Education Achievement Authority of Michigan
FY 13 Proposed Annual Budget

EDUCATION ACHIEVEMENT
AUTHORITY of Michigan

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Transmittal Letter

To Parents, Staff and the Education Achievement Authority of Michigan community:

The EAA of Michigan was formally created August 11, 2011 through an Inter-Local Agreement between the Board of Regents of Eastern Michigan University and the School District for the City of Detroit as a means of implementing the legislation. It allowed for the establishment of a new statewide system of schools that will operate the lowest performing five percent of schools in Michigan that are not achieving satisfactory results on a redesign plan or that are under an emergency manager. In August 2011, I was appointed as the Chancellor of the EAA, with the mandate to initiate a student-centered system of schools whose mission is:

To transform traditional public schooling and provide a prototype for 21st Century teaching and learning.

The EAA's vision for a school system is like nothing ever before created in the U.S. or elsewhere. All of the design elements are oriented around two critically important tenets: personalized and directed learning for every student and the freedom for teachers and school leaders to make the right choices for the students they serve.

The EAA's theory of action is that dramatic student achievement gains will be achieved by school leaders and teachers empowered to build an equitable, outcomes-driven, 21st Century teaching and learning environment where time is the variable, learning the constant, and students the focus.

To achieve this vision the EAA will focus on the fulfillment of five goals:

Goal 1: An innovative, challenging and engaging learning environment personalized to ensure all students complete their secondary school experience ready for college, career and the workforce.

Goal 2: A great teacher in every classroom who knows how to empower and support students.

Goal 3: A diverse system of effective schools whose leaders have the freedom to deploy resources to maximize student achievement.

Goal 4: Uncompromsing accountability for school peformance and efficient use of funds across all aspects of the system.

Goal 5: Universal culture of support and parental involvement, with a safe learning environment for every student.

On September 4, 2012, the EAA will re-open 15 of Detroit's most chronically underperforming schools to the 11,000 students who are currently enrolled in the buildings, as well as any other students looking for a unique educational experience. The EAA will expand to include more schools in other parts of Michigan in the following years. The EAA is a permanent entity that will continue to have the responsibility to facilitate the improvement of Michigan's lowest performing schools.

The primary goal of the EAA's academic plan is to ensure equity of access to high quality instruction to all students while efficiently using funds across all aspects of the system. The EAA is developing a system of higher expectations - for public schools, students, and educators. The EAA is committed to holding ourselves and our schools accountable to our students, our families and the community at large.

This budget is based on 12 direct-run schools with 8,478 general education students and 831 special education students for a total membership, for state aid purposes, of 9,309. Revenue for the FY 2013 operating budget (both state and federal) totals $96,855,608 and Operating expenditures are a total of $96,275,104. The balance is $580,504 and will be applied towards school based operating expenditures.

The EAA of Michigan will authorize 3 charter schools for FY 2013 with 1,307 general education students and 173 special education students for a total membership for state aid purposes of 1,480. Revenue for the FY 2013 operating budget (both state and federal) totals $14,949,074.

