

GROSSE ILE TOWNSHIP SCHOOLS

2020-2021 PROJECTED BUDGET

06/23/2020



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 implemented during FY 2020-2021. The new GASB Statement 84 establishes criteria for identifying fiduciary activities and guidance on reporting those activities. This fund will be reviewed during the FY 2020-2021 to implement a new Special Revenue Fund and according to the new statement, a budget is required.

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. Millage renewal election will be August 4, 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 and up for renewal on the August 4 ballot.

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:

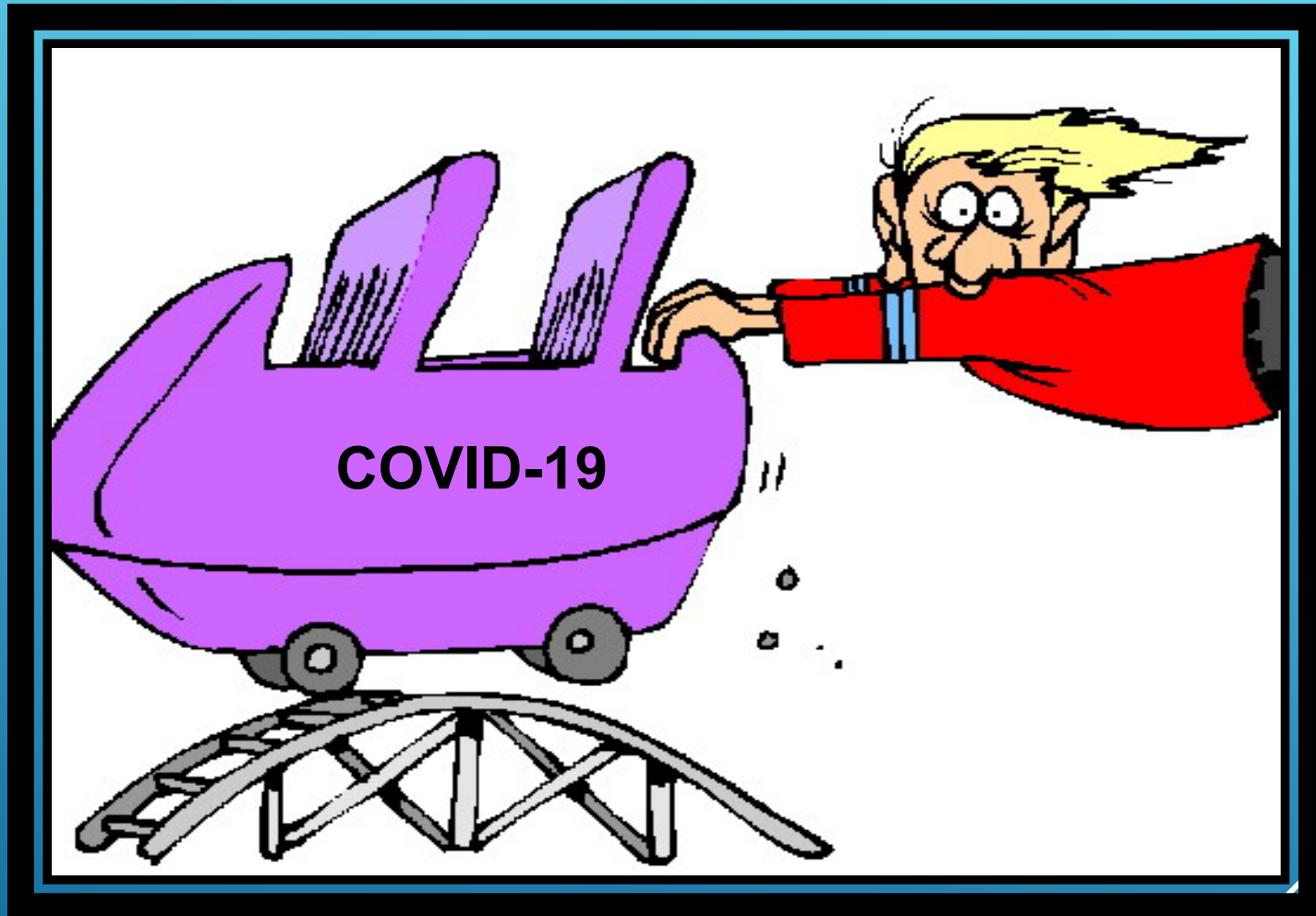
- Voters approved a 1.00 mill sinking fund levy in March, 2020.
- Sinking fund levy remains in effect for 5 years, until 2025

LOCAL PROPERTY TAXES (CON'T)

➤ BOND DEBT FUND:

- Grosse Ile School District has 3 debt funds combined as the Debt Retirement Fund:
 - 2015 Refunding – 1.4957 mill debt levy
 - 2016 Bond - .9956 mill debt levy
 - 2018 Refunding – 1.9884 mill debt levy (this bond will be paid off in May, 2022)
- School districts may refund bonds every ten (10) years for the purpose of saving tax payers money

FISCAL YEAR 2020-2021 MILLAGE JULY 2020 LEVY



KEY ASSUMPTIONS FOR 2020-2021 ~ REVENUE

▶ State Aid:

- ▶ Projected # of students for 2020-2021 is 1,715 students. This is a reduction of 51 students from the February, 2020 count. State Aid revenue loss is approximately \$417,400.
- ▶ State of Michigan budget, as of 6/22/20 has yet to be presented. State Aid Foundation Allowance for purposes of the FY 20-21 Budget remained the same as the Final Amended Budget for FY 2019-2020. The State Aid Foundation Allowance final budget amount was \$8,184/FTE. Other categorical revenue amounts were projected the same as 2019-2020 funding amounts with the exception of CTE per pupil Support. This categorical was assumed to be eliminated and is approximately a \$1,960 loss in revenue for 20-21. 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 – 2020-2021 is the 5th year of millage
- ▶ 2020-2021 Millage projected at \$350/student based on current information. Total millage revenue projected at \$600,250.

