

# GROSSE ILE TOWNSHIP SCHOOLS

2019-2020 PROJECTED BUDGET

06/25/2019



# **BUDGET OVERVIEW**

- District budget contains multiple funds.
- General Fund is the largest fund. Effective in 2011-2012, athletics is required to be included in the local revenues of the General Fund. This is a requirement of GASB Statement No. 54.
- Other funds include:
  - State and Federal Fund
  - Special Services Fund – Cafeteria
  - Debt Fund
  - Building and Site Fund
  - Scholarships Fund
  - Student Activity Fund – (Note: This fund will be reviewed during the FY 2019-2020 to implement a new Special Revenue Fund based on the new GASB 84 standard and will be included in the amended budget at a later date)

# LOCAL PROPERTY TAXES

## ➤ **NON-HOMESTEAD:**

- Tax collection from municipalities is 18 mills and used for General Fund purposes.
- Non-Homestead property includes:
  - Business/Commercial
  - Vacation Homes
  - Vacant Land
  - Rental Properties
- Non-Homestead tax does not include the primary home of a taxpayer
- General Fund Non-Homestead voted millage rate remains at 18 mills until 2020

## ➤ **HOLD HARMLESS:**

- Property includes all homestead properties
- Tax is based on student count
- Grosse Ile receives \$585.63/student
- Hold harmless millage rate remains in effect until 2020

# LOCAL PROPERTY TAXES (CON'T)

## ➤ STATE EDUCATION TAX:

- Tax is 6 mills
- All taxpayers pay the state education tax
- Tax is distributed at state level. Taxes are collected by township, sent to Lansing and then redistributed based on foundation grant and number of students in district.

## ➤ SINKING FUND:

- Grosse Ile schools has a .75 mill sinking fund levy
- Sinking fund levy remains in effect until 2020

# LOCAL PROPERTY TAXES (CON'T)

## ➤ BOND DEBT FUND:

- Grosse Ile School District has 3 debt funds combined as the Debt Retirement Fund:
  - 2015 Refunding – 1.5786 mill debt levy
  - 2016 Bond - .8495 mill debt levy
  - 2018 Refunding – 2.1786 mill debt levy
- School districts may refund bonds every ten (10) years for the purpose of saving tax payers money

# FISCAL YEAR 2019-2020 MILLAGE JULY 2019 LEVY

- State (All Property) 6.0000
- Local:
  - Homestead (Hold Harmless) 0.8999
  - Non-Homestead (18 Mills/Year) 9.0000
  - Bond Debt (All Property) 2.3034
  - Sinking Fund (All Property) .3720

# KEY ASSUMPTIONS FOR 2019-2020 ~ REVENUE

## ▶ State Aid:

- ▶ Projected # of students for 2019-2020 is 1,765 students. This is a reduction of 57 students from the February, 2019 count. State Aid revenue loss is approximately \$496,700.
- ▶ State of Michigan budget, as of 6/19/19 has yet to be approved. State Aid Foundation Allowance for purposes of the FY 19-20 Budget remained the same as FY 2018-2019. The State Aid Foundation Allowance budget amount was \$8,714/FTE. Other categorical revenue amounts were projected the same as 2018-2019 funding amounts with the exception of HS Pupil Support. This categorical was eliminated and is approximately a \$14,100 loss in revenue for 19-20. State aid calculations will also remain at the 90/10 formula (90% of current year October count/10% of prior year February count).

## ▶ Wayne RESA Enhancement Millage:

- ▶ Millage passed in November 2016
- ▶ 2 Mills to be levied for 6 years – 2019-2020 is the 4<sup>th</sup> year of millage
- ▶ 2019-2020 Millage projected at \$350/student based on current information. Total millage revenue projected at \$617,750.

## ▶ Taxes:

- ▶ Homestead/Hold Harmless tax calculation is based on number of students. The reduction in budgeted students resulted in a loss of Hold Harmless funding of \$33,380 ( $\$585.63 \times 57$ )

## ▶ Federal Grants:

- ▶ Grants were estimated based on projections received for IDEA/Title I, II and III. Grant revenue projected to decrease approximately \$27,400.

## ▶ Other:

- ▶ Athletic Revenue projected at \$207,400.
- ▶ All other revenues budgeted at 18-19 amounts.

			ORIGINAL	FINAL BUDGET	PROJECTED
			BUDGET	AMENDMENT	BUDGET
		ACTUAL	<u>2018-2019</u>	<u>2018-2019</u>	<u>2019-2020</u>
		<u>2017-2018</u>	<u>(as of 6/26/18)</u>	<u>(as of 6/25/19)</u>	<u>(as of 6/25/19)</u>
<b>REVENUE:</b>					
	Local	\$ 2,713,053	\$ 2,597,200	\$ 2,632,763	\$ 2,659,900
	Intermediate	\$ 620,158	\$ 623,000	\$ 736,100	\$ 617,750
	State Sources	\$ 15,709,880	\$ 15,447,500	\$ 15,956,100	\$ 15,624,425
	Federal Sources	\$ 517,349	\$ 510,300	\$ 550,234	\$ 522,807
	Incoming Transfers	\$ 613,335	\$ 489,900	\$ 623,900	\$ 614,900
	Funded Projects	\$ -	\$ -	\$ -	\$ -
	<b><u>TOTAL REVENUE</u></b>	\$ 20,173,775	\$ 19,667,900	\$ 20,499,097	\$ 20,039,782



# KEY ASSUMPTIONS FOR 2019-2020 ~ EXPENDITURES

## ▶ Salaries and Benefits:

- ▶ Instructional salaries/benefits increased due to contractual obligations. Approximate increase in salaries/benefits expenditures is \$435,000.
- ▶ Salaries (other than Instructional-as mentioned above) were also increased. Restructuring of central office/maintenance/transportation increase in expenditures by \$128,300. Retirements/resignations and restructuring of paraprofessionals decreased expenditures by \$40,000. All other salaries kept consistent with 2018-2019 contractual amounts.
- ▶ Health (BC/BS) care benefits increased by approximately \$150,000 based on current claims information. Dental, Vision, Disability, Life and Workers' Compensation insurance premiums are budgeted at 2018-2019 amounts. Cash-in-Lieu (opt-out - BC/BS) kept consistent with current information.
- ▶ MPSERS blended rate increased to 27.50% per MDE. MPSERS offset (UAAL 147c) for 2019-2020 is 12.41%. Retirement benefits budgeted at 39.91%.

