

**RESOLUTION OF  
THE BOARD OF EDUCATION  
DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT  
ADOPTING THE FOURTH AMENDMENT TO THE 2016-2017 BUDGET**

WHEREAS, on June 21, 2016, Public Act 192 of 2016 (“Act 192”) amending The Revised School Code, 1976 PA 451, as amended, MCL 380.1 to 380.1853 (the “Revised School Code”), was enacted with immediate effect; and

WHEREAS, once Act 192 took effect, the School District of the City of Detroit (“DPS”) became a qualifying school district under section 12b of the Code, MCL 380.12b, and a community district was created for the same geographic area of DPS to provide public educational services for residents of that geographic area (the “Community District”) under section 383 of the Code, MCL 380.383; and

WHEREAS, the community district created for the same geographic area of DPS to provide public educational services for residents of that geographic area (the “Community District”) under section 383 of the Code, MCL 380.383 was named the Detroit Public Schools Community District (“DPSCD”); and

WHEREAS, the Board of Education for the Detroit Public Schools Community District (“Board”) was duly elected in November 2016 and took office on January 1, 2017; and

WHEREAS, the District is subject to financial oversight by a Financial Review Commission to the extent provided under the Michigan Financial Review Commission Act, MCL 380.387 and MCL 141.1632 et seq.; and

WHEREAS, pursuant to the MCL 380.382 of the Revised School Code, DPSCD has all of the powers of a general powers school district and has all additional powers granted by law to a community district or the school board of a community district; and

WHEREAS, on June 30, 2016, prior to the Board taking office, the 2016-2017 Budget for the Detroit Public Schools Community District was duly adopted; and


WHEREAS, the 2016-2017 Budget may be revised and/or amended to reflect the changes in revenues and/or expenditures; and

WHEREAS, the 2016-2017 Budget has been amended three times in accordance with Section 7(c) of the Financial Review Commission Act; and

**NOW, THEREFORE IT IS HEREBY RESOLVED THAT:**

1. Pursuant to the powers granted under Public Act 192 the Board of Education for DPSCD hereby adopts the Fourth Amendment to the FY 2016-2017 as attached hereto.

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted by the Board of Education for the Detroit Public Schools Community District



Iris A. Taylor, Ph.D., President  
Detroit Public Schools Community District  
Board of Education



Misha Stallworth, Secretary,  
Detroit Public Schools Community District  
Board of Education

Dated March \_\_,

## DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT

TO: The Detroit Public Schools Community District Board of Education

FROM: Marios Demetriou, Deputy Superintendent of Finance and Operations

SUBJECT: Fiscal Year 2017 Budget Amendment # 4

DATE: March 23, 2017

CC: Alycia Meriweather, Interim Superintendent  
Delores Brown, Executive Director, Finance  
Michael Bridges, Deputy Executive Director, Finance  
Marc Ingram, Deputy Executive Director, Finance

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The Fiscal Year 2016-2017 (FY 2017) budget amendment No. 4 is based on a comprehensive review of actual and projected financial data and analysis. The following is a summary of some of the notable changes to the General Fund by function since the budget was adopted.

### REVENUES

**Special Education Millage** – The Detroit Public Schools Community District (DPSCD) was reimbursed \$2,194,313 million from Wayne RESA for a FY 2014 overpayment.

**Other Local Sources** – Wayne RESA approved a one-time disbursement to partially reimburse districts for special education transportation costs incurred for the FY 2016 fiscal year. As a result, DPSCD received \$3,283,339 million from Wayne RESA for FY 2016 transportation expenses. Various revenue increases totaling \$118,180 account for the total change in this category.

**State Sources** – The following state sources decreased subsequent to Budget Amendment No. 3 based on the March 2017 State Aid Financial Status Report.

- Discretionary Payment - \$1,414,665
- Hold Harmless Guarantee - \$1,007,697

These decreases are offset by a \$216,778 increase for the Prop A Obligation. Various revenue increases totaling \$104,974 account for the total change in this category.

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**Federal Sources** – The following federal source allocations increased subsequent to Budget Amendment No. 3:

- Title IA - \$3,491,950
- IDEA Flowthrough - \$777,694
- Title IIA - \$617,823
- Title III - \$504,131

Various revenue decreases totaling \$28,092 account for the total change in this revenue source.

### EXPENDITURES

**Instruction** – The Contingency budget decreased \$4,119,655. This decrease was offset by a \$3,098,070 Title IA budget increase primarily related to summer school expenses. Various budget decreases totaling \$377,556 account for the total change in this functional category.

**Pupil Services** – The Contingency budget decreased \$722,063. The budget decreased \$714,923 based on the assumption remaining vacant positions will not be filled the rest of the fiscal year. Various budget decreases totaling \$369,903 account for the total change in this functional category.

**Instructional Staff** – The Section 31A budget decreased \$1,112,815 primarily attributed to personnel expenses for the Office of Language Arts. The Contingency budget decreased \$630,661. The budget decreased \$522,424 based on the assumption remaining vacant positions will not be filled the rest of the fiscal year. Various budget increases totaling \$140,452 account for the total change in this functional category.

**School Administration** – The budget decreased \$827,091 based on the assumption remaining vacant positions will not be filled the rest of the fiscal year. The Contingency budget decreased \$435,760. Various budget decreases totaling \$34,574 account for the total change in this functional category.