KEY ASSUMPTIONS FOR 2020-2021 ~ REVENUE (CON'T)

▶ 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 approximately \$29,870 ($\585.63×51 loss in student count)

▶ Federal/ISD Grants:

- ▶ Grants were estimated based on projections and potential carryovers for IDEA/Title I, II, III, and IV. Grant revenue projected to decrease approximately \$5,000.
- ▶ CARES/ESSER – COVID-19 Grant – based on Title I funding. Grant revenue projected at \$68,200.
- ▶ Literacy Coach – WRESA Grant – based on current information, grant revenue projected at \$112,000.

▶ Other:

- ▶ Investment Income and Miscellaneous income projected to decrease by approximately \$60,000.
- ▶ Athletic Revenue projected at \$203,000.
- ▶ All other revenues budgeted based on 19-20 amounts.

				ORIGINAL	FINAL BUDGET	PROJECTED
				BUDGET	AMENDMENT	BUDGET
			ACTUAL	<u>2019-2020</u>	<u>2019-2020</u>	<u>2020-2021</u>
			<u>2018-2019</u>	<u>(as of 6/25/19)</u>	<u>(as of 6/23/20)</u>	<u>(as of 6/23/20)</u>
REVENUE:						
	Local		\$ 2,805,803	\$ 2,659,900	\$ 2,600,850	\$ 2,520,455
	Intermediate		\$ 778,341	\$ 617,750	\$ 666,950	\$ 600,250
	State Sources		\$ 16,023,613	\$ 15,624,425	\$ 14,759,655	\$ 14,621,200
	Federal Sources		\$ 514,413	\$ 522,807	\$ 568,823	\$ 631,050
	Incoming Transfers		\$ 701,901	\$ 614,900	\$ 739,900	\$ 838,900
	Funded Projects		\$ -	\$ -	\$ -	\$ -
	<u>TOTAL REVENUE</u>		\$ 20,824,071	\$ 20,039,782	\$ 19,336,178	\$ 19,211,855

KEY ASSUMPTIONS FOR 2020-2021 ~ EXPENDITURES

▶ Salaries and Benefits:

- ▶ Instructional salaries/benefits will decrease due to retirements. Approximate decrease in salaries/benefits expenditures is \$220,000.
- ▶ All other salaries kept consistent with 2019-2020 contractual amounts.
- ▶ Health (BC/BS) care benefits increased by approximately 4.5% based on current claims information and amounts prepared by our third party administrators. Dental, Vision, Disability, Life and Workers' Compensation insurance premiums are budgeted at 2019-2020 amounts. Cash-in-Lieu (opt-out - BC/BS) kept consistent with current information.
- ▶ MPSERS blended rate increased to 28.21% per MDE, an increase of .71%. That increase is approximately \$80,000. MPSERS offset (UAAL 147c) for 2020-2021 is 14.51%, a 2.10% increase. Retirement benefits budgeted at the combined rate of 42.72%, or an increase of 2.81%.

▶ Supplies/Materials:

- ▶ Textbook budget set at \$125,000, based on Board of Education recommendation.
- ▶ Building supply budgets reduced by 2%.
- ▶ Athletic expenditures projected at \$644,520.

▶ Purchased Services:

- ▶ Utilities expenditures kept consistent with 2019-2020 amounts, without taking into consideration the reduction of utilities due to COVID-19 and the closure of buildings for 3 months.
- ▶ Legal fees kept consistent with 2019-2020 expenditures of \$70,000.

KEY ASSUMPTIONS FOR 2020-2021 ~ EXPENDITURES (CON'T)

▶ Capital Outlay:

- ▶ Floor machine for administration building - \$5,200
- ▶ Various lawn maintenance equipment
 - ▶ Zero Turn Lawn Mower - \$9,000
 - ▶ Roller - \$1,200
 - ▶ (2) Weed Whips - \$1,200
 - ▶ Mechanical Spreader - \$6,500
- ▶ (4) Clorox T360 Disinfectant Sprayers - \$20,000 (monies from CARES/ESSER Act)

▶ Federal Grants:

- ▶ Federal grant expenditures match federal grant awards.

				ORIGINAL BUDGET 2019-2020 (as of 6/25/19)	FINAL BUDGET AMENDMENT 2019-2020 (as of 6/23/20)	PROJECTED BUDGET 2020-2021 (as of 6/23/20)
			<u>ACTUAL</u> <u>2018-2019</u>			
EXPENDITURES:						
Instruction						
11*	Basic Programs		\$ 9,887,949	\$ 10,152,460	\$ 10,421,624	\$ 10,185,065
12*	Added Needs		\$ 2,006,974	\$ 2,395,379	\$ 2,273,318	\$ 2,271,325
	Adult & Continuing		\$ -	\$ -	\$ -	\$ -
	Unclassified		\$ -	\$ -	\$ -	\$ -
Support Services						
21*	Pupil Support		\$ 1,326,494	\$ 1,392,415	\$ 1,350,465	\$ 1,382,625
22*	Instructional Support		\$ 490,171	\$ 509,739	\$ 661,293	\$ 696,525
23*	General Administration		\$ 528,307	\$ 601,315	\$ 618,660	\$ 626,765
24*	School Administration		\$ 1,235,099	\$ 1,320,915	\$ 1,313,660	\$ 1,332,205
25*	Business Services		\$ 481,942	\$ 370,835	\$ 421,145	\$ 421,715
26*	Operations/Maintenance		\$ 1,944,279	\$ 1,933,830	\$ 2,005,885	\$ 2,022,385
27*	Pupil Transportation		\$ 753,445	\$ 827,630	\$ 843,525	\$ 834,645
28*	Central Services		\$ 299,953	\$ 400,490	\$ 454,995	\$ 522,005
29*	Other Support/Athletics		\$ 604,521	\$ 654,385	\$ 671,040	\$ 790,520
			\$ -	\$ -	\$ -	\$ -
	<u>TOTAL EXPENDITURES</u>		\$ 19,559,134	\$ 20,559,393	\$ 21,035,610	\$ 21,085,780

