



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

RICK SNYDER  
GOVERNOR

NICK A. KHOURI  
STATE TREASURER

**DETROIT FINANCIAL REVIEW COMMISSION**

**SCHOOL DISTRICT RESOLUTION 2016-22**

**APPROVING AND ADOPTING NOTICE OF REGULAR MEETINGS OF  
DETROIT FINANCIAL REVIEW COMMISSION FOR 2017**

WHEREAS, Public Act 181 of 2014, the Michigan Financial Review Commission Act (the “Act”), allows for the creation of the Detroit Financial Review Commission (the “Commission”) within the Michigan Department of Treasury; and

WHEREAS, Section 5 of the Act provides, in part, that a Financial Review Commission shall exercise its duties through a ten-member Commission; and

WHEREAS, Section 5(6) of the Act provides that the Commission is subject to Public Act 267 of 1976, the Open Meetings Act, and the Commission members, in the interest of promoting transparency in the discharge of its duties, deems the Commission to be a “public body” as that term is used in Section 2(a) of the Open Meetings Act; and

WHEREAS, Section 5(2) of the Open Meetings Act, provides that “[f]or regular meetings of a public body, there shall be posted within 10 days after the first meeting of the public body in each calendar or fiscal year a public notice stating the dates, times, and places of its regular meetings”; and

WHEREAS, Section 4 of the Act provides, in part, that “the budgeting, procurement, personnel, and related management functions of a commission shall be performed under the direction and supervision of the state treasurer.”

NOW THEREFORE, be it resolved by the Detroit Financial Review Commission as follows:

1. That the Notice of Regular Meetings, attached as **Exhibit A** to this Resolution, is approved and adopted by the Detroit Financial Review Commission.
2. That the persons designated in Resolution 2014-2 are hereby directed to post the Notice of Regular Meetings within 10 days pursuant to Section 5(2) of Public Act 267 of 1976, the Open Meetings Act.
3. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
4. This Resolution shall have immediate effect.

# DETROIT FINANCIAL REVIEW COMMISSION

Cadillac Place ▪ 3062 West Grand Boulevard ▪ Detroit, MI 48202

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## 2017 NOTICE OF REGULAR MEETINGS

The **Detroit Financial Review Commission** will hold its regular meetings during the calendar year ending December 31, 2017, on the following dates at the following times at Cadillac Place, 3062 West Grand Boulevard, Detroit, MI 48202:

<b>Date</b>	<b>Cadillac Place Room</b>	<b>City Meeting Time</b>	<b>School District Meeting Time</b>
Monday, January 30, 2017	Suite L-150 (Lobby Floor)	1:00 p.m.	No earlier than 2:00 p.m.
Monday, February 20, 2017	Suite L-150 (Lobby Floor)	1:00 p.m.	No earlier than 2:00 p.m.
Monday, March 27, 2017	Suite L-150 (Lobby Floor)	1:00 p.m.	No earlier than 2:00 p.m.
Monday, April 17, 2017	Suite L-150 (Lobby Floor)	1:00 p.m.	No earlier than 2:00 p.m.
Monday, May 22, 2017	Suite L-150 (Lobby Floor)	1:00 p.m.	No earlier than 2:00 p.m.
Monday, June 26, 2017	Suite L-150 (Lobby Floor)	1:00 p.m.	No earlier than 2:00 p.m.
Monday, July 31, 2017	Suite L-150 (Lobby Floor)	1:00 p.m.	No earlier than 2:00 p.m.
Monday, August 28, 2017	Suite L-150 (Lobby Floor)	1:00 p.m.	No earlier than 2:00 p.m.
Monday, September 25, 2017	Suite L-150 (Lobby Floor)	1:00 p.m.	No earlier than 2:00 p.m.
Monday, October 30, 2017	Suite L-150 (Lobby Floor)	1:00 p.m.	No earlier than 2:00 p.m.
Monday, November 20, 2017	Suite L-150 (Lobby Floor)	1:00 p.m.	No earlier than 2:00 p.m.
Monday, December 18, 2017	Suite L-150 (Lobby Floor)	1:00 p.m.	No earlier than 2:00 p.m.

The meeting is open to the public and this notice is provided under the Open Meetings Act, 1976 PA 267, MCL 15.261 to 15.275.

The meeting location is barrier-free and accessible to individuals with special needs. Individuals needing special accommodations or assistance to attend or address the Detroit Financial Review Commission should contact Beverly Greaves at (313) 456-4796 prior to the meeting to assure compliance with Subtitle A of Title II of the Americans with Disabilities Act of 1990, Public Law 101-336, 42 USC 12131 to 12134.

A copy of the proposed minutes of the meeting will be available for public inspection at the principal office of the Commission within 8 business days. A copy of the approved minutes of the meeting, including any corrections, will be available for public inspection at the principal office of the Commission within 5 business days after approval by the Commission.

The Commission may hold special meetings, in addition to the regular meetings above. Special meetings are also open to the public and separate notice will be posted in advance of special meetings.

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# **Detroit Public Schools Community District**

*Discussion Document - Financial Review Commission*

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November 21, 2016

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# DPSCD Police Department Expenditures: FY17

## Average Safety and Security Officers Compensation

(as at November 1, 2016)

### FY17 Police Department Budgeted Expenditures

Description	FY 2017 Budget Amendment No. 2	No. employees/ contractors
<b>Salaries</b>		
Salaries - Administration	\$ 564,277	8
Salaries - Clericals	138,560	2
Salaries - Safety and Security Officers	3,448,477	83
Salaries - Overtime	122,882	
<b>Benefits</b>		
Employer Paid Insurance	716,910	
Employer Contributions to ORS	1,045,507	
Employer Contributions to UAAL	463,736	
Employer Social Security	318,569	
<b>Purchased Services and Supplies</b>		
Outside Contractors	2,734,915	91
Staff Services	39,489	
Travel Costs	15,500	
Building Repairs	15,000	
Vehicle Repairs	3,000	
Office Supplies	89,500	
Miscellaneous Supplies	122,000	
<b>Equipment &amp; Capital</b>		
New Equipment	330,000	
New Vehicles	208,068	
<b>Total Expenditures</b>	<b>\$ 10,376,391</b>	

Description	Public Safety Officers	Campus Security Officers	LEIN Operators
Salary	\$ 40,248	\$ 32,864	\$ 32,011
Insurance	6,786	6,786	6,786
Pension	10,122	8,265	8,051
UAAL	4,591	3,749	3,652
Social Security Taxes	3,079	2,514	2,449
<b>Total</b>	<b>\$ 64,827</b>	<b>\$ 54,178</b>	<b>\$ 52,949</b>

- **Administration includes:** 1 Chief of Police, 1 Chief of Police Executive Deputy, 1 Director and 5 Program Associates.
- **Safety and Security includes:** 33 public safety officers, 34 campus security officers, 10 Law Enforcement Information Network operators and 6 Program Associates.
- **Outside Contractors includes:** The contract for security services includes 85 guards and 6 support positions.

# DPS Special Education Revenue and Expenditure Components: FY15

<b><u>Revenues</u></b>		
Special education transportation reimbursement	\$	9,258,835
Special education program cost reimbursement		32,671,227
<b>Total state special education revenue</b>		<b>41,930,062</b>
Medicaid		1,976,380
Act 18		38,907,299
FTK Revenue		700,057
IDEA Flow through (Federal)		6,424,826
IDEA ATTIC (Federal)		525,000
IDEA CPA (Federal)		3,099,150
IDEA Pre-School (Federal)		416,494
<b>Total Revenue</b>	<b>\$</b>	<b>93,979,268</b>
<b><u>Expenditures</u></b>		
Special education transportation	\$	13,148,673
Special education program cost (incl. indirect)		114,179,966
IDEA Flow through including indirect		6,424,826
IDEA ATTIC including indirect		525,000
IDEA CPA including indirect		3,099,150
IDEA Pre-School including indirect		416,494
<b>Total special education expenditures</b>	<b>\$</b>	<b>137,794,109</b>
<b>General Fund support of special education</b>	<b>\$</b>	<b>43,814,841</b>



