

Board of Education

Bloomfield Hills Schools Public Hearing Budget Update

June 4, 2015



Property Tax Millage Rates 2015 Tax Year



2015 Millage Rate Summary

Tax Base	Purpose	# of Mills
Non-Homestead	General Operating	18.0000
Commercial Personal Property	General Operating	13.7538
Homestead	General Operating	7.7538
All Classifications of Property	Debt Service & Sinking Fund*	0.9500 0.7326

* The authorized rate of .7400 is subject to rollback under the Headlee Amendment. Headlee requires a rollback of the rate when annual growth on existing property is greater than the rate of inflation.



Fiscal Year 2014/15 General Fund Final Budget



Original Budget – General Fund Fiscal Year 2014/15

General Fund – Fund balance as of July 1, 2014 (audited)		\$ 22,046,392
Revenue	\$ 82,449,362	
Expenditures	(\$ 86,403,675)	
Expenditures over revenue		(\$ 3,954,313)
General Fund – Fund balance as of June 30, 2015 (projected)		\$ 18,092,079



Original Budget – Special Revenue Funds Fiscal Year 2014/15

Special Revenue Funds – Fund balance as of July 1, 2014 (audited)		\$ 7,797,018
Revenue	\$ 19,316,518	
Expenditures	(\$ 19,284,505)	
Revenue over expenditures		\$ 32,013
Special Revenue Funds – Fund balance as of June 30, 2015 (projected)		\$ 7,829,031



Fiscal Year 2015/16 General Fund Original Budget



Original Budget – General Fund Fiscal Year 2015/16

General Fund - Fund balance as of July 1, 2015 (projected)		\$ 18,092,079
Revenue	\$ 82,808,204	
Expenditures	(\$ 84,011,142)	
Expenditures over revenue		(\$ 1,202,938)
General Fund - Fund balance as of June 30, 2015 (projected)		\$ 16,889,141



Original Budget – Special Revenue Funds Fiscal Year 2015/16

Special Revenue Funds – Fund balance as of July 1, 2015 (projected)		\$ 7,829,031
Revenue	\$ 18,628,838	
Expenditures	(\$ 18,454,557)	
Revenue over expenditures		\$ 174,281
Special Revenue Funds – Fund balance as of June 30, 2016 (projected)		\$ 8,003,312



General Fund – Key Assumptions

Revenue

- 75% of our revenue comes from the Foundation Allowance per pupil established by the State annually during their budget process.
- Enrollment based on latest projections, which include a slight increase
- Foundation Allowance increased by \$70, offset by the elimination of best practices of \$50 and performance incentive of \$70, with an additional \$75 added so we net a \$25 increase.

Expenditures

- Salary/wages in accordance with contracts.
- Retirement rate varies by employee elections and is monitored during the year based on the effective rate being paid on payroll, which is about 26%.
- Health care cost projections will continue to be updated based on claims trends. The district is limited by the medical benefit hard cap, which is adjusted annually based upon the Consumer Price Index change.
- Budget balancing actions continue with an added \$3.9 million for next year, adding to the \$2 million this past year. More details are provided on our [Budget web page](#)



General Fund Forecast Beyond Next Year



Board of Education Policy 3110 Annual Operating Budget and Fund Balance

Policy 3110

Annual Operating Budget and Fund Balance

The Superintendent shall provide the public and the Board of Education ("the Board") with a balanced operating budget each year.

The annual operating budget will be subject to the review of the Board prior to submitting it for general distribution, publication and public hearing.

If a five-year forecast provided to the Board shows that the General Fund fund balance would go below 20% of projected expenditures in any year, the matter will be brought to the attention of the Board for discussion at the next scheduled Board meeting or at a special meeting convened sooner.

The Board will not approve an annual operating budget that is based on a five-year forecast showing that the General Fund fund balance would go below 15% of projected expenditures in any year, unless the Board contemporaneously passes a separate motion permitting same for that year.