ESTIMATED FISCAL YEAR 2019-2020 FINAL BUDGET

(COVID-19 – SCHOOLS CLOSED 3/16/2020)

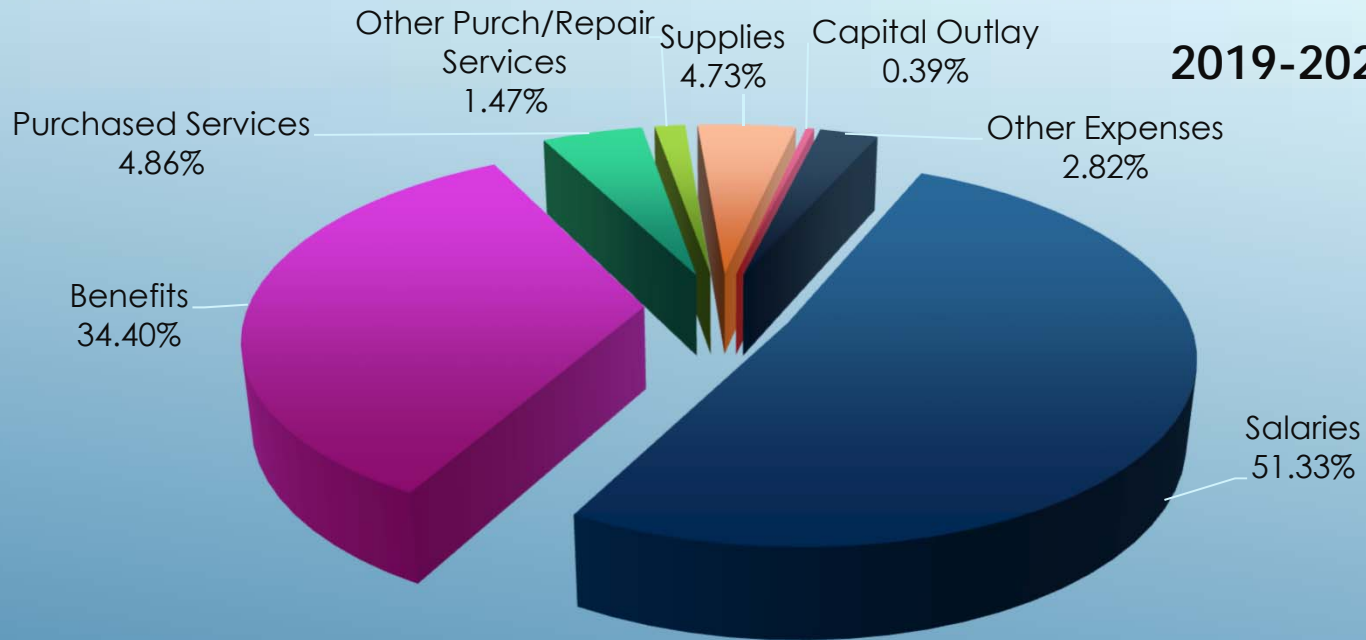


▶ Total Revenue	\$19,336,178
▶ Total Expenditures (Incl. Transfers)	<u>\$21,095,379</u>
▶ Excess Rev. (Exp.)	(\$ 1,759,201)
▶ June 30, 2020 FB	\$ 2,163,467

- ▶ Note: Restricted amount included in Fund Balance above: \$97,141
- ▶ Unrestricted Fund Balance as a percent of **expenditures**: 9.82%
- ▶ Unrestricted Fund Balance as a percent of **revenue**: 10.69%

PERCENTAGE BREAKDOWN OF TOTAL EXPENDITURES

2019-2020 EST



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

EXPENDITURES:		2019-2020 FINAL EST	
1****	SALARIES	\$ 10,797,856	51.33%
2****	BENEFITS	\$ 7,236,401	34.40%
3****	PURCHASED SERVICES	\$ 1,022,528	4.86%
4****	OTHER PURCHASED/REPAIR SERVICES	\$ 309,600	1.47%
5****	SUPPLIES/UTILITIES	\$ 995,375	4.73%
6****	CAPITAL OUTLAY	\$ 81,500	0.39%
7/8****	OTHER-DUES/FEES, INT EXP,SUMMER TAX COLLECTION	\$ 592,350	2.82%
TOTALS		\$ 21,035,610	100.00%

