

# ***Detroit Public Schools***

*2009 ADOPTED BUDGET*

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**June 30, 2008**

**Prepared By:**  
Detroit Public Schools  
Division of Finance  
Office of Budget



# **Detroit Public Schools 2009 Adopted Budget**

*(Fiscal Year July 1, 2008 – June 30, 2009)*

**Connie K. Calloway, Ph.D.  
General Superintendent**

**Joan McCray  
Chief Financial Officer**

**Walter L. Esaw  
Executive Director, Office of Budget**

For additional information regarding the District's financial results, readers should refer to the Comprehensive Annual Financial Report (CAFR) (located on the District's website) for the fiscal year ended June 30, 2007, which includes audited financial statements. The State approved Deficit Elimination Plan (DEP) is also available on the District's website, [www.detroitk12.org](http://www.detroitk12.org)



# DETROIT PUBLIC SCHOOLS 2009 Adopted Budget

Fiscal Year  
July 1, 2008 – June 30, 2009

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# DETROIT PUBLIC SCHOOLS

## Board of Education



**The Honorable Carla D. Scott, M.D.**  
***President (District 1)***

**The Honorable Joyce V. Hayes-Giles, Esq.**  
***Vice President (District 5)***

**The Honorable Rev. David Murray**  
***(At Large)***

**The Honorable Ida Short**  
***(At Large)***

**The Honorable Marie L. Thornton**  
***(At Large)***

**The Honorable Rev. Jimmy Womack, M.D.**  
***(At Large)***

**The Honorable Otis Mathis, III**  
***(District 2)***

**The Honorable Annie Carter**  
***(District 3)***

**The Honorable Tyrone Winfrey**  
***(District 4)***

**The Honorable Terry Catchings**  
***(District 6)***

**The Honorable Marvis Cofield**  
***(District 7)***



July 1, 2008

Honorable Board of Education Members

Connie K. Calloway, Ph.D.  
General Superintendent  
Detroit Public Schools  
Detroit, Michigan

The Board of Education, administration, staff, and community's goal is to adopt a balanced budget that continues to provide a quality education to students and address the financial challenges the District is facing as a result of financial, personnel, and operational decisions made in previous years. This plan represents the need for the Board, administration, unions, and community to work collaboratively to align expenditures with declining enrollment.

This administration researched budget adoption options within the current legislation. The budget presented to the Board by this administration includes a recommendation for a two year plan to reduce the deficit in light of these inherited challenges and the consideration of a timeline to complete the necessary budget reduction strategies while implementing systems and internal controls to monitor effectiveness of the strategies. The administration presented 19 strategies for consideration which included alignment of personnel, operations, and facilities with the declining enrollment levels. The Board consolidated two strategies, thus approving 18 strategies.


We are hereby submitting the 2009 Adopted Budget, for the fiscal year ending June 30, 2009. This plan represents our assessment and recommendations concerning the allocation of available resources in compliance with the Michigan Uniform Budgeting and Accounting Act and the Deficit Elimination Plan (DEP). All applicable State laws, regulations, and statutory requirements have been met. This budget will be posted on the Detroit Public Schools' website for public access and viewing.

Current Financial Trends:

- ♦ Student enrollment continues to decline for the District. Since the Fall of 2000, the District has lost funding - approximately 67,000 funded pupils. For fiscal year ending 2009, the estimated loss represents approximately 5,000 funded pupils alone.
- ♦ The State has projected to increase the per pupil funding levels by an estimated \$70.00, which is reflected in our preliminary revenue projections. The recent State funding trends are critical factors impacting this District. However, the District continues to provide quality services in areas such as Special Education, and English as a Second Language (ESL) without the full funding levels necessary to implement these programs.
- ♦ An eroding tax base in the city of Detroit and differences in the 2007 foundation allowance has continued to contribute to the greater disparity between urban and suburban children.
- ♦ In 2008-2009 the District is proposing to maintain the current level of Title I allocations to schools.
- ♦ For Fiscal Year 2009, the District will again contract with three Last Chance providers, and expects to maintain or exceed 450 FTEs. The District retains 20% of the State foundation allowance for each FTE generated.

We appreciate your commitment and support of the students, staff, community partners and the Division of Finance, Office of Budget in the development of this document.

Respectfully submitted,

  
Joan McCray  
Chief Financial Officer  
Division of Finance

  
Walter L. Esaw  
Executive Director  
Office of Budget



# **FINANCIAL POLICIES & PROCEDURES 2009**

## **FINANCIAL POLICIES AND PROCEDURES**

The following financial policies are consistent with Federal, State and local regulations:

### **Budget Standards:**

Each annual budget must be prepared in accordance with the Michigan Uniform Budgeting and Accounting Act. Each budget must be balanced such that in each fund total revenues are greater than or equal to appropriations. These policies reflect the District's commitment to preparing its budget on a basis consistent with the highest financial standards and to balancing its budget every year.

### **Personnel Policies:**

All personnel appointments shall be subject to approval by the General Superintendent and Board of Education. All salary increases must be approved by the Division Head, the Executive Director of Budget, Chief Financial Officer, the Chief Human Resources Officer, General Superintendent and Board of Education.

## **ACCOUNTING POLICY**

The following is a summary of significant accounting policies followed in the preparation of the combined financial statements of the District.

### **Fund Accounting:**

The financial activities of the District are organized on the basis of funds, each of which is considered a separate fiscal and accounting entity. Due to legal requirements and the nature of the District's operations, it is necessary to account for its activities by using separate funds.

### **Function Reporting:**

Expenditures are reported by functional categories. Functional categories describe the activity for which a service or material is acquired. The basic functional categories are instruction, pupil support, instructional staff support, general administration, school administration, business services, operations and maintenance, transportation, central services, and site acquisitions services.

### **Basis of Accounting:**

The accounts are maintained using the modified accrual basis. Under the modified accrual basis of accounting, revenue is recorded as soon as it is both measurable and available; therefore, represent resources which may be appropriated. Expenditures are generally recognized when the related liability is incurred.



**Property Taxes:**

Property taxes are recorded as revenue when collected or if collected within 60 days after the fiscal year-end. Taxes levied and not collected within 60 days after the fiscal year-end are recorded as taxes receivable.

Property taxes are due July 1 and are payable without penalty or interest on or before August 31 in full, or before August 15, and the balance being payable by January 15. In its role as tax collection agent for the District, the City of Detroit is responsible for the collection of delinquent taxes, along with the County.

As a result of the passage of a constitutional amendment by the voters of the State of Michigan on March 15, 1994, the District's financing structure was reorganized effective for the fiscal year ended June 30, 1995. The reorganization of school financing shifted a portion of the District's revenue sources from locally levied and collected property taxes to the State of Michigan, received in the form of a foundation allowance. The State foundation allowance is the primary basis of revenue.

**Pension Plan:**

Substantially all District employees participate in the Michigan Public School Employees' Retirement System (MPERS), known as Office of Retirement Services (ORS), under which employees are entitled to certain defined benefits established by State statute. Currently, school districts are required by State statute to contribute 16.54% of eligible wages to the plan. The 2009 budget was developed based on 16.54% as the required contribution.

**INTERNAL CONTROL/FUNDS TRANSFER POLICY**

The District's management officials are responsible for implementing and enforcing a system of internal controls to protect the assets of the District from loss, theft, or misuse. Officials also ensure that reliable accounting data are available for the timely preparation of all financial statements.

Budget transfers between programs are permitted. This allows flexibility and provides budgetary control for managing supervisors. The Transfer of Funds Policy is intended to streamline management processes while emphasizing the importance of budget management.

Funds may be transferred between funds, between departments or between objects. Transfers require specific approval from the Chief Financial Officer and/or the Department Head. Depending on the type of transfer, approval may be required from the Department Head, Executive Director of Budget, Chief Financial Officer, General Superintendent or any combination thereof. Central administrative offices and schools are allowed to transfer funds between objects, with approval of the Executive Director of Budget.

**GENERAL APPROPRIATIONS RESOLUTION  
AND 2008-09 BUDGET**

WHEREAS, the 2008-2009 budget recommendations were presented to the General Superintendent, and the Committee on Finance, Budget, Title I and Legislative Affairs.

WHEREAS, pursuant to the provisions of Act No. 43, of the Public Acts of Michigan of 1963, Second Extra Session, the Board of Education is required to hold a public hearing on the proposed budget prior to its adoption for the fiscal year ending June 30, 2009, and

WHEREAS, due notice of such public hearing was given by publication in newspapers of general circulation at least five days prior to such hearing, which notice, in accordance with said act, stated that a copy of such budget was available for public inspection on at the District's Welcome Center and on its website; and

WHEREAS, in accordance with the act, such public hearing was held at the New Center One Building, Welcome Center, located at 3031 West Grand Boulevard in the City of Detroit on the 19<sup>th</sup> day of June 2008; and

WHEREAS, the Board of Education hereby adopts this general appropriations resolution for the 2008-09 budget of the Detroit School District for all programs and funds.

NOW, THEREFORE, BE IT RESOLVED, that this resolution shall constitute the general appropriations of the Detroit School District for the 2008-09 fiscal year; a resolution to make appropriations; to provide for the expenditure of the appropriations; and to provide for the disposition of all income received by the Detroit School District.

BE IT FURTHER RESOLVED, that the total income and total expenditure appropriations for the General Fund, Building and Site Fund, Operating Debt Retirement Fund, Bond Debt Retirement Fund, and School Service Fund of the Detroit Board of Education for 2008-09 are as specified in this resolution.

BE IT FURTHER RESOLVED, that budgeted appropriations available from a prior year and carried forward for the fiscal year ending June 30, 2008 are not included in the amounts appropriated for the fiscal 2008-09 year.

BE IT FURTHER RESOLVED, that the appropriations for the General Fund, Building and Site Fund, Operating Debt Retirement Fund, Bond Debt Retirement Fund, and School Service Fund as submitted to this Board of Education, be and the same are approved and adopted with certain provisions hereinafter mentioned.

BE IT FURTHER RESOLVED, that revisions in total income and total expenditure appropriations for a fund shall be approved by the Board of Education based upon recommendations from the General Superintendent.

BE IT FURTHER RESOLVED, that 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 made by the Board and in keeping with the budgetary policies of this Board.

BE IT FURTHER RESOLVED, that no appropriation for any purpose or object shall be deemed a mandate to incur an expense or make any expenditure. Appropriations shall be deemed maximum authorizations to incur expenditures and the General Superintendent shall exercise supervision and control to ensure that program or work objectives are related within these maximums.

BE IT FURTHER RESOLVED, that the expenditures of funds appropriated herein for school district purposes shall be under the general supervision of the General Superintendent and the control of the Chief Financial Officer, subject to budgetary policies approved by this Board of Education.

BE IT FURTHER RESOLVED, that before any order or contract for improvement, supplies or services is issued by any officer or any employee of the Board of Education, it shall be determined that an appropriation made therefor, has not been exhausted. No such order or contract for improvements, supplies or services shall be issued unless there is an available appropriation balance therefor. Spending against such order or contract shall be limited to the appropriation balance from which it is payable.

BE IT FURTHER RESOLVED, that line-item account transfers within the same fund of an unencumbered balance or any part thereof that is not required to meet the program or work objectives for the balance of the year may be accomplished subject to procedures established for approval of such transfers. Transfers from one division or area to another may be authorized by the Chief Financial Officer or his/her designee. Transfers within or between operating units may be authorized by the division executive in the case of a division budget subject to review by the Chief Financial Officer or his/her designee.

BE IT FURTHER RESOLVED, that the total number of positions established for each division may not be increased except as authorized by the General Superintendent under procedures that may be established to approve additional positions requested. Appropriate budget adjustments shall be made to fund the establishment of additional positions that are authorized. Salary amounts appropriated herein for unspecified positions may be used during the course of the year to establish required positions subject to the approval of the General Superintendent.

BE IT FURTHER RESOLVED, that nothing in the foregoing shall be construed as authorization for the expenditure of funds or the incurrence of obligations in excess of the total sums appropriated herein for each fund.

BE IT FINALLY RESOLVED, that during the period between Board meetings, the General Superintendent may authorize issuance of an order or contract on an emergency basis and expend funds therefor without prior specific authorization by the Board, provided that at the next regular meeting of the Board, the General Superintendent shall report such action or actions to the Board for its confirmation with the provision that such commitments shall be limited to the balance available in the account(s) to be charged.

This appropriations resolution is to take effect on July 1, 2008.



# **BUDGET DEVELOPMENT PROCESS 2009**



## **IMPORTANCE OF THE BUDGET**

Budgeting is a planning process and no plan can anticipate unknown factors. This budget includes provisions for all factors that could be reasonably anticipated, and modifications will be made as needs change throughout the year. The budget authorizes the original entries in the accounting system and establishes a legal framework for payroll, personnel and purchasing operations. In short, budgeting is an indispensable part of sound and proper administrative planning and accountability.

It is the budget which provides schools and other operating units with the approved official document indicating the authorized organizational structure, staffing patterns and material resources that may be used in delivering services to students within legal and financial limitations. It is important to the operational activities that such a document be available to all throughout the District. It provides a common reference point essential to proper and expeditious processing and recording of the day-to-day transactions necessary for the placement of personnel, and the delivery of materials, as well as the documentation required in audit findings and evaluation of District activities. It is important to the schools and operating units, as it serves to indicate in advance what shall be the approved uses of resources.

The budget approach and its implementation in any given year must recognize ongoing service arrangements, existing organizational structure and operating methods; any of which may not be entirely satisfactory for most desirable results. Therefore, improvements must come over a long-range period. However, the budget development procedures provided are designed to obtain maximum participation in seeking such improvements by personnel of the District at all levels.

In preparation and presentation of the budget, each administrator of the District, from the School Principal, General Superintendent, to the Board of Education, is given an opportunity to present his or her management proposals and ideas to higher levels of decision-making within the organization. The process of preparing and reviewing the budget presents an opportunity to justify operational programs, propose changes in service, and recommend revisions in organizational structure and work methods.

While such changes are continually considered as part of day-to-day administration, the budget places a definite emphasis on such concerns. A complete and well-documented budget inspires public confidence and provides the administrator with one of the most important devices for directing the activities for which he or she is responsible.

