



Consensus Revenue Estimating Conference (CREC)

Board of Education - May 22, 2019

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LEAD. CARE. INSPIRE.
ANN ARBOR PUBLIC SCHOOLS



Governor's Proposal Construct

- 45 cents per gallon Gas Tax at 15 cents increments
- Reducing the transfer to Higher Education by \$500M
- Increases Funding to K12 by \$507M
- AAPS Funding Increase of \$5.8M
- **Proposal based on January 2019 Consensus Revenue Estimating Conference**

Senate's Proposal Construct

- **NO** 45 cents per gallon Gas Tax at 15 cents increments
- **NO** To Reducing the transfer to Higher Education by \$500M
- AAPS Funding Increase of \$2.3M
- **Proposal based on January 2019 Consensus Estimating Conference**



May 2019 CREC

2018-19 School Aid Fund

Revenue reduction of
\$68.2M

2019-20 School Aid Fund

Revenue reduction of
\$86.9M

2020-21 School Aid Fund

Revenue reduction of
\$84.9M

**Total Reduction In School Aid
Fund Revenue Is**

\$240.0M



May 2019 CREC

2018-19 GF/GP Fund

Revenue increase of

\$151.2M

2019-20 GF/GP Fund

Revenue increase of

\$59.1M

2020-21 GF/GP Fund

Revenue increase of

\$67.9M

**Total Increase In General Fund
General Purpose Fund Is**

\$278.2M

Balance Sheets

2018-19 SAF Balance of \$50M to carry over to 2019-20

Senate Plan in SAF 2019-20 short by \$164M

2019-20 GF/GP will have \$425M available

More Funds needed in SAF from GF/GP



Pupil Counts

2018-19	1,470,500	(13,692)
2019-20	1,459,400	(11,100)
2020-21	1,451,000	(8,400)

Broad Overview

- Reductions in SAF projections
- Additional funding needed from GF/GP to make Governor's or Senate's proposals viable
- GF/GP has the funds available
- It is up to the policymakers to support schools
- House's budget proposal is expected to be released this week or next

WISD Programs and Budgets Review

including

**Local School District Services
2019-20**

presented
April 2019

Our Goal

- Explain the mandated budget review process
- Review your role in this process
- Give you the information you need to carry out your role
- Support you in your efforts

Mandated Budget Review (new)

Section 624 of the Revised School Code, as amended, requires an ISD Board to have its proposed **General Fund** budget reviewed by its constituent districts each year.

ISD Board

By May 1 of each year:

The intermediate school board shall submit its proposed **General Fund** budget for the next school fiscal year to the board of each constituent district for review.

Local Board

By June 1 of each year:

- The local board will review the proposed ISD budget
- Adopt a resolution expressing its support for or disapproval of the proposed ISD budget
- Submit any **specific** budget objections and/or proposed changes to the ISD board

ISD Board

If an intermediate school board receives any specific objections or proposed changes, the intermediate school board shall consider the proposed budget changes.

Role of WASB Director

- **Now**
 - Serve as an ambassador
 - Learn about ISD budget process
 - Ask clarifying questions
- **After May 1 (with superintendent)**
 - Present information to your board
 - Ask for help, if needed
 - Answer questions from your board
 - Submit resolution to WISD by June 1
- **Throughout the year**
 - Remain involved, stay informed

What is an ISD?



- Regional education service agency
- Created by legislature in 1962
- Designed to be an intermediary between the Michigan Department of Education and local schools
- Composed of innovative professionals who focus on teaching and learning
- An organization that leads through service