## ▶ Supplies/Materials:

- ▶ Textbook budget budgeted at \$111,300. Budget amount in past years was set at \$125,000. The difference for FY 19-20 was reclassified to professional development
- ▶ Building supply budgets consistent with 2018-2019 amount.
- ▶ Athletic expenditures projected at \$614,085.

## ▶ Purchased Services:

- ▶ Utilities expenditures kept consistent with 2018-2019 amounts, with the exception of electricity. With the implementation of LED lightbulbs throughout the district, the anticipated cost savings is approximately \$30,000.
- ▶ Legal fees kept consistent with 2018-2019 expenditures of \$70,000.

## ▶ Capital Outlay:

- ▶ (3) Floor machines at \$5,200/each - \$15,600
- ▶ Lift - \$14,400
- ▶ Office furniture - \$2,000.

			ORIGINAL BUDGET 2018-2019 <i>(as of 6/26/18)</i>	FINAL BUDGET AMENDMENT 2018-2019 <i>(as of 6/25/19)</i>	PROJECTED BUDGET 2019-2020 <i>(as of 6/25/19)</i>
		ACTUAL 2017-2018			
	<b>TOTAL REVENUE</b>	\$ 20,173,775	\$ 19,667,900	\$ 20,499,097	\$ 20,039,782
<b>EXPENDITURES:</b>					
	Instruction				
11*	Basic Programs	\$ 9,854,513	\$ 9,852,753	\$ 10,058,183	\$ 10,152,460
12*	Added Needs	\$ 1,987,352	\$ 2,087,633	\$ 2,115,195	\$ 2,395,379
	Adult & Continuing	\$ -	\$ -	\$ -	\$ -
	Unclassified	\$ -	\$ -	\$ -	\$ -
	Support Services				
21*	Pupil Support	\$ 1,147,453	\$ 1,164,984	\$ 1,374,327	\$ 1,392,415
22*	Instructional Support	\$ 348,586	\$ 409,296	\$ 513,954	\$ 509,739
23*	General Administration	\$ 586,870	\$ 620,203	\$ 632,750	\$ 601,315
24*	School Administration	\$ 1,209,587	\$ 1,263,270	\$ 1,323,087	\$ 1,320,915
25*	Business Services	\$ 460,718	\$ 451,322	\$ 464,145	\$ 370,835
26*	Operations/Maintenance	\$ 1,891,567	\$ 2,096,842	\$ 2,140,940	\$ 1,933,830
27*	Pupil Transportation	\$ 725,228	\$ 789,128	\$ 811,605	\$ 827,630
28*	Central Services	\$ 234,262	\$ 245,329	\$ 323,963	\$ 400,490
29*	Other Support/Athletics	\$ 586,686	\$ 590,581	\$ 642,139	\$ 654,385
		\$ -	\$ -	\$ -	\$ -
	<b>TOTAL EXPENDITURES</b>	\$ 19,032,822	\$ 19,571,341	\$ 20,400,288	\$ 20,559,393
	Indirect Cost Transfers IN	\$ (3,760)	\$ -	\$ 9,569	\$ -
	<b>EXCESS REVENUES (OR EXPENDITURES)-incl Indirect Costs</b>	\$ 1,137,193	\$ 96,559	\$ 108,378	\$ (519,611)

# ESTIMATED FISCAL YEAR 2018-2019 FINAL BUDGET



▶ Total Revenue	\$20,499,097
▶ Total Expenditures	<u>\$20,390,719</u>
▶ Excess Rev. (Exp.)	\$ 108,378
▶ June 30, 2019 FB	\$ 2,766,111

- ▶ Note: Restricted amount included in Fund Balance above: \$97,141
- ▶ Unrestricted Fund Balance as a percent of **expenditures**: 13.08%
- ▶ Unrestricted Fund Balance as a percent of **revenue**: 13.02%