## **Budget Administration**

1. The General Superintendent is authorized to:
  - a. reallocate any excess revenues received during the year. Such reallocations shall be for one-time non-recurring non-salary purposes only.
  - b. reallocate and expend savings that may occur during the year in centrally budgeted accounts. Such reallocations and expenditures shall be for one-time non-recurring salary and non-salary projects and activities.
2. The General Superintendent and the Board of Education must approve all allocations from the Fund Balance. The Fund Balance is used for the following purposes:
  - a. Enrollment shifts that could occur after the Fourth Wednesday count that establish the need for additional instructional service and supplies.
  - b. Initiatives that will occur during the school year, but an exact amount or the allocation of an amount is not known prior to the adoption of the budget.
  - c. Contingency for unforeseen events that may occur throughout the school year.
  - d. The undesignated fund balance is available for appropriation at the discretion of the General Superintendent with Board approval.
3. The General Superintendent shall approve all changes in student enrollment numbers.
4. Changes and amendments to the adopted budget (total revenues and total expenditures for all programs and funds) will be made based on the following budget amendment process:
  - a. The Budget Office receives budget revisions and recommendations.
  - b. Suggested budget revisions will be reviewed and recommended adjustments will be forwarded to the Cabinet representatives for their review and input.

- c. Based on Cabinet's input, the Budget Office will prepare a revised budget and submit it to the General Superintendent and the Board of Education for approval.
- d. The Budget Office will implement the revised budget upon the General Superintendent and Board of Education approval.
- e. All budget changes and amendments are reported to the Michigan Department of Education (MDE) through the submission of monthly DEP (DS 4848) reports.

## **Position Management**

1. Any new position request for an unallocated position must have the recommendation of the Division Head or Principal, the Office of Budget, and the approval of the Chief Executive Officer. After the position is approved, the Division of Human Resources will process the request.
2. All positions must have a valid Position Control Number (PCN). Human Resources must remove any personnel for which there is no valid position.
3. As non-school based positions become vacant during the school year due to transfer, resignation or retirement, the remaining budget for the position may be re-directed for use in another capacity with the approval of the Office of Budget. However, the remaining budget cannot be used to create a new position without the prior approval of the Chief Executive Officer.
4. As school based positions become vacant during the school year due to transfer, resignation, or retirement, the remaining budget may be reallocated for other purposes with the approval of the Office of Budget. However, if this option is selected, a school cannot fill this vacancy for the remainder of the school year. The position will be restored in the upcoming school year only if the new allocation computation warrants.
5. The Division of Human Resources will provide the most recent seniority lists for bargaining units requiring such lists. The Office of Budget will identify invalid positions; the Division of Human Resources must remove persons from positions, which are deemed unwarranted.
6. The Office of Accounting must remove all accounts for those grants that are expired. The Division of Human Resources must remove any personnel on these expired grants to the most recent grant or release personnel if grant funding is available.
7. The Office of Accounting must process all Personnel ("P") Changes for those charges that should be transferred to the appropriate financial account due to the processing of Personnel Status Changes. These



Personnel ("P") changes should be processed prior to the next payroll cycle (usually within two weeks).

## **BUDGET DEVELOPMENT**

Budget Development involves several steps. One critical step is estimating revenue for the upcoming fiscal year. Revenue estimates are primarily dependent on the State foundation (per pupil allowance). The per pupil allowance is approved by the State legislature on an annual basis. The per pupil allowance is applied to enrollment estimates for the fiscal year based on projections received from the Office of Pupil Population Management. Enrollment projections are based on historical trends as well as population estimates for the City of Detroit.

The District must also estimate federal revenue from grant programs as well as local revenue from property taxes.

In preparation of the 2008-2009 budget, central office division/department provide an initial budget estimate for staffing and discretionary appropriations. The Office of Budget met with division/department to review initial expenditure estimates. All school staffing is formula driven per their Bargaining Unit contract.

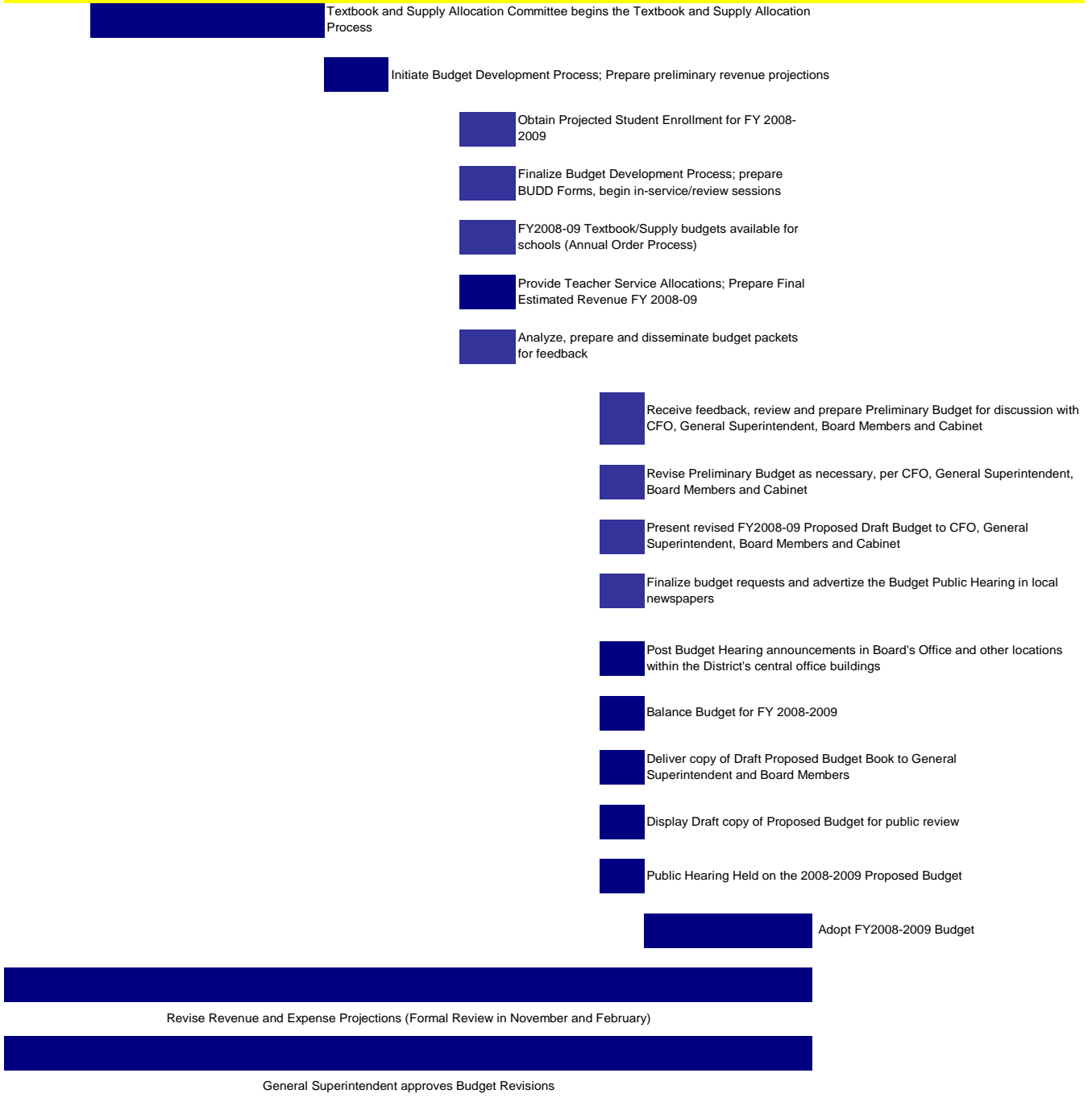
The District is required to have appropriations equal revenue for each fiscal year and maintain a positive fund balance.

Once a proposed budget has been developed, it is presented to the General Superintendent and Cabinet for review and approval. Once approved by the General Superintendent, the budget is forwarded to the Board of Education, Committee on Finance for review. Before the budget is approved by the Board of Education, a public budget hearing meeting is held to receive community input.

The District is mandated to have an adopted budget approved by the Board of Education by July 1 of each year.

# BUDGET PROCESS

September	October	November	December	January	February	March	April	May	June	July	August
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**Fiscal Year 2009  
BUDGET ASSUMPTIONS  
As of June 30, 2008**

**Revenue/Expense Notes & Assumptions:**

**Revenue:**

1. The per pupil allowance will increase from \$7,557 to \$7,627, an increase of \$70.
2. The District's blended student count which takes the FY08 audited Winter count and the FY09 projected Fall count will decrease from 106,485 to 98,356, a loss of 8,129 students and a reduction in revenue of \$53.4 million (the State's FY09 projected blended count is 96,194 a loss of 10,291).
3. Includes three (3) Last Chance Schools with a projected enrollment of 450 students, increase in revenue to the district approximately \$3.4 million.
4. Estimated 3% reduction in Title 1/31a revenue due to declining enrollment.
5. Estimated 1% increase in Sec. 51a Special Education revenue, due to increase in FY08 Special Education expenditures, approximate increase of \$877,176.
6. Estimated \$2.3 million in revenue from sales and leases of properties owned by the District.
7. The declining enrollment Grant Sec. 29, Sec. 32d (MSRP) will be reduced by \$1.2 million.
8. Local property taxes will be reduced by approximately \$6.8 million based on prior year trends.
9. Title V Grant ends June 30, 2008, loss of \$175,000 revenue in FY09.
10. Fiscal Year 2008 is the Final year for Durant Settlement loss of \$5.9 million in State revenue.

**Expense:**

11. Although OSAS concessions will continue (from 10% \$1.5 million to 8% \$1.36 million) at the lower percentage the District will incur an increase in expenditures of \$140,000.
12. Increase for eligible OSAS Curriculum Leaders amounting to approximately \$1.2 million (per OSAS contractual agreement).
13. Assumes an increase in the minimum wage from \$7.15 to \$7.40 an increase of .25 or approximately 3%.
14. FICA and MSPERS increase of approximately \$3.3 million, due to increase in salaries.

15. The retirement (MSPERS) percentage will be reduced to 16.54% from 16.72%.
16. All eligible employees will receive a step and lane increase amounting to approximately \$4.1 million.
17. DFT salary increase of 2.5% amounting to approximately \$13 million.
18. School staffing will remain consistent with Bargaining Units allocation formulas. Projected staff reductions due to declining student enrollment, is approximately 818 of which 300 lay-off notices were sent on April 1, 2008, effective July 1, 2008, leaving a balance of 518, which will receive notices on August 27, 2008, effective October 27, 2008. The total cost to the District if these layoffs do not occur is estimated at \$77 million.
  1. The layoff of 300 positions July 1, 2008 will save the District \$28.5 million.
    - a. Any recall of the 300 positions referenced above will result in a reduction in the \$28.5 million savings.
  2. The layoff of 518 positions October 27, 2008 will save the District \$14.7 million.
    - a. Included in the \$14.7 million is one additional month benefit costs, per the DFT contract.
    - b. Failure to layoff these 518 positions on October 27, 2008 will cost the District an additional \$34.2 million.
  3. The budget will fund all 518 positions identified for lay-off for five months, in the amount of approximately \$48 million; however, these positions are not supported by State Aid revenue.
19. Continued reduction in all Central Office discretionary budgets. The Department of Curriculum's budget was adjusted for the centralization of textbook ordering.
20. Decrease in utility costs due to FY08 school closures, and a change in the accounting process for telecom expenses from reimbursement to direct bill.
21. NCLB requires corrective actions for schools in AYP Phases three through seven. Restructure, reconfigure and/or reconstitution of poorly performing schools have cost approximately \$1.2 million dollars per school according to national models. Detroit will reconstitute five schools during the 2008-2009 school year for increased student achievement.

**ADMINISTRATION RECOMMENDS OPTION 2**

	FY 2007-08 Projected Actuals as of June 27, 2008	1 Year Approach		2 Year Approach	
		FY 2009		FY 2009	FY 2010
		<b>Projected Beginning Fund Balance</b>	\$ 7.2	\$ (112.8)	\$ (112.8)
<b>Projected Revenue decrease by 4%</b>	\$ 764.9	\$ 682.9	\$ 682.9	\$ 655.6	
<b>Projected Expenditures decrease by 10%</b>	\$ 852.3	\$ (866.5)	\$ (866.5)	\$ (736.6)	
<b>Projected Transfers decrease by 10%</b>	\$ (32.6)	\$ (72.0)	\$ (72.0)	\$ (69.8)	
<b>Projected Ending Fund Balance</b>	\$ (112.8)	\$ (368.4)	\$ (368.4)	\$ (255.5)	