Role of WISD

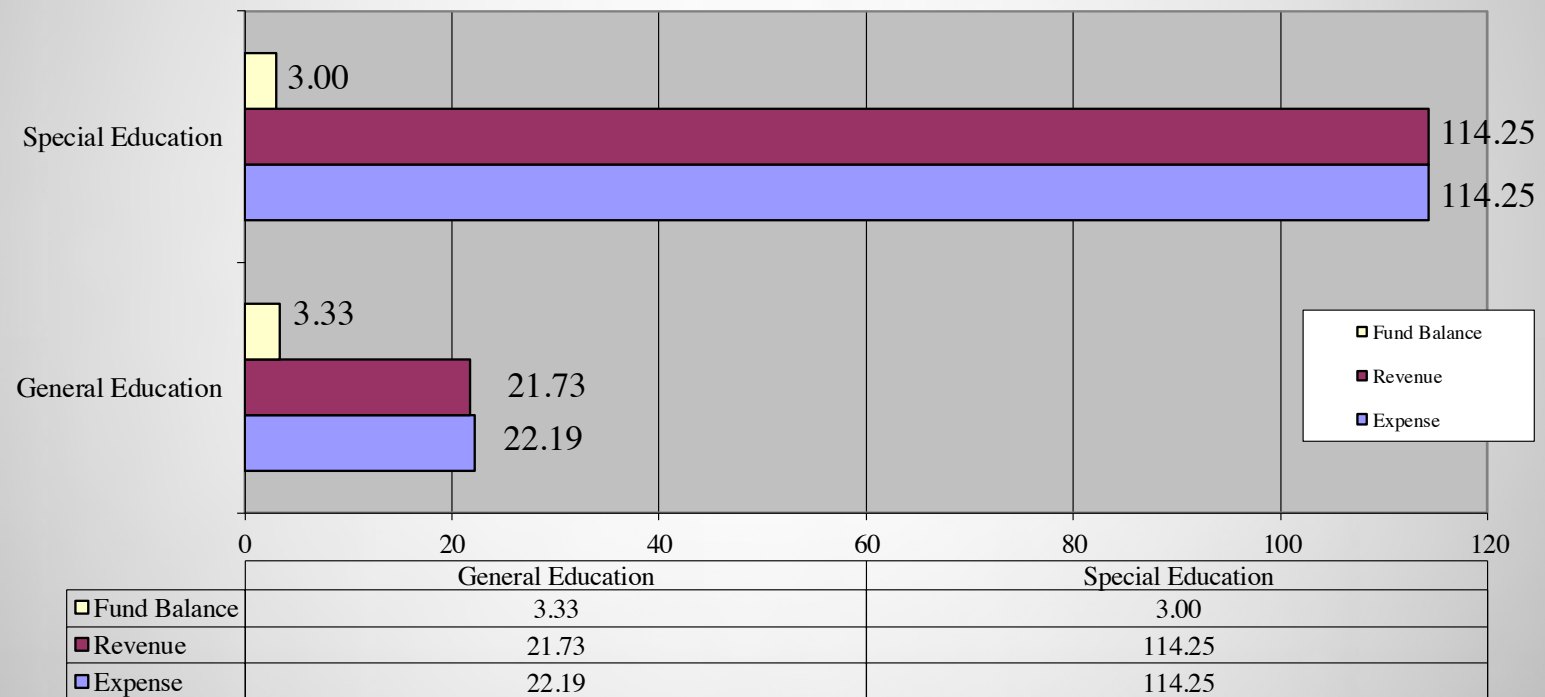
- Operates cooperative programs/delivers services for students in Ann Arbor, Chelsea, Dexter, Lincoln, Manchester, Milan, Saline, Whitmore Lake, Ypsilanti Community
- Secures educational resources and shares them equitably
- Builds local capacity to improve student achievement
- Provides services to assure that each child learns
- Leadership role in building a Cradle to Career collaborative in Washtenaw County

