



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRECHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

**DETROIT FINANCIAL REVIEW COMMISSION**  
**DETROIT PUBLIC SCHOOLS (DPS) RESOLUTION 2019-1**  
**APPROVING THE DETROIT PUBLIC SCHOOLS (DPS) BUDGET FOR**  
**FISCAL YEAR 2020**

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 6(1) of the Act empowers the Commission to provide oversight for the Detroit Public Schools (“DPS”) beginning on June 21, 2016; and

WHEREAS, Section 7(c) of the Act provides that during the period of oversight, the Commission review, modify, and approve Detroit Public School’s proposed and amended operational budgets and that a proposed budget or budget amendment does not take effect unless approved by the Commission; and

WHEREAS, the Detroit Public Schools presented its budget for the fiscal year ending June 30, 2020 (“fiscal year 2020”) to the Commission at its meeting on June 24, 2019 for the Commission’s review and consideration.

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

1. That the Detroit Public School’s budget for fiscal year 2020 (the “Budget”), as presented to the Commission on June 24, 2019, is hereby approved.

2. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
3. This Resolution shall have immediate effect.

# DPS FY 20 Proposed Budget

	FY 2019 Adopted Budget	FY 2020 Proposed Budget	FY 2020 Increase/(Decrease) from FY 2019
<b>Revenue:</b>			
Local Sources <sup>1</sup>	\$ 58,893,000	\$ 65,145,930	\$ 6,252,930
State Sources	\$ 4,330,730	\$ 4,330,730	\$ -
<b>Total Revenue</b>	<b>\$ 63,223,730</b>	<b>\$ 69,476,660</b>	<b>\$ 6,252,930</b>
<b>Expenditures:</b>			
<b>Support Services</b>			
Instruction			
Support Services			
General Administration	\$ 30,000	\$ 30,000	\$ -
Business Office	\$ 70,000	\$ 70,000	\$ -
<b>Total Support Services</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ -</b>
<b>Debt Service</b>			
Stabilization Bonds	\$ 37,383,076	\$ 37,303,182	\$ (79,894)
MPSERS Interest	\$ 9,624,000	\$ 8,648,000	\$ (976,000)
Emergency Loan Debt Service	\$ 1,965,000	\$ 1,965,000	\$ -
Debt Issuance Costs	\$ -	\$ -	\$ -
<b>Total Debt Service</b>	<b>\$ 48,972,076</b>	<b>\$ 47,916,182</b>	<b>\$ (1,055,894)</b>
<b>Total Expenditures</b>	<b>\$ 49,072,076</b>	<b>\$ 48,016,182</b>	<b>\$ (1,055,894)</b>
<b>Other Financial Sources/(Uses)</b>			
Other Financing Sources	\$ -	\$ -	\$ -
Transfer to DPSCD General Fund <sup>2</sup>	\$ (6,900,000)	\$ (6,900,000)	\$ -
<b>Total Other Financial Sources/(Uses)</b>	<b>\$ (6,900,000)</b>	<b>\$ (6,900,000)</b>	<b>\$ -</b>
<b>Total Expenditures and Other Sources/(Uses)</b>	<b>\$ 55,972,076</b>	<b>\$ 54,916,182</b>	<b>\$ (1,055,894)</b>
<b>Excess (deficiency) of Revenue Over/(Under) Expenditures and Other Uses</b>	<b>\$ 7,251,654</b>	<b>\$ 14,560,478</b>	<b>\$ 7,308,824</b>
<b>Beginning Fund Balance</b>	<b>\$ (9,746,487)</b>	<b>\$ (2,494,833)</b>	
<b>Ending Fund Balance</b>	<b>\$ (2,494,833)</b>	<b>\$ 12,065,645</b>	

DPS FY 20 General Fund Budget through the year ending June 30, 2020.

- ✓ Revenue is based on a conservative property tax value increase of approximately 1% of current FY19 collections which will be updated in a future budget amendment.
- ✓ Support Services include expenses for audit and staff expenses associated with administration of DPS.
- ✓ Debt service expense includes both interest and principal for the Stabilization Bonds and is based on debt schedules.
- ✓ As part of the restructuring, it was assumed that a portion of the 18 mill property tax collection would ultimately be transferred to DPSCD for legacy obligations. For FY 20, DPS anticipates transferring \$6.9 million in remaining cash to DPSCD.

1) FY20 Local revenue projection is based on FY19 actual revenue as of March 31, 2019

2) The District is proposing to reschedule the transfer to DPSCD from FY19 to FY20