# ESTIMATED FISCAL YEAR 2019-2020 PROJECTED BUDGET

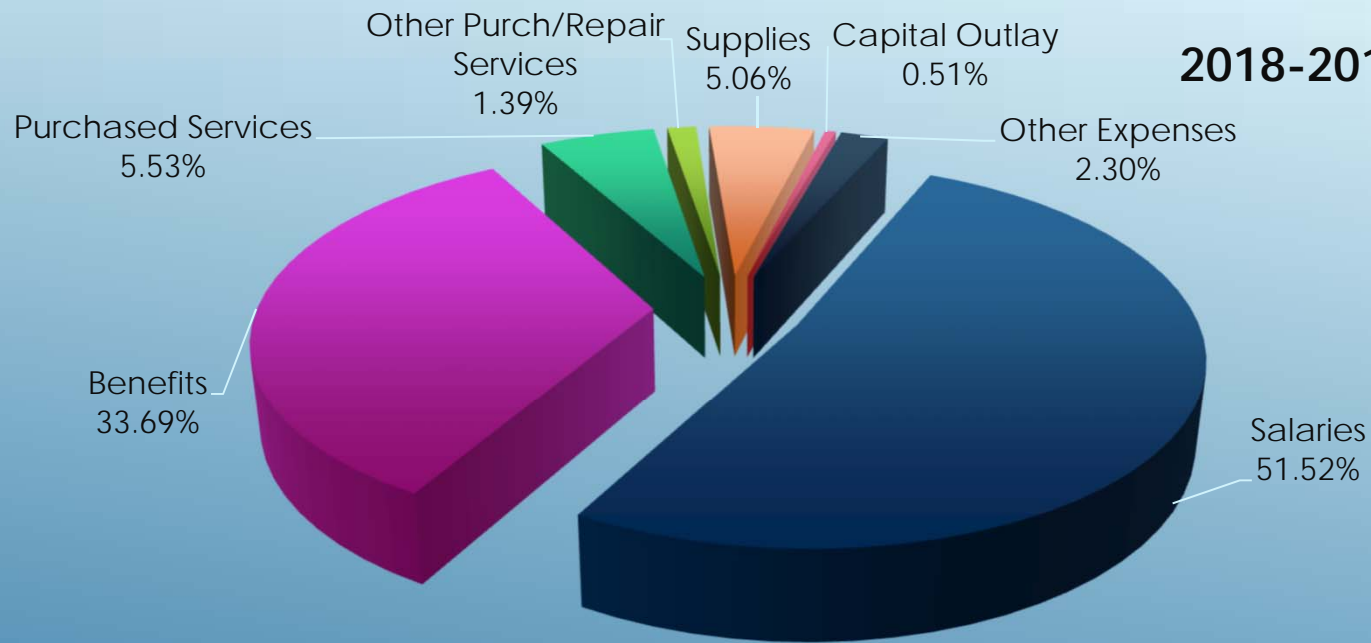


▶ Total Revenue	\$20,039,782
▶ Total Expenditures	<u>\$20,559,393</u>
▶ Excess Rev. <b>(Exp.)</b>	<b>(\$ 519,611)</b>
▶ June 30, 2020 FB	\$ 2,246,500

- ▶ Note: Restricted amount included in Fund Balance above: \$97,141
- ▶ Unrestricted Fund Balance as a percent of **expenditures**: 10.45%
- ▶ Unrestricted Fund Balance as a percent of **revenue**: 10.73%

# PERCENTAGE BREAKDOWN OF TOTAL EXPENDITURES

2018-2019 EST

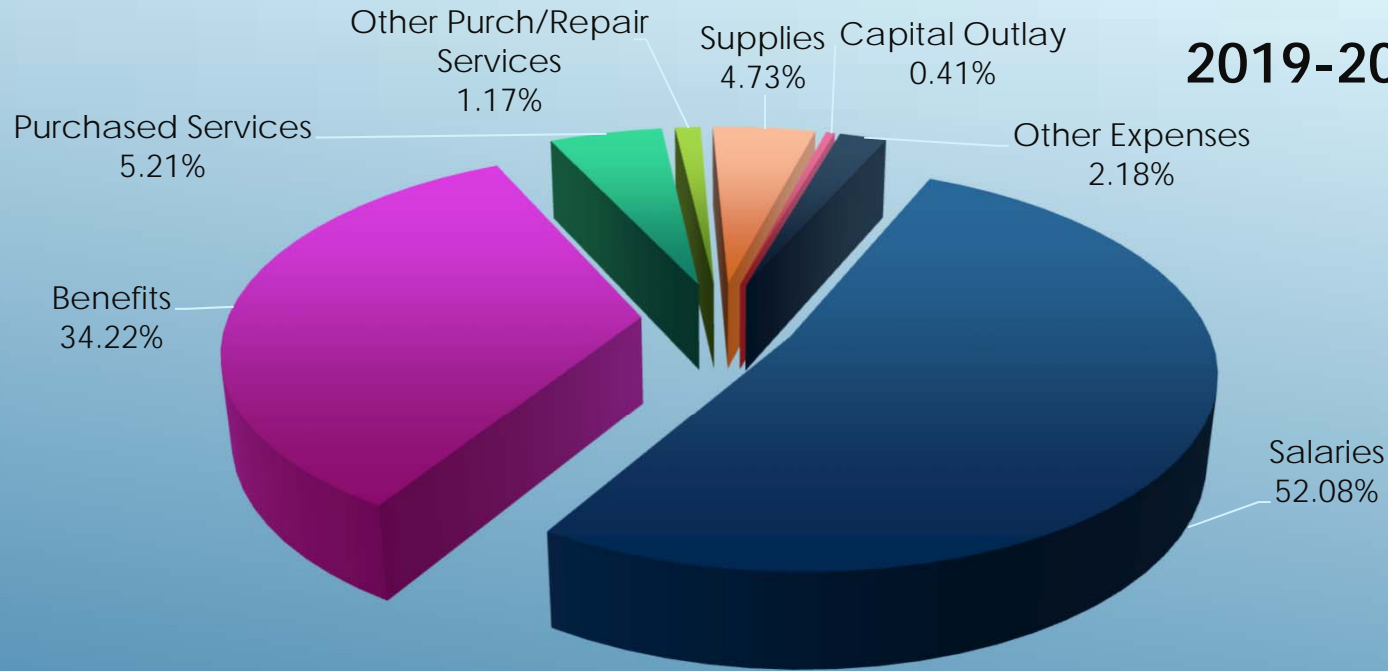


- Salaries
- Benefits
- Purchased Services
- Other Purch/Repair Services
- Supplies
- Capital Outlay
- Other Expenses

EXPENDITURES:		<u>2018-2019 EST</u>	
1*****	SALARIES	\$ 10,510,187	51.52%
2*****	BENEFITS	\$ 6,871,957	33.69%
3*****	PURCHASED SERVICES	\$ 1,128,892	5.53%
4*****	OTHER PURCHASED/REPAIR SERVICES	\$ 284,050	1.39%
5*****	SUPPLIES/UTILITIES	\$ 1,031,958	5.06%
6*****	CAPITAL OUTLAY	\$ 104,244	0.51%
7/8*****	OTHER EXPENDITURES	\$ 469,000	2.30%
		\$ 20,400,288	100.00%