**Proactive Shortfall Reduction Strategies - (\$Millions) With Goal of Building a Fund Balance**

**FROM FY 2000 - 2008 ENROLLMENT HAS DECLINED APPROXIMATELY 60,000 STUDENTS**

		\$ (112.8)	\$ (112.8)	\$ (104.7)
<b>Beginning Shortfall</b>		\$ (112.8)	\$ (112.8)	\$ (104.7)
Proposed Budget Shortfall		(255.6)	(255.6)	(150.9)
<b>Total Budget Shortfall</b>		<b>(368.4)</b>	<b>(368.4)</b>	<b>(255.5)</b>
Strategy #		1 Year Approach	2 Year Approach	
1	Declining Enrollment - Alignment of 818 instructional-related staff to equal the current projected enrollment and revenue.	59.2	59.2	28.0
2	Declining Enrollment - Alignment of 900 non-instructional and central administration staff to equal declining enrollment.	166.7	83.3	83.3
3	Declining Enrollment - Alignment of 142 vacant central office position authorizations to equal declining enrollment.	7.0	3.5	3.5
4	Declining Enrollment - Adjust Filled positions salaries (schools & central office) for projected 2nd semester attrition & retirements.	10.0	10.0	7.0
5	Delay union and non-union salary increases and restore concessions, this has to be negotiated, all concession removed in 4th year.	58.0	12.3	58.0
6	Hire 100 Noon Hour Aides for lunchroom duty for secondary schools to lower hourly costs and give teachers more instruction time.	0.9	0.9	0.0
7	Reduce District wide non-salary budgets including central office such as supplies, purchase services, travel, and equipment.	61.0	40.0	41.0
8	Reorganize the Office of Specialized Student Services by realigning staff for direct support to children.	7.0	7.0	2.0
9	Realign Custodial Work Schedules to reduce overtime	1.0	1.0	0.0
10	Reduce Special Education Transfer due to reduced spec ed. costs	8.0	8.0	6.0
11	Transfer Applied Academic costs to Section 31A - accounting adjustment	8.0	8.0	6.0
12	Transfer Substitute Teacher costs to Title 1 / Section 31A - accounting adjustment	1.5	1.5	1.0
13	E-Rate telephone bill changes from reimbursement to direct bill	5.6	5.6	0.0
14	Incorporate ROTC staff (75) into teacher service. Must be noticed August 27, 2008 effective October 27, 2008. If not laid off additional cost of \$5.6 million. Includes transition medical costs for 1 month.	5.6	5.6	2.8
15	Adjust secondary schools and Voc Tech teacher service allocation	0.6	0.6	0.0
16	Maintain per negotiations current elementary prep period at 3 + 1 common	6.3	6.3	0.0
17	Realign Transportation Services for Middle and H.S. Regular Ed students, and supplementing that population with FREE (Bus Passes) this is very important to the smooth opening of school. Includes reductions in contracted bus services, and The Department of Athletics transportation budget.	12.0	12.0	15.0
18	Board reconsider school closures effective FY2009-2010 (August 2009) based on enrollment targets, second year reprieve, and facility conditions.			7.0
19	Implementation costs for Board reconsider school closures effective FY2009-2010 (August 2009) based on enrollment targets, second year reprieve, and facility conditions.		(1.0)	(2.5)
	<b>TOTAL SAVINGS STRATEGIES</b>	\$ 418.4	\$ 263.8	\$ 258.1
	<b>PROJECTED FUND BALANCE</b>	\$ 49.9	\$ (104.7)	\$ 2.6

**Detroit Public Schools**  
**STRATEGY NARRATIVE FOR BUDGET DISCUSSION**  
**Prepared by Joan McCray, Chief Financial Officer**  
**Walter L. Esaw, Executive Director, Office of Budget**

**Strategy 1**

Reducing Filled Positions - This includes all eligible filled positions in departments not accounted for in Strategy 15 such as the Curriculum and Instruction, Finance, Facilities, Transportation, Technology, Food Service, Legal.

**Strategy 2**

- 1) Staffing using Teacher Service allocation based on enrollment for
  - a) Assistant Principal
  - b) Clerical
  - c) Counselor
  - d) Curriculum Coordinators and Leaders
  - e) Teachers – Using Pupil Teacher Ratio
    - i) Grades K-3 is 25 students per teacher
    - ii) Grades 4 – 5 is 30 students per teacher
    - iii) Grades 6 – 12 is 35 students per teacher
- 2) Schools can also add staff in the current school year using the school's approved and authorized grant funding available during the school year. These positions must be removed from the district at the end of the grant period and if the subsequent year funding is not available to continue to fund these positions.

**Strategy 3**

Reducing Vacant Positions - This includes all vacant positions in departments not accounted for in strategy 16 such as the Curriculum and Instruction, Finance, Facilities, Transportation, Technology, Food Service, Legal.

**Strategy 4**

Staff Cost Savings Due to Normal Attrition – Salary cost savings achieved during the Human Resources process filling positions due to retirements, terminations, etc.

**Strategy 5**

Current DFT contract includes no concessions and a 2.5% salary increase.

**Strategy 6**

Noon Hour Aides – Hire and pay minimum wage staff and not pay teachers at the secondary **level**. This results in an hourly savings and provides teachers with more instruction time.

### **Strategy 7**

Reduce all district-wide (including central administration) non-salary budgets for areas such as travel, supplies, purchased services, and equipment.

### **Strategy 8**

A Reorganization Plan has been developed by the Office of Specialized Student Services to reduce and re-deploy staffing resources. This plan includes physical assignment of social workers to schools. The plan ensures the compliance with state and federal standards. The plan recommends eliminating 30 of the 257 social worker authorizations which is for 28 filled and 2 vacancies. The plan also recommends eliminating 4 of the 101 psychologist authorizations which is for 2 filled and 2 vacancies. Additional recommendations for authorization reductions include 2 directors, 4 supervisors, 8 teachers of speech/language impaired, 30 teacher, 10 clericals and 4.6 retirees.

### **Strategy 9**

Current overtime expenditures for the district are \$15 million. Current labor agreements are being addressed to realign overtime with Fair Labor Standards Act. Overtime currently in contracts based on daily hours worked. Fair labor standards act dictates overtime after 40 hours worked.

### **Strategy 10**

The General Fund 11 subsidizes the Special Education Fund 22 for expenditures over and above local and state funding and is transferred at the end of the year as an accounting adjustment.

### **Strategy 11**

The Section 31a federal grant can pay for allowable General Fund expenditures which are transferred at the end of the year as an accounting adjustment.

### **Strategy 12**

Substitutes for absent teachers paid with grant funds are currently charged to the General Fund 11. Allowable expenditures will be transferred to the grants at the end of the year as an accounting adjustment.

### **Strategy 13**

Utilize the federal School and Libraries funding to pay for telephone bills. In the past, the district paid 100% up front and received a reimbursement of 85%. In the future, the district will only pay 15% and the telephone vendors will be reimbursed by the federal government.

### **Strategy 14**

Reincorporate ROTC teachers into the teacher service calculation.

**Strategy 15**

Adjust secondary and vocational education teacher service calculation to account for students' partial day in school/career technical.

**Strategy 16**

Current DFT contract includes increase in prep from 3 + 1 common to 4 + 1 common increasing teacher service.

**Strategy 17**

Reduce transportation costs by implementing a more effective transportation model for middle and secondary students by providing bus passes.

**Strategy 18**

Board reconsider school closures effective FY2009-2010 (August 2009) based on enrollment targets, second year reprieve, and facility conditions.

**Strategy 19**

Implementation costs for Board reconsider school closures effective FY2009-2010 (August 2009) based on enrollment targets, second year reprieve, and facility conditions.



**Board Approves 18 Strategies -Option 2**

					FY 2007-08 Projected Actuals as of June 27, 2008	1 Year Approach	2 Year Approach	
						FY 2009	FY 2009	FY 2010
<b>Projected Beginning Fund Balance</b>					\$ 7.2	\$ (112.8)	\$ (112.8)	\$ (107.2)
<b>Projected Revenue decrease by 4%</b>					\$ 764.9	\$ 682.9	\$ 682.9	\$ 655.6
<b>Projected Expenditures decrease by 10%</b>					\$ 852.3	\$ (866.5)	\$ (866.5)	\$ (736.6)
<b>Projected Transfers decrease by 10%</b>					\$ (32.6)	\$ (72.0)	\$ (72.0)	\$ (69.8)
<b>Projected Ending Fund Balance</b>					\$ (112.8)	\$ (368.4)	\$ (368.4)	\$ (258.0)

**Proactive Shortfall Reduction Strategies - (\$Millions) With Goal of Building a Fund Balance**

**FROM FY 2000 - 2008 ENROLLMENT HAS DECLINED APPROXIMATELY 60,000 STUDENTS**

						1 Year Approach	2 Year Approach	
<b>Beginning Shortfall</b>						\$ (112.8)	\$ (112.8)	\$ (107.2)
<b>Proposed Budget Shortfall</b>						(255.6)	(255.6)	(150.9)
<b>Total Budget Shortfall</b>						<b>(368.4)</b>	<b>(368.4)</b>	<b>(258.0)</b>
Strategy #						1 Year Approach	2 Year Approach	
1	Declining Enrollment - Alignment of 818 instructional-related staff to equal the current projected enrollment and revenue.					59.2	59.2	28.0
2	Declining Enrollment - Alignment of 900 non-instructional and central administration staff to equal declining enrollment.					175.7	87.8	87.8
3	Declining Enrollment - Alignment of 142 vacant central office position authorizations to equal declining enrollment.					7.0	3.5	3.5
4	Declining Enrollment - Adjust Filled positions salaries (schools & central office) for projected 2nd semester attrition & retirements.					10.0	10.0	7.0
5	Delay union and non-union salary increases and restore concessions, this has to be negotiated, all concession removed in 4th year.					58.0	12.3	58.0
6	Hire 100 Noon Hour Aides for lunchroom duty for secondary schools to lower hourly costs and give teachers more instruction time.					0.9	0.9	0.0
7	Reduce District wide non-salary budgets including central office such as supplies, purchase services, travel, and equipment.					61.0	40.0	41.0
8	Realign Custodial Work Schedules to reduce overtime					1.0	1.0	0.0
9	Reduce Special Education Transfer due to reduced spec ed. costs					8.0	8.0	6.0
10	Transfer Applied Academic costs to Section 31A - accounting adjustment					8.0	8.0	6.0
11	Transfer Substitute Teacher costs to Title 1 / Section 31A - accounting adjustment					1.5	1.5	1.0
12	E-Rate telephone bill changes from reimbursement to direct bill					5.6	5.6	0.0
13	Incorporate ROTC staff (75) into teacher service. Must be noticed August 27, 2008 effective October 27, 2008. If not laid off additional cost of \$5.6 million. Includes transition medical costs for 1 month.					5.6	5.6	2.8
14	Adjust secondary schools and Voc Tech teacher service allocation					0.6	0.6	0.0
15	Maintain per negotiations current elementary prep period at 3 + 1 common					6.3	6.3	0.0
16	Realign Transportation Services for Middle and H.S. Regular Ed students, and supplementing that population with FREE (Bus Passes) this is very important to the smooth opening of school. Includes reductions in contracted bus services, and The Department of Athletics transportation budget.					12.0	12.0	15.0
17	Board reconsider school closures effective FY2009-2010 (August 2009) based on enrollment targets, second year reprieve, and facility conditions.							7.0
18	Implementation costs for Board reconsider school closures effective FY2009-2010 (August 2009) based on enrollment targets, second year reprieve, and facility conditions.						(1.0)	(2.5)
<b>TOTAL SAVINGS STRATEGIES</b>						\$ 420.4	\$ 261.3	\$ 260.6
<b>PROJECTED FUND BALANCE</b>						\$ 51.9	\$ (107.2)	\$ 2.6

**Detroit Public Schools**  
**STRATEGY NARRATIVE FOR BUDGET DISCUSSION**  
**Prepared by Joan McCray, Chief Financial Officer**  
**Walter L. Esaw, Executive Director, Office of Budget**

**Strategy 1**

Reducing Filled Positions - This includes all eligible filled positions in departments not accounted for in Strategy 15 such as the Curriculum and Instruction, Finance, Facilities, Transportation, Technology, Food Service, Legal.

**Strategy 2**

- 1) Staffing using Teacher Service allocation based on enrollment for
  - a) Assistant Principal
  - b) Clerical
  - c) Counselor
  - d) Curriculum Coordinators and Leaders
  - e) Teachers – Using Pupil Teacher Ratio
    - i) Grades K-3 is 25 students per teacher
    - ii) Grades 4 – 5 is 30 students per teacher
    - iii) Grades 6 – 12 is 35 students per teacher
- 2) Schools can also add staff in the current school year using the school's approved and authorized grant funding available during the school year. These positions must be removed from the district at the end of the grant period and if the subsequent year funding is not available to continue to fund these positions.

**Strategy 3**

Reducing Vacant Positions - This includes all vacant positions in departments not accounted for in strategy 16 such as the Curriculum and Instruction, Finance, Facilities, Transportation, Technology, Food Service, Legal.

**Strategy 4**

Staff Cost Savings Due to Normal Attrition – Salary cost savings achieved during the Human Resources process filling positions due to retirements, terminations, etc.

**Strategy 5**

Current DFT contract includes no concessions and a 2.5% salary increase.

**Strategy 6**

Noon Hour Aides – Hire and pay minimum wage staff and not pay teachers at the secondary **level**. This results in an hourly savings and provides teachers with more instruction time.

### **Strategy 7**

Reduce all district-wide (including central administration) non-salary budgets for areas such as travel, supplies, purchased services, and equipment.

### **Strategy 8**

Current overtime expenditures for the district are \$15 million. Current labor agreements are being addressed to realign overtime with Fair Labor Standards Act. Overtime currently in contracts based on daily hours worked. Fair labor standards act dictates overtime after 40 hours worked.

