



# **2018-19 General Fund Budget Recommendation**

**June 13, 2018**

Prepared by Amanda Matheson  
and Marios Demetriou

# 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
  - 9<sup>th</sup> Grade Counselors
  - 9<sup>th</sup> 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
<b>Total</b>	<b>9.0615</b>	<b>15.0615</b>	<b>22.9173</b>

## 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)
	<b>\$ (641,523)</b>

## 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
<b>Local Revenues</b>	<b>\$87,531,229</b>

## 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, <i>Computer Adaptive Tests</i>	(65,000)
Elimination of section 147c(2), <i>MPSERS One Time Deposit</i>	(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)
<b>State Revenues</b>	<b>\$122,861,777</b>



## 2018-2019 Revenue Assumptions

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

## 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
	<b>Cont'd</b>

## 2018-2019 Expenditure Assumptions

Expenditures cont'd	
Elimination of section 147c(2), <i>MPSERS One Time Deposit</i>	\$ (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
<b>TOTAL EXPENDITURES</b>	<b>\$251,216,140</b>

## 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	<u>251,216,140</u>	
Change in Fund Balance		<u>(2,428,080)</u>
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 ✓
- Develop 2017-18 Final Amended Budget ✓
- 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