85.73%

14.27%

ESTIMATED FISCAL YEAR 2020-2021 PROJECTED BUDGET

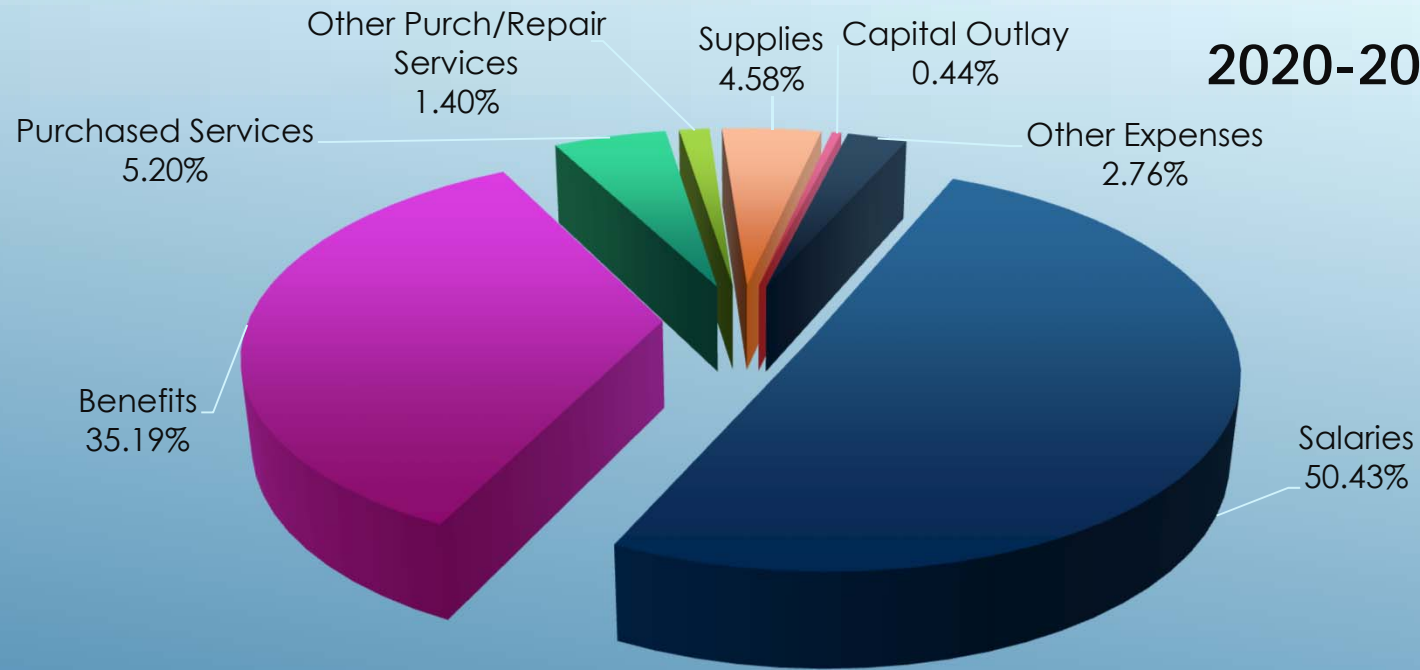


▶ Total Revenue	\$19,211,855
▶ Total Expenditures	<u>\$21,085,780</u>
▶ Excess Rev. (Exp.)	(\$ 1,873,925)
▶ June 30, 2021 FB	\$ 289,542

- ▶ Note: Restricted amount included in Fund Balance above: \$97,141
- ▶ Unrestricted Fund Balance as a percent of **expenditures**: 0.91%
- ▶ Unrestricted Fund Balance as a percent of **revenue**: 1.00%

PERCENTAGE BREAKDOWN OF TOTAL EXPENDITURES

2020-2021 EST



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

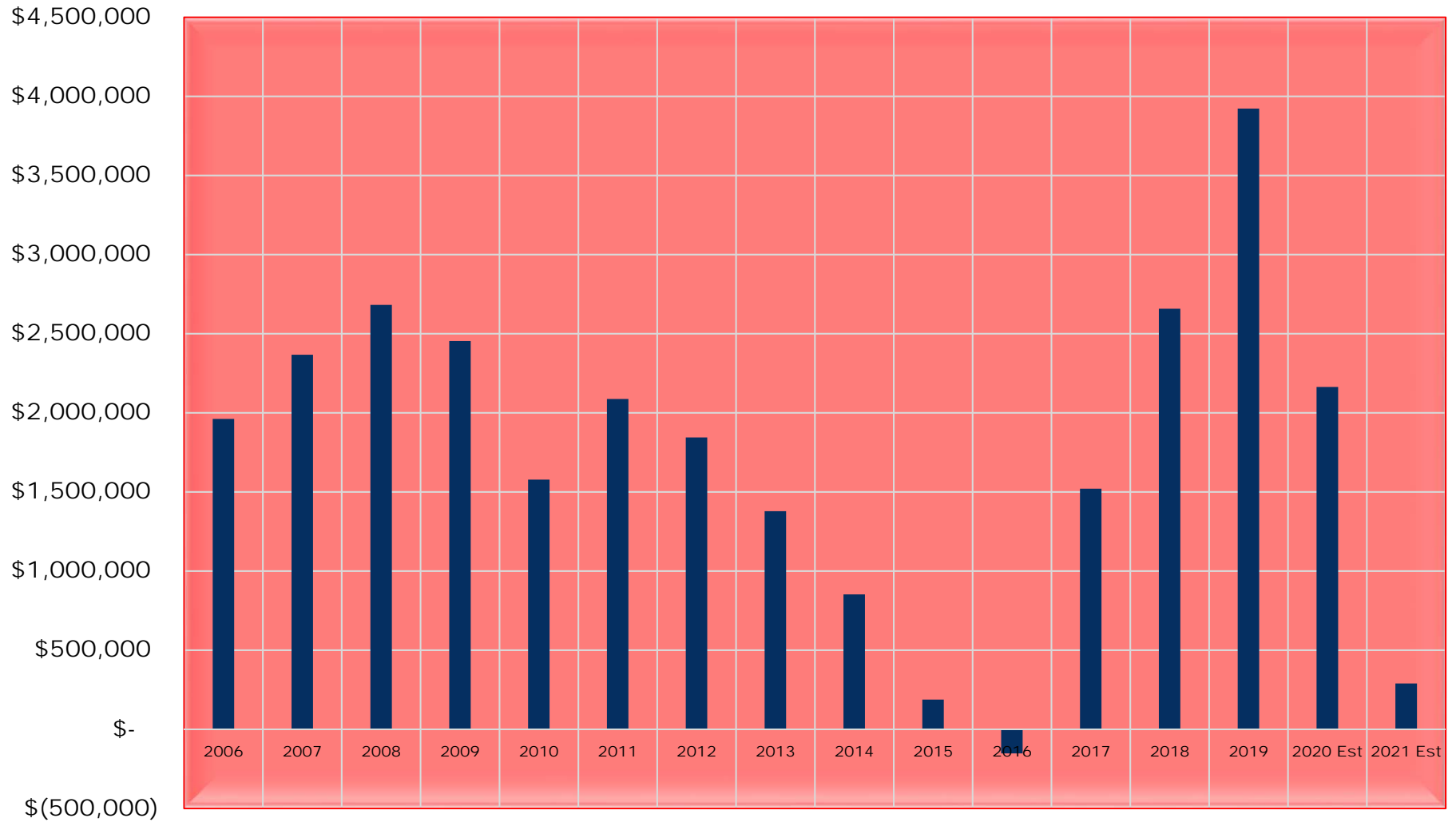
EXPENDITURES:		2020-2021 EST	
1****	SALARIES	\$ 10,633,510	50.43%
2****	BENEFITS	\$ 7,419,710	35.19%
3****	PURCHASED SERVICES	\$ 1,097,142	5.20%
4****	OTHER PURCHASED/REPAIR SERVICES	\$ 295,100	1.40%
5****	SUPPLIES/UTILITIES	\$ 965,168	4.58%
6****	CAPITAL OUTLAY	\$ 92,900	0.44%
7/8****	OTHER-DUES/FEES, INT EXP,SUMMER TAX COLLECTION	\$ 582,250	2.76%
TOTALS		\$ 21,085,780	100.00%

