



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT RESOLUTION 2019-1

**APPROVING THE COMMUNITY DISTRICT'S FY 2019 BUDGET
AMENDMENT #1 REQUESTS**

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 Community District (the "Community District") 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 the Community District'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, Section 6(3) of the Act further requires the Commission to ensure that the Community District complies with the requirements of the Uniform Budgeting and Accounting Act; and

WHEREAS, the Uniform Budgeting and Accounting Act prevents the Community District from deviating from its original general appropriations act without amending it and requires the Community District to amend its general appropriations act as soon as it becomes apparent that a

deviation from the original general appropriations act is necessary and the amount of the deviation can be determined; and

WHEREAS, at the Commission meeting on January 28, 2019, the Community District presented budget amendment requests, attached as **Exhibit A** to this Resolution, for the Commission's review and approval.

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

1. That the Community District's January 2019 budget amendment requests, attached as **Exhibit A** to this Resolution but excluding any budget amendments a majority of Commission members present has agreed to exclude as noted in the minutes, are 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.

FY 2019 Budget Amendment No. 1 Summary

Budget Amendment No. 1 Takeaways

- The District continues to project a **balanced budget for FY 2019**. The end-of-year surplus is anticipated to be \$12.7M, a \$4.6M increase from the Adopted Budget.
- General Fund revenues increased by \$4.6M due to an increase in the budgeted Foundation Allowance of \$116 per student.
- Federal and State Grant revenue increased by \$14.0M due to increases in Title IV, School Improvement Grant and 31a At Risk Funds.
- The District is allocating the recurring contingency (\$17.8M) for strategic investments in curriculum and personnel related to our custodial and security pilots. The majority of funds are allocated as follows:
 - \$12.5M allocation for High School English and Math curriculum, K-8 Science instructional materials
 - \$1.0M allocation for additional K-8 Eureka math materials
 - \$1.0M allocation for Dual Enrollment programs in High Schools
 - \$1.1M allocation for staffing for the custodial pilot
 - \$1.5M allocation for additional security personnel and staffing for security pilot

FY 2019 Budget Amendment No. 1

DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT
GENERAL FUND
BUDGET AMENDMENT # 1
YEAR ENDING JUNE 30, 2019

	FY 2018 - Actual	FY 2019 Adopted Budget	FY 2019 Budget Amendment # 1	Variance
Revenue:				
Local sources	\$ 66,222,793	\$ 71,531,139	\$ 66,455,987	(5,075,152)
State sources	484,209,873	503,289,568	512,763,670	9,474,101
Federal sources	131,731,039	174,565,368	183,058,492	8,493,124
Total Revenue	682,163,705	749,386,075	762,278,149	12,892,073
Expenditures:				
Instruction	324,511,382	390,136,373	378,051,491	(12,084,882)
Support services				
Pupil services	52,567,856	78,354,488	91,306,167	12,951,679
Instructional staff support	31,296,933	32,899,337	45,723,042	12,823,706
General administration	4,549,474	6,078,685	5,688,261	(390,424)
School administration	39,221,706	52,476,876	48,188,781	(4,288,095)
Business office	10,206,870	11,073,394	10,218,789	(854,605)
Operations & maintenance	93,223,006	81,961,782	92,615,755	11,330,862
Transportation	34,896,150	36,749,795	36,975,486	225,690
Central support service	34,934,693	38,949,349	41,881,594	2,932,245
Other support service	3,660,090	2,413,014	2,729,881	316,867
Total support services	304,556,778	340,956,720	375,327,756	35,047,925
Community service	4,047,594	1,271,230	5,463,516	4,192,286
Facilities acquisitions and improvement	-	-	28,171	28,171
Total Expenditures	633,115,754	732,364,323	758,870,934	27,183,500

