

West Bloomfield School District

Kyle Anderson
Assistant Superintendent for Business and Operations



**WEST BLOOMFIELD
SCHOOL DISTRICT**

*Educating Students to be their
Best IN and FOR the World!*

MEMORANDUM
12/13/2021

TO: Superintendent Hill, Deputy Superintendent Whitney & Board of Education
FROM: Kyle Anderson, Asst. Superintendent
RE: 2021-22 General Fund Amendment #1

As reviewed with the Board of Education’s Finance Committee in its December 8, 2021 meeting, the attached amendment for the General Fund is being presented to the Board for its consideration and approval.

WEST BLOOMFIELD SCHOOL DISTRICT					
2021-22 General Fund Amendment #1 Executive Summary					
Budget Summary	Actual	Actual	Original Budget	Amendment #1	Increase
	2019-20	2020-21	2021-22	2021-22	(Decrease)
Beginning Fund Balance, July 1	\$ 11,108,208	\$ 11,076,427	\$ 12,205,109	\$ 12,905,538	\$ 700,429
REVENUES	65,572,893	69,869,725	70,692,359	74,597,432	3,905,073
EXPENDITURES	65,604,674	68,040,613	69,351,545	73,904,667	4,553,122
OPERATING SURPLUS (DEFICIT)	(31,781)	1,829,111	1,340,814	692,765	(648,049)
Ending Fund Balance, June 30	\$ 11,076,427	\$ 12,905,538	\$ 13,545,923	\$ 13,598,303	\$ 52,380
Ending Fund Balance as % of Revenues	16.9%	18.5%	19.2%	18.2%	-0.9%

Typically, our General Fund is amended mid-year around February of each year, but this year we decided to amend our budget early given all of the non-typical items such as one-time COVID-related funding and the change back to traditional in-person instruction this school year. This budget amendment could best be described as budget maintenance to be sure all of the budgetary line items are in the correct location and in order prior to contract negotiations.

In addition to the maintenance work in this budget amendment, we also adjusted the budget to account for known factors such as enrollment, foundation allowance, grant allocations, staffing changes, and overall adjustments to better reflect new information since the original budget was developed. Overall, the amendment adjusts the General Fund down by \$648,049, with the main adjustments coming from state aid revenue and federal COVID-related funding sources. Assuming zero budget variance, the forecasted fund balance on June 30, 2022 is \$13.6 million or 18.2% of budgeted revenues. It is likely that there will be a budget variance based on year-end audit results that would directly affect this forecast.

Below is a summary of the major adjustments to budgeted General Fund revenues compared to the budget assumptions used in the development of our General Fund original budget:

WEST BLOOMFIELD SCHOOL DISTRICT					
FY22 SUMMARY OF CHANGES TO BUDGETED REVENUES - ORIGINAL TO AMENDMENT #1					
				Net Change	
Local Sources:				\$ 30,000	
High School Athletics - Admissions	\$	30,000			
State Sources:				\$ 4,388,197	
State Aid Foundation Allowance Revenue*	\$	1,772,427			
Enrollment Original Budget FY22		5,143			
Enrollment Amendment #1 FY22		5,127			
Change		(16)			
Foundation Allowance Original Budget FY22		9,256			
Foundation Allowance Amendment #1 FY22		9,269			
Change		13			
Mental Health Specialist grant (31n)	\$	135,000			
Nursing support grant (31o)	\$	161,061			
MPSERS cost offset (147a)	\$	(348,353)			
MPSERS rate stabilization (147c)	\$	1,116,571			
MPSERS reforms (147e)	\$	(56,361)			
Special education cost reimb. (51f)	\$	122,325			
Vocational education (61a1)	\$	(25,706)			
Great Start Readiness Program C/O (32d)	\$	188,131			
At Risk (31a)	\$	84,850			
Early Literacy carryover (35a5)	\$	23,598			
CRF summer program (23b)	\$	46,999			
ESSER II Equity (11r4)	\$	1,132,006			
Adult Ed (107)	\$	30,927			
Adjustments to multiple items	\$	(4,722)			
Federal Sources:				\$ (506,508)	
ESSER III	\$	(1,119,698)			
CRF Summer Program (23b)	\$	480,066			
ESSER II	\$	12,205			
CRF Summer Stipends (23c)	\$	96,750			
Title I carryover	\$	53,089			
Individuals with Disabilities Act (IDEA)	\$	(71,519)			
Net adjustments to multiple grants	\$	42,599			
Incoming Transfers & Other:				\$ (6,616)	
ISD Vocational Education Millage	\$	18,839			
Special Ed - AI Program Tuition	\$	(25,455)			
Total Change in Revenue				<u>\$ 3,905,073</u>	
Note on Foundation Allowance change					
The State Aid bill passed in July 2021 included a last minute change to the hold harmless calculation. \$40 million was allocated for "taxpayer equity" to hold harmless districts to increase the state share of the foundation allowance to offset the decrease in hold harmless mills. This equates to an increase to our state per pupil share of \$317 or \$1,667,954 based on the current enrollment.					