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## **GENERAL FUND (FUND 11, 13, 14, 22)**

**GENERAL FUND PROJECTED ACTUALS (UNAUDITED) AS OF April 30, 2008**

	<b>General Fund General Purpose Fund 11</b>	<b>Grants Fund 14</b>	<b>Adult Education 13</b>	<b>Special Education 22</b>	<b>Total Gen Fund Actuals (Unaudited) FY 2008</b>
<b><u>Projected Revenues</u></b>					
Local Sources	\$ 118,158,232	\$ 981,496	\$ -	\$ -	\$ 119,139,728
State Sources	644,113,891	77,356,473	4,370,060	88,716,435	814,556,859
Federal Sources	-	218,874,096	-	-	218,874,096
Other	2,578,083	-	-	75,300,000	77,878,083
Total Revenues	\$ 764,850,206	\$ 297,212,065	\$ 4,370,060	\$ 164,016,435	\$ 1,230,448,766
<b><u>Projected Expenditures</u></b>					
Instruction (1XX)	403,190,584	183,514,605	1,339,240	143,551,080	731,595,509
Support Services Pupil (21X)	20,840,721	27,503,277	63,601	52,666,585	101,074,184
Support Services					
Instructional Staff (22X)	15,772,654	51,781,925	226,564	6,607,429	74,388,572
General Administration (23X)	7,881,399	168,593	-	-	8,049,992
School Administration (24X)	75,094,650	545,163	2,623,909	4,768,089	83,031,811
Business Services (25X)	41,794,001	1,112,975	-	-	42,906,976
Operation and Maintenance (26X)	156,668,725	8,475,835	100,000	23,524	165,268,084
Transportation (27X)	54,080,918	3,052,053	8,000	629,060	57,770,031
Central Services (281)	42,367,195	2,110,694	8,746	-	44,486,635
Other (29X)	-	-	-	-	-
Community Services (3XX)	482,313	8,652,509	-	-	9,134,822
Site Acquisition Services(4XX)	7,482,443	-	-	-	7,482,443
Debt Service (5XX)	22,536,099	-	-	-	22,536,099
Total Expenditures	\$ 848,191,702	\$ 286,917,629	\$ 4,370,060	\$ 208,245,767	\$ 1,347,725,158
<b><i>Excess of Revenues Over Expenditures</i></b>	\$ (83,341,496)	\$ 10,294,436	\$ -	\$ (44,229,332)	\$ (117,276,392)
<b><u>Other Financing Sources (Uses)</u></b>					
Transfers In	10,339,252	44,816	-	44,229,332	54,613,400
Transfers Out	(46,901,148)	(10,339,252)	-	-	(57,240,400)
Note Proceeds	-	-	-	-	-
Total Other Financing Sources (Uses)	(36,561,896)	(10,294,436)	-	44,229,332	(2,627,000)
<b><i>Expenditures and Transfers in Excess of Revenue</i></b>	\$ (119,903,392)	\$ -	\$ -	\$ -	\$ (119,903,392)
<b>Fund Balance - July 1, 2007</b>	7,163,147				7,163,147
Reserve - Repayment of Delinquent Taxes	(2,000,000)				(2,000,000)
<b>Fund Balance - June 30, 2008</b>	\$ (114,740,245)				\$ (114,740,245)

**GENERAL FUND ADOPTED BUDGET AS OF JULY 1, 2008**

	<b>Total Gen Fund Actuals (Unaudited) FY 2008</b>	<b>General Fund General Purpose Fund 11</b>	<b>Grants Fund 14</b>	<b>Adult Education 13</b>	<b>Special Education 22</b>	<b>Total Gen Fund FY 2009</b>
<b><u>Projected Revenues</u></b>						
Local Sources	\$ 119,139,728	\$ 99,912,031	\$ 462,803	\$ -	-	100,374,834
State Sources	814,556,859.00	581,934,486	70,167,838	5,729,000	88,717,651	746,548,975
Federal Sources	218,874,096.00	-	199,526,893	-	-	199,526,893
Othe Financing Sources	77,878,083.00	1,075,629	-	-	68,000,000	69,075,629
Total Revenues	\$ 1,230,448,766	\$ 682,922,146	\$ 270,157,534	\$ 5,729,000	\$ 156,717,651	\$ 1,115,526,331
<b><u>Projected Expenditures</u></b>						
Instruction (1XX)	731,595,509	323,824,182	174,170,403	3,334,681	148,765,602	650,094,868
Support Services Pupil (21X)	101,074,184	12,820,713	28,696,654	205,094	54,207,255	95,929,716
Support Services						
Instructional Staff (22X)	74,388,572	18,224,495	36,311,489	307,049	7,790,622	62,633,655
General Administration (23X)	8,049,992	5,684,823	125,900	-	-	5,810,723
School Administration (24X)	83,031,811	50,256,909	717,656	1,698,669	5,432,573	58,105,807
Business Services (25X)	42,906,976	40,699,881	1,789,873	30,000	-	42,519,754
Operation and Maintenance (26X)	165,268,084	99,823,345	9,201,722	132,507	16,799	109,174,373
Transportation (27X)	57,770,031	22,514,689	3,018,640	21,000	459,800	26,014,129
Central Services (281)	44,486,635	20,446,828	1,425,127	-	-	21,871,955
Other (29X)	-	-	-	-	-	-
Community Services (3XX)	9,134,822	1,272,911	9,175,646	-	-	10,448,557
Site Acquisition Services(4XX)	7,482,443	-	-	-	-	-
Debt Service (5XX)	22,536,099	22,299,000	-	-	-	22,299,000
Total Expenditures	\$ 1,347,725,158	\$ 617,867,776	\$ 264,633,110	\$ 5,729,000	\$ 216,672,651	1,104,902,537
<b><i>Excess of Revenues Over Expenditures</i></b>	<b>\$ (117,276,392)</b>	<b>\$ 65,054,370</b>	<b>\$ 5,524,424</b>	<b>\$ -</b>	<b>\$ (59,955,000)</b>	<b>\$ 10,623,794</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Transfers In	54,613,400	5,598,933	74,509		59,955,000	65,628,442
Transfers Out	(57,240,400)	(62,596,709)	(5,598,933)			(68,195,642)
Note Proceeds	-					-
Total Other Financing Sources (Uses)	(2,627,000)	(56,997,776)	(5,524,424)	-	59,955,000	(2,567,200)
<b><i>Expenditures and Transfers in Excess of Revenue</i></b>	<b>\$ (119,903,392)</b>	<b>\$ 8,056,594</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,056,594.00</b>
<b>Fund Balance - July 1</b>	<b>7,163,147</b>					<b>(112,740,245)</b>
Reserve - Repayment of Delinquent Taxes	(2,000,000)					-
<b>Fund Balance - June 30</b>	<b>\$ (114,740,245)</b>					<b>\$ (104,683,651)</b>



# **GENERAL FUND/GENERAL PURPOSE (FUND 11)**



GENERAL FUND/GENERAL PURPOSE (11) JULY 1, 2008						
	(A)	(B)	(C)	(D)	(E)	(F)
	FY 2008 Adopted	FY 2008 Revised Per DEP Proposed Budget Amendment #10	FY 2008 Projected Actuals	FY 2009 Proposed Budget	Variance (D-B)	Percent
<b>PROJECTED REVENUES</b>						
<b>Local Sources</b>						
Property Taxes	\$ 91,280,525	\$ 91,280,525	\$ 91,280,525	\$ 83,404,408	\$ (7,876,117)	-8.63%
Tuition	995,000	995,000	4,445,000	995,000	-	0.00%
Earnings on Investment	3,450,000	3,450,000	3,450,000	3,450,000	-	0.00%
Charter Schools	527,416	527,416	527,415	527,415	(1)	0.00%
Other Local Revenue	7,180,400	21,905,292	18,455,292	11,535,208	(10,370,084)	-47.34%
<b>Total Local Sources</b>	<b>\$ 103,433,341</b>	<b>\$ 118,158,233</b>	<b>\$ 118,158,232</b>	<b>\$ 99,912,031</b>	<b>\$ (18,246,202)</b>	<b>-15.44%</b>
<b>State Sources</b>						
State Foundation	661,627,778	621,458,688	621,458,688	567,992,395	(53,466,293)	-8.60%
Durant	5,930,443	5,930,443	5,930,443	-	(5,930,443)	-100.00%
Other State Revenue	16,375,515	16,724,760	16,724,760	13,942,091	(2,782,669)	-16.64%
<b>Total State Revenue</b>	<b>\$ 683,933,736</b>	<b>\$ 644,113,891</b>	<b>\$ 644,113,891</b>	<b>\$ 581,934,486</b>	<b>\$ (62,179,405)</b>	<b>-9.65%</b>
<b>Federal Sources</b>						
Federal Direct Restricted	1,200,000	-	-	-	-	0.00%
Other Federal Revenue	9,100,100	-	-	-	-	0.00%
<b>Total Federal Sources</b>	<b>\$ 10,300,100</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>
Other Financing Sources (5XX)	1,389,996	1,389,996	1,389,996	-	(1,389,996)	-100.00%
Fund Modifications (6XX)	1,188,087	1,188,087	1,188,087	1,075,629	(112,458)	-9.47%
<b>Total Other Financing Sources</b>	<b>\$ 2,578,083</b>	<b>\$ 2,578,083</b>	<b>\$ 2,578,083</b>	<b>\$ 1,075,629</b>	<b>\$ (1,502,454)</b>	<b>-58.28%</b>
<b>Total Revenues</b>	<b>\$ 800,245,260</b>	<b>\$ 764,850,207</b>	<b>\$ 764,850,206</b>	<b>\$ 682,922,146</b>	<b>\$ (81,928,061)</b>	<b>-10.71%</b>
<b>PROJECTED EXPENDITURES</b>						
<b>Instruction (1XX)</b>						
Salaries and Benefits	262,795,470	287,826,814	389,260,208	311,867,460	24,040,646	8.35%
Purchased Services	4,206,577	2,546,364	2,546,364	4,505,941	1,959,577	76.96%
Teaching Supplies and Textbooks	14,524,603	14,367,864	11,367,864	7,449,230	(6,918,634)	-48.15%
Capital Outlay	5,000	16,148	16,148	1,551	(14,597)	-90.40%
Other Expenditures	5,000	-	-	-	-	0.00%
<b>Total Instruction</b>	<b>\$ 281,536,650</b>	<b>\$ 304,757,190</b>	<b>\$ 403,190,584</b>	<b>\$ 323,824,182</b>	<b>\$ 19,066,992</b>	<b>6.26%</b>

	(A)	(B)	(C)	(D)	(E)	(F)
	FY 2008 Adopted	FY 2008 Revised Per DEP Proposed Budget Amendment #10	FY 2008 Projected Actuals	FY 2009 Proposed Budget	Variance (D-B)	Percent
<b>Support Services Pupil (21X)</b>						
Salaries and Benefits	20,625,829	21,380,977	20,123,773	11,447,595	(9,933,382)	-46.46%
Purchased Services	840,150	701,163	701,163	1,366,499	665,336	94.89%
Teaching Supplies and Textbooks	40,832	15,785	15,785	6,619	(9,166)	-58.07%
Capital Outlay	-	-	-	-	-	0.00%
Other Expenditures	-	-	-	-	-	0.00%
<b>Total Support Services Pupil</b>	<b>\$ 21,506,811</b>	<b>\$ 22,097,925</b>	<b>\$ 20,840,721</b>	<b>\$ 12,820,713</b>	<b>\$ (9,277,212)</b>	<b>-41.98%</b>
<b>Support Services</b>						
<b>Instructional Staff (22X)</b>						
Salaries and Benefits	15,458,453	15,278,736	13,950,040	15,606,744	328,008	2.15%
Purchased Services	1,410,749	554,625	554,625	1,295,363	740,738	133.56%
Teaching Supplies and Textbooks	2,450,421	1,275,440	1,175,440	1,229,147	(46,293)	-3.63%
Capital Outlay	181,042	92,549	92,549	93,241	692	0.75%
Other Expenditures	-	-	-	-	-	0.00%
<b>Total Instructional Staff</b>	<b>\$ 19,500,665</b>	<b>\$ 17,201,350</b>	<b>\$ 15,772,654</b>	<b>\$ 18,224,495</b>	<b>\$ 1,023,145</b>	<b>5.95%</b>
<b>General Administration (23X)</b>						
Salaries and Benefits	5,682,712	5,437,298	5,544,695	3,395,285	(2,042,013)	-37.56%
Purchased Services	3,829,567	2,728,034	2,228,034	2,241,872	(486,162)	-17.82%
Supplies and Materials	86,900	94,259	94,259	35,166	(59,093)	-62.69%
Capital Outlay	2,750	1,830	1,830	-	(1,830)	-100.00%
Other Expenditures	12,824	12,581	12,581	12,500	(81)	-0.64%
<b>Total General Administration</b>	<b>\$ 9,614,753</b>	<b>\$ 8,274,002</b>	<b>\$ 7,881,399</b>	<b>\$ 5,684,823</b>	<b>\$ (2,589,179)</b>	<b>-31.29%</b>
<b>School Administration (24X)</b>						
Salaries and Benefits	85,763,279	85,572,748	72,219,822	49,027,272	(36,545,476)	-42.71%
Purchased Services	500,375	2,626,083	2,326,083	1,000,414	(1,625,669)	-61.90%
Supplies and Materials	411,458	548,745	548,745	229,223	(319,522)	-58.23%
Capital Outlay	-	-	-	-	-	0.00%
Other Expenditures	-	-	-	-	-	0.00%
	<b>\$ 86,675,112</b>	<b>\$ 88,747,576</b>	<b>\$ 75,094,650</b>	<b>\$ 50,256,909</b>	<b>\$ (38,490,667)</b>	<b>-43.37%</b>

	(A)	(B)	(C)	(D)	(E)	(F)
	FY 2008 Adopted	FY 2008 Revised Per DEP Proposed Budget Amendment #10	FY 2008 Projected Actuals	FY 2009 Proposed Budget	Variance (D-B)	Percent
<b>Business Services (25X)</b>						
Salaries and Benefits	38,638,419	21,839,909	19,708,908	29,835,085	7,995,176	36.61%
Purchased Services	11,427,017	5,709,862	4,709,862	3,236,412	(2,473,450)	-43.32%
Supplies and Materials	160,700	8,644,953	8,644,953	64,356	(8,580,597)	-99.26%
Capital Outlay	48,119	12,840	12,840	5,171	(7,669)	-59.73%
Other Expenditures	1,769,750	1,717,438	1,717,438	525,857	(1,191,581)	-69.38%
Payment Of Interest	7,000,000	7,000,000	7,000,000	7,033,000	33,000	0.47%
	\$ 59,044,005	\$ 44,925,002	\$ 41,794,001	\$ 40,699,881	\$ (4,225,121)	-9.40%
<b>Operation and Maintenance (26X)</b>						
Salaries and Benefits	86,909,348	88,843,578	93,574,217	54,032,006	(34,811,572)	-39.18%
Purchased Services	32,084,100	30,507,845	28,507,845	16,864,441	(13,643,404)	-44.72%
Supplies and Materials	34,645,993	33,441,053	31,441,053	28,433,240	(5,007,813)	-14.98%
Capital Outlay	272,700	1,499,762	1,499,762	95,930	(1,403,832)	-93.60%
Other Expenditures	265,000	1,645,848	1,645,848	397,728	(1,248,120)	-75.83%
	\$ 154,177,141	\$ 155,938,086	\$ 156,668,725	\$ 99,823,345	\$ (56,114,741)	-35.99%
<b>Transportation (27X)</b>						
Salaries and Benefits	26,239,003	27,535,941	24,965,548	14,495,514	(13,040,427)	-47.36%
Purchased Services	17,510,248	27,454,882	27,454,882	6,866,723	(20,588,159)	-74.99%
Supplies and Materials	1,152,400	1,500,988	1,500,988	1,151,159	(349,829)	-23.31%
Capital Outlay	4,500	159,500	159,500	1,293	(158,207)	-99.19%
Other Expenditures	-	-	-	-	-	0.00%
	\$ 44,906,151	\$ 56,651,311	\$ 54,080,918	\$ 22,514,689	\$ (34,136,622)	-60.26%
<b>Central Services (28X)</b>						
Salaries and Benefits	10,922,704	11,700,452	10,651,854	3,765,586	(7,934,866)	-67.82%
Purchased Services	31,924,867	34,604,459	31,604,459	16,638,836	(17,965,623)	-51.92%
Supplies and Materials	166,270	89,627	89,627	31,287	(58,340)	-65.09%
Capital Outlay	50,750	20,755	20,755	11,119	(9,636)	-46.43%
Other Expenditures	2,000	500	500	-	(500)	-100.00%
	\$ 43,066,591	\$ 46,415,793	\$ 42,367,195	\$ 20,446,828	\$ (25,968,965)	-55.95%