WISD Budget Development

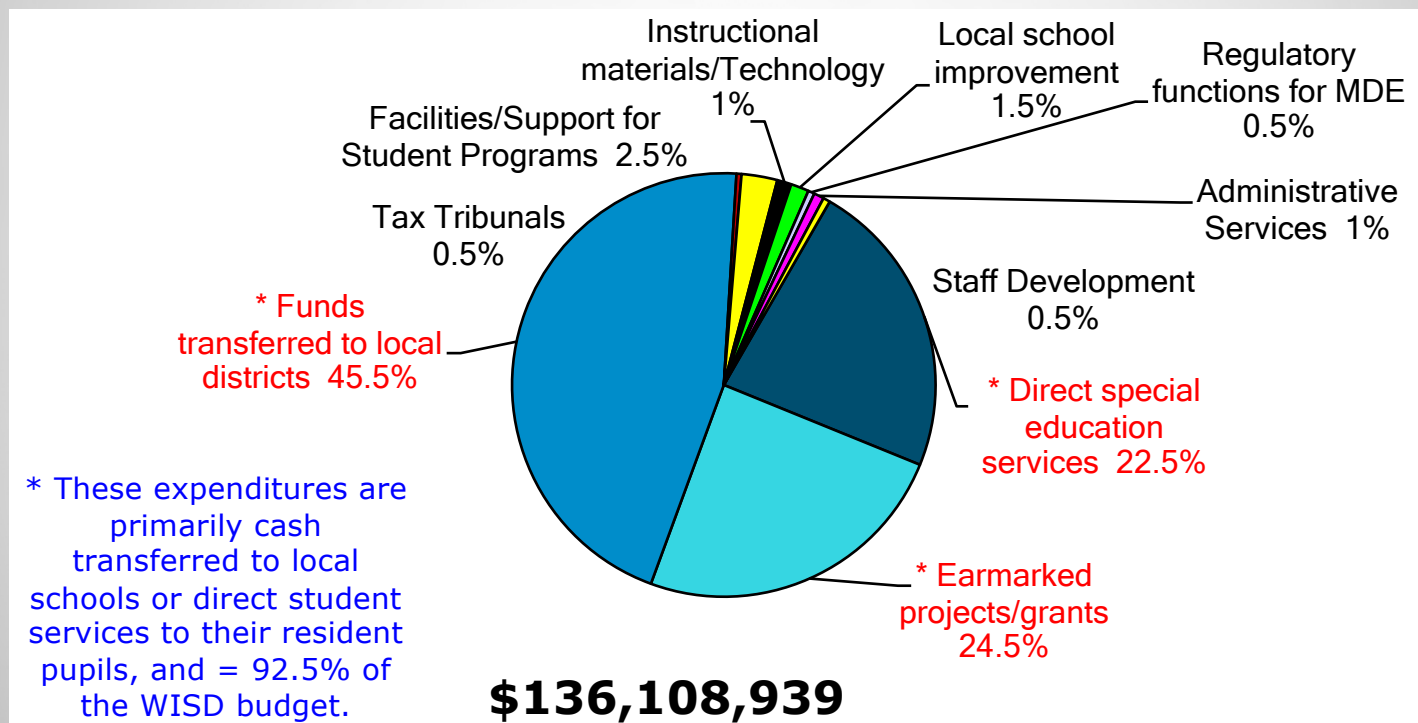
Who is involved?

- Washtenaw County Superintendents
- Local and ISD Special Education Directors, Curriculum Directors, and Business Officials
- Staff and Program Administrators
- Local and WISD Boards of Education

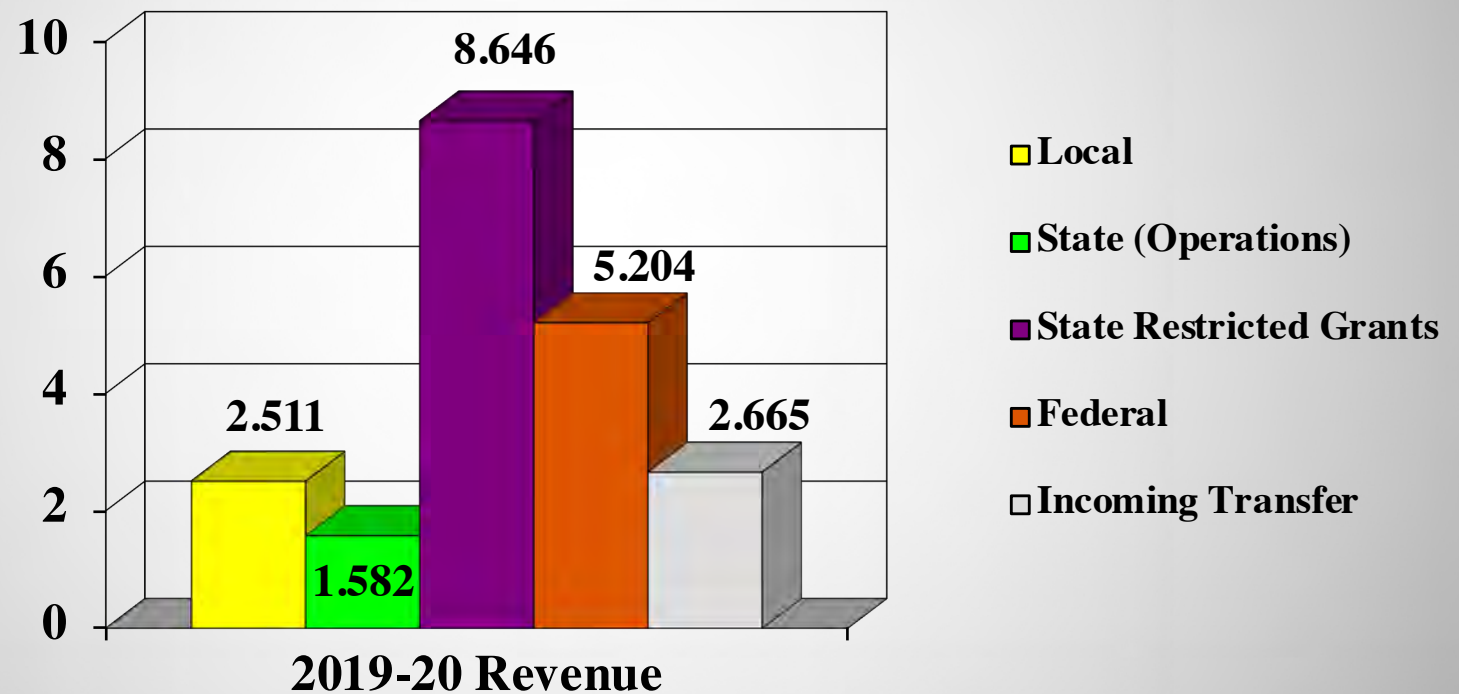
2019-20 WISD Budget (in Millions)



