	1,706
4xx-6xx Other Financing Uses	\$	910,988
Total Appropriated	\$	37,553,065

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 November 23, 2015, 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 Amendment 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 2015-16 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 2015-16 to be used for operating purposes is as follows:

Revenue:	
1xx Local	\$ 2,044,687
3xx State	\$ 47,069
4xx Federal	\$ 125,000
5xx-6xx Other Financing Sources	\$ 910,988
Total Revenue	\$ 3,127,744
Total Fund Balance, July 1 Available to Appropriate	\$ 88,114
Total Available to Appropriate	\$ 3,215,858

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	\$ 142,384
2xx – Support Services	
22x- Instructional Staff Support	\$ 6,764
26x- Operations and Maintenance	\$ 203,262
27x- Transportation	\$ 75,000
28x-29x Other Central Support	\$ 655,962
3xx-Community Services	\$ 1,944,202
4xx-6xx Other Financing Uses	\$ 100,170
Total Appropriated	\$ 3,127,744

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.

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Secretary, Board of Education

**General Appropriation Amendment 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 2015-16 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 2015-16 to be used for operating purposes is as follows:

Revenue:

1xx Local	\$	1,210,570
3xx State	\$	56,130
4xx Federal	\$	258,195
5xx-6xx Other Financing Sources	\$	144,000
Total Revenue	\$	1,668,895
Total Fund Balance, July 1 Available to Appropriate	\$	249,933
Total Available to Appropriate	\$	1,918,828

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	\$	5,088
28x-29x Other Central Support	\$	1,500,905
4xx-6xx Other Financing Uses	\$	150,599
Total Appropriated	\$	1,656,592

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 November 23, 2015, 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