85.62%

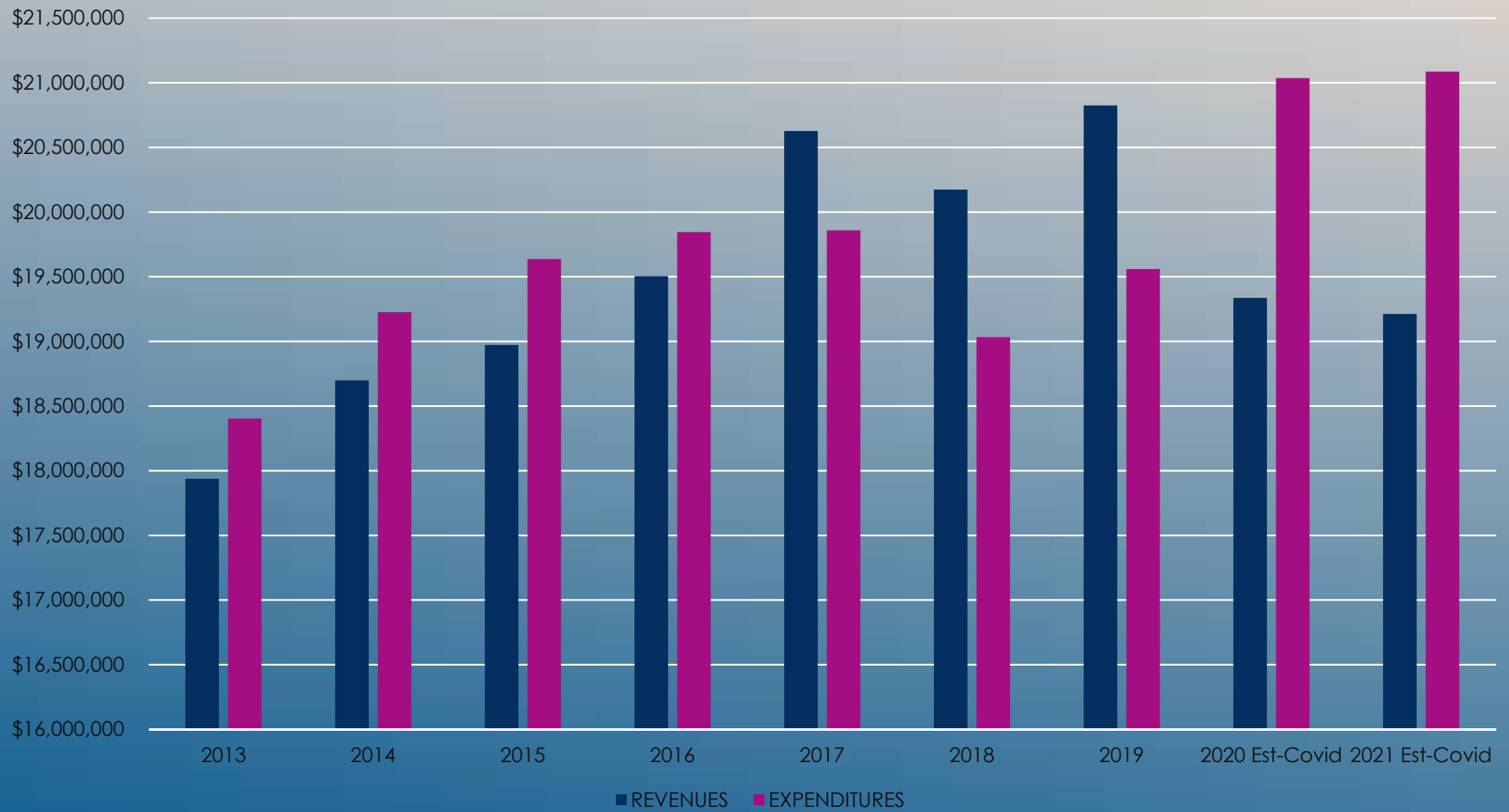
14.38%

FUND BALANCE TRENDS

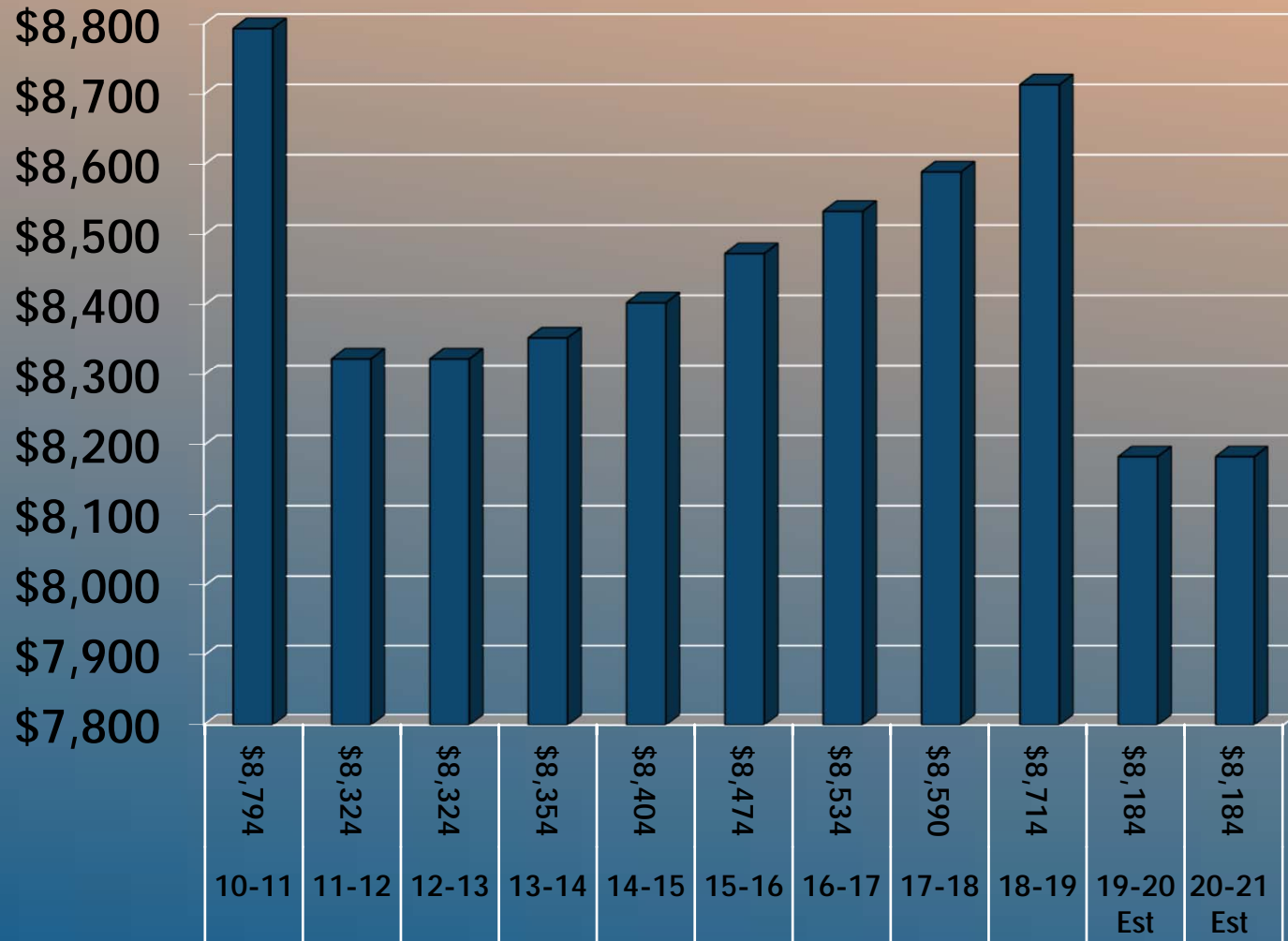
Fund Balance



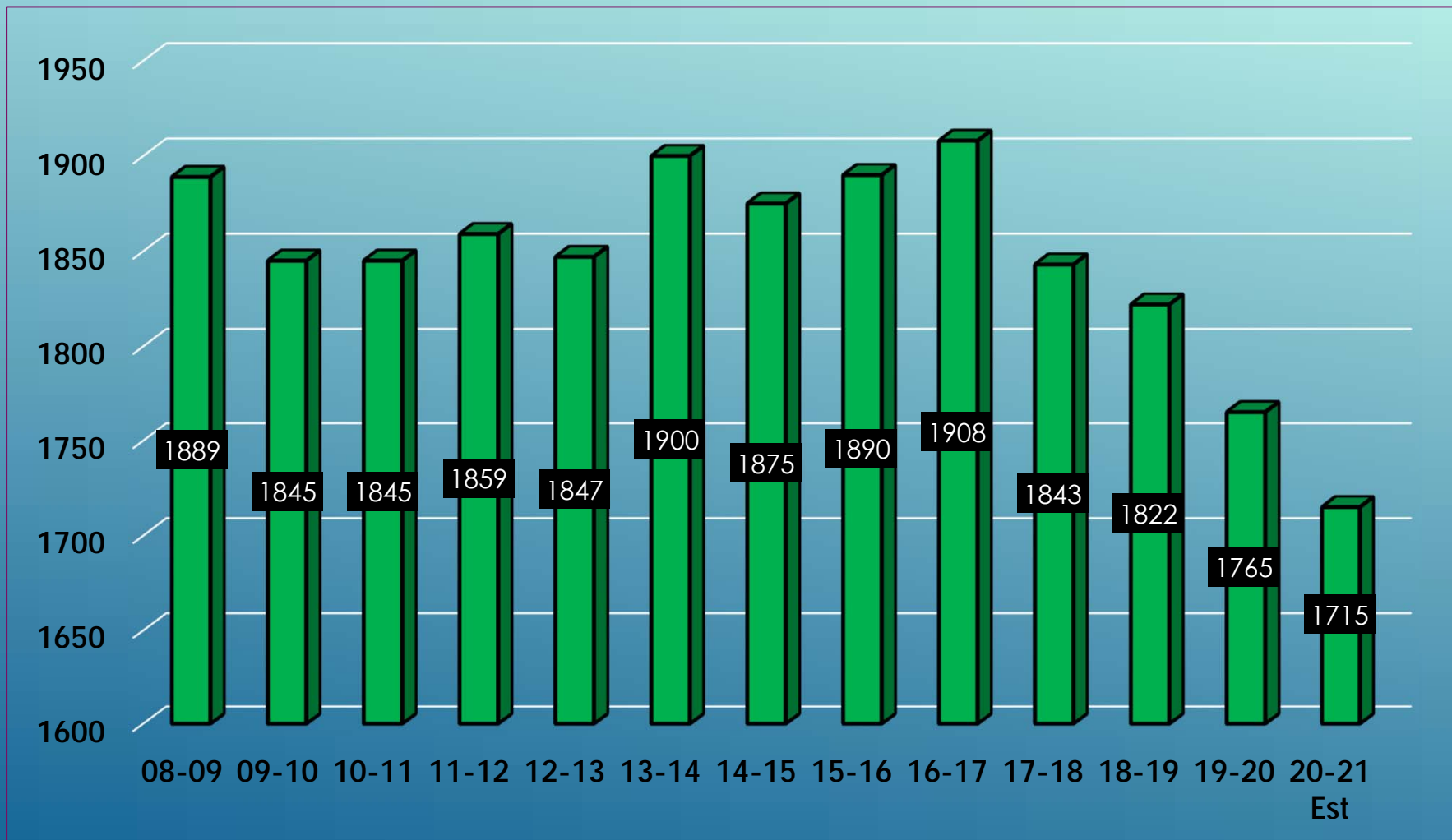
REVENUES/EXPENDITURES~2013-2021



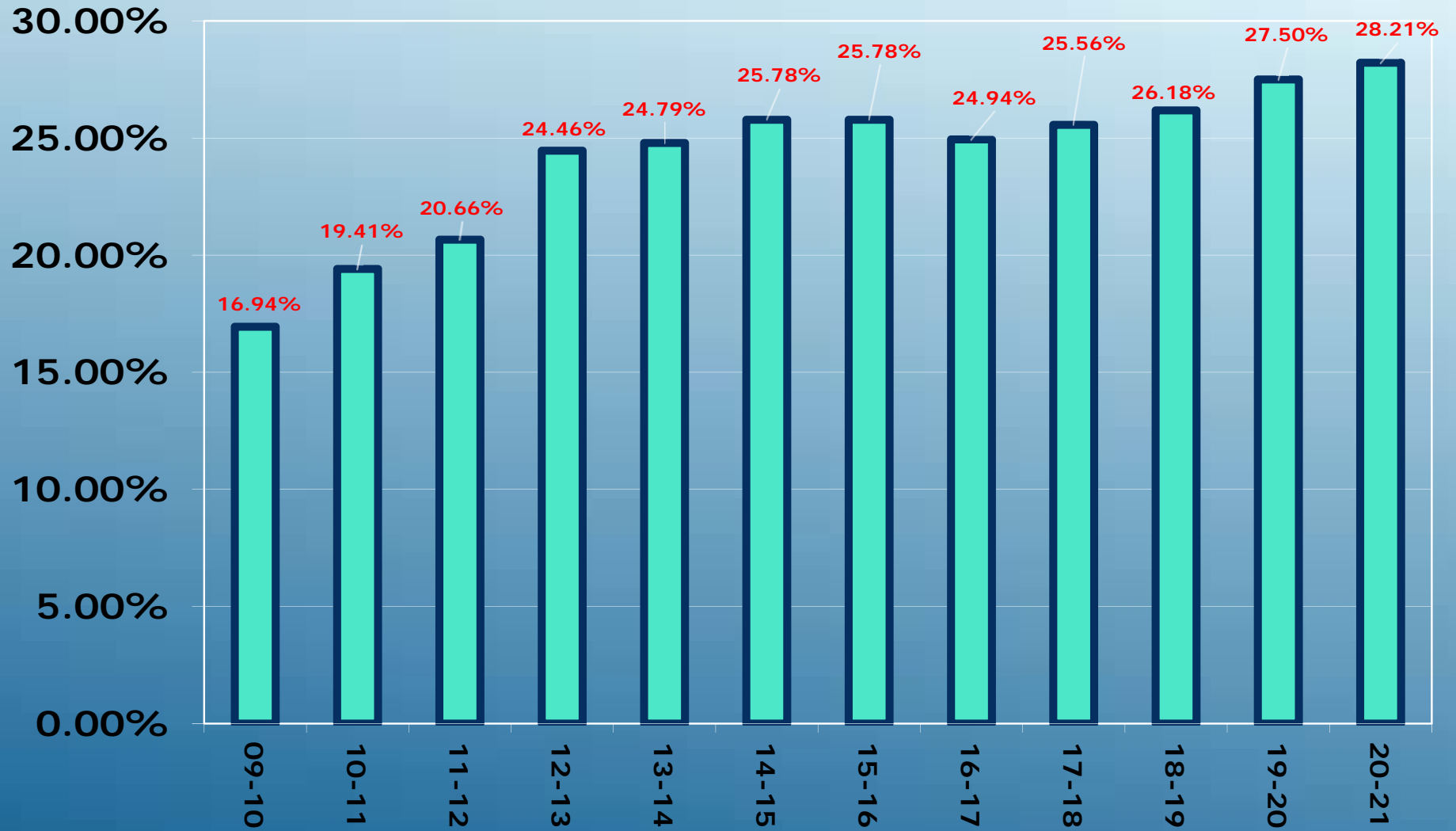
STATE AID TO GITS – PER STUDENT FOUNDATION ALLOWANCE



STUDENT POPULATION TRENDS



RETIREMENT COSTS...



2019-20 ~ BLUE CROSS/BLUE SHIELD INSURANCE COSTS

	<u>JULY</u>	<u>AUGUST</u>	<u>SEPT</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>
NUMBER OF CONTRACTS	106	107	110	111	110	112
ORIGINAL BUDGET-TOTAL COST (incl EE 20%)	182,425	182,425	182,425	182,425	182,425	182,425
(Annual amt/12 - \$2,189,100/12)						
MONTHLY CLAIMS	101,661	198,783	102,150	141,360	160,411	107,180
MONTHLY CHARGES:						