	(A)	(B)	(C)	(D)	(E)	(F)
	FY 2008 Adopted	FY 2008 Revised Per DEP Proposed Budget Amendment #10	FY 2008 Projected Actuals	FY 2009 Proposed Budget	Variance (D-B)	Percent
<b>Other (29X)</b>						
Salaries and Benefits	-	-	-	-	-	0.00%
Purchased Services	-	-	-	-	-	0.00%
Supplies and Materials	-	-	-	-	-	0.00%
Capital Outlay	-	-	-	-	-	0.00%
Other Expenditures	-	-	-	-	-	0.00%
	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
<b>Total Support Services</b>	\$ 416,984,418	\$ 418,153,120	\$ 393,659,542	\$ 257,650,970	\$ (160,502,150)	-38.38%
<b>Community Services (3XX)</b>						
Salaries and Benefits	413,983	409,031	341,930	271,204	(137,827)	-33.70%
Purchased Services	522,625	139,388	139,388	1,000,621	861,233	617.87%
Supplies and Materials	4,813	688	688	569	(119)	-17.30%
Capital Outlay	2,500	307	307	517	210	68.40%
Other Expenditures	-	-	-	-	-	0.00%
	\$ 943,921	\$ 549,414	\$ 482,313	\$ 1,272,911	\$ 723,497	131.69%
<b>Site Acquisition Services (45X)</b>						
Salaries and Benefits	-	-	-	-	-	0.00%
Purchased Services	-	6,600,000	6,600,000	-	(6,600,000)	-100.00%
Supplies and Materials	-	-	-	-	-	0.00%
Capital Outlay	-	882,443	882,443	-	(882,443)	-100.00%
Other Expenditures	-	-	-	-	-	0.00%
	\$ -	\$ 7,482,443	\$ 7,482,443	\$ -	\$ (7,482,443)	-100.00%
<b>Debt Service</b>						
Interest on Term Bonds	22,536,099	22,536,099	22,536,099	22,299,000	(237,099)	-1.05%
Principal Retirement	-	-	-	-	-	0.00%
<b>Total Expenditures</b>	\$ 743,507,899	\$ 775,576,191	\$ 848,191,702	\$ 617,867,776	\$ (157,708,415)	-20.33%
<b>Excess of Revenues Over Expenditures</b>	\$ 56,737,361	\$ (10,725,984)	\$ (83,341,496)	\$ 65,054,370	\$ 75,780,354	-706.51%

	(A)	(B)	(C)	(D)	(E)	(F)
	FY 2008 Adopted	FY 2008 Revised Per DEP Proposed Budget Amendment #10	FY 2008 Projected Actuals	FY 2009 Proposed Budget	Variance (D-B)	Percent
<b><i>Other Financing Sources (Uses)</i></b>						
Transfers In	10,918,621	10,339,252	10,339,252	5,598,933	(4,740,319)	-45.85%
Transfers Out	(67,655,982)	(65,828,000)	(46,901,148)	(62,596,709)	3,231,291	-4.91%
Note Proceeds						
Total Other Financing Sources (Uses)	\$ (56,737,361)	\$ (55,488,748)	\$ (36,561,896)	\$ (56,997,776)	\$ (1,509,028)	2.72%
<b><i>Net Change in Fund Balance</i></b>	\$ -	\$ (66,214,732)	\$ (119,903,392)	\$ 8,056,594	\$ 74,271,326	-112.17%



# **DESIGNATED SPECIAL PURPOSE GRANT (FUND 14) (FORMERLY FUND 12)**

The Designated Special Purpose Grant Fund is used to account for all grant funds received and expended and/or appropriated by the District.

**DESIGNATED SPECIAL PURPOSE GRANT FUND (14) JULY 1, 2008**

	(A)	(B)	(C)	(D)	(E)	(F)
	FY 2008 Adopted	FY 2008 Revised Per DEP Proposed Budget Amendment #10	FY 2008 Projected Actuals	FY 2009 Proposed Budget	Variance (D-B)	Percent
<b>PROJECTED REVENUES</b>						
Local Sources	\$ 581,349	\$ 981,316	\$ 981,496	\$ 462,803	\$ (518,513)	-52.84%
State Sources	73,833,757	72,265,722	77,356,473	70,167,838	(2,097,884)	-2.90%
Federal Sources	220,691,591	251,481,400	218,874,096	199,526,893	(51,954,507)	-20.66%
Other Financing Sources	-	-	-	-	-	0.00%
<b>Total Revenues</b>	\$ 295,106,697	\$ 324,728,438	\$ 297,212,065	\$ 270,157,534	\$ (54,570,904)	-16.81%
<b>Projected Expenditures</b>						
<b>Instruction (1XX)</b>						
Salaries and Benefits	115,343,450	129,392,635	117,148,099	121,731,679	(7,660,956)	-5.92%
Purchased Services	32,906,637	38,544,197	38,544,197	33,130,972	(5,413,225)	-14.04%
Teaching Supplies and Textbooks	18,876,251	21,290,609	21,290,609	14,946,349	(6,344,260)	-29.80%
Capital Outlay	1,734,558	2,008,891	2,008,891	1,415,663	(593,228)	-29.53%
Other Expenditures	15,384,966	4,522,809	4,522,809	2,945,740	(1,577,069)	-34.87%
<b>Total Instruction</b>	\$ 184,245,862	\$ 195,759,141	\$ 183,514,605	\$ 174,170,403	\$ (21,588,738)	-11.03%
<b>Support Services Pupil (21X)</b>						
Salaries and Benefits	27,269,204	26,827,002	24,947,677	28,183,263	1,356,261	5.06%
Purchased Services	409,634	1,994,943	1,994,943	276,350	-1,718,593	-86.15%
Teaching Supplies and Textbooks	636,319	560,657	560,657	233,041	-327,616	-58.43%
Capital Outlay	280	-	-	4,000	4,000	0.00%
Other Expenditures	-	-	-	-	-	0.00%
<b>Total Support Services Pupil</b>	\$ 28,315,437	\$ 29,382,602	\$ 27,503,277	\$ 28,696,654	\$ (685,948)	-2.33%
<b>Support Services</b>						
<b>Instructional Staff (22X)</b>						
Salaries and Benefits	27,206,610	27,816,605	18,581,887	26,737,147	-1,079,458	-3.88%
Purchased Services	11,903,676	7,383,541	7,383,541	6,111,363	-1,272,178	-17.23%
Teaching Supplies and Textbooks	3,840,163	3,627,867	3,627,867	2,604,816	-1,023,051	-28.20%
Capital Outlay	349,391	794,749	794,749	734,089	-60,660	-7.63%
Other Expenditures	1,293,569	21,393,881	21,393,881	124,074	-21,269,807	-99.42%
	\$ 44,593,409	\$ 61,016,643	\$ 51,781,925	\$ 36,311,489	\$ (24,705,154)	-40.49%

	(A)	(B)	(C)	(D)	(E)	(F)
	FY 2008 Adopted	FY 2008 Revised Per DEP Proposed Budget Amendment #10	FY 2008 Projected Actuals	FY 2009 Proposed Budget	Variance (D-B)	Percent
<b>General Administration(23X)</b>						
Salaries and Benefits	-	-	-	-	-	0.00%
Purchased Services	122,528	122,528	122,528	80,900	-41,628	-33.97%
Supplies and Materials	16,065	16,065	16,065	15,000	-1,065	-6.63%
Capital Outlay	-	-	-	-	-	0.00%
Other Expenditures	30,000	30,000	30,000	30,000	-	0.00%
	\$ 168,593	\$ 168,593	\$ 168,593	\$ 125,900	\$ (42,693)	-25.32%
<b>School Administration (24X)</b>						
Salaries and Benefits	823,069	689,457	-	688,056	(1,401)	-0.20%
Purchased Services	50,503	45,003	45,003	19,600	-25,403	-56.45%
Supplies and Materials	18,024	546,670	500,160	10,000	-536,670	-98.17%
Capital Outlay	-	-	-	-	-	0.00%
Other Expenditures	-	-	-	-	-	0.00%
	\$ 891,596	\$ 1,281,130	\$ 545,163	\$ 717,656	\$ (563,474)	-43.98%
<b>Business Services (25X)</b>						
Salaries and Benefits	1,108,081	1,044,231	164,603	1,258,873	214,642	20.56%
Purchased Services	45,000	635,426	635,426	45,000	-590,426	-92.92%
Supplies and Materials	7,882	251,548	251,548	486,000	234,452	93.20%
Capital Outlay	-	917	917	-	(917)	-100.00%
Other Expenditures	-	60,302	60,481	-	(60,302)	-100.00%
	\$ 1,160,963	\$ 1,992,424	\$ 1,112,975	\$ 1,789,873	\$ (202,551)	-10.17%
<b>Operation and Maintenance(26X)</b>						
Salaries and Benefits	10,082,719	10,189,215	7,967,403	8,751,378	-1,437,837	-14.11%
Purchased Services	247,302	468,004	468,004	417,640	-50,364	-10.76%
Supplies and Materials	98,482	-	-	-	-	0.00%
Capital Outlay	-	7,500	7,500	-	(7,500)	-100.00%
Other Expenditures	32,928	32,928	32,928	32,704	(224)	-0.68%
	\$ 10,461,431	\$ 10,697,647	\$ 8,475,835	\$ 9,201,722	\$ (1,495,925)	-13.98%



	(A)	(B)	(C)	(D)	(E)	(F)
	FY 2008 Adopted	FY 2008 Revised Per DEP Proposed Budget Amendment #10	FY 2008 Projected Actuals	FY 2009 Proposed Budget	Variance (D-B)	Percent
<b>Transportation (27X)</b>						
Salaries and Benefits	-	-	-	-	-	0.00%
Purchased Services	4,875,978	3,041,327	3,041,327	3,018,640	-22,687	-0.75%
Supplies and Materials	1,356	1,356	1,356	-	-1,356	-100.00%
Capital Outlay	-	-	-	-	-	0.00%
Other Expenditures	9,370	9,370	9,370	-	(9,370)	-100.00%
	\$ 4,886,704	\$ 3,052,053	\$ 3,052,053	\$ 3,018,640	\$ (33,413)	-1.09%
<b>Central Services (28X)</b>						
Salaries and Benefits	1,063,513	1,369,125	1,109,282	1,051,591	-317,534	-23.19%
Purchased Services	489,860	554,752	554,752	186,581	-368,171	-66.37%
Supplies and Materials	532,215	419,945	419,945	179,755	-240,190	-57.20%
Capital Outlay	-	-	-	-	-	0.00%
Other Expenditures	-	26,715	26,715	7,200	-19,515	-73.05%
	\$ 2,085,588	\$ 2,370,537	\$ 2,110,694	\$ 1,425,127	\$ (945,410)	-39.88%
<b>Other (29X)</b>						
Salaries and Benefits	-	-	-	-	-	0.00%
Purchased Services	-	-	-	-	-	0.00%
Supplies and Materials	-	-	-	-	-	0.00%
Capital Outlay	-	-	-	-	-	0.00%
Other Expenditures	-	-	-	-	-	0.00%
	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
<b>Total Support Services</b>	\$ 64,248,284	\$ 80,579,027	\$ 67,247,238	\$ 52,590,407	\$ (27,988,620)	0.00%
<b>Community Services (3XX)</b>						
Salaries and Benefits	1,756,839	1,693,447	1,632,724	1,729,453	36,006	2.13%
Purchased Services	2,674,087	3,040,938	3,040,938	4,534,291	1,493,353	49.11%
Supplies and Materials	1,509,438	2,588,058	2,588,058	1,588,056	-1,000,002	-38.64%
Capital Outlay	20,000	20,000	20,000	10,000	-10,000	-50.00%
Other Expenditures	1,485,138	1,370,789	1,370,789	1,313,846	-56,943	-4.15%
	\$ 7,445,502	\$ 8,713,232	\$ 8,652,509	\$ 9,175,646	\$ 462,414	5.31%

	(A)	(B)	(C)	(D)	(E)	(F)
	FY 2008 Adopted	FY 2008 Revised Per DEP Proposed Budget Amendment #10	FY 2008 Projected Actuals	FY 2009 Proposed Budget	Variance (D-B)	Percent
<b>Site Acquisition Services (45X)</b>						
Salaries and Benefits	-	-	-	-	-	0.00%
Purchased Services	-	-	-	-	-	0.00%
Supplies and Materials	-	-	-	-	-	0.00%
Capital Outlay	7,500	-	-	-	-	0.00%
Other Expenditures	-	-	-	-	-	0.00%
	\$ 7,500	\$ -	\$ -	\$ -	\$ -	0.00%
<b>Total Expenditures</b>	\$ 284,262,585	\$ 314,434,002	\$ 286,917,629	\$ 264,633,110	\$ (49,800,892)	-15.84%
<b>Excess of Revenues Over Expenditures</b>	\$ 10,844,112	\$ 10,294,436	\$ 10,294,436	\$ 5,524,424	\$ (4,770,012)	-46.34%
<b>Other Financing Sources (Uses)</b>						
Transfers In	\$ 74,509	44,816	44,816	74,509	29,693	66.26%
Transfers Out	\$ (10,918,621)	(10,339,252)	\$ (10,339,252)	(5,598,933)	\$ 4,740,319	-45.85%
Total Other Financing Sources (Uses)	\$ (10,844,112)	\$ (10,294,436)	\$ (10,294,436)	\$ (5,524,424)	\$ 4,770,012	0.00%
<b>Net Change in Fund Balance</b>	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%

Note(s)

**Title I** is the largest federal aid program for elementary and secondary schools. Title I provides money to school districts around the country based on the number of low-income families in the district. Each school district uses Title I funds to ensure that children in high poverty schools receive supplemental academic services and have the same opportunities as other children to meet the State's rigorous academic standards.