# DPS Special Education Program Cost Detail: FY15

Least Restrictive Environment (LRE) Aide Type	Salaries	Benefits	Purchased Services	Purchased Services- non Staff	Supplies & Materials	Other Expend.	Total	Professional (FTE)	Reimb. Aides (FTE)	Spring 2015 FTE Student Count
Mild Cognitive Impairment (EMI)	\$ 7,228,133	\$ 3,554,324	\$ 33,513	\$ -	\$ 120,620	\$ 165	\$ 10,936,755	93.00	108.00	676.24
Moderate Cognitive Impairment (TMI)	1,841,168	790,387	-	-	67,138	-	2,698,693	34.00	12.00	644.55
Severe Cognitive Impairment (SMI)	971,918	510,890	-	-	23,080	-	1,505,888	12.00	20.00	108.00
Emotionally Impaired	2,337,871	1,125,850	-	-	47,589	-	3,511,310	30.20	36.00	176.30
Learning Disability	3,354,986	1,576,041	-	-	60,997	-	4,992,024	52.00	22.00	521.18
Hearing Impaired	1,386,894	612,213	-	585	24,076	80	2,023,849	24.00	8.00	78.38
Visually Impaired	685,647	328,716	-	837	25,300	-	1,040,500	9.00	12.00	5.76
Physically Impaired	1,976,424	940,634	-	27,700	27,136	390	2,972,284	24.05	33.00	85.39
Severe Multiple Impairments	3,179,813	1,441,781	-	-	53,472	-	4,675,066	38.00	26.00	233.07
Early Child Program	3,070,058	1,480,604	-	-	60,646	-	4,611,308	42.00	26.00	376.69
Autistic Impairment	6,839,684	3,570,378	-	8,475	71,709	-	10,490,245	73.00	155.00	350.28
Resource Room	11,552,682	5,101,082	99,396	367,365	287,394	-	17,407,919	207.50	1.00	796.89
<b>Subtotal</b>	<b>\$ 44,425,278</b>	<b>\$ 21,032,900</b>	<b>\$ 132,909</b>	<b>\$ 404,962</b>	<b>\$ 869,157</b>	<b>\$ 635</b>	<b>\$ 66,865,841</b>	<b>638.75</b>	<b>459.00</b>	<b>4,052.73</b>

<i>Instructional and Non-Instructional Support</i>	Salaries	Benefits	Purchased Services	Purchased Services- non Staff	Supplies & Materials	Other Expend.	Total	Professional (FTE)	Reimb. Aides (FTE)
Health Services	\$ 2,654,565	\$ 1,173,617	\$ 2,324,895	\$ 680	\$ 80,204	\$ -	\$ 6,233,961	45.50	-
Psychological	3,288,731	1,436,125	-	919	55,676	-	4,781,451	52.80	-
Speech & Audiolanguage	4,018,330	1,741,452	3,081,536	3,968	44,841	-	8,890,127	59.90	-
Social Work	5,528,761	2,456,728	-	1,075	28,635	-	8,015,199	84.50	-
Visual Aid	131,746	54,025	-	-	-	-	185,771	2.00	-
Teacher Consultant/Mentally Impaired	338,824	139,833	-	-	-	-	478,657	6.00	-
Teacher Consultant/Learning Disability	53,396	25,141	-	-	-	-	78,537	1.00	-
Teacher Consultant/Hearing Impairment	180,065	56,681	-	-	-	-	236,746	3.80	-
Teacher Consultant/Visually Impaired	89,841	38,567	-	-	-	-	128,408	1.00	-
Teacher Consultant/Physically or Otherwise Health Impairment	450,779	195,668	-	-	-	-	646,447	8.00	-
Teacher Consultant/Autistic Impairment	254,763	118,461	-	-	-	-	373,224	3.00	-
Other Pupil Support	322,444	140,237	-	-	-	-	462,681	5.00	-
Improvement of Instruction	-	-	-	49,412	23,241	4,196	76,849	-	-
Supervision/Direction	2,847,555	1,164,602	-	-	-	-	4,012,157	32.00	-
School Principal	118,363	37,967	-	-	-	-	156,330	1.00	-
<b>Subtotal</b>	<b>\$ 20,278,163</b>	<b>\$ 8,779,104</b>	<b>\$ 5,406,431</b>	<b>\$ 56,054</b>	<b>\$ 232,597</b>	<b>\$ 4,196</b>	<b>\$ 34,756,546</b>	<b>305.50</b>	<b>-</b>
Indirect Cost (12.29%)						12,489,391	12,489,391		
Capital Outlay						68,189	68,189		
<b>Totals</b>	<b>\$ 64,703,441</b>	<b>\$ 29,812,005</b>	<b>\$ 5,539,340</b>	<b>\$ 461,016</b>	<b>\$ 1,101,754</b>	<b>\$ 12,562,411</b>	<b>\$ 114,179,966</b>		

Headcount for FY15 was 8,733

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# DPS Key Grants Lapse Report - 2015 Grant Period

Grant Name(s)	2015 Grant Period Budget	Cumulative 2015 Grant Period Expenditures	Unspent 2015 Grant Period Budget	Reason for Unspent Amount	Grant period	Carryover period
IDEA Preschool	\$ 542,511	\$ 542,511	\$ -	All funds expended	15 months	12 months
IDEA Flowthrough CO	14,341,484	13,857,609	483,875	Relates to funds that can only be spent on Early Intervening Services, to the extent these services are needed	15 months	12 months (except center program offset)
Title I, Part A	125,473,959	125,473,959	-	All funds expended	15 months	12 months (15%)
Title II, Part A	30,833,214	30,833,214	-	All funds expended	12 months	12 months
CTE Perkins	3,000,819	2,669,360	331,459	No carryover	12 months	No carryover
GSRP	18,430,370	18,430,370	-	All funds expended	12 months	12 months
Section 31a At Risk	23,491,093	23,491,093	-	All funds expended	12 months	12 months
<b>Total</b>	<b>\$ 216,113,450</b>	<b>\$ 215,298,116</b>	<b>\$ 815,334</b>			

# Key DPSCD grants information

Grant type	Explanation	Funding source	What the grant can be spent on	Performance period
Individuals with Disabilities Education Act (IDEA): <ul style="list-style-type: none"> <li>• Sec. 619 IDEA Preschool Incentive Grant (ages 3-5)</li> <li>• Sec. 611 IDEA Flow through Grant (ages 3-21)</li> </ul>	Supplements the excess costs of educating special education students	<ul style="list-style-type: none"> <li>• United States Department of Education, via the Michigan Department of Education as the pass-through entity</li> <li>• Center Program Offset piece is administered by Wayne RESA</li> </ul>	Goods, programs and services as approved by MDE associated with the education of special education students	<ul style="list-style-type: none"> <li>• 27 months: July 1 through September 30</li> <li>• 12 months for the Center Program Offset: July 1 through June 30</li> <li>• No carryover</li> </ul>
Title I, Part A	Designed to help disadvantaged children meet high academic standards through the implementation of supplemental educational programming	United States Department of Education, via the Michigan Department of Education as the pass-through entity	<ul style="list-style-type: none"> <li>• Funds are to supplement instruction to children who are failing, or who are most at risk of failing to meet the District's core academic curriculum standards, in the core subjects</li> <li>• District must reserve funds to implement mandated programming that drive high academic performance for its students and to implement activities that promote parental engagement.</li> <li>• The test essentially, is that programs support, not supplant, required core-subject programs</li> </ul>	<ul style="list-style-type: none"> <li>• 15 months: July 1 through September 30</li> <li>• Carryover: 12 months</li> </ul>
Title IIA, Part A	Provides high quality professional development for instructors and administrators that is geared toward increasing student achievement in the four core academic areas of English, Math, Science, and Social Studies	United States Department of Education, via the Michigan Department of Education as the pass-through entity.	Supports district initiatives in addressing challenges to teacher quality, recruitment, hiring teachers and administrator evaluation, teacher retention, class size reduction in grades K-3, administrators, and professional development that enables administrators to become effective school leaders	<ul style="list-style-type: none"> <li>• 12 months: October 1 through September 30</li> <li>• Carryover: 12 months</li> </ul>

