

# WEST BLOOMFIELD SCHOOL DISTRICT

WILLIAM D. MULL  
ASSISTANT SUPERINTENDENT FOR  
BUSINESS AND OPERATIONS



MEMORANDUM  
January 24, 2014

TO: Superintendent Hill & Board of Education

FROM: William Mull, Asst. Superintendent for Business

RE: January 27, 2014 Board Meeting Agenda Item:  
2013-14 Budget Amendment # 1  
General Fund and Food Service Fund

The administration asks the Board to approve the first budget amendment for 2013-14 this evening. Proposed are amendments to the General Fund and the Food Service Fund.

<u>GENERAL FUND:</u>	<u>Amended</u>	<u>Change</u>	<u>Original</u>
Beginning Fund Balance	\$ 2,870,039	-	\$ 2,870,039
Revenue	62,752,004	(121,161)	62,875,165
Expenditures	<u>(63,533,729)</u>	<u>725,045</u>	<u>(62,842,684)</u>
Surplus (Deficit)	( 814,725)	(847,206)	32,481
Ending Fund Balance	\$ 2,055,314	(847,206)	\$ 2,902,520
Ending Fund Balance as % of Expenditures	3.2%	(1.4%)	4.6%

All revenue and expenditure line items have been analyzed and updated to reflect the revised forecast for 2013-14. Attached is a spreadsheet that details the change in broad categories for both revenues and expenditures. To summarize the major component changes for the amended budget:

## REVENUE:

### Pupil Count and Foundation Revenue

The original budget was predicated on total funded pupil FTE membership of 6,095. Per the district's State Aid Status report dated 1/20/14 the funded FTE's are 6,065, which is a difference of -30. At \$8,686 per pupil the estimated revenue reduction is: ( 260,580)

**Grants and Categorical Revenue**

Actual Grant and Categorical Revenues have been adjusted to match audited carryover amounts from 2012-13; grant award letters now received for 2013-14, and adjustments to match the current State Aid Status Report. Changes in grant revenues also have equal offsetting changes to grant-funded expenditures. The net effect of these combined changes to revenue is:

( 12,505)

**Revenue from Indirect Costs Charged to Programs**

Taking into account revised projections for indirect cost revenue to the General Fund to offset indirect costs associated with operating Special Education Center Programs, Federal Grant Programs, Community Education and Facility Rental Programs, and the Food Service Program, the net effect of these combined changes is:

89,252

**Miscellaneous other adjustments**

Budget analysis based on audited results from 2012-13 as well as review of year-to-date actual operations projected for the full year resulted in miscellaneous adjustments to revenue over multiple account numbers in the amount of:

60,672

**TOTAL NET CHANGE TO GENERAL FUND REVENUES**

**(\$123,161)**

**EXPENDITURES:**

**Net Change**

**SALARIES & GROSS WAGES**

Adjustments related to labor contract settlements;  
Additional staff for class size issues;  
Adjustments for Grant Awards;  
Reduction in Personnel due to Contracting with Oakland Schools for IT

Teachers and Other Certified Staff, and related	761,866
Paraprofessionals	(107,230)
Administrative/Supervisory	(79,477)
Clerical Support	9,468
Maintenance/Operations/Technology	(197,742)
Crossing Guards	10,813

**TOTAL NET CHANGE TO SALARIES & WAGES**

**\$ 397,698**

<b>EMPLOYMENT BENEFITS</b>	<b><u>Net Change</u></b>
Unemployment Compensation	(\$161,221)
Other Miscellaneous adjustments affecting multiple accounts, net	10,770
<b>TOTAL NET CHANGE TO EMPLOYMENT BENEFITS</b>	<b><u>(\$ 171,991)</u></b>
<b>ALL OTHER (NON-PERSONNEL) OPERATING COSTS</b>	<b><u>Net Change</u></b>
Special Education Tuition Expense	82,619
Section 22i Tech Infrastructure Grant (offset district Wi-Fi)	127,000
Board of Education Legal Expense	80,000
Board of Education Election Expense	50,000
Instructional Technology Supplies & Contracted Services	627,068
Outsourced function to Oakland Schools; offset by corresponding reduction to Personnel Costs	
Contracted Custodial Services – GCA	( 73,730)
Contracted Transportation Services – Durham	(300,861)
Tax Tribunal Refunds	( 85,947)
Other Miscellaneous adjustments affecting multiple accounts, net	( 7,811)
<b>TOTAL NET CHANGE TO ALL OTHER COSTS</b>	<b><u>\$498,338</u></b>
<b>TOTAL NET CHANGE TO GENERAL FUND EXPENDITURES</b>	<b><u>\$724,045</u></b>

<b>FOOD SERVICE FUND:</b>	<u>Amended</u>	<u>Change</u>	<u>Original</u>
Beginning Fund Balance	\$ 176,864	-	\$ 176,864
Revenue	1,811,120	(268,304)	2,079,424
Expenditures	<u>( 1,968,751)</u>	<u>110,673</u>	<u>( 2,079,424)</u>
Surplus (Deficit)	( 157,631)	(157,631)	-
Ending Fund Balance	\$ 19,233	(157,631)	\$ 176,864
Ending Fund Balance as % of Expenditures	1%	(7.5%)	8.5%

Both revenues and expenditures have been analyzed on a line item basis and adjusted to reflect the revised forecast for 2013-14. It should be noted that the projected operating deficit of (\$157,631) is consistent with the audited operating deficit for the Food Service Fund for the last two school fiscal years. The Food Service Fund finished with an operating deficit of (\$161,002) for 2011-12 and (\$154,738) for 2012-13.

If the Food Service Fund goes into true fund deficit, meaning that there is a negative fund balance, it is the responsibility of the General Fund to subsidize the Food Service Fund in order to zero out a fund balance deficit. New Federal nutritional standards are having an adverse impact on student participation, and this situation is not unique to West Bloomfield.

**BUDGET ADOPTION CALENDAR FOR 2014-15:**

In order to comply with legal requirements for the Board of Education to adopt a budget for the 2014-15 school year no later than June 30, 2014 the following budget calendar is recommended:

February 24	Board Meeting	Preliminary discussion of the 2014-15 Budget	
March 10	Study Session	Budget Analysis Report	
March 24	Board Meeting	(Tentative)	Ongoing Budget Discussion
April 14	Study Session	(Tentative)	Ongoing Budget Discussion
April 28	Board Meeting	(Tentative)	Ongoing Budget Discussion
May 12	Study Session	Discuss Food Service Management Proposals (Tentative)	Ongoing Budget Discussion
May 19	Board Meeting	Decision regarding potential outsourcing of Food Service Budget Recommendations for 2014-15	
June 9	Study Session	(Tentative)	Ongoing Budget Discussion
June 15	Sunday	Publish required Notice of Public Hearing	
June 23	Board Meeting	6:30PM 7:00PM	Public Hearing on the 2014-15 Budget Regular Board Meeting, Approve Budgets for 2014-15

**RECOMMENDATION:**

The administration recommends that the Board of Education approve the enclosed resolution in order to amend the 2013-14 budgets for the General Fund and the Food Service Fund.