# PERCENTAGE BREAKDOWN OF TOTAL EXPENDITURES

2019-2020 EST

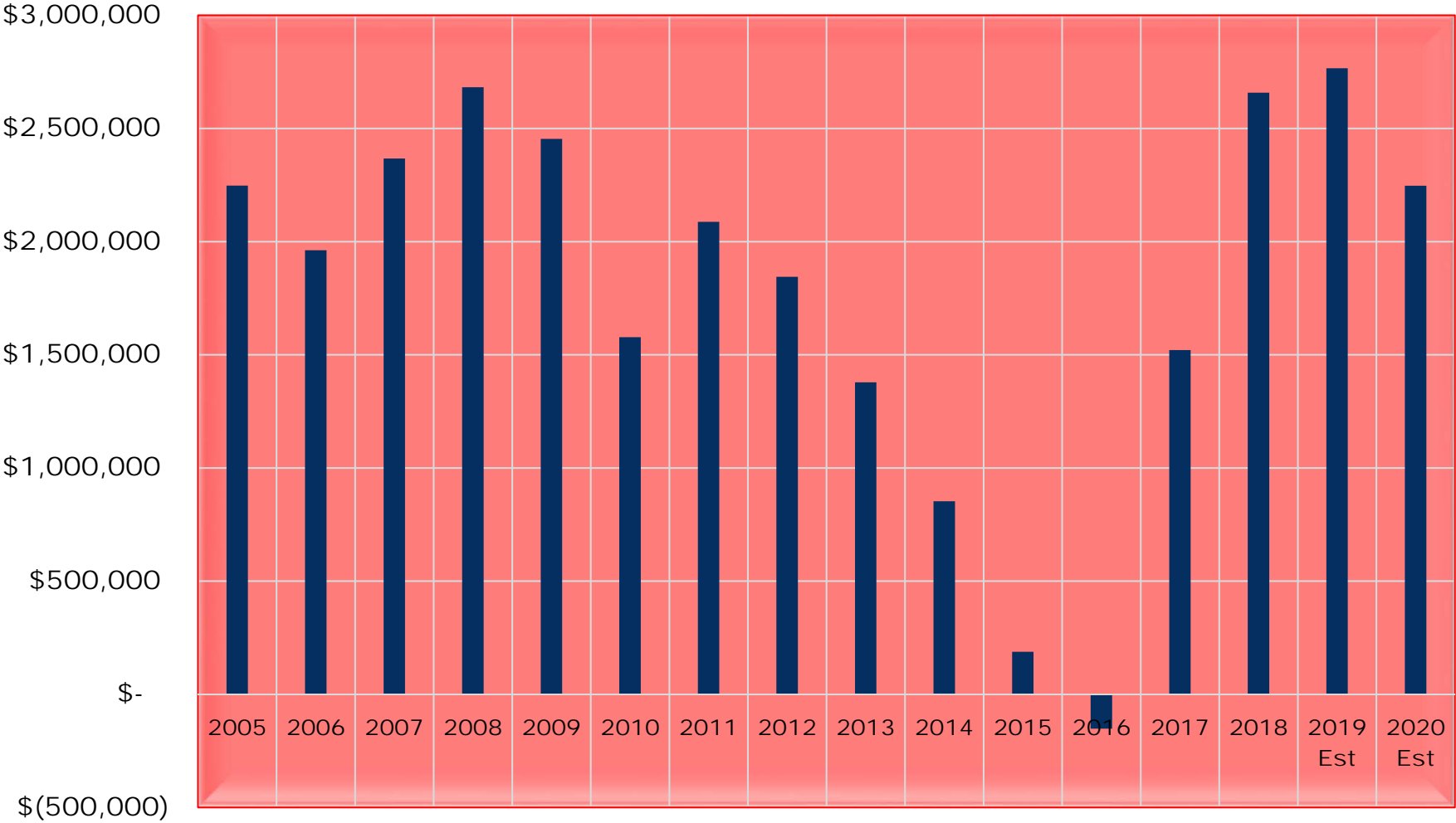


- Salaries
- Benefits
- Purchased Services
- Other Purch/Repair Services
- Supplies
- Capital Outlay
- Other Expenses

