

MIDLAND PUBLIC SCHOOLS

THE 2018-19 BUDGET

Presented to the Board of Education on June 11, 2018

In accordance with Michigan Public Act 621 of 1978 and Public Act 41 of 1995, this budget is arranged in four parts:

PART ONE: The Anticipated Revenues and Expenditures of the 2018-19 General Fund, Special Revenue Funds, and Capital Projects Fund Budgets.

PART TWO: The Appropriations Act for the 2018-19 General Fund Budget

PART THREE: The Millage Rates for the 2018-19 General Fund Budget

PART FOUR: The Budget Administration Policy of the Midland Board of Education

MIDLAND PUBLIC SCHOOLS

PART ONE: THE 2018-19
 - GENERAL FUND
 - SPECIAL REVENUE FUNDS
 - CAPITAL PROJECTS FUND
 BUDGETS

	2016-17 AMOUNT (AUDIT) JUNE 2017	2017-18 AMOUNT (ESTIMATE) JUNE 2017	2017-18 AMOUNT (ESTIMATE) MARCH 2018	2018-19 AMOUNT (ESTIMATE) June 2018
REVENUES				
GENERAL FUND				
LOCAL SOURCES	\$ 21,343,631	\$ 23,003,143	\$ 21,714,294	\$ 21,363,000
STATE SOURCES	52,774,675	50,378,052	54,213,872	54,349,508
FEDERAL SOURCES	1,279,055	1,365,569	1,704,349	1,417,069
INCOMING TRANSFERS AND OTHER TRANSACTIONS	4,934,046	4,382,150	4,757,349	4,587,333
SUB-TOTAL: GENERAL FUND REVENUE	\$ 80,331,407	\$ 79,128,914	\$ 82,389,864	\$ 81,716,910
SPECIAL REVENUE FUNDS				
LOCAL SOURCES	\$ 1,067,879	\$ 1,097,400	\$ 1,097,400	\$ 1,128,513
STATE SOURCES	91,836	74,500	82,358	82,358
FEDERAL SOURCES	1,321,189	1,365,100	1,365,100	1,457,190
OTHER TRANSACTIONS	-	-	-	-
SUB-TOTAL: SPECIAL REVENUE FUNDS	\$ 2,480,904	\$ 2,537,000	\$ 2,544,858	\$ 2,668,061
TOTAL REVENUE: GENERAL AND SPECIAL REVENUE FUNDS (NET OF TRANSFERS)	\$ 82,812,311	\$ 81,657,914	\$ 84,926,722	\$ 84,376,971
INCOMING TRANSFERS AND FUND MODIFICATIONS				
APPROPRIATION FROM FUNDS REMAINING AT END OF PRIOR YEAR				
PLANT REPAIR AND MAINTENANCE	770,196	843,192	1,275,000	1,625,000
MIDDLE SCHOOL SCIENCE RENOVATIONS	38,567	38,567	38,567	-
TECHNOLOGY	-	-	-	-
SINKING FUND	879,212	907,534	880,000	644,000
TOTAL REVENUE: CAPITAL PROJECTS FUND	\$ 1,687,975	\$ 1,789,293	\$ 2,193,567	\$ 2,269,000