ADM FEE \$72.76	7,713	7,785	8,004	8,076	8,004	8,149
STOP LOSS INS \$163.52	17,333	17,497	17,987	18,151	17,987	18,314
ON-LINE VISITS FEE	-	-	64	-	-	66
MARSH/McLENNAN	2,750	2,750	2,750	2,750	2,750	2,750
TAXES - per BC/BS	-	-	-	-	-	-
FEE FOR PRESCRIPTION DRUG REBATES	-	-	(10,591)	-	-	(10,928)
ADJUSTMENT-Corporate Recovery	-	-	(71)	-	-	-
ADJUSTMENT-Hospital Prepayment	-	-	(1,840)	-	-	1,920
ADJUSTMENT-Customer Sav Ref-Hosp/Non-Hosp	-	-	-	-	-	(6,234)
BCBSM PYMT INTEGRITY SHARE/ADMIN COMP	-	-	94	-	-	15
TOTAL COST	129,456	226,815	118,547	170,337	189,152	121,232
VARIANCE-FAVORABLE/(UNFAVORABLE)	52,969	(44,390)	63,878	12,088	(6,727)	61,193
	29.04%	-24.33%	35.02%	6.63%	-3.69%	33.54%
AVERAGE CLAIM PER CONTRACT	\$ 959	\$ 1,858	\$ 929	\$ 1,274	\$ 1,458	\$ 957



HEALTH INS
JULY-DEC 2019