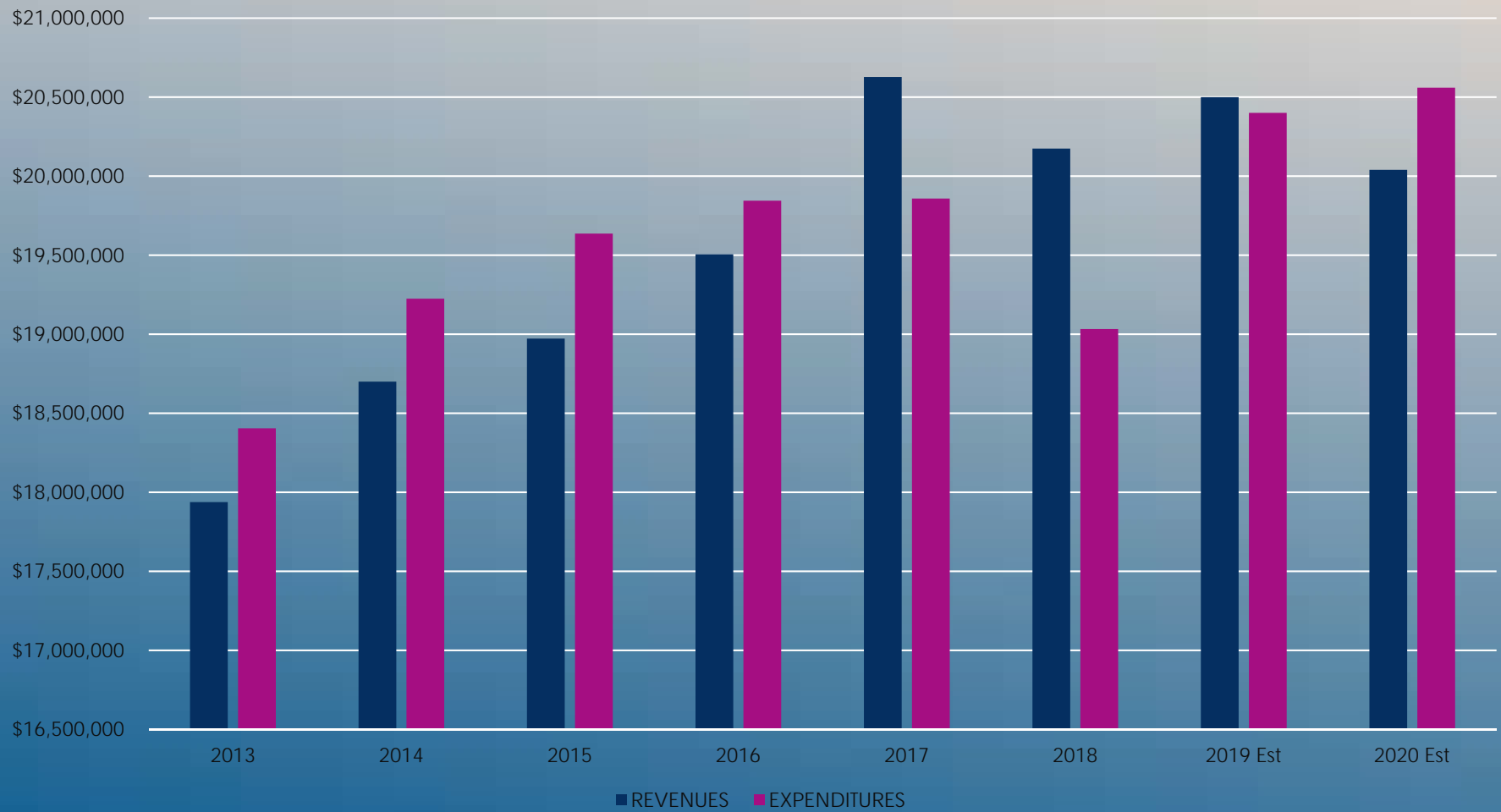
EXPENDITURES:		2019-2020 EST	
1*****	SALARIES	\$ 10,707,818	52.08%
2*****	BENEFITS	\$ 7,034,718	34.22%
3*****	PURCHASED SERVICES	\$ 1,071,793	5.21%
4*****	OTHER PURCHASED/REPAIR SERVICES	\$ 241,300	1.17%
5*****	SUPPLIES/UTILITIES	\$ 971,964	4.73%
6*****	CAPITAL OUTLAY	\$ 84,400	0.41%
7/8*****	OTHER EXPENDITURES	\$ 447,400	2.18%
		\$ 20,559,393	100.00%

