

2015-2016 Budget Amendment

February 8, 2016

Transparency Disclosure

- ▶ Amended in an open, public meeting where the agenda and supporting documentation is available in advance.
- ▶ This meeting is locally televised
- ▶ This budget presentation will be available on the district's website.
- ▶ The state prescribed “Budget Resolution” will also be available on the website.
- ▶ Questions? Contact Chief Financial Officer Nancy Rasinske at 517-925-5422

February Amendment

	2015-16 November Amendment	2015-16 February Amendment
Beginning Fund Balance	\$ 3,911,420	\$ 3,911,420
Total Revenue	\$47,207,586	\$47,713,792
Total Expenditures	\$47,778,580	\$48,120,195
Operating Surplus (Deficit)	\$ (570,994)	\$ (406,403)
Ending Total Fund Balance	\$ 3,340,426	\$ 3,505,017
% of Expenditures	7.1%	7.2%

Good News/Bad News

▶ Good News:

- Student enrollment is up 1%

▶ Bad News:

➤ Year end fund balance **deficit**

- ✧ 7 out of 8 fiscal years have ended in a deficit
- ✧ Ending fund balance of 7.2% is lower than Board of Education policy of 8% and auditor's recommended balance of 12%

2015-16 Budget Changes - REVENUE

▶ Enrollment

- ▶ Increase of 32 pupils as a result of Shared Partnership agreement
 - ✧ Results in an additional \$226,591 State Aide revenue

▶ Additional State Aid Categorical Revenue

- ▶ Court Placed Children - Eaton County Youth Facility
 - ✧ 90,000

2015-16 Budget Changes - EXPENDITURES

▶ Special Education Transportation

- Contract renewal with Dean Transportation

- ✧ (\$68,000) Savings

▶ Mid-year teacher retirements/resignations

- Substitute costs only for balance of school year

- ✧ (\$80,000)

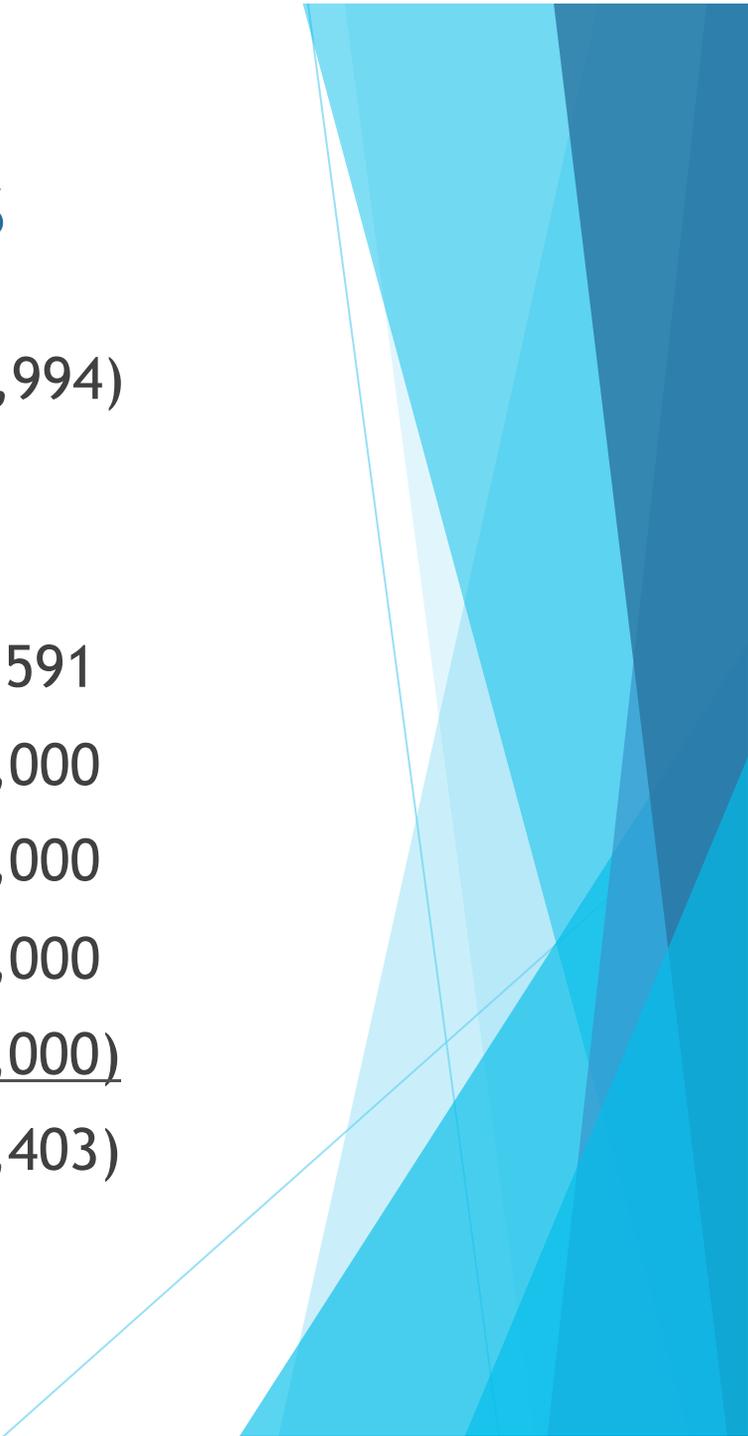
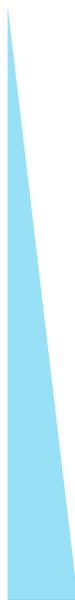
▶ Technology