	2016-17 AMOUNT (AUDIT) JUNE 2017	2017-18 AMOUNT (ESTIMATE) JUNE 2017	2017-18 AMOUNT (ESTIMATE) MARCH 2018	2018-19 AMOUNT (ESTIMATE) June 2018
EXPENDITURES				
GENERAL FUND				
CLASSROOM INSTRUCTION-				
BASIC PROGRAMS (110)	\$ 38,816,477	\$ 39,301,558	\$ 39,755,667	\$ 39,447,958
ADDED NEEDS PROGRAMS (120)	11,678,248	11,870,278	12,302,684	12,415,837
SUB-TOTAL: EXPENDITURES FOR CLASSROOM INSTRUCTION	\$ 50,494,725	\$ 51,171,836	\$ 52,058,351	\$ 51,863,795
SUPPORTING SERVICES-				
SUPPORT SERVICES-PUPIL (210)	\$ 4,393,462	\$ 4,529,791	\$ 4,610,593	\$ 4,487,812
SUPPORT SERVICES-INSTRUCTIONAL STAFF (220)	4,026,123	4,493,857	4,902,572	5,180,114
SUPPORT SERVICES-GENERAL ADMINISTRATION (230)	609,744	737,774	746,272	798,661
SUPPORT SERVICES-SCHOOL ADMINISTRATION (240)	4,259,023	4,533,321	4,606,611	4,765,190
SUPPORT SERVICES-BUSINESS (250)	1,201,895	1,217,379	1,204,289	1,201,790
SUPPORT SERVICES-CUSTODIAL/GROUNDS/MAINT. (260)	5,433,826	5,615,754	5,640,366	5,757,762
SUPPORT SERVICES-TRANSPORTATION (270)	2,406,798	2,717,341	2,780,525	2,901,810
SUPPORT SERVICES-CENTRAL/OTHER (280 - 289, 299)	1,515,538	1,823,624	1,920,181	1,764,775
SUPPORT SERVICES-ATHLETIC ACTIVITIES (293)	1,065,432	1,079,469	1,107,939	1,110,314
SUB-TOTAL: EXPENDITURES FOR SUPPORTING SERVICES	\$ 24,911,841	\$ 26,748,310	\$ 27,519,348	\$ 27,968,228
COMMUNITY SERVICES (300)				
COMMUNITY SERVICES COMMUNITY ACTIVITIES & NON-PUBLIC SCHOOL PUPILS	\$ 264,609	\$ 220,369	\$ 303,874	\$ 287,724
SUB-TOTAL: EXPENDITURES FOR COMMUNITY SERVICES	\$ 264,609	\$ 220,369	\$ 303,874	\$ 287,724
OUTGOING TRANSFERS AND OTHER TRANSACTIONS				
PAYMENTS TO OTHER GOVERNMENTAL UNITS (400)	\$ -	\$ -	\$ -	\$ -
LEASE PAYMENTS (500)	449,621	-	-	-
OUTGOING TRANSFERS TO CAPITAL PROJECTS FUND (641)	90,000	-	450,000	450,000
GIFTS AND BEQUESTS (299)	-	75,000	75,000	75,000
INDIRECT COST (600)	-	6,533	-	-
SUB-TOTAL: EXPENDITURES FOR OUTGOING TRANSFERS AND OTHER TRANSACTIONS	\$ 539,621	\$ 81,533	\$ 525,000	\$ 525,000
TOTAL: EXPENDITURES FOR GENERAL FUND	\$ 76,210,796	\$ 78,222,048	\$ 80,406,573	\$ 80,644,747

SPECIAL REVENUE FUNDS

TOTAL FOOD SERVICES EXPENDITURES	\$	2,305,996	\$	2,453,012	\$	2,459,012	\$	2,583,270
NET FOOD SERVICES EXPENDITURES FROM SPECIAL REVENUE FUND	\$	2,305,996	\$	2,453,012	\$	2,459,012	\$	2,583,270
SUPPORT SERVICE-OTHER "CHARGER SHOP"/"CHEMIC CORNER"	\$	78,534	\$	110,794	\$	105,794	\$	111,731
TOTAL: EXPENDITURES FROM SPECIAL REVENUE FUND	\$	2,384,530	\$	2,563,806	\$	2,564,806	\$	2,695,001
TOTAL: EXPENDITURES FOR GENERAL FUND AND SPECIAL REVENUE FUND (NET OF TRANSFERS)	\$	78,595,326	\$	80,785,854	\$	82,971,379	\$	83,339,748
CAPITAL PROJECTS FUND								
SINKING FUND	\$	29,870	\$	130,000	\$	300,000	\$	300,000
PRME PROGRAM		17,970		110,000		110,000		450,000
TECHNOLOGY		-		-		-		-
MIDDLE SCHOOL SCIENCE RENOVATIONS		-		38,567		38,567		-
TOTAL: EXPENDITURES FOR CAPITAL PROJECTS FUND	\$	47,840	\$	278,567	\$	448,567	\$	750,000

No Board of Education member or employee of the school district shall expend any funds or obligate the expenditure of any funds except pursuant to appropriations herein made by the Board of Education and in keeping with the budgetary policy statement herein adopted by the Board. Changes in the amount appropriated by the Board shall require approval by the Board.

The superintendent is hereby charged by the Board with the general supervision of the execution of the budgets herein adopted. He shall hold the directors responsible for the performance of their responsibilities within the amounts herein appropriated by the Board of Education and in keeping with the budgetary policy statement herein adopted by the Board.