# FUND BALANCE TRENDS

## Fund Balance

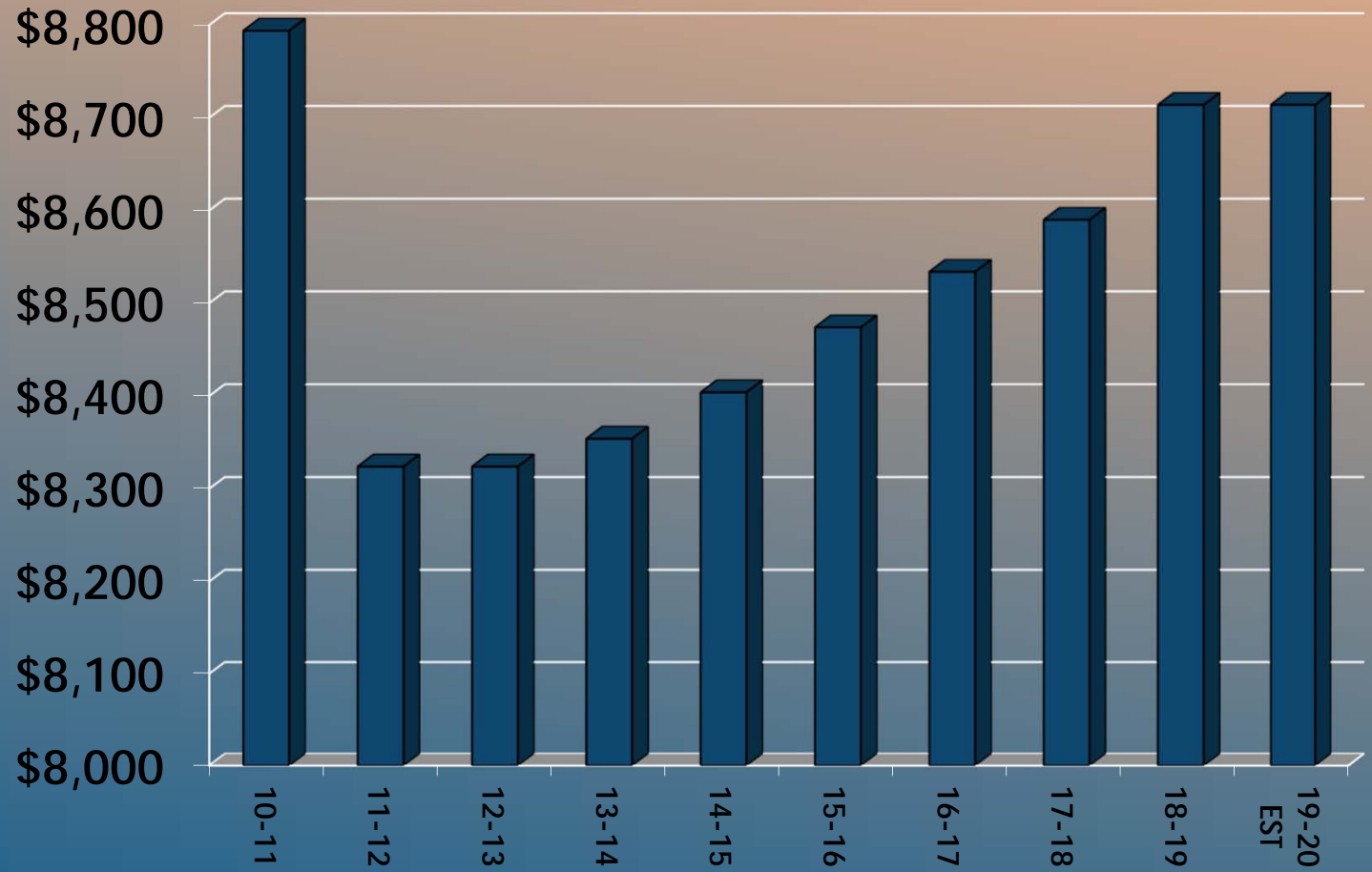


# REVENUES/EXPENDITURES ~ 2012-2020

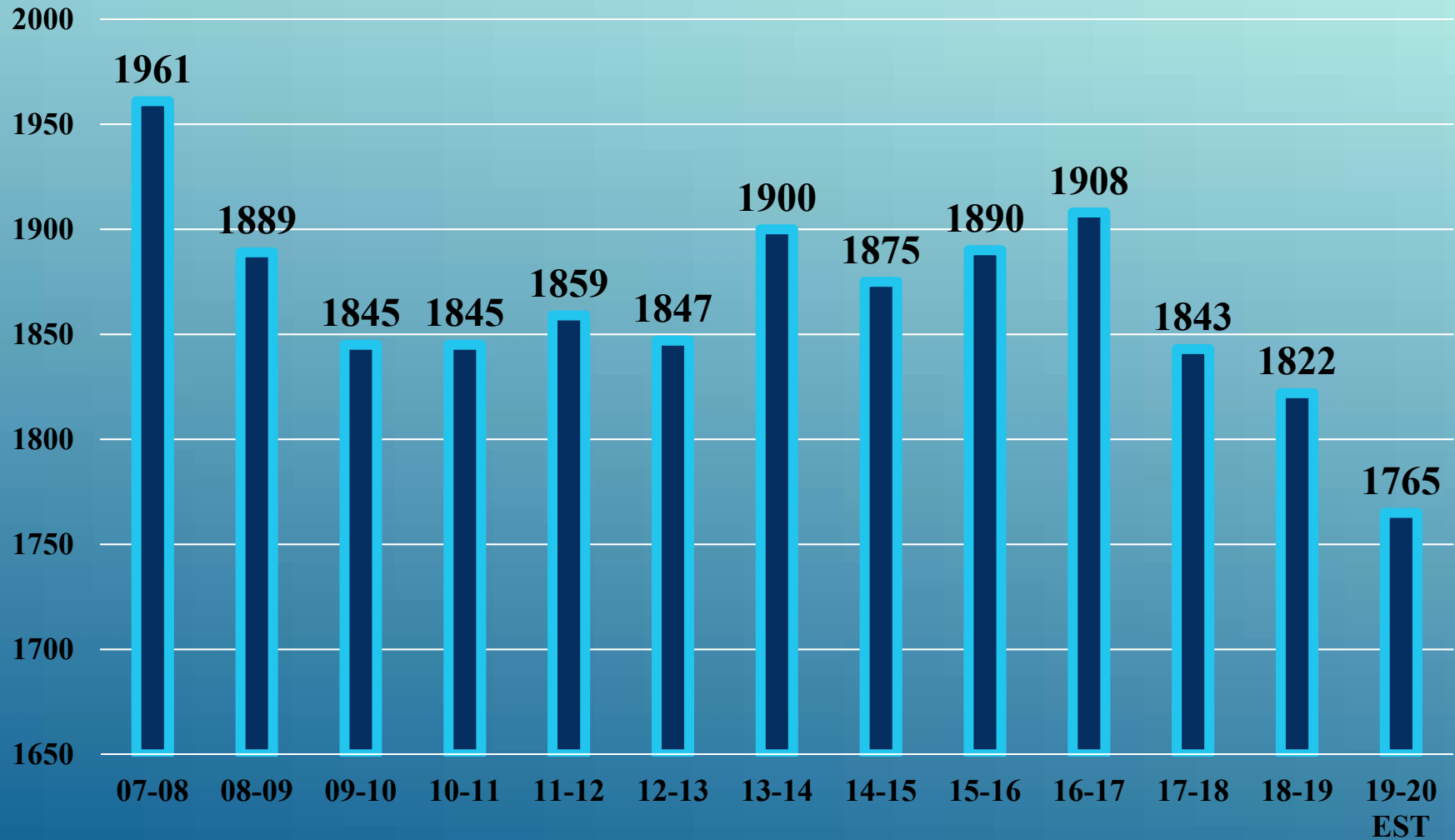




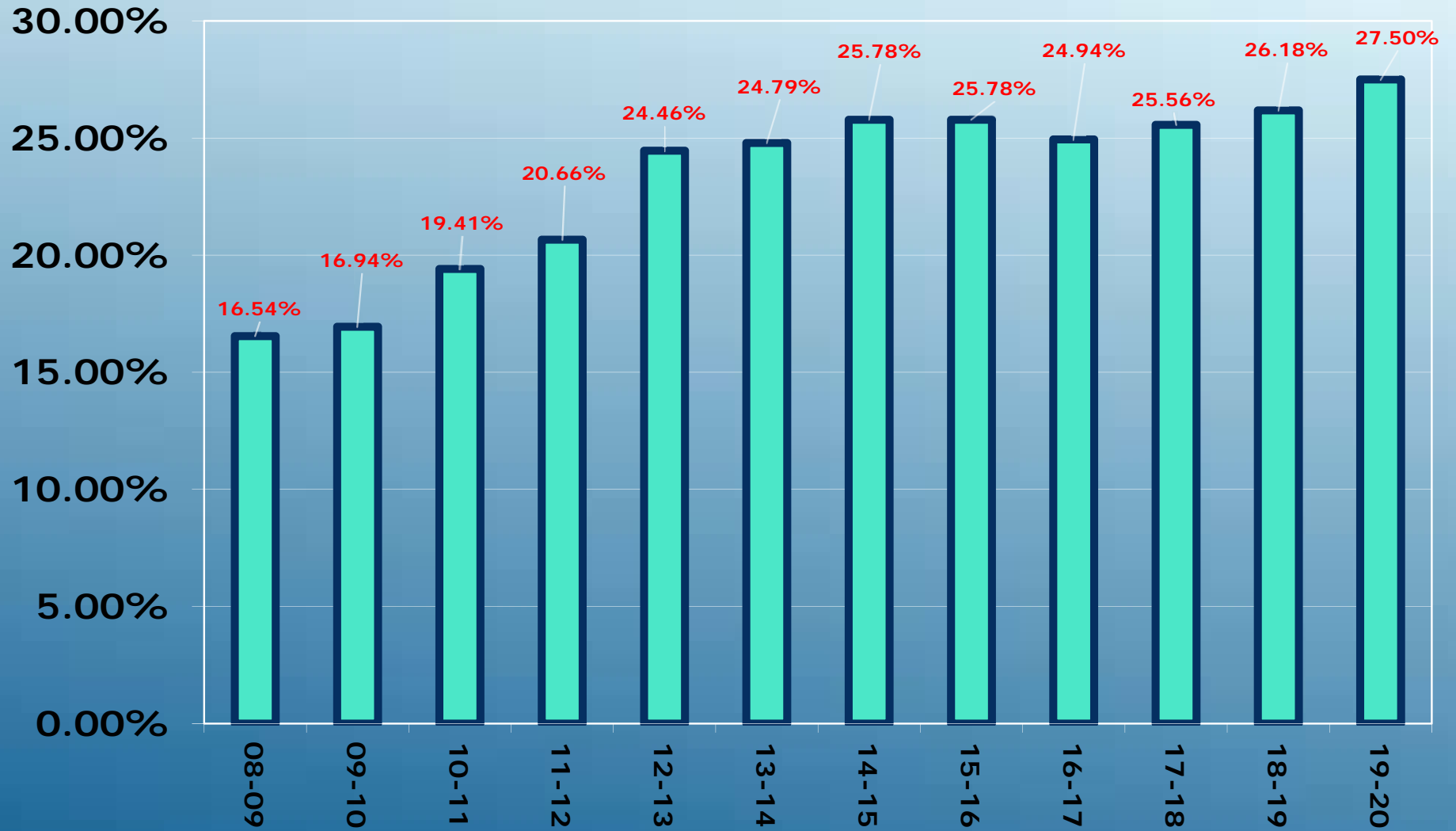
# STATE AID TO GITS – PER STUDENT FOUNDATION ALLOWANCE



# STUDENT POPULATION TRENDS



# RETIREMENT COSTS...



2018-19 ~ BLUE CROSS/BLUE SHIELD INSURANCE COSTS with Amended Budget Amount						
	JULY	AUGUST	SEPT	OCT	NOV	DEC
NUMBER OF CONTRACTS	111	111	108	106	104	108
<b>AMENDED BUDGET</b>	<b>169,988</b>	<b>169,988</b>	<b>169,988</b>	<b>169,988</b>	<b>169,988</b>	<b>169,988</b>
(Annual amt/12 - \$2,039,850/12)						
<b>MONTHLY CLAIMS</b>	<b>122,763</b>	<b>145,712</b>	<b>146,082</b>	<b>75,860</b>	<b>126,436</b>	<b>132,306</b>
<b>MONTHLY CHARGES:</b>						
ADM FEE \$70.30	7,803	7,803	7,592	7,452	7,311	7,592
STOP LOSS INS \$163.52	18,151	18,151	17,660	17,333	17,006	17,660
ON-LINE VISITS FEE			66			64
MARSH/McLENNAN	2,750	2,750	2,750	2,750	2,750	2,750
TAXES - per BC/BS	1,158	1,371	1,424	718	1,257	886
ADJUSTMENT FOR HOSPITAL PREPAYMENT	-	-	(3,781)	-	-	(2,807)
BCBSM PYMT INTEGRITY SHARE/ADMIN COMP	-	-	15	-	-	4,760
<b>TOTAL COST</b>	<b>152,625</b>	<b>175,787</b>	<b>171,809</b>	<b>104,113</b>	<b>154,761</b>	<b>163,212</b>
<b>VARIANCE-FAVORABLE/(UNFAVORABLE)</b>	<b>17,362</b>	<b>(5,800)</b>	<b>(1,821)</b>	<b>65,875</b>	<b>15,227</b>	<b>6,776</b>
	10.21%	-3.41%	-1.07%	38.75%	8.96%	3.99%