**Section 31A** is allocated to local school districts with a current year combined state and local revenue per pupil membership of less than or equal to \$6,500, as adjusted by index and public school academies. Section 31A funds may be used for instructional programs and direct non-instructional services, such as medical or counseling services; before or after school, add extra days to school year, use tutorial method with paraprofessionals under supervision of a certified teacher.



## **ADULT EDUCATION (FUND 13)**

The Adult Education Fund is used to account for funds received from the state and local sources to provide for Adult Education.

ADULT EDUCATION FUND (13) JULY 1, 2008						
	(A)	(B)	(C)	(D)	(E)	(F)
	FY 2008 Adopted	FY 2008 Revised Per DEP Proposed Budget Amendment #10	FY 2008 Projected Actuals	FY 2009 Proposed Budget	Variance (D-B)	Percent
<b>PROJECTED REVENUES</b>						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
State Sources	4,534,690	5,889,113	4,370,060	5,729,000	(160,113)	-2.72%
Federal Sources	-	-	-	-	-	0.00%
<b>Total Revenues</b>	<b>\$ 4,534,690</b>	<b>\$ 5,889,113</b>	<b>\$ 4,370,060</b>	<b>\$ 5,729,000</b>	<b>\$ (160,113)</b>	<b>-2.72%</b>
<b>Projected Expenditures</b>						
<b>Instruction (1XX)</b>						
Salaries and Benefits	847,310	546,489	176,571	831,787	285,298	52.21%
Purchased Services	500	1,000,000	1,000,000	2,320,763	1,320,763	132.08%
Teaching Supplies and Textbooks	2,000	162,669	162,669	182,131	19,462	11.96%
Capital Outlay	-	-	-	-	-	0.00%
Other Expenditures	-	-	-	-	-	0.00%
<b>Total Instruction</b>	<b>\$ 849,810</b>	<b>\$ 1,709,158</b>	<b>\$ 1,339,240</b>	<b>\$ 3,334,681</b>	<b>\$ 1,625,523</b>	<b>95.11%</b>
<b>Support Services Pupil (21X)</b>						
Salaries and Benefits	123,622	234,105	63,601	205,094	(29,011)	-12.39%
Purchased Services	-	-	-	-	-	0.00%
Teaching Supplies and Textbooks	-	-	-	-	-	0.00%
Capital Outlay	-	-	-	-	-	0.00%
Other Expenditures	-	-	-	-	-	0.00%
<b>Total Support Services Pupil</b>	<b>\$ 123,622</b>	<b>\$ 234,105</b>	<b>\$ 63,601</b>	<b>\$ 205,094</b>	<b>\$ (29,011)</b>	<b>-12.39%</b>
<b>Support Services</b>						
<b>Instructional Staff (22X)</b>						
Salaries and Benefits	274,107	258,894	225,219	255,271	(3,623)	-1.40%
Purchased Services	1,781	1,345	1,345	44,968	43,623	3243.35%
Teaching Supplies and Textbooks	168	-	-	6,810	6,810	0.00%
Capital Outlay	-	-	-	-	-	0.00%
Other Expenditures	-	-	-	-	-	0.00%
	<b>\$ 276,056</b>	<b>\$ 260,239</b>	<b>\$ 226,564</b>	<b>\$ 307,049</b>	<b>\$ 46,810</b>	<b>17.99%</b>

	(A)	(B)	(C)	(D)	(E)	(F)
	FY 2008 Adopted	FY 2008 Revised Per DEP Proposed Budget Amendment #10	FY 2008 Projected Actuals	FY 2009 Proposed Budget	Variance (D-B)	Percent
<b>School Administration (24X)</b>						
Salaries and Benefits	1,742,254	2,414,631	1,477,034	1,286,099	(1,128,532)	-46.74%
Purchased Services	1,390,686	994,325	994,325	276,067	(718,258)	-72.24%
Supplies and Materials	25,062	57,550	57,550	21,183	(36,367)	-63.19%
Capital Outlay	15,000	95,000	95,000	115,320	20,320	21.39%
Other Expenditures	-	-	-	0	-	0.00%
	\$ 3,173,002	\$ 3,561,506	\$ 2,623,909	\$ 1,698,669	\$ (1,862,837)	-52.30%
<b>Business Office (25X)</b>						
Salaries and Benefits	-	-	-	-	-	0.00%
Purchased Services	-	-	-	30,000	30,000	0.00%
Supplies and Materials	-	-	-	-	-	0.00%
Capital Outlay	-	-	-	-	-	0.00%
Other Expenditures	-	-	-	-	-	0.00%
	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000	0.00%
<b>Operation and Maintenance(26X)</b>						
Salaries and Benefits	-	-	-	-	-	0.00%
Purchased Services	100,000	100,000	100,000	132,507	32,507	32.51%
Supplies and Materials	2,200	-	-	-	-	0.00%
Capital Outlay	-	-	-	-	-	0.00%
Other Expenditures	-	-	-	-	-	0.00%
	\$ 102,200	\$ 100,000	\$ 100,000	\$ 132,507	\$ 32,507	32.51%
<b>Transportation (27X)</b>						
Salaries and Benefits	-	-	-	-	-	0.00%
Purchased Services	10,000	8,000	8,000	21,000	13,000	162.50%
Supplies and Materials	-	-	-	-	-	0.00%
Capital Outlay	-	-	-	-	-	0.00%
Other Expenditures	-	-	-	-	-	0.00%

	(A)	(B)	(C)	(D)	(E)	(F)
	FY 2008 Adopted	FY 2008 Revised Per DEP Proposed Budget Amendment #10	FY 2008 Projected Actuals	FY 2009 Proposed Budget	Variance (D-B)	Percent
<b>Central Services (28X)</b>						
Salaries and Benefits	-	16,105	8,746	-	(16,105)	-100.00%
Purchased Services	-	-	-	-	-	0.00%
Supplies and Materials	-	-	-	-	-	0.00%
Capital Outlay	-	-	-	-	-	0.00%
Other Expenditures	-	-	-	-	-	0.00%
	\$ -	\$ 16,105	\$ 8,746	\$ -	\$ (16,105)	-100.00%
<b>Total Expenditures</b>	\$ 4,534,690	\$ 5,889,113	\$ 4,370,060	\$ 5,729,000	\$ (160,113)	-2.72%
<b>Excess of Revenues Over Expenditures</b>	-	-	-	-	-	0.00%
<b>Net Change in Fund Balance</b>	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%



## **SPECIAL EDUCATION (FUND 22)**

The Special Education Fund is used to account for, monitor, and maintain funds related to all special education programs and facilities. The main sources of revenue for this fund include Federal, State, County, Local agencies, and a subsidy from the General Fund.

In addition to the programs available at various schools, Detroit Public Schools currently has 9 schools in the District that are devoted solely to the needs of special education students.

There are many programs available to serve the needs of Special Ed. students. These programs are budgeted consistent with all Federal, State and County Mandates and approvals.

SPECIAL EDUCATION FUND (22) JULY 1, 2008						
	(A)	(B)	(C)	(D)	(E)	(F)
	FY 2008 Adopted	FY 2008 Revised Per DEP Proposed Budget Amendment #10	FY 2008 Projected Actuals	FY 2009 Proposed Budget	Variance (D-B)	Percent
<b>Projected Revenues</b>						
Local Sources - Special Education Millage	\$ 69,000,000	\$ -	\$ -	\$ -	\$ -	0.00%
State Sources - State Aid	84,346,521	88,716,435	88,716,435	88,717,651	1,216	0.00%
Federal Sources	-	-	-	-	-	0.00%
Other Financing Sources	-	69,000,000	75,300,000	68,000,000	(1,000,000)	-1.45%
<b>Total Revenues</b>	<b>\$ 153,346,521</b>	<b>\$ 157,716,435</b>	<b>\$ 164,016,435</b>	<b>\$ 156,717,651</b>	<b>\$ (998,784)</b>	<b>-0.63%</b>
<b>Projected Expenditures</b>						
<b>Instruction (1XX)</b>						
Salaries and Benefits	143,353,077	146,439,318	138,453,883	143,794,588	(2,644,730)	-1.81%
Purchased Services	1,265,557	1,299,286	1,299,286	1,430,486	131,200	10.10%
Teaching supplies and Textbooks	3,075,220	3,514,372	3,514,372	3,190,720	(323,652)	-9.21%
Capital Outlay	274,523	283,539	283,539	349,808	66,269	23.37%
Other Expenditures	-	-	-	-	-	0.00%
<b>Total Instruction</b>	<b>\$ 147,968,377</b>	<b>\$ 151,536,515</b>	<b>\$ 143,551,080</b>	<b>\$ 148,765,602</b>	<b>\$ (2,770,913)</b>	<b>-1.83%</b>
<b>Support Services Pupil (21X)</b>						
Salaries and Benefits	50,966,044	50,613,822	47,410,150	48,954,472	(1,659,350)	-3.28%
Purchased Services	4,706,803	4,668,776	4,668,776	4,696,264	27,488	0.59%
Teaching supplies and Textbooks	562,659	562,659	562,659	536,519	(26,140)	-4.65%
Capital Outlay	25,000	25,000	25,000	20,000	(5,000)	-20.00%
Other Expenditures	-	-	-	-	-	0.00%
<b>Total Support Service Pupil</b>	<b>\$ 56,260,506</b>	<b>\$ 55,870,257</b>	<b>\$ 52,666,585</b>	<b>\$ 54,207,255</b>	<b>\$ (1,663,002)</b>	<b>-2.98%</b>



	(A)	(B)	(C)	(D)	(E)	(F)
	FY 2008 Adopted	FY 2008 Revised Per DEP Proposed Budget Amendment #10	FY 2008 Projected Actuals	FY 2009 Proposed Budget	Variance (D-B)	Percent
<b>Support Services</b>						
<b>Instructional Staff (22X)</b>						
Salaries and Benefits	8,202,396	7,531,331	6,404,867	7,622,209	90,878	1.21%
Purchased Services	191,562	188,562	188,562	154,413	(34,149)	-18.11%
Teaching supplies and Textbooks	14,000	14,000	14,000	14,000	-	0.00%
Capital Outlay	-	-	-	-	-	0.00%
Other Expenditures	-	-	-	-	-	0.00%
	\$ 8,407,958	\$ 7,733,893	\$ 6,607,429	\$ 7,790,622	\$ 56,729	0.73%
<b>General Administration (23X)</b>						
Salaries and Benefits	-	-	-	-	-	0.00%
Purchased Services	-	-	-	-	-	0.00%
Supplies and Materials	-	-	-	-	-	0.00%
Capital Outlay	-	-	-	-	-	0.00%
Other Expenditures	-	-	-	-	-	0.00%
	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
<b>School Administration (24X)</b>						
Salaries and Benefits	4,662,194	4,630,335	4,319,254	5,100,272	469,937	10.15%
Purchased Services	304,731	304,731	304,731	191,311	(113,420)	-37.22%
Teaching supplies and Textbooks	144,104	144,104	144,104	140,990	(3,114)	-2.16%
Capital Outlay	-	-	-	-	-	0.00%
Other Expenditures	-	-	-	-	-	0.00%
	\$5,111,029	\$5,079,170	\$ 4,768,089	\$5,432,573	\$ 353,403	6.96%
<b>Operation and Maintenance (26X)</b>						
Salaries and Benefits	23,524	23,524	23,524	16,799	(6,725)	-28.59%
Purchased Services	-	-	-	-	-	0.00%
Supplies and Materials	-	-	-	-	-	0.00%
Capital Outlay	-	-	-	-	-	0.00%
Other Expenditures	-	-	-	-	-	0.00%
	\$ 23,524	\$ 23,524	\$ 23,524	\$ 16,799	\$ (6,725)	-28.59%

	(A)	(B)	(C)	(D)	(E)	(F)
	FY 2008 Adopted	FY 2008 Revised Per DEP Proposed Budget Amendment #10	FY 2008 Projected Actuals	FY 2009 Proposed Budget	Variance (D-B)	Percent
<b>Transportation (27X)</b>						
Salaries and Benefits	-	-	-	-	-	0.00%
Purchased Services	629,400	629,060	629,060	459,800	(169,260)	-26.91%
Supplies and Materials	-	-	-	-	-	0.00%
Capital Outlay	-	-	-	-	-	0.00%
Other Expenditures	-	-	-	-	-	0.00%
	\$ 629,400	\$ 629,060	\$ 629,060	\$ 459,800	\$ (169,260)	-26.91%
<b>Central Services (28X)</b>						
Salaries and Benefits	-	-	-	-	-	0.00%
Purchased Services	-	-	-	-	-	0.00%
Supplies and Materials	-	-	-	-	-	0.00%
Capital Outlay	-	-	-	-	-	0.00%
Other Expenditures	-	-	-	-	-	0.00%
	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
<b>Total Support Services</b>	\$ 14,171,911	\$ 13,465,647	\$ 12,028,102	\$ 13,699,794	\$ 234,147	1.74%
<b>Total Expenditures</b>	\$ 218,400,794	\$ 220,872,419	\$ 208,245,767	\$ 216,672,651	\$ (4,199,768)	-1.90%
<b>Excess of Revenues Over Expenditures</b>	\$ (65,054,273)	\$ (63,155,984)	\$ (44,229,332)	\$ (59,955,000)	\$ 3,200,984	-5.07%
<b>Other Financing Sources (Uses)</b>						
Transfers In	65,054,273	\$ 63,155,984	44,229,332	59,955,000	(3,200,984)	-5.07%
Transfers Out	-	-	-	-	-	0.00%
Note Proceeds	-	-	-	-	-	0.00%
Total Other Financing Sources (Uses)	\$ 65,054,273	\$ 63,155,984	\$ 44,229,332	\$ 59,955,000	\$ (3,200,984)	-5.07%
<b>Net Change in Fund Balance</b>	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%

Notes: The subsidy from General Fund/ General purpose (fund 11) varies from year to year for multiple reasons. After all revenues for special education are reconciled for the current year, they are deducted from the total compliant special education budget. The difference is the subsidy from the General Fund/General purpose (fund 11). Many factors such as changes in population affect revenue. Changes in staffing, benefits, and mandated requirements affect expenditures.