THE APPROPRIATIONS ACT FOR THE 2018-19 GENERAL FUND BUDGET

ADOPTED BY THE BOARD OF EDUCATION OF THE MIDLAND PUBLIC SCHOOLS

 THIS RESOLUTION SHALL BE THE APPROPRIATIONS ACT FOR THE GENERAL FUND OF THE MIDLAND PUBLIC SCHOOLS FOR THE FISCAL YEAR 2018-19. THIS RESOLUTION MAKES APPROPRIATIONS, PROVIDES FOR THE EXPENDITURE OF THE TOTAL REVENUES AND UNAPPROPRIATED FUND BALANCE ESTIMATED TO BE AVAILABLE FOR APPROPRIATION IN THE GENERAL FUND OF THE MIDLAND PUBLIC SCHOOLS FOR FISCAL YEAR 2018-19 ARE AS FOLLOWS:

REVENUE	2016-17 AMOUNT (AUDIT) JUNE 2017	2017-18 AMOUNT (ESTIMATE) JUNE 2017	2017-18 AMOUNT (ESTIMATE) MARCH 2018	2018-19 AMOUNT (ESTIMATE) June 2018
LOCAL SOURCES	\$ 21,343,631	\$ 23,003,143	\$ 21,714,294	\$ 21,363,000
STATE SOURCES	52,774,675	50,378,052	54,213,872	54,349,508
FEDERAL SOURCES	1,279,055	1,365,569	1,704,349	1,417,069
INCOMING TRANSFERS AND OTHER TRANSACTIONS	4,934,046	4,382,150	4,757,349	4,587,333
TOTAL REVENUE	\$ 80,331,407	\$ 79,128,914	\$ 82,389,864	\$ 81,716,910
FUND BALANCE	2016-17 AMOUNT (AUDIT) JUNE 2017	2017-18 AMOUNT (ESTIMATE) JUNE 2017	2017-18 AMOUNT (ESTIMATE) MARCH 2018	2018-19 AMOUNT (ESTIMATE) June 2018
FUND BALANCE JUNE 30	\$ 13,841,746	\$ 11,588,958	\$13,841,746	\$16,629,103
NON-SPENDABLE				
INVENTORY & PREPAID EXPENDITURES	148,973	130,000	130,000	130,000
RESTRICTED				
INTERNATIONAL BACCALAUREATE GIFT	27,398	24,000	-	-
PRIMARY YEARS PROGRAM	-	-	-	-
CONTRIBUTIONS	150,690	135,000	135,000	135,000
STEM GIFTS	850,504	1,130,000	1,130,000	2,500,000
ASSIGNED				
CURRENT YEAR EXCESS EXPENDITURES (APPROPRIATION)	-	-	-	-
POST-BOND COPIER REPLACEMENTS	200,000	-	400,000	600,000
UNASSIGNED				
MEDICAL AND WORKERS COMPENSATION INCURRED BUT NOT REPORTED CLAIMS	29,020	100,000	100,000	50,000
CASH FLOW MGT	12,435,161	10,069,958	11,946,746	13,214,103
SPENDABLE FUND BALANCE	\$13,692,773	\$11,458,958	\$13,711,746	\$16,499,103
TOTAL AVAILABLE TO APPROPRIATE	\$ 94,024,180	\$ 90,587,872	\$ 96,101,610	\$ 98,216,013

THE BOARD OF EDUCATION HEREBY APPROPRIATES **\$80,644,747** OF THE ABOVE "TOTAL AVAILABLE TO APPROPRIATE" IN THE GENERAL FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH BELOW:

EXPENDITURES	2016-17 AMOUNT (AUDIT) JUNE 2017	2017-18 AMOUNT (ESTIMATE) JUNE 2017	2017-18 AMOUNT (ESTIMATE) MARCH 2018	2018-19 AMOUNT (ESTIMATE) June 2018
CLASSROOM INSTRUCTION-				
BASIC PROGRAMS	\$ 38,816,477	\$ 39,301,558	\$ 39,755,667	\$ 39,447,958
ADDED NEEDS PROGRAMS	11,678,248	11,870,278	12,302,684	12,415,837
TOTAL CLASSROOM INSTRUCTION	\$ 50,494,725	\$ 51,171,836	\$ 52,058,351	\$ 51,863,795
SUPPORTING SERVICES-				
SUPPORT SERVICES-PUPIL	\$ 4,393,462	\$ 4,529,791	\$ 4,610,593	\$ 4,487,812
SUPPORT SERVICES-INSTRUCTIONAL STAFF	4,026,123	4,493,857	4,902,572	5,180,114
SUPPORT SERVICES-GENERAL ADMINISTRATION	609,744	737,774	746,272	798,661
SUPPORT SERVICES-SCHOOL ADMINISTRATION	4,259,023	4,533,321	4,606,611	4,765,190
SUPPORT SERVICES-BUSINESS	1,201,895	1,217,379	1,204,289	1,201,790
SUPPORT SERVICES-CUSTODIAL/GROUNDS/MAINT.	5,433,826	5,615,754	5,640,366	5,757,762
SUPPORT SERVICE-TRANSPORTATION	2,406,798	2,717,341	2,780,525	2,901,810
SUPPORT SERVICES-CENTRAL/OTHER	1,515,538	1,823,624	1,920,181	1,764,775
SUPPORT SERVICES-ATHLETIC ACTIVITIES	1,065,432	1,079,469	1,107,939	1,110,314
TOTAL SUPPORTING SERVICES	\$ 24,911,841	\$ 26,748,310	\$ 27,519,348	\$ 27,968,228
COMMUNITY SERVICES (300)				
COMMUNITY SERVICES				
COMMUNITY ACTIVITIES & NON-PUBLIC SCHOOL PUPILS	\$ 264,609	\$ 220,369	\$ 303,874	\$ 287,724
TOTAL COMMUNITY SERVICES	\$ 264,609	\$ 220,369	\$ 303,874	\$ 287,724
OUTGOING TRANSFERS AND OTHER TRANSACTIONS				
PAYMENTS TO OTHER GOVERNMENTAL UNITS	\$ -	\$ -	\$ -	\$ -
LEASE PAYMENTS (500)	449,621	-	-	-
OUTGOING TRANSFERS TO CAPITAL PROJECTS FUND	90,000	-	450,000	450,000
GIFTS AND BEQUESTS	-	75,000	75,000	75,000
INDIRECT COSTS	-	6,533	-	-
TOTAL OUTGOING TRANSFERS AND OTHER TRANSACTIONS	\$ 539,621	\$ 81,533	\$ 525,000	\$ 525,000
TOTAL APPROPRIATED - GENERAL FUND	\$ 76,210,796	\$ 78,222,048	\$ 80,406,573	\$ 80,644,747