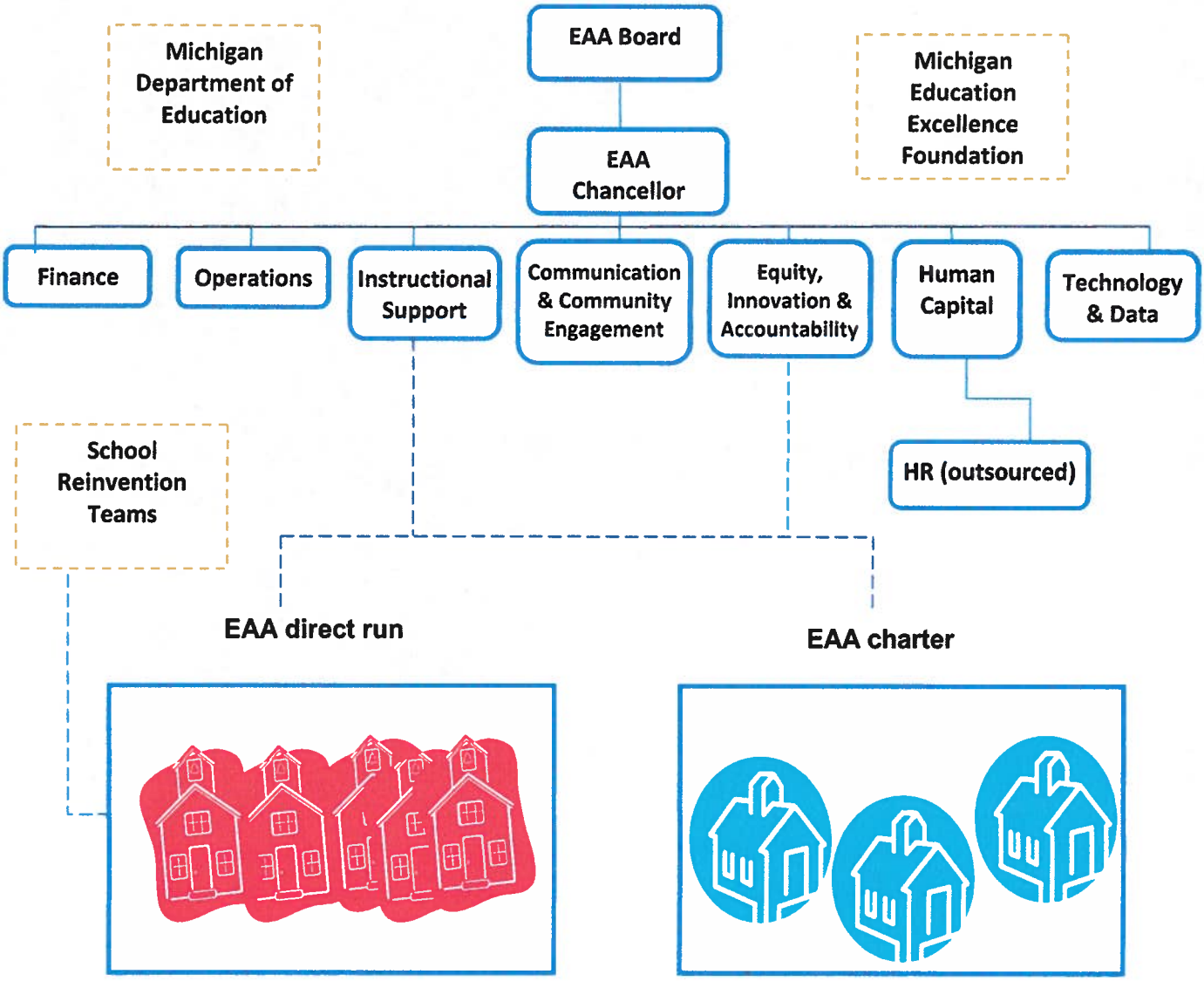
The FY 2013 Annual Budget addresses our five goals, as outlined in the Strategic Plan, for establishing a system that will work to transform these schools into stable, financially responsible public schools that provide the conditions, tools, resources, support and safe learning environment under which teachers can help students make significant academic gains and be college and career ready upon High School completion.

Sincerely,

J. Wm. Covington, Ed.D.

Chancellor

Organizational Structure



Planning Assumptions

This section highlights the major FY 2013 Operating Budget assumptions required for the EAA of Michigan to complete and meet the financial and operational objectives for the period of July 1, 2012 to June 30, 2013. Teachers and support staffing allocations are based on student FTE versus actual enrollment headcount.

I. Schools in Year I and Students enrolled within the Schools

The FY 2013 Operating Budget is based on the projected student FTE enrollment for the EAA of Michigan as set forth in the following table. The FY 2013 Operating Budget assumes that the per pupil funding from the State of Michigan reflects a formula based on 50 percent of the Fall 2012 projected enrollment and 50 percent of the Spring 2012 FTE enrollment which will equate to an FTE enrollment of 10,789 (includes charters). The proposed budget is based on non-charter enrollment. The accompanying table does not include Pre-K enrollment FTE's because the EAA has no Pre-Kindergarten program for FY 2013.

Total Schools for FY 2013 is 15, 12 direct–run and 3 charters.

	FY 2013 Budget (Including Charter)	FY 2013 Budget (Excluding Charter)
Total General Education Students	9,785	8,478
Total Special Education Students	1,004	831
Total State Aid Membership	10,789	9,309
	Class Size	Class Size
Grade	FY 2013 Budget	FY 2013 Budget
General, K-6	25	25
General, 7-8	30	30
General, 9-12	30	30

II. Employees required to staff the schools

Compensation: The FY 2013 budget assumes a wage and compensation structure for all employee groups that includes:

- The FY 2013 operating budget assumes an employer paid health, dental, and vision funding level with employees to a 60% to 40% payment structure. Disability and Life insurance is available at employee expense.
- The FY 2013 operating budget reflects the State's 401K retirement option, with the EAA of Michigan matching employee contributions up to 7.5%.
- The FY 2013 operating budget reflects a benefit package of 28%.