WISD Expenditures 2019-20



General Fund Revenue Sources (in Millions)



General Fund Revenue Changes

- Net increase in property taxes of 2%
- Contract with Livingston ESA was not renewed at the mutual agreement of both parties, reducing Incoming Transfer revenue approximately \$250,000
- State revenue is less primarily due to the Kindergarten Readiness Assessment grant work being planned to move to MDE in 2019-20
- Also assumes no grant revenue carried over to 2019-20

General Fund Expenditure Changes

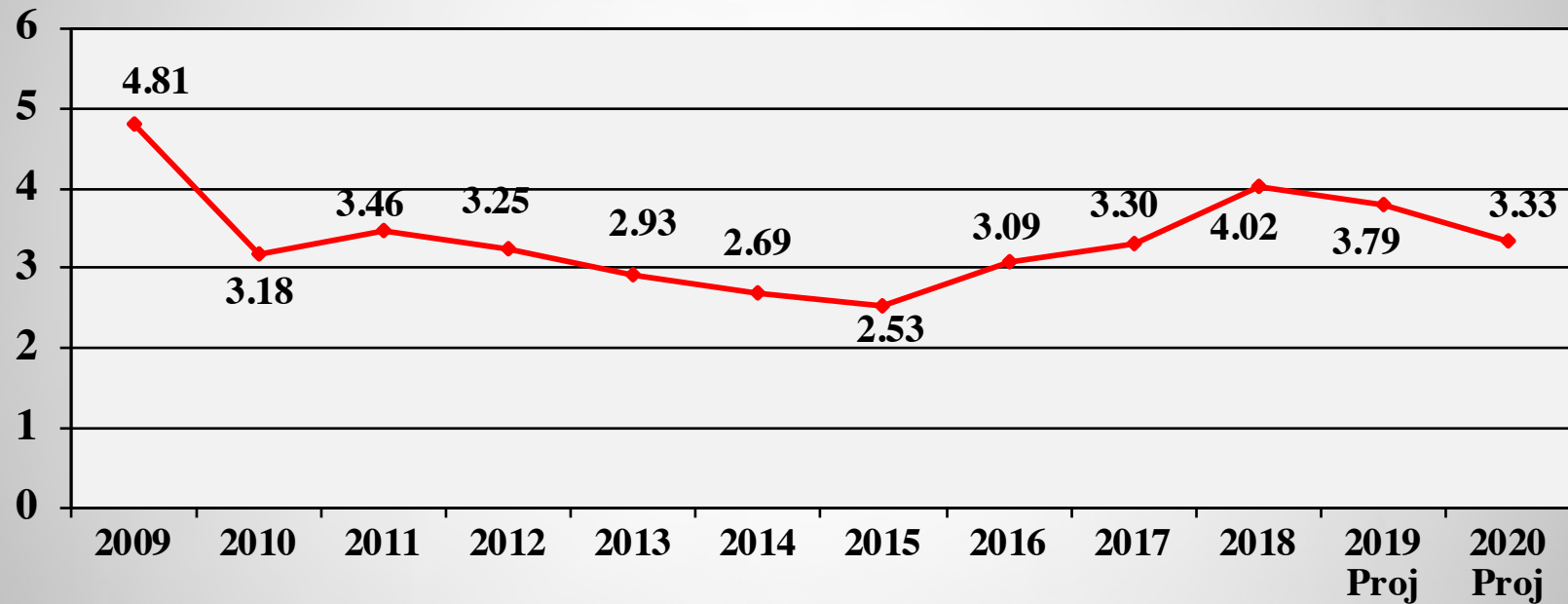
- Expenditures lower due to grant reductions noted on the revenue slides
- General Administration is lower since YCS will be hiring their superintendent directly vs contracting with WISD
- Curriculum & Instruction department expenses were reduced due to the Livingston ESA contract