# Key DPSCD grants information cont.

Grant type	Explanation	Funding source	What the grant can be spent on	Performance period
Career Technical Education (CTE Perkins Title II)	For the improvement of secondary and postsecondary career and technical education programs	Perkins Federal Grant	<ul style="list-style-type: none"> <li>The funds support teachers, technology, professional development, pupil transportation, program improvements, evaluation &amp; assessments, guidance &amp; counseling for CTE students, supplemental books and instructional equipment</li> </ul>	<ul style="list-style-type: none"> <li>12 months: July 1 through June 30</li> <li>No carryover</li> </ul>
Great Start Readiness Program (GSRP)	Early Childhood Program comprised of four year old children in prekindergarten. Students selected for the GSRP must have at least two of risk factors and meet the income guidelines	The program is funded through Michigan Department of Education and administered by Wayne RESA.	The funds support teachers, administrators, clerical support, field trips, classroom supplies, playground equipment, parent engagement, and assessments.	<ul style="list-style-type: none"> <li>12 months: October 1 through September 30</li> <li>Carryover: 12 months</li> </ul>
Section 31a	<ul style="list-style-type: none"> <li>Designed to help disadvantaged children meet high academic standards through the implementation of supplemental educational programming</li> <li>The grant requires that activities are implemented that promote reading proficiency for all Third Grade students and to ensure that all Eleventh Grade students are considered career and college ready</li> </ul>	State of Michigan	<p>Allowable expenditures include the following activities:</p> <ul style="list-style-type: none"> <li>supplemental instructional personnel who work with students in small groups as tutors</li> <li>personnel who support climactic improvements in the building such as Attendance Agents, and Counselors</li> <li>implementation of extended day or extended year instruction, remedial support, or credit recovery programming</li> <li>professional development activities</li> <li>parental engagement programming</li> <li>limited amounts for supplies and materials and equipment purchases that augment supplemental instruction</li> <li>limited experiential student programming</li> <li>school safety measures</li> </ul> <p>Legislation prohibits the use of funds for administration and administrative activities.</p>	<ul style="list-style-type: none"> <li>12 months: July 1 through June 30</li> <li>Carryover: 12 months</li> </ul>

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## Education Achievement Authority (EAA) transition update

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- DPSCD and EAA leadership announced on November 7, 2016 that DPSCD will take over 14 EAA schools by July 1, 2017. There are about 5,500 students attending 11 EAA schools and another 1,000 enrolled in 3 EAA charter schools (Please refer to the next page for a list of schools).
- DPSCD and EAA have reached an agreement on previous financial obligations, under which the EAA will pay DPSCD \$2.45m.
- DPSCD is working with the EAA to draft a formal report for the transition of all EAA schools back to DPSCD that includes recommended next steps and estimated costs. This report will be delivered in December 2016.

## Overview of the EAA schools

<b>School</b>	<b>Operator</b>	<b>School Type</b>	<b>FY16 Students<sup>1</sup></b>
Brenda Scott Academy	EAA	Elementary - Middle School	835
Burns Elementary-Middle School	EAA	Elementary - Middle School	468
Central High School	EAA	High School	376
Denby High School	EAA	High School	604
Henry Ford High School	EAA	High School	435
Law Academy	EAA	Elementary - Middle School	585
Mary McLeod Bethune School	EAA	Elementary - Middle School	532
Mumford High School	EAA	High School	742
Nolan Elementary-Middle School	EAA	Elementary - Middle School	362
Pershing High School	EAA	High School	329
Southeastern High School	EAA	High School	284
<b>Subtotal</b>			<b>5,552</b>
Murphy Performance Academy	Charter	Elementary - Middle School	274
Stewart Performance Academy	Charter	Elementary - Middle School	277
Trix Performance Academy	Charter	Elementary - Middle School	397
<b>Subtotal</b>			<b>948</b>
<b>Totals</b>			<b>6,500</b>

### Notes

1. These numbers are based on '15-'16 student count, excluding Phoenix Academy which was closed at the end of FY16;

It is expected that there will be a decline in overall student count in '16-'17.



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## Executive Summary – Financial Update

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- DPSCD has recorded a surplus of revenues over expenditures of \$79M through September 2016 (see p. 15 and 16). The surplus is primarily due to higher revenue resulting from one-time transfers in related to the new District legislation and low expenditures in July and August, which are customary with school being out.
- YTD revenues were higher than prior year (\$39M – see p. 15) because of the one-time transfers in, but lower than budget by \$18M (see p. 16) primarily due to a lag in the timing of receipt of Federal source revenue.
- YTD expenses were lower than both prior year (\$20M – see p. 15 and 17) and budget (\$14M – see p. 16 and 18) due to lower summer school participation, lower headcount, and unfilled vacancies. These favorable variances were concentrated in personnel and benefits.
- YTD net cash flow through September was \$10M (see p. 19), again primarily due to one-time transfers in and low summer expenditures.
- Net cash flow (\$10M – see p. 19) was lower than the revenue surplus (\$79M – see p. 15 and 16) due to timing differences between cash and accruals, most notable of which is State foundation allowance which is accrued but not received until October. These timing differences are expected to reverse.
- The gross amount of vacancies currently in the FY17 budget is ~\$31M across all funds (excluding benefits). The general fund impact of these vacancies is ~\$17M (including benefits), see p. 24 for more detail.
- The Wayne County RESA Education Enhancement Millage has been passed. In its first year, it will generate an extra \$385 for every student in a county school district, equating to ~\$17M for DPSCD. This amount has been incorporated into the Preliminary FY 2017 Budget Estimate, along with the additional \$0.45M to be received from the EAA, see p. 26 for more detail.

# DPSCD summary statement of revenues and expenditures – year-over-year comparison

	Year-over-Year Comparison Current Month				Year-over-Year Comparison YTD				
	Actual	Actual	Variance		Actual	Actual	Variance		
	Month of	Month of	\$	%	YTD	YTD	\$	%	
	Sep-15	Sep-16			Sep-15	Sep-16			
<b>Revenues</b>									
Local sources <sup>1</sup>	\$ 5,918,886	\$ 35,793	\$ (5,883,093)	(99%)	\$ 17,676,290	\$ 53,642	\$ (17,622,648)	(100%)	
State sources <sup>1</sup>	30,981,687	40,961,327	9,979,640	32%	88,859,257	104,112,276	15,253,019	17%	
Federal sources	9,869,004	4,120,495	(5,748,509)	(58%)	21,793,849	8,336,655	(13,457,194)	(62%)	
Interdistrict sources <sup>2</sup>	3,238,326	2,497,874	(740,452)	(23%)	3,238,326	17,497,874	14,259,548	440%	
Other sources <sup>3</sup>	-	15,269,308	15,269,308	-	-	40,269,308	40,269,308	-	
<b>Total Revenues</b>	<b>50,007,903</b>	<b>62,884,797</b>	<b>12,876,894</b>	<b>26%</b>	<b>131,567,722</b>	<b>170,269,755</b>	<b>38,702,033</b>	<b>29%</b>	
<b>Expenditures</b>									
Instruction	26,303,802	20,957,162	(5,346,640)	(20%)	41,088,702	30,468,996	(10,619,706)	(26%)	
Support services	17,344,101	21,862,103	4,518,002	26%	56,258,499	60,659,677	4,401,178	8%	
Community service	65,075	44,886	(20,189)	(31%)	126,514	79,031	(47,483)	(38%)	
Facilities acquisitions and improvement <sup>4</sup>	-	-	-	-	-	-	-	-	
Debt service	4,416,841	-	(4,416,841)	(100%)	13,250,523	-	(13,250,523)	(100%)	
Other uses	-	-	-	-	-	-	-	-	
<b>Total Expenditures</b>	<b>48,129,819</b>	<b>42,864,152</b>	<b>(5,265,668)</b>	<b>(11%)</b>	<b>110,724,238</b>	<b>91,207,705</b>	<b>(19,516,533)</b>	<b>(18%)</b>	
<b>Surplus (Deficit)</b>	<b>\$ 1,878,083</b>	<b>\$ 20,020,645</b>	<b>\$ 18,142,562</b>	<b>966%</b>	<b>\$ 20,843,484</b>	<b>\$ 79,062,050</b>	<b>\$ 58,218,566</b>	<b>279%</b>	

Notes regarding the impact of the legislation that created DPSCD

1. Property tax receipts are diverted into DPS, in return State Aid receipts were increased to the full foundation allowance
2. Reflects \$15m advance of Act 18 funds from WRESA to provide start-up liquidity
3. Includes estimated ending cash balance of DPS as well as \$25m of dedicated transition funds
4. All legacy debt service was eliminated