**Business Services** – The following budgets increased subsequent to Budget Amendment No. 3.

- Outside Consultants - \$746,909
- Contingency - \$681,538
- Office of the Inspector General - \$317,273
- The Office of Title IA/Section 31A Compliance - \$305,000

Various budget increases totaling \$261,211 account for the total change in this functional category.



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**Facilities Acquisition and Improvement** – The Adult Education budget decreased \$504,907 due to a decline in revenue. The Contingency budget decreased \$6,809.

### FUND BALANCE

The Detroit Public Schools Community District expects the FY 2017 surplus to increase to \$64,497,661.

# DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT

## DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT GENERAL FUND BUDGET AMENDMENT # 4 YEAR ENDING JUNE 30, 2017

	FY 2017 - Adopted	FY 2017 - Budget Amendment # 1	FY 2017 - Budget Amendment # 2	FY 2017 - Budget Amendment # 3	FY 2017 - Budget Amendment # 4	FY 2017 - Budget Amendment # 4 Increase (Decrease) Over FY 2017 - Budget Amendment # 3
<b>Revenue:</b>						
Local sources						
Special education millage	\$ 38,826,853	\$ 38,826,853	\$ 38,826,853	\$ 37,784,426	\$ 39,978,739	\$ 2,194,313
Revenue enhancement millage	-	-	-	16,482,670	16,482,670	-
Payments from the EAA	-	-	2,000,000	2,449,999	2,449,999	-
Other	11,925,615	12,228,981	12,228,981	12,216,928	15,618,447	3,401,519
Total local sources	50,752,468	51,055,834	53,055,834	68,934,023	74,529,855	5,595,832
State sources	445,820,225	445,820,225	441,320,225	441,694,928	439,594,318	(2,100,610)
Federal sources	141,820,618	142,198,114	142,198,114	146,159,505	151,523,011	5,363,506
<b>Total Revenue</b>	<b>638,393,311</b>	<b>639,074,173</b>	<b>636,574,173</b>	<b>656,788,456</b>	<b>665,647,184</b>	<b>8,858,728</b>
<b>Expenditures:</b>						
Instruction	332,136,274	334,818,295	341,551,248	334,685,823	333,286,682	(1,399,141)
Support services						
Pupil services	61,098,046	60,851,687	62,033,509	59,110,094	57,303,208	(1,806,886)
Instructional staff support	55,406,594	53,634,411	53,967,452	54,084,423	51,958,975	(2,125,448)
General administration	3,177,970	3,836,974	3,836,974	3,868,412	3,597,300	(271,112)
School administration	38,695,133	38,454,265	38,487,534	38,867,075	37,569,649	(1,297,426)
Business office	9,992,727	9,481,223	9,481,223	9,203,315	11,515,247	2,311,932
Operations & maintenance	84,826,740	84,854,606	84,854,606	87,255,722	86,585,186	(670,536)
Transportation	35,049,312	35,031,312	35,031,312	35,834,665	35,709,996	(124,669)
Central support service	28,356,987	28,331,822	28,339,379	29,407,090	28,689,993	(717,097)
Other support service	769,593	842,576	842,576	1,838,525	1,840,454	1,929
Total support services	317,373,102	315,318,876	316,874,565	319,469,321	314,770,008	(4,699,313)
Community service	4,189,662	4,242,729	4,257,403	5,350,764	5,403,670	52,906
Facilities acquisitions and improvement	606,809	606,809	606,809	606,809	95,093	(511,716)
<b>Total Expenditures</b>	<b>654,305,847</b>	<b>654,986,709</b>	<b>663,290,025</b>	<b>660,112,717</b>	<b>653,555,453</b>	<b>(6,557,264)</b>
<b>Other Financial Sources (Uses)</b>						
<b>Sources</b>						
Proceeds from sale of capital assets	6,000,000	6,000,000	9,000,000	9,000,000	9,453,597	453,597
Payments From Detroit Public Schools	25,000,000	25,000,000	42,300,000	40,269,308	40,696,275	426,967
Transfer from Food Service Fund	2,256,058	2,256,058	2,256,058	2,256,058	2,256,058	-
<b>Total Sources</b>	<b>33,256,058</b>	<b>33,256,058</b>	<b>53,556,058</b>	<b>51,525,366</b>	<b>52,405,930</b>	<b>880,564</b>
<b>Total Other Financial Sources (Uses)</b>	<b>33,256,058</b>	<b>33,256,058</b>	<b>53,556,058</b>	<b>51,525,366</b>	<b>52,405,930</b>	<b>880,564</b>
<b>Excess (deficiency) of Revenue and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>17,343,522</b>	<b>17,343,522</b>	<b>26,840,206</b>	<b>48,201,105</b>	<b>64,497,661</b>	<b>16,296,556</b>
<b>Beginning Reserves</b>	-	-	-	-	-	-
<b>Ending Reserves</b>	<b>\$ 17,343,522</b>	<b>\$ 17,343,522</b>	<b>\$ 26,840,206</b>	<b>\$ 48,201,105</b>	<b>\$ 64,497,661</b>	<b>\$ 16,296,556</b>
<b>Restricted Reserves</b>				<b>\$ 32,750,000</b>	<b>\$ 32,750,000</b>	
<b>Unrestricted Reserves</b>				<b>\$ 15,451,105</b>	<b>\$ 31,747,661</b>	



## DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT

### **FOOD SERVICE FUND**

The supplies budget decreased \$33,462 and the funds were moved to the following objects:

- Purchased services - \$30,000
- Personnel - \$3,462

The FY 2017 budget remains balanced.