<b>AVERAGE CLAIM PER CONTRACT</b>	<b>\$ 1,106</b>	<b>\$ 1,313</b>	<b>\$ 1,353</b>	<b>\$ 716</b>	<b>\$ 1,216</b>	<b>\$ 1,225</b>
<b>VERIFIED WITH QUARTERLY SETTLEMENT</b>	12/05/18	12/05/18	12/05/18	03/01/19	03/01/19	03/01/19
<b>MONTHLY CLAIMS FY 2017-2018</b>	<b>122,664</b>	<b>156,794</b>	<b>163,817</b>	<b>131,084</b>	<b>136,917</b>	<b>178,167</b>
Total Claims accumulated by month	122,664	279,458	443,275	574,359	711,276	889,443
# OF CONTRACTS	112	113	112	110	110	109
<b>AVERAGE CLAIM PER CONTRACT</b>	<b>\$ 1,095</b>	<b>\$ 1,388</b>	<b>\$ 1,463</b>	<b>\$ 1,192</b>	<b>\$ 1,245</b>	<b>\$ 1,635</b>
<b>MONTHLY CLAIMS FY 2016-2017</b>	<b>116,106</b>	<b>92,158</b>	<b>175,168</b>	<b>104,631</b>	<b>187,153</b>	<b>177,569</b>
Total Claims accumulated by month	116,106	208,264	383,432	488,063	675,216	852,785
# OF CONTRACTS	118	116	110	112	112	110
<b>AVERAGE CLAIM PER CONTRACT</b>	<b>\$ 984</b>	<b>\$ 794</b>	<b>\$ 1,592</b>	<b>\$ 934</b>	<b>\$ 1,671</b>	<b>\$ 1,614</b>
<b>MONTHLY CLAIMS FY 2015-2016</b>	<b>143,369</b>	<b>165,148</b>	<b>90,432</b>	<b>153,662</b>	<b>169,284</b>	<b>223,102</b>
Total Claims accumulated by month	143,369	308,517	398,949	552,611	721,895	944,997
# OF CONTRACTS	125	126	124	122	122	122
<b>AVERAGE CLAIM PER CONTRACT</b>	<b>\$ 1,147</b>	<b>\$ 1,311</b>	<b>\$ 729</b>	<b>\$ 1,260</b>	<b>\$ 1,388</b>	<b>\$ 1,829</b>
<b>NOTE: FY 2017-2018, 2016-2017, &amp; 2015-2016 do not include any additional fees. Amounts shown are for claims only</b>						