# DPSCD summary statement of revenues and expenditures – budget to actuals comparison

	Budget to Actual Comparison Current Month				Budget to Actual Comparison YTD			
	Budget	Actual	Variance		Budget	Actual	Variance	
	Month of	Month of			YTD	YTD		
	Sep-16	Sep-16	\$	%	Sep-16	Sep-16	\$	%
<b>Revenues</b>								
Local sources <sup>1</sup>	\$ 150,359	\$ 35,793	\$ (114,566)	(76%)	\$ 482,182	\$ 53,642	\$ (428,540)	(89%)
State sources <sup>1</sup>	36,324,692	40,961,327	4,636,635	13%	104,732,619	104,112,276	(620,343)	(1%)
Federal sources	9,001,660	4,120,495	(4,881,165)	(54%)	20,009,425	8,336,655	(11,672,770)	(58%)
Interdistrict sources <sup>2</sup>	2,540,857	2,497,874	(42,983)	(2%)	20,456,493	17,497,874	(2,958,619)	(14%)
Other sources <sup>3</sup>	-	15,269,308	15,269,308	-	42,300,000	40,269,308	(2,030,692)	(5%)
<b>Total revenues</b>	<b>48,017,568</b>	<b>62,884,797</b>	<b>14,867,229</b>	<b>31%</b>	<b>187,980,719</b>	<b>170,269,755</b>	<b>(17,710,964)</b>	<b>(9%)</b>
<b>Expenditures</b>								
Instruction	28,952,043	20,957,162	(7,994,881)	(28%)	44,823,323	30,468,996	(14,354,327)	(32%)
Support services	20,275,404	21,862,103	1,586,699	8%	59,759,428	60,659,677	900,249	2%
Community service	57,654	44,886	(12,768)	(22%)	112,087	79,031	(33,056)	(29%)
Facilities acquisitions and improvement	50,567	-	(50,567)	(100%)	151,701	-	(151,701)	(100%)
Debt service <sup>4</sup>	-	-	-	-	-	-	-	-
Other uses	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>49,335,668</b>	<b>42,864,152</b>	<b>(6,471,516)</b>	<b>(13%)</b>	<b>104,846,539</b>	<b>91,207,705</b>	<b>(13,638,834)</b>	<b>(13%)</b>
<b>Surplus (Deficit)</b>	<b>\$ (1,318,100)</b>	<b>\$ 20,020,645</b>	<b>\$ 21,338,745</b>	<b>(1619%)</b>	<b>\$ 83,134,180</b>	<b>\$ 79,062,050</b>	<b>\$ (4,072,130)</b>	<b>(5%)</b>

## Notes regarding the impact of the legislation that created DPSCD

1. Property tax receipts are diverted into DPS, in return State Aid receipts were increased to the full foundation allowance
2. Reflects \$15m advance of Act 18 funds from WRESA to provide start-up liquidity
3. Includes estimated ending cash balance of DPS as well as \$25m of dedicated transition funds
4. All legacy debt service was eliminated

# DPSCD detail statement of expenditures by object level – year-over-year comparison

	Year-over-Year Comparison Current Month				Year-over-Year Comparison YTD			
	Actual	Actual	Variance		Actual	Actual	Variance	
	Month of	Month of	\$	%	YTD	YTD	\$	%
	Sep-15	Sep-16			Sep-15	Sep-16		
Personnel	\$ 27,189,880	\$ 19,151,249	\$ (8,038,631)	(30%)	\$ 44,800,653	\$ 32,479,369	\$(12,321,284)	(28%)
Benefits	11,894,818	10,383,749	(1,511,069)	(13%)	23,761,360	21,195,782	(2,565,578)	(11%)
Purchased Services	2,999,251	12,532,443	9,533,191	318%	21,432,015	32,235,487	10,803,472	50%
Supplies & Textbooks	365,778	75,444	(290,334)	(79%)	1,360,598	175,830	(1,184,768)	(87%)
Equipment & Capital	159,298	1,075	(158,223)	(99%)	159,298	1,075	(158,223)	(99%)
Utilities	1,103,953	720,192	(383,761)	(35%)	5,959,790	5,120,162	(839,628)	(14%)
Debt Service <sup>1</sup>	4,416,841	-	(4,416,841)	(100%)	13,250,523	-	(13,250,523)	(100%)
Other	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 48,129,819</b>	<b>\$ 42,864,152</b>	<b>\$ (5,265,667)</b>	<b>(11%)</b>	<b>\$ 110,724,237</b>	<b>\$ 91,207,705</b>	<b>\$(19,516,532)</b>	<b>(18%)</b>

Note:

1. Passing of legislation that created DPSCD eliminated all legacy debt service

# DPSCD detail statement of expenditures by object level – budget to actual comparison

	Budget to Actual Comparison Current Month					Budget to Actual Comparison YTD				
	Budget	Actual	Variance		Budget	Actual	Variance			
	Month of	Month of		%	YTD	YTD		%		
	Sep-16	Sep-16	\$	%	Sep-16	Sep-16	\$	%		
Personnel	\$ 21,947,654	\$ 19,151,249	\$ (2,796,405)	(13%)	\$ 40,784,445	\$ 32,479,369	\$ (8,305,076)	(20%)		
Benefits	13,089,902	10,383,749	(2,706,153)	(21%)	24,607,918	21,195,782	(3,412,136)	(14%)		
Purchased Services	12,333,180	12,532,443	199,263	2%	32,328,875	32,235,487	(93,388)	(0%)		
Supplies & Textbooks	445,537	75,444	(370,093)	(83%)	1,521,916	175,830	(1,346,086)	(88%)		
Equipment & Capital	-	1,075	1,075	-	-	1,075	1,075	-		
Utilities	879,596	720,192	(159,404)	(18%)	4,206,624	5,120,162	913,538	22%		
Debt Service <sup>1</sup>	-	-	-	-	-	-	-	-		
Other	639,799	-	(639,799)	(100%)	1,396,761	-	(1,396,761)	(100%)		
<b>Total Expenditures</b>	<b>\$ 49,335,668</b>	<b>\$ 42,864,152</b>	<b>\$ (6,471,516)</b>	<b>(13%)</b>	<b>\$ 104,846,539</b>	<b>\$ 91,207,705</b>	<b>\$ (13,638,834)</b>	<b>(13%)</b>		

Note:

1. Passing of legislation that created DPSCD eliminated all legacy debt service

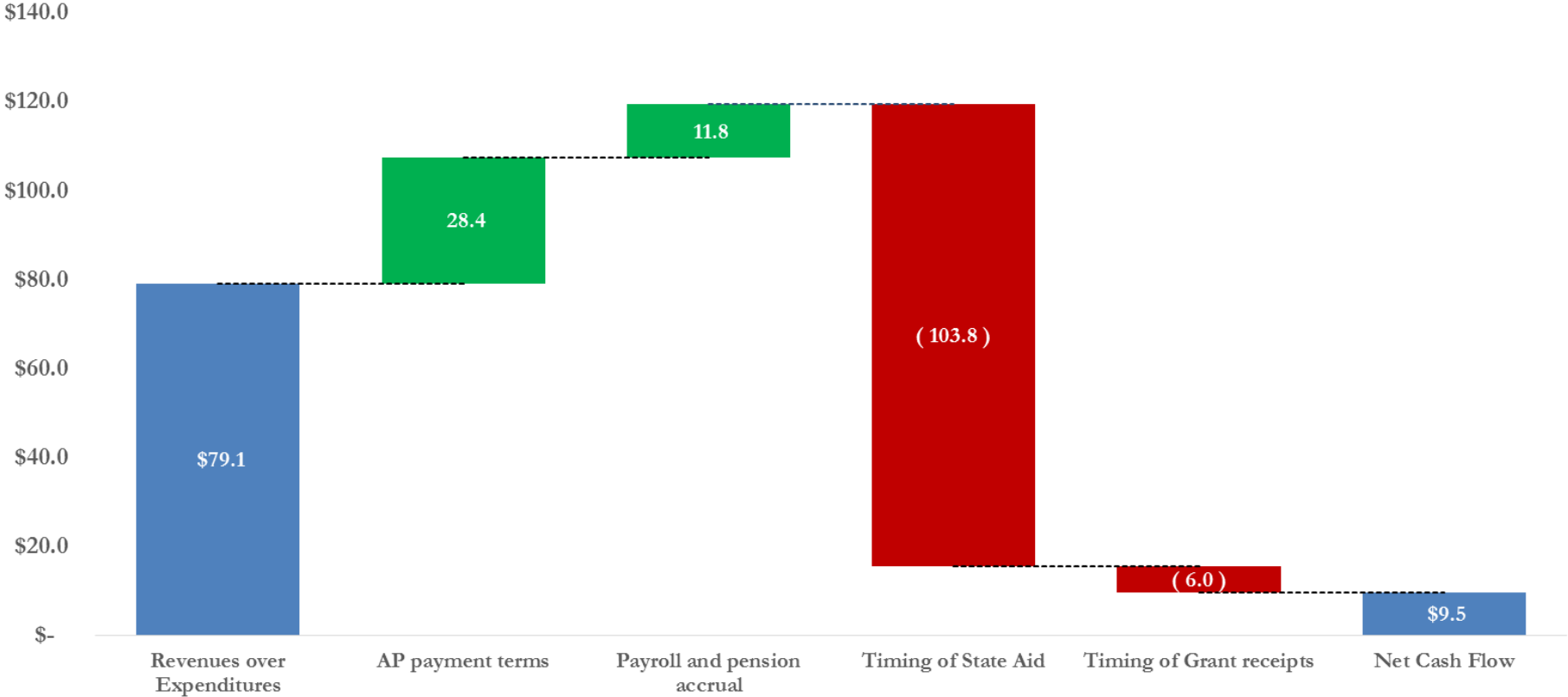
# DPSCD FY17 September YTD cash flows

*\$ in thousands*

	July Actuals	August Actuals	September Actuals	YTD Actuals
<b>Cash Receipts</b>				
State Aid	\$ -	\$ -	\$ -	\$ -
MPERS (State Funded)	-	-	-	-
Grants	-	-	2,407	2,407
Transfer from DPS	25,000	15,269	-	40,269
WCRESA	15,000	-	2,498	17,498
Food Service Reimbursement	-	-	-	-
Capital Asset Sales	-	-	-	-
Miscellaneous	25	110	198	333
<b>Total Cash Receipts</b>	<b>40,025</b>	<b>15,380</b>	<b>5,103</b>	<b>60,507</b>
<b>Cash Disbursements</b>				
MPERS (Pass through)	\$ -	\$ -	\$ -	\$ -
Payroll Direct Deposit	(2,396)	(3,424)	(14,038)	(19,858)
Taxes	(27)	(1,397)	(2,966)	(4,390)
FICA	-	(629)	(882)	(1,511)
Accounts Payable	(1)	(580)	(8,223)	(8,804)
Pension (employee portion)	(36)	(428)	(692)	(1,157)
Pension (employer portion)	-	(1,700)	(429)	(2,129)
Health	(28)	(6,965)	(5,818)	(12,812)
Fringe Benefits	-	(6)	(13)	(20)
Food Service	-	-	(321)	(321)
Transfer to DPS	-	-	-	-
Other	-	(0)	-	(0)
<b>Total Cash Disbursements</b>	<b>(2,488)</b>	<b>(15,131)</b>	<b>(33,383)</b>	<b>(51,001)</b>
Beginning Cash Balance	-	37,537	37,786	-
Net Cash Flow	37,537	249	(28,280)	9,506
<b>Ending Cash Balance</b>	<b>\$ 37,537</b>	<b>\$ 37,786</b>	<b>\$ 9,506</b>	<b>\$ 9,506</b>

# Reconciliation of September YTD general ledger surplus to actual net cash flow

(\$ in million)





# DPSCD Forecast to Actuals Variance

		October, 2016			
<i>\$ in thousands</i>	Forecast	Actuals	Variance	Comment	
<b>Cash Receipts</b>					
State Aid	\$ 35,323	\$ 35,052	\$ (271)		
MPSERS (State Funded)	-	-	-		
Grants	9,480	1,257	(8,223)	Approval of FY17 grants delayed due to MPSERS resolution	
Transfer from DPS	23,504	15,739	(7,765)	Lower draw based on cash needs	
WCRESA	2,254	2,254	-		
Food Service Reimbursement	459	-	(459)		
Capital Asset Sales	-	-	-		
Miscellaneous	1,150	976	(174)		
<b>Total Cash Receipts</b>	<b>72,170</b>	<b>55,277</b>	<b>(16,892)</b>		
<b>Cash Disbursements</b>					
MPSERS (Pass through)	\$ -	\$ -	\$ -		
Payroll Direct Deposit	(14,121)	(13,598)	523		
Taxes	(5,346)	(5,085)	260		
FICA	(1,589)	(1,543)	45		
Accounts Payable	(18,268)	(6,045)	12,224	Timing - payables to be paid in early November	
Pension (employee portion)	(1,768)	(1,589)	179		
Pension (employer portion)	(5,644)	(5,187)	457		
Health	(886)	(124)	762		
Fringe Benefits	(502)	(22)	480		
Food Service	(1,200)	(2,189)	(989)	Catch-up from previous month	
Transfer to DPS	-	-	-		
Other	(320)	(2)	318		
<b>Total Cash Disbursements</b>	<b>(49,644)</b>	<b>(35,387)</b>	<b>14,258</b>		
Beginning Cash Balance	9,506	9,506	-		
Net Cash Flow	22,525	19,891	(2,635)		
<b>Ending Cash Balance</b>	<b>\$ 32,032</b>	<b>\$ 29,397</b>	<b>\$ (2,635)</b>		

Note: Forecast shown is as presented at FRC meeting on October 31, 2016

# DPSCD FY17 revised monthly cash flow forecast

\$ in thousands	2016						2017						FY 17 Total
	July	August	September	October	November	December	January	February	March	April	May	June	
	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
<b>Cash Receipts</b>													
State Aid	\$ -	\$ -	\$ -	\$ 35,052	\$ 35,323	\$ 35,323	\$ 35,323	\$ 35,323	\$ 35,323	\$ 35,323	\$ 35,323	\$ 35,323	\$ 317,632
MPSERS (State Funded)	-	-	-	-	6,364	3,066	3,066	3,066	3,066	3,066	3,066	3,066	27,825
Grants	-	-	2,407	1,257	12,147	19,470	23,470	12,470	17,705	12,470	12,470	16,970	130,836
Transfer from DPS	25,000	15,269	-	15,739	17,300	-	-	-	-	-	-	-	73,308
WCRESA	15,000	-	2,498	2,254	2,254	2,254	2,254	2,254	2,254	2,254	2,254	2,254	37,784
Food Service Reimbursement	-	-	-	-	3,086	3,421	5,132	3,421	3,421	3,421	3,421	3,421	28,744
Capital Asset Sales	-	-	-	-	-	9,000	-	-	-	-	-	-	9,000
Miscellaneous	25	110	198	976	697	1,429	929	1,063	1,562	1,130	929	1,562	10,609
<b>Total Cash Receipts</b>	<b>40,025</b>	<b>15,380</b>	<b>5,103</b>	<b>55,277</b>	<b>77,170</b>	<b>73,962</b>	<b>70,173</b>	<b>57,596</b>	<b>63,331</b>	<b>57,663</b>	<b>57,463</b>	<b>62,596</b>	<b>635,739</b>
<b>Cash Disbursements</b>													
MPSERS (Pass through)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,364)	\$ (3,066)	\$ (3,066)	\$ (3,066)	\$ (3,066)	\$ (3,066)	\$ (3,066)	\$ (24,760)
Payroll Direct Deposit	(2,396)	(3,424)	(14,038)	(13,598)	(14,144)	(19,668)	(14,145)	(14,145)	(21,218)	(14,145)	(14,145)	(14,495)	(159,561)
Taxes	(27)	(1,397)	(2,966)	(5,085)	(5,615)	(8,800)	(5,585)	(5,585)	(5,585)	(5,585)	(5,585)	(9,178)	(60,994)
FICA	-	(629)	(882)	(1,543)	(1,627)	(2,510)	(1,673)	(1,673)	(1,673)	(1,673)	(1,673)	(2,510)	(18,068)
Accounts Payable	(1)	(580)	(8,223)	(6,045)	(16,401)	(17,000)	(15,000)	(15,000)	(16,500)	(15,000)	(15,000)	(17,000)	(141,750)
Pension (employee portion)	(36)	(428)	(692)	(1,589)	(1,813)	(2,869)	(1,913)	(1,913)	(1,913)	(1,913)	(1,913)	(2,869)	(19,862)
Pension (employer portion)	-	(1,700)	(429)	(5,187)	(5,690)	(8,883)	(5,922)	(5,922)	(5,922)	(5,922)	(5,922)	(8,883)	(60,382)
Health	(28)	(6,965)	(5,818)	(124)	(3,927)	(4,272)	(4,153)	(4,718)	(4,870)	(4,735)	(4,735)	(6,785)	(51,130)
Fringe Benefits	-	(6)	(13)	(22)	(707)	(682)	(586)	(586)	(795)	(586)	(586)	(904)	(5,475)
Food Service	-	-	(321)	(2,189)	(2,600)	(3,900)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(3,900)	(25,911)
Transfer to DPS	-	-	-	-	-	-	(15,739)	(17,000)	-	-	-	-	(32,739)
Other	-	(0)	-	(2)	(474)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(1,526)
<b>Total Cash Disbursements</b>	<b>(2,488)</b>	<b>(15,131)</b>	<b>(33,383)</b>	<b>(35,387)</b>	<b>(52,997)</b>	<b>(75,099)</b>	<b>(70,533)</b>	<b>(72,359)</b>	<b>(64,292)</b>	<b>(55,375)</b>	<b>(55,375)</b>	<b>(69,740)</b>	<b>(602,158)</b>
Beginning Cash Balance	-	37,537	37,786	9,506	29,397	53,570	52,433	52,073	37,311	36,350	38,638	40,725	-
Net Cash Flow	37,537	249	(28,280)	19,891	24,173	(1,137)	(359)	(14,762)	(961)	2,288	2,088	(7,144)	33,581
<b>Ending Cash Balance</b>	<b>\$ 37,537</b>	<b>\$ 37,786</b>	<b>\$ 9,506</b>	<b>\$ 29,397</b>	<b>\$ 53,570</b>	<b>\$ 52,433</b>	<b>\$ 52,073</b>	<b>\$ 37,311</b>	<b>\$ 36,350</b>	<b>\$ 38,638</b>	<b>\$ 40,725</b>	<b>\$ 33,581</b>	<b>\$ 33,581</b>