## **ATHLETICS (FUND 21)**

The Athletics Fund accounts for the athletic operations of the District's middle and high schools. This Fund also supports its numerous athletic programs for boys and girls during the fall, winter and spring seasons on both the junior varsity and varsity levels. Allocations are distributed to the schools bi-annually to be used to support the schools with their purchases of equipment, uniforms and operating costs where the school incurs expenses for referees, officials and emergency services.

In addition, Fund 21 provides support for the entire District for:

- Salaries for all coaches
- Referees, officials
- Transportation to all sports events
- Reimbursement for student expenses
- Printing of athletic publications and tickets

**ATHLETICS FUND (21) JULY 1, 2008**

	(A)	(B)	(C)	(D)	(E)	(F)
	FY 2008 Adopted	FY 2008 Revised	FY 2008 Projected Actuals	FY 2009 Proposed Budget	Variance (D-B)	Percent
<b>Other Financing Sources (Uses)</b>						
Transfers In	\$ 2,527,200	\$ 2,691,484	\$ 2,691,484	\$ 2,527,200	\$ (164,284)	-6.10%
Transfers Out						
Total Other Financing Sources (Uses)	\$ 2,527,200	\$ 2,691,484	\$ 2,691,484	\$ 2,527,200	\$ (164,284)	-6.10%
<b>Projected Expenditures</b>						
Salaries and Benefits	1,206,145	1,206,145	1,206,145	1,135,401	(70,744)	-5.87%
Purchased Services	1,054,855	1,219,139	1,219,139	1,140,799	(78,340)	-6.43%
Teaching Supplies and Textbooks	266,200	266,200	266,200	251,000	(15,200)	-5.71%
Capital Outlay						
Other Expenditures						
	\$ 2,527,200	\$ 2,691,484	\$ 2,691,484	\$ 2,527,200	\$ (164,284)	-6.10%
<b>Total Expenditures</b>	<b>\$ 2,527,200</b>	<b>\$ 2,691,484</b>	<b>\$ 2,691,484</b>	<b>\$ 2,527,200</b>	<b>\$ (164,284)</b>	<b>-6.10%</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>



## **FOOD SERVICE (FUND 25)**

The Food Service Fund is an enterprise fund (operated in a manner similar to private business) in which the costs of providing goods and services are to be recovered primarily through user charges. This fund is used to account for providing goods, services and food to students. The main purpose of this Fund is to keep apart, the appropriation, revenue, and expenditures related to food service. The Food Service Fund generates revenue from several sources. Although the primary source of revenue is a federal subsidy, revenue is also generated through ala carte sales and catering.

<b>FOOD SERVICE FUND (25) JULY 1, 2008</b>						
	(A)	(B)	(C)	(D)	(E)	(F)
	FY 2008 Adopted	FY 2008 Revised	FY 2008 Projected Actuals	FY 2009 Proposed Budget	Variance (D-B)	Percent
<b>Projected Revenues</b>						
<b>Local Sources</b>						
Sales to Pupils	\$ 1,675,959	\$ 3,935,789	\$ 2,264,631	\$ 1,675,959	\$ (2,259,830)	-57.42%
Other	3,910,434	2,244,068	1,500,922	4,027,875	1,783,807	79.49%
<b>Total Local Sources</b>	<b>\$ 5,586,393</b>	<b>\$ 6,179,857</b>	<b>\$ 3,765,553</b>	<b>\$ 5,703,834</b>	<b>\$ (476,023)</b>	<b>-7.70%</b>
<b>State Sources</b>						
At Risk	950,000	1,087,480	3,798,997	850,000	(237,480)	-21.84%
Other	2,900,000	2,516,643	2,119,600	3,098,750	582,107	23.13%
<b>Total State Sources</b>	<b>\$ 3,850,000</b>	<b>\$ 3,604,123</b>	<b>\$ 5,918,597</b>	<b>\$ 3,948,750</b>	<b>\$ 344,627</b>	<b>9.56%</b>
<b>Federal Sources</b>						
National School Lunch	28,403,367	33,506,075	25,959,294	27,066,201	(6,439,874)	-19.22%
USDA Entitlement	404,910	454,260	300,111	400,000	(54,260)	-11.94%
	<b>\$ 28,808,277</b>	<b>\$ 33,960,335</b>	<b>\$ 26,259,405</b>	<b>\$ 27,466,201</b>	<b>\$(6,494,134)</b>	<b>-19.12%</b>
<b>Total Revenues</b>	<b>\$ 38,244,670</b>	<b>\$ 43,744,315</b>	<b>\$ 35,943,555</b>	<b>\$ 37,118,785</b>	<b>\$(6,625,530)</b>	<b>-15.15%</b>
<b>Projected Expenditures</b>						
Salaries and Benefits	16,475,989	19,302,947	14,614,501	16,230,074	(3,072,873)	-15.92%
Purchased Services	19,688,094	21,528,868	18,103,948	18,919,998	(2,608,870)	-12.12%
Teaching Supplies and Textbooks	70,000	60,000	30,952	80,000	20,000	33.33%
Capital Outlay	135,000	2,020,000	459,675	59,690	(1,960,310)	-97.05%
Other Expenditures	687,500	832,500	629,653	753,394	(79,106)	-9.50%
<b>Total Expenditures</b>	<b>\$ 37,056,583</b>	<b>\$ 43,744,315</b>	<b>\$ 33,838,729</b>	<b>\$ 36,043,156</b>	<b>\$(7,701,159)</b>	<b>-17.60%</b>
<b>Excess of Revenues Over Expenditures</b>	<b>\$ 1,188,087</b>	<b>\$ 0</b>	<b>\$ 2,104,826</b>	<b>\$ 1,075,629</b>	<b>\$ 1,075,629</b>	<b>0.00%</b>
<b>Other Financing Sources (Uses)</b>						
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Transfers Out	(1,188,087)	-	(2,104,826)	(1,075,629)	(1,075,629)	0.00%
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (1,188,087)</b>	<b>\$ -</b>	<b>\$ (2,104,826)</b>	<b>\$ (1,075,629)</b>	<b>\$(1,075,629)</b>	<b>0.00%</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>



## **BOND REDEMPTION (FUND 31)**

The Bond Redemption Fund is used to account for the interest and principal payments due on school building and site improvement bonds previously authorized by law and improved by the electors. Funds for these debt service payments are received from the collection of property taxes.



## BOND REDEMPTION FUND (31) July 1, 2008

	(A)	(B)	(C)	(D)	(E)	(F)
	FY 2008 Adopted	FY 2008 Revised	FY 2008 Actuals (Unaudited)	FY 2009 Adopted Budget	Variance (D-B)	Percent
<b><u>Projected Revenues</u></b>						
<b><i>Local Sources</i></b>						
Property Taxes	\$ 116,594,928	\$ 116,594,928	\$ 116,594,928	\$ 107,207,245	\$ (9,387,683)	-8.05%
Durant Revenue	-	-	-	3,775,283	3,775,283	0.00%
Earnings on Investments	2,000,000	2,000,000	2,000,000	1,800,000	(200,000)	-10.00%
Proceeds from Bond Loan Program						
<b>Total Revenues</b>	<b>\$ 118,594,928</b>	<b>\$ 118,594,928</b>	<b>\$ 118,594,928</b>	<b>\$ 112,782,528</b>	<b>\$ (5,812,400)</b>	<b>-4.90%</b>
<b><u>Projected Expenditures</u></b>						
Pricipal Retirement	47,874,442	47,874,442	47,874,442	39,930,000	(7,944,442)	-16.59%
Payment of Interest	72,258,386	72,258,386	72,258,386	71,052,528	(1,205,858)	-1.67%
Dues and Fees	15,000	15,000	15,000	15,000	-	0.00%
<b>Total Expenditures</b>	<b>\$ 120,147,828</b>	<b>\$ 120,147,828</b>	<b>\$ 120,147,828</b>	<b>\$ 110,997,528</b>	<b>\$ (9,150,300)</b>	<b>-7.62%</b>
<b>Excess of Revenues Over Expenditure</b>	<b>(1,552,900)</b>	<b>(1,552,900)</b>	<b>(1,552,900)</b>	<b>1,785,000</b>	<b>3,337,900</b>	<b>-214.95%</b>
<b>Beginning Fund Balance</b>	<b>12,157,337</b>	<b>12,157,337</b>	<b>12,157,337</b>	<b>10,604,437</b>	<b>(1,552,900)</b>	<b>-12.77%</b>
<b>Ending Fund Balance</b>	<b>\$ 10,604,437</b>	<b>\$ 10,604,437</b>	<b>\$ 10,604,437</b>	<b>\$ 12,389,437</b>	<b>\$ 1,785,000</b>	<b>16.83%</b>



## **JUDGMENT LEVY (FUND 32)**

The Judgment Levy Fund is used to account for taxes levied to pay for judgments entered against the District.

<b>JUDGEMENT LEVY FUND (32) July 1, 2008</b>						
	<b>(A)</b>	<b>(B)</b>	<b>(C)</b>	<b>(D)</b>	<b>(E)</b>	<b>(F)</b>
	<b>FY 2008 Adopted</b>	<b>FY 2008 Revised</b>	<b>FY 2008 Actuals (Unaudited)</b>	<b>FY 2009 Adopted Budget</b>	<b>Variance (D-B)</b>	<b>Percent</b>
<b><u>Projected Revenues</u></b>						
<b><i>Local Sources</i></b>						
Property Taxes	\$ -	\$ -	\$ 7,604	\$ -	\$ -	0.00%
Interest Earnings	<u>50,000</u>	<u>50,000</u>	<u>32,411</u>	<u>-</u>	<u>(50,000)</u>	<u>-100.00%</u>
<b>Total Revenues</b>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 40,015</u>	<u>\$ -</u>	<u>\$ (50,000)</u>	<u>-100.00%</u>
<b><u>Projected Expenditures</u></b>						
Purchased Services	<u>795,465</u>	<u>795,465</u>	<u>333,649</u>	<u>167,089</u>	<u>(628,376)</u>	<u>-78.99%</u>
<b><i>Total Expenditures</i></b>	<u>\$ 795,465</u>	<u>\$ 795,465</u>	<u>\$ 333,649</u>	<u>\$ 167,089</u>	<u>\$(628,376)</u>	<u>-78.99%</u>
<b><i>Excess of Revenues Over Expenditure</i></b>	(745,465)	(745,465)	(293,634)	(167,089)	578,376	-77.59%
<b>Beginning Fund Balance</b>	<u>745,465</u>	<u>745,465</u>	<u>460,723</u>	<u>167,089</u>	<u>(578,376)</u>	<u>-77.59%</u>
<b>Ending Fund Balance</b>	\$ -	\$ -	\$ 167,089.00	\$ -	\$ -	0.00%



## **BUILDING FUND-DURANT BOND (FUND 41)**

The District issued bonds in the amount of \$59,304,433 in November, 1998 pursuant to the opinion of the Michigan Supreme Court case known as Durant V State of Michigan. Funds are spent in accordance with Section 1351a of the Revised School Code. Typical expenditures are: Roof and Boiler Replacements, Site Acquisitions, Site Lighting, Athletic Facilities, Security Infrastructure, School Buses, Educational Technology and Equipment, Remodeling and Hazardous Abatement.

**DURANT BOND FUND (41) JULY 1, 2008**

	(A)	(B)	(C)	(D)	(E)	(F)
	FY 2008 Adopted	FY 2008 Revised	FY 2008 Projected Actuals	FY 2009 Proposed Budget	Variance (D-B)	Percent
<b><u>Projected Revenues</u></b>						
<b><i>Local Sources</i></b>						
Earnings on Investments	\$ 100,000	\$ 75,000	\$ 75,000	\$ 50,000	\$ (25,000)	-33.33%
<b>Total Revenues</b>	\$ 100,000	\$ 75,000	\$ 75,000	\$ 50,000	\$ (25,000)	-33.33%
<b><u>Projected Expenditures</u></b>						
Capital Outlay	2,312,556	1,610,278	1,685,278	650,000	(960,278)	-59.63%
<b>Total Expenditures</b>	\$ 2,312,556	\$ 1,610,278	\$ 1,685,278	\$ 650,000	\$ (960,278)	-59.63%
<b><i>Excess of Revenue Over Expenditures</i></b>	(2,212,556)	(1,535,278)	(1,610,278)	(600,000)	935,278	-60.92%
<b>Beginning Fund Balance</b>	2,212,556	2,210,278	2,210,278	600,000	(1,610,278)	-72.85%
<b>Ending Fund Balance</b>	\$ -	\$ 675,000	\$ 600,000	\$ -	\$ (675,000)	-100.00%



## **BUILDING FUND- 1994 BOND PROGRAM (FUND 44)**

This Fund is used to account for the proceeds of the \$1.5 Billion Bond Program authorized by the voters in 1994.