EXHIBIT 1

MIDLAND PUBLIC SCHOOLS
GENERAL FUND
DETAIL BUDGET PROJECTION
FOR FISCAL YEAR ENDING JUNE 30, 2019

	2016-17 AMOUNT (AUDIT) JUNE 2017	2017-18 AMOUNT (ESTIMATE) JUNE 2017	2017-18 AMOUNT (ESTIMATE) MARCH 2018	2018-19 AMOUNT (ESTIMATE) June 2018
REVENUES				
LOCAL SOURCES	\$ 21,343,631	\$ 23,003,143	\$ 21,714,294	\$ 21,363,000
STATE SOURCES	52,774,675	50,378,052	54,213,872	54,349,508
FEDERAL SOURCES	1,279,055	1,365,569	1,704,349	1,417,069
TOTAL REVENUES	\$75,397,361	\$74,746,764	\$77,632,515	\$77,129,577
INCOMING TRANSFERS AND OTHER TRANSACTIONS	\$ 4,934,046	\$ 4,382,150	\$ 4,757,349	\$ 4,587,333
TOTAL REVENUES, INCOMING TRANSFERS AND OTHER TRANSACTIONS	\$ 80,331,407	\$ 79,128,914	\$ 82,389,864	\$ 81,716,910
EXPENDITURES				
CLASSROOM INSTRUCTION- BASIC PROGRAMS	\$ 38,816,477	\$ 39,301,558	\$ 39,755,667	\$ 39,447,958
ADDED NEEDS PROGRAMS	11,678,248	11,870,278	12,302,684	12,415,837
TOTAL CLASSROOM INSTRUCTION	\$50,494,725	\$51,171,836	\$52,058,351	\$51,863,795
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SUPPORT SERVICES-INSTRUCTIONAL STAFF	4,026,123	4,493,857	4,902,572	5,180,114
SUPPORT SRVCS-GENERAL ADMINISTRATION	609,744	737,774	746,272	798,661
SUPPORT SRVCS-SCHOOL ADMINISTRATION	4,259,023	4,533,321	4,606,611	4,765,190
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OUTGOING TRANSFERS AND OTHER TRANSACTIONS				
PAYMENTS TO OTHER GOVERNMENTAL UNITS	\$ -	\$ -	\$ -	\$ -
LEASE PAYMENTS	449,621	-	-	-
OUTGOING TRANSFERS TO				
CAPITAL PROJECTS FUND	90,000		450,000	450,000
GIFTS AND BEQUESTS	-	75,000	75,000	75,000
INDIRECT COSTS	-	6,533	-	-
TOTAL OUTGOING TRANSFERS AND OTHER TRANSACTIONS	\$ 539,621	\$ 81,533	\$ 525,000	\$ 525,000
TOTAL APPROPRIATED	\$ 76,210,796	\$78,222,048	\$ 80,406,573	\$ 80,644,747
BEGINNING FUND BALANCE, JUNE 30	\$ 9,721,135	\$ 11,588,958	\$13,841,746	\$16,629,103
EXCESS REVENUE/(APPROPRIATION)	\$ 4,120,611	\$ 906,866	\$ 1,983,291	\$ 1,072,163
EXPECTED BUDGET VARIANCE		782,220	804,066	806,447
ANTICIPATED SURPLUS (SHORTFALL)	4,120,611	1,689,086	2,787,357	1,878,610
ANTICIPATED FUND BALANCE ON JUNE 30	\$ 13,841,746	\$ 13,278,044	\$ 16,629,103	\$18,507,713
% OF EXPENSES	18.2%	17.0%	20.7%	22.9%
AMOUNT OF FUND BALANCE RESTRICTED FOR CONTRIBUTIONS	\$ 1,028,592	\$ 1,289,000	\$ 1,265,000	\$ 2,635,000

MIDLAND BOARD OF EDUCATION

600 East Carpenter Street
Midland, MI 48640
(989) 923-5001

PART THREE: ANTICIPATED MILLAGE RATES FOR THE 2018-19 GENERAL BUDGET ADOPTED BY THE BOARD OF EDUCATION OF THE MIDLAND PUBLIC SCHOOLS

On November 4, 2014, Midland Public Schools voters authorized the following millage levies for operating purposes:

A maximum 18.0 mills on non-homestead property

A maximum of 5.6523* mills on homestead and qualified agricultural property

The authorized levies are for ten years, 2015 to 2024, inclusive.

Based on the most recent information with respect to taxable value and the estimated blended student count for 2018-19, the estimated 2018 millage rates to support 2018-19 General Fund Expenditures are:

18.0 mills on non-homestead property

1.6814 mills on homestead and qualified agricultural property

A final determination on the 2018 millage rates will be made by the Board in September 2018 after taxable values have been finalized by the county treasurer. An opportunity for public input will be provided prior to the final determination of 2018-19 millage rates.

On February 24, 2015, Midland Public Schools voters authorized the Board of Education to issue bonds and to assess the taxable property within the district to pay the debt service on these bonds and to deposit such monies into the related bond debt retirement fund. The millage levy for the 2015 School Building and Site Bonds is 2.72 mills.

* Subject to annual "prior year" adjustment based on audited student counts and taxable value revisions.

MIDLAND BOARD OF EDUCATION

600 East Carpenter Street
Midland, MI 48640
(989) 923-5001

**PART FOUR: POLICY ON ADMINISTERING THE BUDGET OF
THE SCHOOL SYSTEM IN EMERGENCY SITUATIONS**

The Board of Education requires the superintendent of school to administer the annual budget which it has approved, and the appropriations which it has made to provide for that budget, in accordance with all of the amounts and distributions contained in that Budget and Appropriations Act. There may be emergency situations, however, in which the expenditure of funds must be authorized which exceed the appropriations in any specific account in the budget. In such situations, the superintendent may authorize the transfer of appropriations to meet the emergency under the following procedures:

The superintendent will first try to discuss the emergency situation with the president, vice president, treasurer, or secretary of the Board of Education, in this order, to secure the agreement of an officer of the Board to the transfer of appropriations.

The superintendent will authorize the transfer of appropriations in writing.

When a transfer as permitted by this policy is made, such transfer shall be presented to the Board of Education for adoption at its next regularly-scheduled meeting in the form of an amendment to the Appropriations Act for the current year, which had previously been approved by the Board.