Note:  
 Recently approved enhancement millage is not included as timing of collection remains uncertain; forecast to be updated together with the next budget amendment

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<b>1</b>	<b>Benchmarking</b>
<b>2</b>	<b>Grants information</b>
<b>3</b>	<b>EAA transition update</b>
<b>4</b>	<b>Financial update</b>
<b>5</b>	<b>Appendix</b>

# DPSCD FY17 Preliminary Budget Estimate

	DPSCD FY 2017 <u>Adopted Budget</u>	DPSCD FY 2017 Budget Amendment No. 1	DPSCD FY 2017 Budget Amendment No. 2	DPSCD FY 2017 Preliminary Budget Estimate	Variance	Notes
<b>Revenue:</b>						
Local sources						
Local Received Thru Another Public School	\$ 38,826,853	\$ 38,826,853	\$ 43,756,504	\$ 44,206,504	\$ 450,000	EAA agreement
Other	11,925,615	12,228,981	9,299,330	26,682,145	17,382,815	WC Education Enhancement Millage
Total local sources	50,752,468	51,055,834	53,055,834	70,888,649	17,832,815	
State sources	445,820,225	445,820,225	441,320,225	438,320,225	(3,000,000)	Estimated enrollment decline
Federal sources	141,820,618	142,198,114	142,198,114	142,198,114	-	
<b>Total Revenue</b>	<b>638,393,311</b>	<b>639,074,173</b>	<b>636,574,173</b>	<b>651,406,988</b>	<b>14,832,815</b>	
<b>Expenditures:</b>						
Instruction	332,136,275	334,818,296	341,551,248	341,138,923	(412,325)	Est. healthcare impact
Support services						
Pupil services	61,098,044	60,851,685	62,033,509	61,958,621	(74,888)	Est. healthcare impact
Instructional staff support	55,406,594	53,634,411	53,967,452	54,564,802	597,350	CBA & est. healthcare impact
General administration	3,177,970	3,836,974	3,836,974	3,960,142	123,168	CBA & est. healthcare impact
School administration	38,695,133	38,454,265	38,487,534	38,932,871	445,337	CBA & est. healthcare impact
Business office	9,992,727	9,481,223	9,481,223	9,597,577	116,354	CBA & est. healthcare impact
Operations & maintenance	84,826,740	84,854,606	84,854,606	84,902,168	47,562	CBA & est. healthcare impact
Transportation	35,049,312	35,031,312	35,031,312	35,341,522	310,210	CBA & est. healthcare impact
Central support service	28,356,986	28,331,821	28,339,379	28,614,967	275,588	CBA & est. healthcare impact
Other support service	769,593	842,576	842,576	1,217,359	374,783	CBA & est. healthcare impact
Total support services	317,373,099	315,318,873	316,874,565	319,090,029	2,215,464	CBA & est. healthcare impact
Community service	4,189,662	4,242,729	4,257,403	4,252,263	(5,140)	CBA & est. healthcare impact
Facilities acquisitions and improvement	606,809	606,809	606,809	606,809	-	
<b>Total Expenditures</b>	<b>654,305,845</b>	<b>654,986,707</b>	<b>663,290,025</b>	<b>665,088,024</b>	<b>1,797,999</b>	CBA & est. healthcare impact
<b>Total Other Financial Sources (Uses)</b>	<b>33,256,058</b>	<b>33,256,058</b>	<b>53,556,058</b>	<b>53,556,058</b>	<b>-</b>	
<b>Net Surplus / (Deficit)</b>	<b>\$ 17,343,524</b>	<b>\$ 17,343,524</b>	<b>\$ 26,840,206</b>	<b>\$ 39,875,022</b>	<b>\$ 13,034,816</b>	
<b>Fund Balance</b>						
Designated for future investment	12,343,524	12,343,524	12,343,524	12,343,524	-	
Undesignated fund balance	5,000,000	5,000,000	14,496,682	27,531,498	13,034,816	
<b>Ending Fund Balance</b>	<b>\$ 17,343,524</b>	<b>\$ 17,343,524</b>	<b>\$ 26,840,206</b>	<b>\$ 39,875,022</b>	<b>\$ 13,034,816</b>	

# DPSCD FY17 revised monthly budget spread

	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	FY 17 Total
<b>Revenues</b>													
Local Sources	\$ 150,459	\$ 181,364	\$ 150,359	\$ 1,341,884	\$ 251,473	\$ 407,423	\$ 950,276	\$ 1,135,898	\$ 255,062	\$ 413,981	\$ 364,962	\$ 3,696,189	\$ 9,299,330
State Sources	34,313,118	34,094,809	36,324,692	37,643,697	35,960,389	35,015,967	35,866,037	38,633,778	36,500,304	36,257,039	38,811,732	41,898,663	441,320,225
Federal Sources	7,431,528	3,576,237	9,001,660	15,374,504	12,616,615	9,525,877	19,537,628	10,908,804	14,895,395	11,095,706	14,500,096	13,734,064	142,198,114
Inderdistrict Sources	15,374,779	2,540,857	2,540,857	2,881,037	2,582,998	2,540,857	2,540,857	2,590,848	2,540,857	2,540,857	2,540,857	2,540,849	43,756,510
Other sources	42,300,000	-	-	65,780	2,043,394	9,000,000	146,884	-	-	-	-	-	53,556,058
<b>Total Revenues</b>	<b>99,569,884</b>	<b>40,393,267</b>	<b>48,017,568</b>	<b>57,306,902</b>	<b>53,454,869</b>	<b>56,490,124</b>	<b>59,041,682</b>	<b>53,269,328</b>	<b>54,191,618</b>	<b>50,307,583</b>	<b>56,217,647</b>	<b>61,869,765</b>	<b>690,130,237</b>
	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Expenditures</b>													
Instruction	10,548,061	5,323,219	28,952,043	33,788,159	31,655,395	34,596,987	31,202,858	27,504,132	32,559,253	27,661,252	43,249,611	34,510,278	341,551,248
Support Services													
Pupil	1,450,349	893,971	4,873,496	6,174,013	5,078,150	7,708,520	5,277,924	5,013,895	7,404,456	3,923,599	8,246,256	5,988,880	62,033,509
Instructional Staff	3,572,242	1,989,796	4,096,132	6,815,531	3,852,737	4,072,994	5,228,455	4,899,175	4,712,895	2,250,599	7,903,354	4,573,542	53,967,452
General Administration	241,405	239,951	290,374	705,392	289,955	285,304	301,711	172,909	162,158	448,136	502,908	196,771	3,836,974
School Administration	2,421,409	1,895,686	3,416,444	3,699,027	3,438,411	4,249,400	1,801,439	2,835,011	3,557,180	2,828,554	5,223,977	3,120,996	38,487,534
Business	507,683	909,255	547,667	340,157	195,314	215,659	215,659	446,414	1,465,301	1,818,606	1,818,606	1,000,902	9,481,223
Operation & Maintenance	7,797,692	5,574,584	4,373,714	9,608,136	4,225,692	9,459,627	12,616,951	6,303,222	6,700,144	7,659,745	7,659,745	2,875,354	84,854,606
Transportation	2,915,108	2,571,184	930,449	930,449	1,328,598	1,328,598	6,153,351	3,877,039	4,274,335	1,939,373	1,360,931	7,421,897	35,031,312
Central	2,564,615	3,885,196	1,696,164	974,881	805,120	1,386,704	3,489,731	2,168,651	2,690,752	61,032	3,853,754	4,762,779	28,339,379
Other	14,834	39,064	50,964	62,545	146,688	51,056	51,056	41,601	193,938	3,880	86,897	100,053	842,576
Total Support Services	21,485,337	17,998,687	20,275,404	29,310,131	19,360,665	28,757,862	35,136,277	25,757,917	31,161,159	20,933,524	36,656,428	30,041,174	316,874,565
Community Services	29,810	24,623	57,654	103,783	1,921,351	99,739	1,425,168	45,590	321,791	38,495	40,749	148,650	4,257,403
Facilities Acquisition and Improvement	50,567	50,567	50,567	50,567	50,567	50,567	50,567	50,567	50,567	50,567	50,567	50,572	606,809
Debt service	-	-	-	-	-	-	-	-	-	-	-	-	-
Other uses	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>32,113,775</b>	<b>23,397,096</b>	<b>49,335,668</b>	<b>63,252,640</b>	<b>52,987,978</b>	<b>63,505,155</b>	<b>67,814,870</b>	<b>53,358,206</b>	<b>64,092,770</b>	<b>48,683,838</b>	<b>79,997,355</b>	<b>64,750,674</b>	<b>663,290,025</b>
<b>Net Surplus/ (Deficit)</b>	<b>\$ 67,456,109</b>	<b>\$ 16,996,171</b>	<b>\$ (1,318,100)</b>	<b>\$ (5,945,738)</b>	<b>\$ 466,891</b>	<b>\$ (7,015,031)</b>	<b>\$ (8,773,188)</b>	<b>\$ (88,878)</b>	<b>\$ (9,901,152)</b>	<b>\$ 1,623,745</b>	<b>\$ (23,779,708)</b>	<b>\$ (2,880,909)</b>	<b>\$ 26,840,212</b>
<b>Fund Balance</b>													
Designated for future investment	12,343,524	12,343,524	12,343,524	12,343,524	12,343,524	12,343,524	12,343,524	12,343,524	12,343,524	12,343,524	12,343,524	12,343,524	12,343,524
Undesignated fund balance	55,112,585	72,108,756	70,790,656	64,844,918	65,311,809	58,296,778	49,523,590	49,434,712	39,533,560	41,157,305	17,377,597	14,496,688	14,496,688
<b>Ending Fund Balance</b>	<b>\$ 67,456,109</b>	<b>\$ 84,452,280</b>	<b>\$ 83,134,180</b>	<b>\$ 77,188,442</b>	<b>\$ 77,655,333</b>	<b>\$ 70,640,302</b>	<b>\$ 61,867,114</b>	<b>\$ 61,778,236</b>	<b>\$ 51,877,084</b>	<b>\$ 53,500,829</b>	<b>\$ 29,721,121</b>	<b>\$ 26,840,212</b>	<b>\$ 26,840,212</b>