**1994 BOND PROGRAM FUND (44) JULY 1, 2008**

	<b>FY 2008 Adopted</b>	<b>FY 2008 Revised</b>	<b>FY 2008 Projected Actuals</b>	<b>FY 2009 Proposed Budget</b>	<b>Variance (D-B)</b>	<b>Percent</b>
<b>Projected Revenues</b>						
<i><b>Local Sources</b></i>						
Earnings on investments	\$ 3,000,000	\$ 2,350,000	\$ 2,850,000	\$ 2,000,000	\$ (350,000)	-14.89%
<b>Total Revenues</b>	<b>\$ 3,000,000</b>	<b>\$ 2,350,000</b>	<b>\$ 2,850,000</b>	<b>\$ 2,000,000</b>	<b>\$ (350,000)</b>	<b>-14.89%</b>
<b>Projected Expenditures</b>						
Salaries	300,000	166,610	225,000	225,000	58,390	35.05%
Fringes	100,000	59,016	95,000	95,000	35,984	60.97%
Capital Outlay	56,587,631	4,521,450	15,000,000	25,000,000	20,478,550	452.92%
<b>Total Expenditures</b>	<b>\$ 56,987,631</b>	<b>\$ 4,747,076</b>	<b>\$ 15,320,000</b>	<b>\$ 25,320,000</b>	<b>\$ 20,572,924</b>	<b>433.38%</b>
<b>Excess of Revenues Over Expenditures</b>	<b>(53,987,631)</b>	<b>(2,397,076)</b>	<b>(12,470,000)</b>	<b>(23,320,000)</b>	<b>(20,922,924)</b>	<b>872.85%</b>
<b>Beginning Fund Balance</b>	<b>68,987,631</b>	<b>68,987,631</b>	<b>68,987,631</b>	<b>56,517,631</b>	<b>(12,470,000)</b>	<b>-18.08%</b>
<b>Ending Fund Balance</b>	<b>\$ 15,000,000</b>	<b>\$ 66,590,555</b>	<b>\$ 56,517,631</b>	<b>\$ 33,197,631</b>	<b>\$ (33,392,924)</b>	<b>-50.15%</b>



## **GLOSSARY 2009**



# GLOSSARY

## **Accountability**

The capability and the responsibility to account for the expenditure of money and the commitment of other resources in terms of the results achieved. This involves both the stewardship of money and other resources and the evaluation of achievement in relation to specified goals.

## **Accounts Payable**

Liabilities on open accounts owing to persons, firms, or corporations for goods and services received by a governmental unit (but not including amounts due to other funds of the same governmental unit or to other governmental units).

## **Accrue**

To record revenues when earned or when levies are made, and to record expenditures as soon as they result in liabilities, regardless of when the revenue is actually received or the payment is actually made. Sometimes the term is used in a restricted sense to denote the recording of revenues earned but not yet due, such as accrued interest on investments and the recording of expenditures which result in liabilities that are payable in another accounting period, such as accrued interest on bonds.

## **Appropriation**

An authorization granted by a legislative body to incur obligations and to expend public funds for a stated purpose. The expenditure of an appropriation is usually limited in amount and time.

## **Appropriations Account**

The account records authorization granted by the legislative body to make expenditures and to incur a balance sheet prepared during the fiscal period. At the end of the fiscal period, the *Appropriations* account is closed out and does not appear in the balance sheet prepared at the close of the fiscal period.

## **Assessed Valuation**

A valuation set upon real estate or other property by a government as a basis for levying taxes.

## **Auditor's Opinion**

A statement signed by an auditor in which he or she states that he or she has examined the financial statements in accordance with generally accepted auditing standards (with exceptions, if any) and in which he or she expresses an opinion on the financial position and results of operations of some or all of the constituent funds and balanced account groups of the government as appropriate.

## **Balanced Budget**

A budget in which estimated revenues are equal to or greater than estimated expenditures.

## **Budget**

A plan of financial operations embodying an estimate of Preliminary expenditures for a given period and purpose and the Preliminary means of financing that plan.

## **Building and Site Funds**

Record transactions to account for receipt and disbursement of monies used for the acquisition of capital assets, including equipment. The principle sources of revenue are from the sale of bonds and earned interest.

## **Capital Outlay**

Amounts paid for the acquisition of fixed assets or additions to fixed assets which are presumed to have benefits for more than one year. Amounts expended for land or existing buildings, improvements or grounds, construction of buildings, additions to buildings, remodeling of buildings, or initial, additional, and replacement of equipment.

## **Compensation for Loss of Assets**

Compensation or insurance recoveries for loss of school property. Gross expenditures from the proceeds should be charged to the proper expenditures account. Separate accounts may be maintained for buildings, contents, and other.

# GLOSSARY

## **Current Expense**

Federal definition: Any expenditure except for capital outlay, debt service, and transfers. If any accounts are kept on accrual basis, current expense includes total charges incurred, whether paid or unpaid. If accounts are kept on the cash basis, it includes only actual disbursement.

## **Debt Retirement Funds**

The receipt of funds for the payment of interest and principle and other expenses associated with long term debt are recorded in the Debt Service Fund. The primary source of revenue are debt retirement tax levies and earned interest.

## **Deficit**

An excess of expenditures over revenue.

## **Deficit Elimination Plan (DEP)**

A Deficit Elimination Plan (DEP) is developed to eliminate a deficit. (The DEP can be reviewed on the District's website, [www.detroitk12.org](http://www.detroitk12.org) at DPS Quick Links, Deficit Elimination Plan).

## **Department ID**

The group and type of educational activities for organizational purposes. A code identifying the units of which have discriminating characteristics, include individual schools, in most cases, and can be used to designate school cost centers. Budgets and expenditures may be made for each school or operational unit.

## **Discretionary**

Funds appropriated and expended to run most schools or departments day to day activities. Common general descriptions for these expenditure areas are supplies, services, and equipment. This does not include salaries and benefits.

Within the General Fund these funds are under the direct control of the school or department. The school is responsible for ensuring that they never over expend their Discretionary Budgets.

## **District**

Any public school district organized under the laws of Michigan, except a junior college district.

## **Expenditures**

Decreases in net financial resources. Expenditures include current operating expenses which require the current or future use of net current assets, debt service, and capital outlay.

## **Expenses**

Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures.

## **Financial Information Data (FID)**

Guidelines designed by the State of Michigan that school districts are required to use when reporting their financial information to the State. Function Codes Descriptions follows.

### **Explanation of Functional Categories**

*1XX Instruction* - Instruction includes the activities dealing directly with the teaching of pupils or the interaction between teacher and pupils. Teaching may be provided for pupils in a school classroom, in another location such as in a home or hospital, and other learning situations such as those involving co-curricular activities. It may also be provided through some other approved medium such as television, radio, telephone, and correspondence. Included here are the activities of classroom aides, teacher assistants, supplies and machines that directly aid in the instructional process. Include the work of group and class sponsors and chaperons at student activities. Include activities associated with instructional field trips.

*2XX Supporting Services* - Supporting Services are those services which provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance

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instruction and to a lesser degree, community services. Supporting Services exist as adjuncts for the fulfillment of the objectives of instruction.

*21X Support Services-Pupil* - Consist of those activities that are designed to assess and improve the well being of pupils and to supplement the teaching process.

*22X Support Services-Instructional Staff* - Consist of activities associated with assisting the instructional staff with the content and process of providing learning experiences for pupils.

*23X Support Services-General Administration* - Consist of those activities concerned with establishing policy, operating schools and the school system, and providing the essential facilities and services for the staff and pupils. Also included are community relations (district wide activities and programs designed to improve school/community relations.)

*24X Support Service School Administration* – Consists of those activities concerned with overall administrative responsibility for a single school.

*25X Support Services Business* – Activities concerned with purchasing, paying, transporting, exchanging and maintaining goods and services for the school district. (Fiscal Services/Internal Services).

*26X Operations and Maintenance -- Operating Buildings Services* – Activities concerned with keeping the physical plant open, clean, and ready for daily use. They include operating the heating, lighting, and ventilation systems, and repairing facilities/equipment. Also included are operating building leases, property and liability insurance, janitorial and ground maintenance costs. May be used in a Capital Projects fund only to extent allowed by law.

*Security Services* – Activities concerned with maintaining order and safety in school buildings, on the grounds and in the vicinity of schools at all times. Included are police activities for school functions, traffic control on grounds and in the vicinity of schools, building alarm systems, and security guards.

*27X Pupil Transportation Services* – Activities concerned with the conveyance of pupils to and from school, as provided by state law. It includes trips between home and school or trips to school activities. All other direct costs related to pupil transportation should be included under this function, i.e., physical exams, uniforms, school bus driver licenses, awards, bus monitors, etc. May be used in Capital Projects Funds only to extent allowed by law.

*28X Support Services-Central* - Activities other than general administration that support each of the other instructional and supporting service programs. (Human Resources/ Planning Research and Development/Communications/IT/Pupil Accounting).

*29X Support Service-Other* - Activities of any supporting service or classification of services, general in nature, which cannot be classified in the preceding service areas.

*3XX Community Services* - Community Services consist of those activities that are not directly related to providing education for pupils in a school system. These include services provided by the school system for the community as a whole or some segment of the community, such as community recreation programs, civic activities, public libraries, programs of custody and care of children, and community welfare activities.

*45X Facilities Acquisition - Site Acquisition Services* - Activities concerned with initially acquiring and improving sites.

*5XX-6XX Other Financing Uses* - A number of outlays of government funds are not properly classified as expenditures, but still require budgetary or accounting control. These include debt service payments and fund modifications.

## GLOSSARY

NOTE: Information listed above was taken from the State of Michigan Financial Information Data (FID) Manual. Additional information on this topic can be found at <http://www.michigan.gov/documents/appendix>

### **Fiscal Year**

July 1 through June 30 constitutes the mandatory fiscal year for public school districts.

### **Fixed Assets**

Land, buildings, machinery, furniture, and other equipment which the school district intends to hold or continue in an asset.

### **Food Service Fund**

A type of enterprise fund used to record financial transactions related to food service operations.

### **Fringe Benefits**

Funds appropriated and expended to pay the cost of providing employee health, life, dental, and vision coverage, FICA and Medicare, and the employer portion of the Michigan Public School Employee Retirement System. Commonly referred to as employer paid benefits or fringe benefits.

Note: Controlled and administered centrally - Schools or departments are not responsible for over-expenditures, nor are they allowed to utilize under expenditures in this category within the General Fund. Budgetary control is maintained by controlling the number of staffing units a school or department is authorized to have and then ensuring that they remain within authorization.

### **Function**

The basic account identifier for expenditures. It describes the activity for which a service or material is acquired.

### **Fund**

A fiscal and accounting entity with a self balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and charges therein, which are segregated for the purpose of carrying on specific duties.

### **Fund Accounting**

The accounts of the District are organized on the basis of funds and account groups in order to report on its financial position and results of its operations.

### **Fund Balance**

The excess of the assets of a fund over its liabilities and reserves except in the case of funds subject to budgetary accounting where, prior to the end of a fiscal period, it represents the excess of the fund's assets and estimated revenues for the period over its liabilities, reserves, and appropriations for the period.

### **GASB**

The Government Accounting Standards Board was established as an arm to the Financial Accounting Foundation in April 1984 to promulgate standards of financial accounting and reporting with respect to activities and transactions of state and local government entities. The GASB is the successor organization to the National Council on Governmental Accounting (NCGA).

### **General Fund**

The fund used to finance the ordinary operations of the local education agency. It is available for any legally authorized purpose and consists of all school money not specifically designated for some particular purpose.

### **Grants**

Contributions or gifts of cash or other assets from another government to be used or expended for a special purpose, activity, or facility.

# GLOSSARY

## **Non-Discretionary**

Funds appropriated and expended to pay for utilities and/or utility type expenditures. Common descriptions associated with these types of expenditures are, heat, light, and electric. Other types of expenditures may be controlled at this level such as the fuel for the school buses.

Note: Controlled and administered centrally.\* Schools or departments are not responsible for over expenditures, nor are they allowed to utilize under expenditures in this category within the General Fund. Budgetary control is maintained by controlling the budget assigned to these areas and then monitoring expenditures at the District level.

## **Object**

As used in expenditure classification, this term applies to the article purchased or the service obtained.

## **Operating Budget**

The authorized revenues and expenditures for on-going District services and is the primary means by which the District is controlled.

## **Pension System**

A retirement plan whereby persons leaving service in the educational system because of age, disability, or length of service receive payments. Payments may be made either in a lump sum or in the form of an annuity.

## **Pupil Enrollment**

For any budget year, the number of pupils enrolled.

## **Pupil Funding**

For a district for any budget year, pupil funding is derived by multiplying the pupil enrollment of the district for said budget year by the sum of three pupil funding components for the district setting category.

## **Purchased Services**

Amount paid for services rendered by persons, organizations or other agencies for a service or product required to obtain the desired results. Examples are travel allowance, heating, lawn equipment repair, printing, equipment rental, etc.

## **Reserve**

An account which records a portion of the fund balance which is designated for some future use and which is, therefore, not available for further appropriation or expenditure. A Reserve for Inventories equal in amount to the Inventory of Supplies on the balance sheet of a General Fund is an example of such a reserve.

## **Restricted**

Funds appropriated to ensure strict compliance with governmental accounting requirements. Examples of such funds are inter-fund transfer budgets and fund balance budgets.

Note: Controlled and administered centrally. \*Only the accounting department is allowed to conduct business against these accounts and funds. Charges against these funds are made in strict compliance with governmental accounting requirements.

## **Retirement Fund System**

A plan whereby a fund of money, built up through contributions from participations and other sources, is used to make regular payments to those who retire from service in the educational system by reason of age, disability, or length of service.

## **Revenue**

Increase in governmental fund type net current assets from other than expenditure refunds and fund balance transfers.

# GLOSSARY

## **Salaries**

Funds appropriated and expended to pay the actual salaries of employees charged to a specific school or department.

Note: Controlled and administered centrally. \*Schools or departments are not responsible for over expenditures, nor are they allowed to utilize under expenditures in this category within the General Fund. Budgetary control is maintained by controlling the number of staffing units a school or department is authorized to have and then ensuring that they remain within authorization.

## **Special Revenue Funds**

All transactions for those specific revenue sources requiring separate accounting due to legal and regulatory restrictions as administrative action. Included are programs for early childhood development, job training, gifted and talented children, free lunch and other programs.

## **State Board**

State board means the State Board of Education.

## **Supplies**

An expenditure object within an activity, which includes all supplies that have useful life of less than one year. Amounts paid for material items that are consumed for the operation of the District. Examples are general instruction, music, language development, textbooks, dictionaries, audiovisual, tools, etc.

## **Taxes**

Compulsory charges levied by a government for financing services performed for the common benefit.

## **Transfer In-Out**

A legally authorized funding transfer between funds in which one fund is responsible for the actual disbursement.