- Upgrades to wireless infrastructure and devices

- ✧ \$300,000

2015-16 Budget Changes

November Amendment	\$(570,994)
February Amendment	
Enrollment	\$ 226,591
State Aid	\$ 90,000
Sp Ed Transportation	\$ 68,000
Substitute Costs	\$ 80,000
Technology expenditures	<u>\$(300,000)</u>
	\$(406,403)



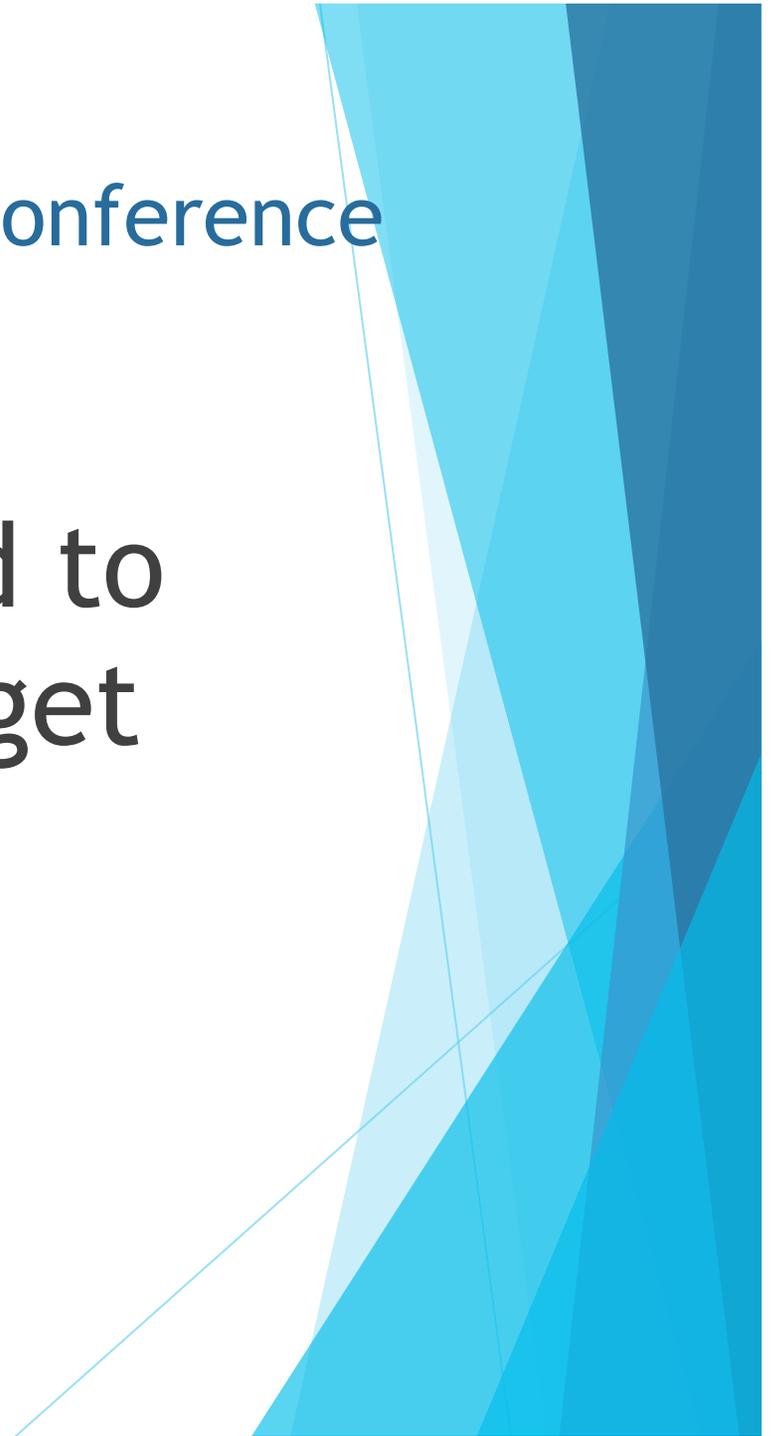
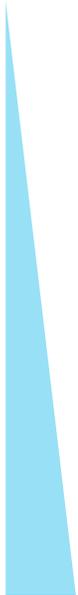
2015-16 Budget Changes

► In Summary

- Expenditures will again exceed revenues
 - ✧ A deficit of \$406,403 at year end
 - ✧ Fund balance of 7.2%

January Consensus Revenue Conference

Uncertainties lead to
conservative budget
outlook



Uncertainties

1. Detroit Public Schools - Effects of the Governor's proposal on School Aid Fund
 - Create two districts
 - ✧ \$70M over 10 years = (\$50 per pupil)
 - Close district
 - ✧ \$1.2 BILLION MPERS liability spread over all Michigan public schools

Uncertainties

2. Flint Water Crisis

- Estimated cost to General Fund (GF)
 - ✧ \$1 - \$1.2 BILLION
- Anticipated GF growth, FY 16
 - ✧ \$575 M
- Additional funds
 - ✧ possible reduction in the GF contribution to the SAF?

Uncertainties

3. Energy bill (HB 4298)

- \$35/per pupil reduction in energy savings

4. Health Maintenance Organization Use Tax

- Will be phased out 1/1/2017 per Federal determination
- Reduces SAF revenues by \$150 million in Fiscal Year 2017

Also on the Horizon for Fiscal Year 2016-17

- ▶ Information from MSBO, MASB, MASA, House and Senate Fiscal Agencies
 - No per pupil increase
 - ✧ Possible decrease
- ▶ Governor's Executive Budget Presentation
 - February 10, 2016
 - Legislative (House and Senate) Review



Stay tuned for future budget updates

QUESTIONS?