Overall revenues are being positively adjusted by \$3,905,073. State aid funding is being positively adjusted to capture the true foundation allowance of \$9,269 per pupil and the funded pupil count of 5,126.36 FTE's. As discussed in our last review, the pupil count changed back to the typical blended calculation of 90% of the fall count blended with 10% of the spring count and away from the special one-time "super-blend" calculation used last school year. The funded or blended pupil count for last year was 5,407.67 compared to this year's count of 5,126.36, which equates to loss of 281.31 FTE's. We estimated in our original budget a decline of 264. The best way to characterize the pupil decline of 281.31 FTE's is to consider it a two-year decline since the FY21 decline was masked by the "super-blend" calculation.

State funding is also being adjusted for the one-time change to the state aid formula hold harmless calculation defined as "taxpayer equity" in the final version of the state aid act. This change equates to an additional \$317 per pupil to the state share of the foundation allowance.

We have also made a number of adjustments to what I broadly refer to as COVID-related funding. In total, there is a positive adjustment to this category of \$648,328 compared to our originally budgeted revenues. Note that the final piece of ESSER funding, the ESSER III equity piece is not included in the budget at all. The ESSER III equity funding has not been made available from the State of Michigan, and includes a number of learning set-asides that require additional planning. We plan to include this funding source in a future amendment once we have more information. These COVID-related revenue sources are one-time and are not expected to continue into future years.

On the expenditure side, we have an overall increase of \$4,553,122 due in large part to adjustments for COVID-related funding as detailed below:

WEST BLOOMFIELD SCHOOL DISTRICT	
FY22 SUMMARY OF CHANGES TO BUDGETED EXPENDITURES - ORIGINAL TO AMENDMENT	
ESSER & COVID-related Expenditures:	
ESSER II Equity	\$ 1,132,006
CRF Summer Innovative Program	\$ 46,999
Section 23b Summer Program	\$ 123,183
Section 23c Stipends - Summer Program	\$ 96,750
ESSER III Formula	\$ 2,922,864
ESSER II Formula	\$ 231,320
Diversity Equity and Inclusion (DEI)	\$ 127,500
Transportation Costs	\$ 247,380
Maintenance Vehicles	\$ 202,000
Mental Health Specialist	\$ 135,000
Nurse Positions (2) (31o grant)	\$ 40,861
Paraprofessionals/Administrative Assistants	\$ (224,155)
Healthcare costs	\$ (130,555)
Individuals with Disabilities Education Act (IDEA)	\$ (71,519)
Transfer to Community Education	\$ (300,000)
Changes to various budget lines (net)	\$ (26,512)
Total Change in Expenditures	\$ 4,553,122

RECOMMENDATION:

The recommendation is to approve the attached resolution amending the General Fund Budget for the 2021-2022 fiscal year.

**RESOLUTION FOR ADOPTION BY THE BOARD OF EDUCATION
WEST BLOOMFIELD SCHOOL DISTRICT**

RESOLVED, that this resolution is to amend the the general appropriations of the West Bloomfield School District for the fiscal year 2021-2022.

AN ACT to make appropriations; to provide for the expenditure of the appropriations; and to provide for the disposition of all income received by the West Bloomfield School District.

BE IT FURTHER RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriations in the **GENERAL FUND** of the West Bloomfield School District for the fiscal year 2021-2022 is as follows:

REVENUE

Local Sources		\$12,819,554
State Sources		49,593,169
Federal Sources		6,878,098
Other LEA's/ISD's/Sale of Property		5,256,611
Transfers in from Other Funds		50,000
TOTAL REVENUE		\$74,597,432
Fund Balance, July 1, 2021	\$12,905,538	
Fund Balance Available to Appropriate		12,905,538
TOTAL AVAILABLE TO APPROPRIATE		\$87,502,970

BE IT FURTHER RESOLVED, that **\$73,904,667** of the total available to appropriate in the **GENERAL FUND** is hereby appropriated in the amounts and for the purposes set forth below.

EXPENDITURES

Instruction		\$43,161,962
Supporting Services		29,947,375
Community Services		400,433
Payments to Other Govt. Agencies		0
Other Financing Uses-Debt Service Principal/Interest		72,197
Operating Transfers		322,700
TOTAL APPROPRIATED		\$73,904,667

Budgeted Ending Fund Balance in the General Fund for Fiscal Year 2021-2022 is \$13,598,303.

Approved by the West Bloomfield Board of Education December 13, 2021