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# **Detroit Public Schools Community District**

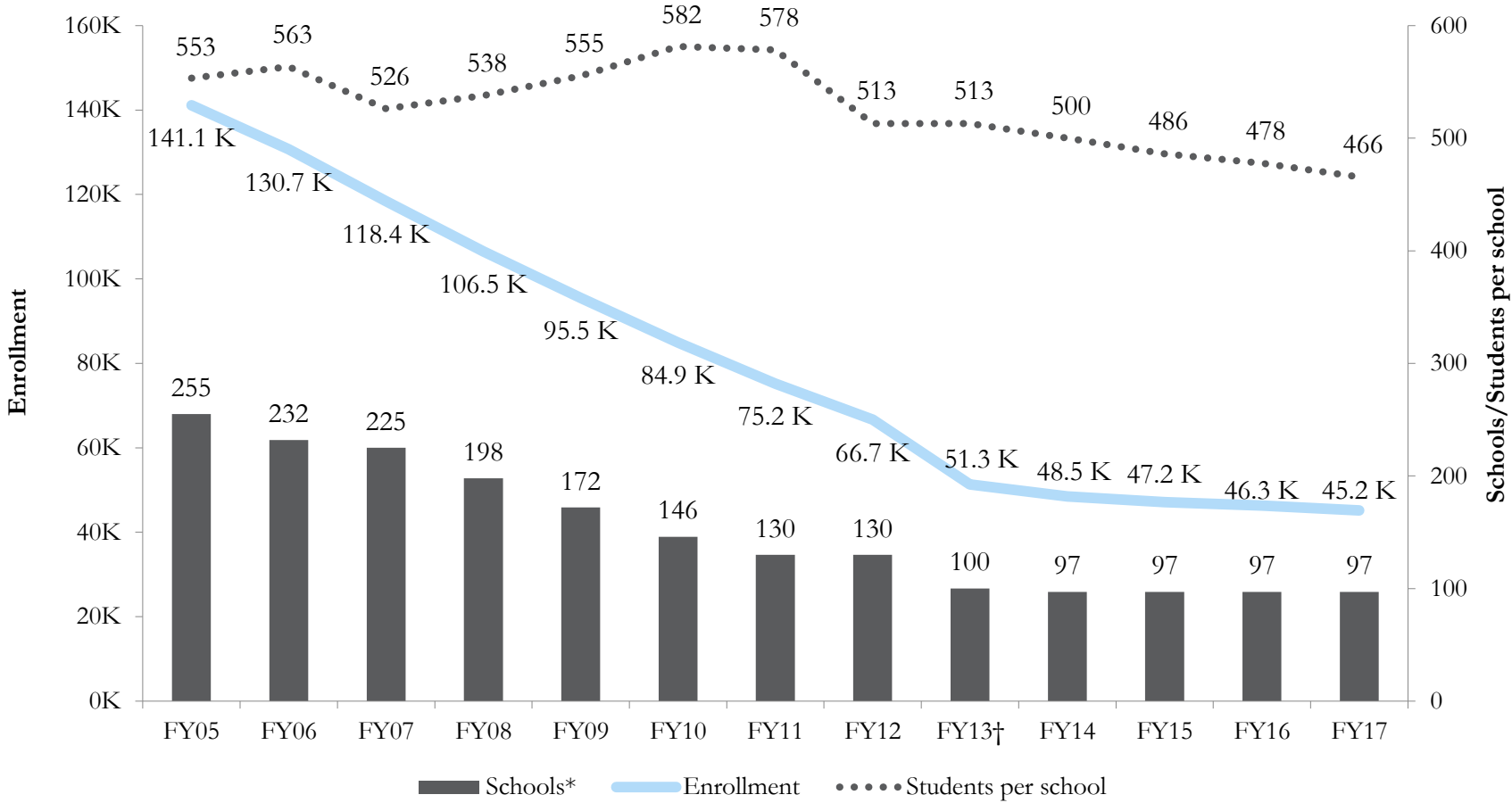
*Discussion Document – School Planning*

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November 21, 2016

# Since 2005 enrollment has declined by over 65% and DPS has closed more than 140 schools

**Detroit Public Schools, School closures and School size**  
*FY 2005 – FY 2017 Budget*



† Creation of EAA resulted in transfer of 15 schools.