BUDGET PROJECTION SUMMARY

DESCRIPTION	PRIOR		CURRENT		2015-16	2016-17	2017-18	2018-19
	2013-14	2014-15	2014-15	2015-16				
FUND BALANCE JULY 1	\$ 24,189,972	\$ 22,046,392	\$ 18,092,079	\$ 16,889,140	\$ 17,638,919	\$ 17,959,349	\$ 17,959,349	\$ 17,959,349
REVENUES	\$ 81,535,721	\$ 82,449,362	\$ 82,808,204	\$ 83,122,816	\$ 83,363,307	\$ 83,315,051	\$ 83,315,051	\$ 83,315,051
EXPENDITURES	\$ 83,679,301	\$ 86,403,676	\$ 84,011,142	\$ 82,373,037	\$ 83,042,878	\$ 84,318,610	\$ 84,318,610	\$ 84,318,610
BUDGET ADJUSTMENTS & REDUCTIONS			\$ (4,627,896)	\$ (3,403,645)	\$ (1,122,520)	\$ (1,198,402)	\$ (1,198,402)	\$ (1,198,402)
ANNUAL SURPLUS(DEFICIT)	(\$2,143,580)	(\$3,954,313)	(\$1,202,938)	\$749,779	\$320,430	(\$1,003,558)	(\$1,003,558)	(\$1,003,558)
FUND BALANCE JUNE 30	\$22,046,392	\$18,092,079	\$16,889,140	\$17,638,919	\$17,959,349	\$16,955,790	\$16,955,790	\$16,955,790
Non-Spendable & Restricted Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
UNRESTRICTED FUND BALANCE	\$22,046,392	\$18,092,079	\$16,889,140	\$17,638,919	\$17,959,349	\$16,955,790	\$16,955,790	\$16,955,790
FUND BALANCE AS % OF GF EXPENSES	26.3%	20.9%	20.1%	21.4%	21.6%	20.1%	20.1%	20.1%



Foundation Allowance History Cumulative Change compared to CPI

Foundation allowance history	Fiscal Yrs:									Cumulative
	1994/95	2007/08	2008/09	2009/10*	2010/11*	2011/12	2012/13	2013/14	2014/15	
Min. foundation allowance	\$ 4,200	\$ 7,204	\$ 7,316	\$ 7,162	\$ 7,146	\$ 6,846	\$ 6,966	\$ 7,026	\$ 7,076	
Increase (decrease)		119	112	(154)	(16)	(300)	120	60	50	
Percent change		1.68%	1.55%	-2.10%	-0.22%	-4.20%	1.75%	0.86%	0.71%	68.48%
Basic foundation allowance	\$ 5,000	\$ 7,204	\$ 7,316	\$ 7,162	\$ 7,146	\$ 6,846	\$ 6,966	\$ 7,026	\$ 7,076	
Increase (decrease)		119	112	(154)	(16)	(300)	120	60	50	
Percent change		1.68%	1.55%	-2.10%	-0.22%	-4.20%	1.75%	0.86%	0.71%	41.52%
Max. (Hold-harmless) foundation	\$ 6,500	\$ 8,433	\$ 8,489	\$ 8,335	\$ 8,319	\$ 8,019	\$ 8,019	\$ 8,049	\$ 8,099	
Increase (decrease)		48	56	(154)	(16)	(300)	-	30	50	
Percent change		0.57%	0.66%	-1.81%	-0.19%	-3.61%	0.00%	0.37%	0.62%	24.60%
Bloomfield Hills Schools	\$ 10,454	\$ 12,387	\$ 12,443	\$ 12,170	\$ 12,154	\$ 11,854	\$ 11,854	\$ 11,884	\$ 11,934	
Increase (decrease)		48	56	(273)	(16)	(300)	-	30	50	
Percent change		0.39%	0.45%	-2.19%	-0.13%	-2.47%	0.00%	0.25%	0.42%	14.16%
Consumer Price Index (CPI)	144.5	201.6	207.3	215.3	214.4	218.1	224.9	229.6	233.0	
Percent change		3.23%	2.83%	3.86%	-0.42%	1.73%	3.12%	2.09%	1.48%	61.25%

*Fiscal yrs 2009/10 & 2010/11 are based on the effective foundation allowance, which is less than the published nominal foundation per pupil due to State budget actions.