General Fund Expenditure Changes

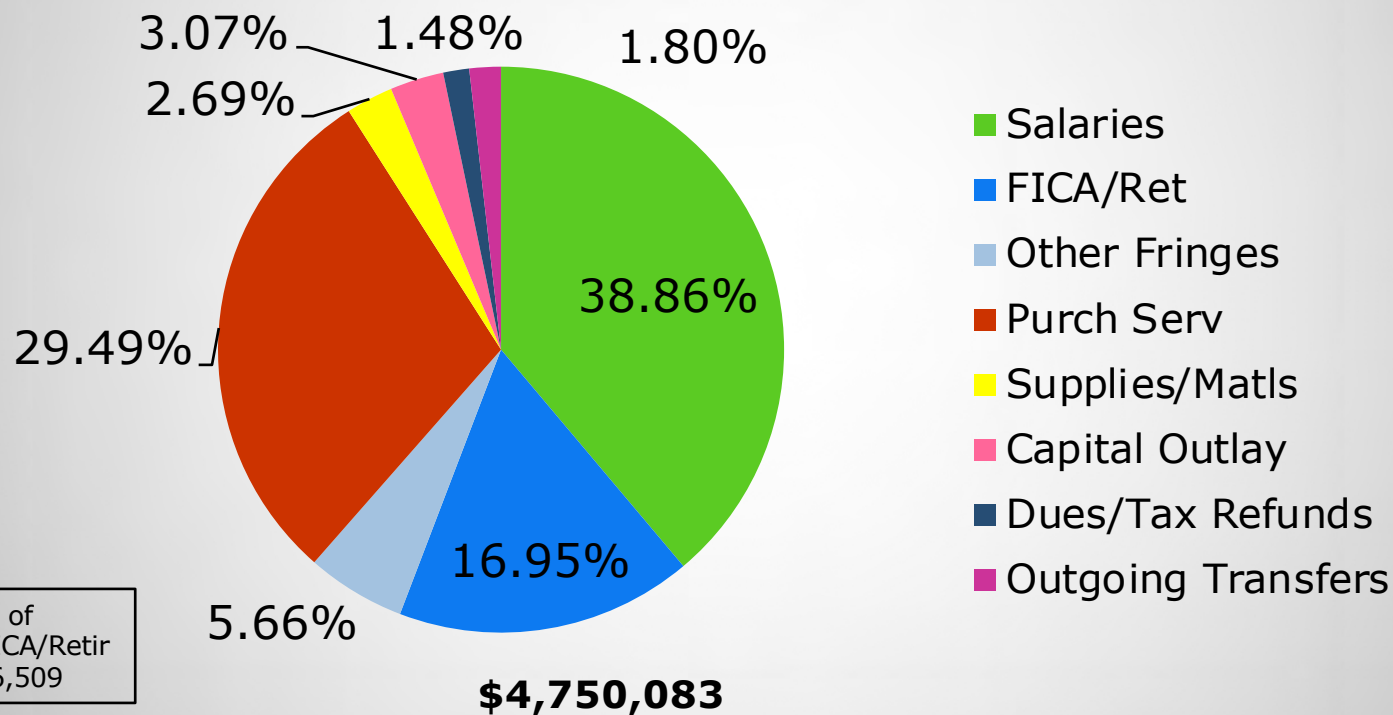
- Community Services increased due to more grant funds being allocated for that purpose
- Assumes vacancies filled
- Assumes step increases
- Includes 1.9% salary/wage increase – CPI Dec to Dec

Fund Balance General Education

(in Millions)



General Ed Fund Expenditures (Excl Grants & Projects)



Thank you.