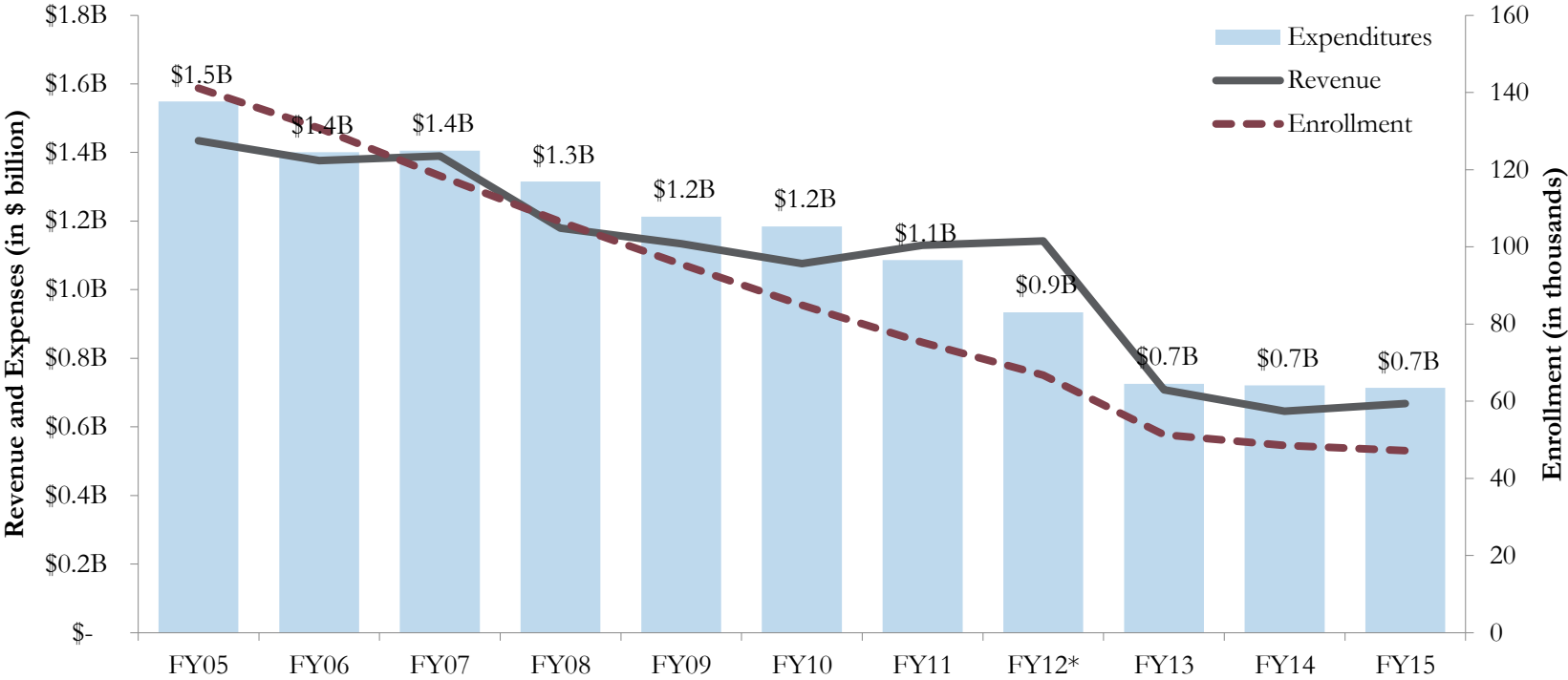
\*Includes elementary schools, middle schools, high schools, alternative education schools, special education schools, and career technical and vocational centers.

Source: Detroit Public Schools Comprehensive Annual Financial Reports



# Since 2005 DPS has cut expenses by over \$800M but expenses continue to exceed revenue

**Detroit Public Schools, Revenue and Expenditures**  
*FY 2005 – FY 2015*



	FY05	FY06	FY07	FY08	FY09	FY10	FY11†	FY12‡	FY13	FY14	FY15
Annual surplus (deficit)	\$ (115M)	\$ (25M)	\$ (15M)	\$ (136M)	\$ (79M)	\$ (108M)	\$ 43M	\$ 208M	\$ (18M)	\$ (76M)	\$ (46M)
Fund Balance	\$ 46M	\$ 22M	\$ (3M)	\$ (139M)	\$ (218M)	\$ (327M)	\$ (284M)	\$ (76M)	\$ (94M)	\$ (169M)	\$ (216M)

\* Includes elementary schools, middle schools, high schools, alternative education schools, special education schools, and career technical and vocational centers; includes creation of EAA resulted in transfer of 15 schools in FY13.

† Includes one-time grant revenue awarded under the American Recovery and Reinvestment Act (ARRA)  
 ‡ Includes \$245M revenue from new bond issuance, Deficit would have been \$ (37M) without issuance  
 Source: Detroit Public Schools Comprehensive Annual Financial Reports

# Historically DPS has suffered an average student enrollment attrition rate of 47% when schools were closed

## Detroit Public Schools, Estimated Impact on Student Enrollment due to School Closures *FY2005 - FY 2017 Budget*

Year	Total student enrollment	Total no. schools	Average no. students per school	No. schools closed	Actual no. students lost from prior year	Enrollment loss without school closures	Estimated no. students lost based on average normal enrollment loss (4.6%)	Estimated no. students lost due to school closures	Enrollment loss due to school closures
FY05	141,100	255	553						
FY06	130,700	232	563	23	10,400		6,478	3,922	37.7%
FY07	118,400	225	526	7	12,300		6,001	6,299	51.2%
FY08	106,500	198	538	27	11,900		5,436	6,464	54.3%
FY09	95,500	172	555	26	11,000		4,890	6,110	55.5%
FY10	84,900	146	582	26	10,600		4,385	6,215	58.6%
FY11	75,200	130	578	16	9,700		3,898	5,802	59.8%
FY12	66,700	130	513	0	8,500	11.3%	3,453	5,047	59.4%
FY13 <sup>1</sup>	51,300	100	513	15	4,400		3,062	1,338	30.4%
FY14	48,500	97	500	3	2,800		2,355	445	15.9%
FY15	47,160	97	486	0	1,340	2.8%	1,340	0	
FY16	46,262	97	477	0	898	1.9%	898	0	
FY17	45,154	97	466	0	1,108	2.4%	1,108	0	
<b>TOTAL</b>				<b>143</b>	<b>84,946</b>		<b>43,304</b>	<b>41,642</b>	
<b>Average attrition</b>						<b>4.6%</b>			<b>47.0%</b>

<sup>1</sup> EAA took over 15 schools (~11,000 students) from DPS in FY13 (fall of 2012), so the EAA schools and students have been excluded from this analysis

# Preliminary estimates suggest that DPSCD must retain at least 80% of students to break even following a school closure

## Detroit Public Schools Community District, Estimated Elementary School Closure Savings

*Based on FY 2017 Budgeted Spending*

	Student enrollment attrition rate					
	35%	30%	25%	20%	15%	
Principal	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Secretaries (2)	75,000	75,000	75,000	75,000	75,000	75,000
Academic Engagement Administrator <sup>1</sup>	56,000	56,000	56,000	56,000	56,000	56,000
Teaching Personnel	120,000	120,000	120,000	60,000	60,000	60,000
Custodians & Boiler Operators	255,704	255,704	255,704	255,704	255,704	255,704
Grounds & Maintenance	48,297	48,297	48,297	48,297	48,297	48,297
Supplies & Building Maintenance	52,045	52,045	52,045	52,045	52,045	52,045
Utilities	128,111	128,111	128,111	128,111	128,111	128,111
IT	43,671	43,671	43,671	43,671	43,671	43,671
Security	28,860	28,860	28,860	28,860	28,860	28,860
<b>Subtotal cost savings</b>	<b>\$ 957,688</b>	<b>\$ 957,688</b>	<b>\$ 957,688</b>	<b>\$ 897,688</b>	<b>\$ 897,688</b>	<b>\$ 897,688</b>
Transportation <sup>2</sup>	\$ (36,007)	\$ (36,007)	\$ (36,007)	\$ (36,007)	\$ (36,007)	\$ (36,007)
Go forward operating costs until sale of building <sup>3</sup>	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Foundation Allowance <sup>4</sup>	(1,230,423)	(1,054,648)	(878,874)	(703,099)	(527,324)	(527,324)
At Risk Revenue <sup>5</sup>	(81,463)	(69,826)	(58,188)	(46,551)	(34,913)	(34,913)
<b>Subtotal additional costs / revenue losses</b>	<b>\$ (1,397,894)</b>	<b>\$ (1,210,482)</b>	<b>\$ (1,023,069)</b>	<b>\$ (835,657)</b>	<b>\$ (648,245)</b>	<b>\$ (648,245)</b>
<b>NET SAVINGS (COST)</b>	<b>\$ (440,206)</b>	<b>\$ (252,793)</b>	<b>\$ (65,381)</b>	<b>\$ 62,031</b>	<b>\$ 249,444</b>	<b>\$ 249,444</b>
One-time closure costs <sup>6</sup>	TBD	TBD	TBD	TBD	TBD	TBD

<sup>1</sup> Fund 11 portion.

<sup>2</sup> Fund 11 portion. The definition of a neighborhood school will change; students will have to travel farther.

<sup>3</sup> Estimate for sewerage, water and other operating costs following closure of school until sale of building.

<sup>4</sup> Assumes a school has an average of 466 students and DPSCD receives a Foundation Allowance of \$7,552 per student.

<sup>5</sup> Assumes a school has an average of 466 students and DPSCD receives a At Risk revenue of \$500 per student.

<sup>6</sup> One-time costs refer to the costs of dealing with the vacated building and providing transitional support to receiving schools.