Each School is allocated one Principal.

Assistant Principals are allocated as follows:

School Size	Allocated Position
0 to 499 students	0 Assistant Principal
500 to 1,000 students	1 Assistant Principal
Over 1,000 students	2 Assistant Principals

Counselors are allocated as follows:

School Size	Allocated Position
Elementary School	
0 to 499 students	1 Counselor
Over 500 students	2 Counselor
High School	
0 to 499 students	1 Counselor
500 to 1,000 students	2 Counselors
Over 1,000 students	3 Counselors

Media Specialists are allocated as follows:

School Size	Allocated Position
All Schools	1 Media Specialist

Secretaries are allocated as follows:

School Size	Allocated Position
0 to 500 students	1 Secretary
Over 500 students	2 Secretaries

Attendance Clerks are allocated as follows:

School Size	Allocated Position
Elementary School	
0 to 1,000 students	1 Attendance Clerk
Over 1,000 students	2 Attendance Clerk
High School	
0 to 1,000 students	1 Attendance Clerk
Over 1,000 students	2 Attendance Clerks

Business Managers are allocated as follows:

School Size	Allocated Position
Elementary School	
0 to 500 students	0.5 Business Manager
Over 500 students	1.0 Business Manager
High School	
0 to 1,500 students	1 Business Manager
Over 1,500 students	2 Business Managers

Media Aides are allocated as follows:

School Size	Allocated Position
All Schools	1 Media Aide

JROTC Instructors/Assistants - The FY 2013 Operating Budget includes 12 Positions.

Staffing for Special Education Classrooms - Teacher service for all special education programs is developed using staffing ratios. Staffing ratios for all "low incidence" programs are established through the Wayne RESA (WRESA) budget and staffing criteria. In any case, the number of children assigned to Special Education classes shall be in accordance with the State recommended standards.

The FY 2013 budget includes 70 Special Education Teachers and 21 Para Professionals.

The teacher service allocation for school year 2012/2013 will be finalized in July 2012 based on the final updated enrollment projections.

III. Chartering

The FY 2013 Budget assumes the chartering of three elementary schools including:

1. Murphy Elementary/Middle School
2. Stewart Elementary/Middle School
3. Trix Elementary/Middle School

IV. Outsourcing and Proposed Shared Service Initiatives

1. School Child Nutrition
2. School Transportation
3. School Security
4. School Clerical Services
5. Special Education Management
6. School Custodial/Building Maintenance
7. School Grounds Maintenance
8. HR Services and Payroll
9. Benefits Administration
10. Printing services
11. Substitute Teachers

EAA is participating in shared service opportunities related to Wayne RESA:

- Finance Reporting/Accounting System
- Information Technology

V. Technology Needs for the System of Schools

Classroom: Each classroom will contain hardware including interactive white boards, projectors, sound, and document cameras.

Student: Netbooks at a 1 to 1 ratio per student.

Summary of FY 2013 Budget
Sources and Uses

July 1, 2012 Beginning Fund Balance				$ 0
Sources of Revenue All Funds				
	Unrestricted Funds- General Purpose Funds			$63,813,564
		State Aid	$62,956,684	
		Other Revenues	$ 856,880	
	Restricted Funds			$33,042,044
		State & Federal Grant Funds	$29,067,018	
		Special Education Program Funds	$ 3,975,026	
Total Source of Revenue- All Funds				$96,855,608
Uses of Revenues- All Funds				
	Personnel		$49,519,072	
	Purchased Services		$20,066,630	
	Supplies & Materials		$ 7,671,600	
	Equipment		$ 5,531,023	
	Utilities/Lease/Insurance		$ 5,452,809	
	Title I/II Other*		$ 7,683,970	
	Other (Athletics Stipend)		$ 350,000	
Total Uses of Revenues				$96,275,104
June 30, 2013 Projected Ending Fund Balance				$ 580,504

*Professional Development, Interim Assessments, SES, School of Choice and Parent Involvement