SLIDE #1

2019-20 ~ BLUE CROSS/BLUE SHIELD INSURANCE COSTS							
	<u>JAN</u>	<u>FEB</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>	<u>YEAR TO DATE</u>
NUMBER OF CONTRACTS	115	116	117	118	117		
ORIGINAL BUDGET-TOTAL COST (incl EE 20%)	182,425	182,425	182,425	182,425	182,425		2,006,675
(Annual amt/12 - \$2,189,100/12)							
MONTHLY CLAIMS	168,496	114,890	127,020	80,004	141,960	-	1,443,914
MONTHLY CHARGES:							
ADM FEE \$72.76	8,367	8,440	8,513	8,586	8,513	-	90,150
STOP LOSS INS \$163.52	18,805	18,968	19,132	19,295	19,132	-	202,601
ON-LINE VISITS FEE	-	-	69	-	-	-	199
MARSH/McLENNAN	2,750	2,750	2,750	2,750	2,750	-	30,250
TAXES - per BC/BS	-	-	-	-	-	-	-
FEE FOR PRESCRIPTION DRUG REBATES	-	-	(11,577)	-	-	-	(33,096)
ADJUSTMENT-Corporate Recovery	-	-	-	-	-	-	(71)
ADJUSTMENT-Hospital Prepayment	-	-	-	-	-	-	80
ADJUSTMENT-Customer Sav Ref-Hosp/Non-Hosp	-	-	-	-	-	-	(6,234)
BCBSM PYMT INTEGRITY SHARE/ADMIN COMP	-	-	-	-	-	-	109
TOTAL COST	198,418	145,048	145,907	110,635	172,355	-	1,727,902
VARIANCE-FAVORABLE/(UNFAVORABLE)	(15,993)	37,377	36,518	71,790	10,070	-	278,773
	-8.77%	20.49%	20.02%	39.35%	5.52%		13.89%
AVERAGE CLAIM PER CONTRACT	\$ 1,465	\$ 990	\$ 1,086	\$ 678	\$ 1,213		

2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
ACTUAL	ACTUAL	ACTUAL	ACTUAL	ORIGINAL
<u>CLAIMS</u>	<u>CLAIMS</u>	<u>CLAIMS</u>	<u>CLAIMS</u>	<u>BUDGET</u>
\$ 1,913,676	\$ 1,592,885	\$ 1,523,689	\$ 1,571,366	\$ 2,189,100

HEALTH INS
JAN-MAY 2020
SLIDE #2



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THAVES

QUESTIONS ??