HEALTH INS  
JULY-DEC 2018  
SLIDE #1

2018-19 - BLUE CROSS/BLUE SHIELD INSURANCE COSTS with Amended Budget Amount							
	JAN	FEB	MARCH	APRIL	MAY	JUNE	YEAR TO DATE
NUMBER OF CONTRACTS	106	107	105	105	105		
<b>AMENDED BUDGET</b>	169,988	169,988	169,988	169,988	169,988		1,869,863
(Annual amt/12 - \$2,039,850/12)							
MONTHLY CLAIMS	94,407	137,131	120,936	137,616	120,940	-	1,360,188
MONTHLY CHARGES:							
ADM FEE \$70.30	7,452	7,563	7,421	7,421	7,421	-	82,833
STOP LOSS INS \$163.52	17,333	17,299	16,975	16,975	16,975	-	191,519
ON-LINE VISITS FEE			63				
MARSH/McLENNAN	2,750	2,750	2,750	2,750	2,750	-	30,250
TAXES - per BC/BS	14	(0)	(10)	(7)	(6)	-	6,806
ADJUSTMENT FOR HOSPITAL PREPAYMENT	-	-	(3,063)				
BCBSM PYMT INTEGRITY SHARE/ADMIN COMP	-	-	-				
<b>TOTAL COST</b>	121,956	164,743	145,072	164,755	148,081	-	1,666,913
VARIANCE-FAVORABLE/(UNFAVORABLE)	48,031	5,245	24,915	5,233	21,907	-	202,950
	28.26%	3.09%	14.66%	3.08%	12.89%		10.85%
AVERAGE CLAIM PER CONTRACT	\$ 891	\$ 1,282	\$ 1,152	\$ 1,311	\$ 1,152		
VERIFIED WITH QUARTERLY SETTLEMENT	05/23/19	05/23/19	05/23/19				
MONTHLY CLAIMS FY 2017-2018	95,931	104,745	120,163	90,929	104,657	117,822	
Total Claims accumulated by month	985,374	1,090,119	1,210,282	1,301,210	1,405,867	1,523,689	
# OF CONTRACTS	108	110	110	110	110	110	
AVERAGE CLAIM PER CONTRACT	\$ 888	\$ 952	\$ 1,092	\$ 827	\$ 951	\$ 1,071	
MONTHLY CLAIMS FY 2016-2017	79,085	124,759	142,905	150,803	113,788	128,760	
Total Claims accumulated by month	931,870	1,056,629	1,199,534	1,350,337	1,464,125	1,592,885	
# OF CONTRACTS	111	111	112	112	112	113	
AVERAGE CLAIM PER CONTRACT	\$ 712	\$ 1,124	\$ 1,276	\$ 1,346	\$ 1,016	\$ 1,139	
MONTHLY CLAIMS FY 2015-2016	134,331	172,424	149,408	202,293	119,803	190,420	
Total Claims accumulated by month	1,079,328	1,251,752	1,401,160	1,603,453	1,723,256	1,913,676	
# OF CONTRACTS	123	123	122	120	120	120	
AVERAGE CLAIM PER CONTRACT	\$ 1,092	\$ 1,402	\$ 1,225	\$ 1,686	\$ 998	\$ 1,587	
<b>NOTE: FY 2017-2018, 2016-2017, &amp; 2015-2016 do not include any additional fees. Amounts shown are for claims only</b>							

2015-2016	2016-2017	2017-2018	2018-2019
ACTUAL	ACTUAL	ACTUAL	AMENDED
<u>CLAIMS</u>	<u>CLAIMS</u>	<u>CLAIMS</u>	<u>BUDGET</u>
\$ 1,913,676	\$ 1,592,885	\$ 1,523,689	\$ 2,039,850

HEALTH INS  
JAN-MAY 2019  
SLIDE #2

# QUESTIONS ??