FY 2019 Budget Amendment No. 1

DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT
GENERAL FUND
BUDGET AMENDMENT # 1
YEAR ENDING JUNE 30, 2019

	FY 2018 - Actual	FY 2019 Adopted Budget	FY 2019 Budget Amendment # 1	Variance
Other Financial Sources (Uses)				
Sources				
Proceeds from sale of capital assets	-	-	368,575	368,575
Payments From Detroit Public Schools	-	6,900,000	6,900,000	-
Transfer from Food Service Fund	1,779,586	2,000,000	2,000,000	-
Total Sources	1,779,586	8,900,000	9,268,575	368,575
Uses				
Contingency	-	(17,831,299)	-	(17,831,299)
Total Uses	-	(17,831,299)	-	(17,831,299)
Total Other Financial Sources (Uses)	1,779,586	(8,931,299)	9,268,575	18,199,874
Special Item	11,244,572	-	-	-
Excess (deficiency) of Revenue and Other Sources Over (Under) Expenditures and Other Uses	62,072,109	8,090,453	12,675,790	4,585,335
Excess (deficiency) of Revenue and Other Sources Over (Under) Expenditures and Other Uses	62,072,109	8,090,453	12,675,790	4,585,335
Fund Balance - Beginning	78,963,120	141,035,229	141,035,229	
Fund Balance - Ending	\$ 141,035,229	\$ 149,125,682	\$ 153,711,019	

FY 2019 BA No. 1 - Staffing Comparison

Category (FTE)	FY 2019 ADOPTED BUDGET		FY 2019 PROPOSED BUDGET AMENDMENT NO. 1		FY 2019 PROPOSED BUDGET AMENDMENT No. 1 INCREASE (DECREASE) FROM FY 2019 ADOPTED BUDGET	
	FTE	Salaries and Benefits	FTE	Salaries and Benefits	FTE	Variance
Officials/Administrators/Managers	201	\$ 28,037,619	282	\$ 31,309,573	81	\$ 3,271,954
Principals	103	17,550,298	103	17,713,682	-	163,384
Assistant Principals	110	12,905,873	128	14,811,941	18	1,906,068
Classroom Teachers	3,076	283,335,848	2,877	247,730,796	(199)	(35,605,052)
Other Classroom Teachers	81	6,699,917	94	7,654,493	13	954,576
Guidance	240	20,941,332	185	14,415,936	(55)	(6,525,396)
Psychological	40	3,607,366	35	3,028,613	(5)	(578,753)
Consultants/Supervisors of Instruction	42	4,359,112	255	12,457,805	213	8,098,693
Other Professional Staff	474	43,635,793	660	55,404,708	186	11,768,915
Teacher Aides	1,136	40,836,214	1,295	44,049,159	159	3,212,945
Technicians	-	-	5	213,852	5	213,852
Clerical/Secretarial Staff	308	17,164,925	333	17,340,773	25	175,848
Service Workers	301	10,828,840	337	11,492,281	36	663,441
Skilled Crafts	10	605,380	11	621,391	1	16,011
Totals (1-18)	6,122	\$ 490,508,517	6,600	\$ 478,245,003	478	\$ (12,263,514)
Part-Time	164	1,377,201	266	2,107,296	102	730,095
Substitutes/Instructional	-	2,602,958	-	2,602,958	-	-
Substitutes/Non Instructional	6	122,970	8	262,423	2	139,453
Totals (Part-Time and Subs)	170	\$ 4,103,129	274	\$ 4,972,677	104	\$ 869,548
Other positions	13	8,525,741	33	9,514,836	20	989,095
Total	6,305	\$ 503,137,387	6,907	\$ 492,732,516	602	\$ (10,404,871)

- The above table represents the General Fund only (Food Service is excluded).
- School based personnel wages will increase 3.5% and Central office personnel wages will increase 3% second semester.
- Other positions refer to additional miscellaneous positions outside of the FTE categories (e.g., after school, summer school, etc.).
- The budgets for vacancies impacting the general fund are reduced by half for Budget Amendment # 1.