Summary of Sources of Revenue by Fund

Fund		FY 2013
Fund 11: General Fund		
	State Aid	
	22b Discretionary Payment	$62,956,684
	61a.1 Vocation Education	$ 159,556
	152a Headlee Obligation for Data Collection	$ 279,270
	Other	
	22F Best Practices	$ 484,068
	Indirect Charter	$ 340,637
	Gates Grant	$ 32,175
Total Fund 11: General Fund		**$64,252,390**
Fund 14: Grants		
	Title I	$21,317,691
	Title II	$ 2,755,901
	31(A) At-Risk	$ 3,723,600
Total Fund 14: Grants		**$27,797,192**
Fund 22: Special Education Funds & Grant		
	State Aid Grant	$ 3,975,026
	IDEA Grant	$ 831,000
Total Fund 22: Special Education Funds & Grant		**$ 4,806,026**
Grand Total Revenue		**$96,855,608**

Summary of Sources of Expenditures by Fund

Fund		FY 2013
Fund 11: General Fund		
	State Aid	
	22b Discretionary Payment	$62,376,398
	61a.1 Vocational Education	$ 159,556
	152a Headlee Obligation for Data Collection	$ 279,270
	Other	
	22F Best Practices	$ 484,068
	Indirect Charter	$ 340,637
	Gates Grant	$ 32,175
Total Fund 11: General Fund		**$63,672,104**
Fund 14: Grants		
	Title I	$21,317,691
	Title II	$ 2,755,901
	31(A) At-Risk	$ 3,723,382
Total Fund 14: Grants		**$27,796,974**
Fund 22: Special Education Funds & Grant		
	State Aid Grant	$ 3,975,026
	IDEA Grant	$ 831,000
Total Fund 22: Special Education Funds & Grant		**$ 4,806,026**
Grand Total Expenditure		**$96,275,104**

Summary of Expenses – All Funds

Personnel

	Proposed FY 2013
Salaries/Wages	$ 38,091,594
401K	$ 2,405,065
Health/Dental/Vision	$ 5,784,628
FICA	$ 2,914,007
Unemployment Compensation	$ 228,550
Workers' Compensation	$ 95,229
Total Personnel	**$ 49,519,072**

Salaries/Wages	Salaries and wages for all EAA Staff. To include Teachers, Principals, Assistant Principals, Counselors, Media Specialists, Media Aides, Clerical, Para Professionals and Central Administration.

401K	Up to 7.5% matched optional retirement fund for EAA employees.

Health/Dental/Vision	60%/40% benefits costs, averaging $9,252 per FTE to the EAA.

FICA	7.65% Federal Insurance Contributions Act Expense.

Unemployment Compensation	0.60% Federal Unemployment Tax Expense.

Workers' Compensation	Average 0.25% Workers' Compensation Expense.

Purchased & Contracted Services

	Proposed FY 2013
Audit Services	$ 75,000
Legal Services	$ 490,000
Accounting Services	$ 100,000
Special Ed Management	$ 2,000,000
Information Management (IT)	$ 465,450
Custodial/ Maintenance	$ 5,410,831
Security	$ 2,144,696
Transportation	$ 7,917,983
Substitute Teachers	$ 390,170
Special Education Support Staff	$ 677,500
Administrative Support	$ 110,000
Human Resource Services	$ 285,000
Total Purchased & Contracted Services	**$ 20,066,630**

Audit Services	Outside auditing services to include the comprehensive annual external financial audit and a random sampling of the school bank accounts.
Legal Services	Outside legal counsel for the EAA.
Accounting Services	Wayne RESA Smart system for accounting services.
Special Ed Management	Contracted Service with Futures Education to manage the needs of special education students in EAA schools.
Information Management (IT)	Professional service including IT related service provider contracts, maintenance agreements, and E-rate.
Custodial/ Maintenance	Outsourced school janitorial, building maintenance & grounds maintenance services, pest control and waste disposal. Includes maintenance supplies.
Security	Outsourced school surveillance, school security guards and campus policemen.
Transportation	Student related transportation services including yellow bus services, purchase of city bus passes from the City of Detroit for transportation of High School students, and taxi cab services for Special Education students.
Substitute Teachers	Teachers available to replace the regular classroom teacher when sick days are needed.

Special Education Support Staff	Includes Psychologists, Speech Pathologists, Audiologist, Occupational Therapists, and Physical Therapists.
Administrative Support	Support for Central Administration in areas such as scheduling for Community Engagement, transportation to events and securing of supplies and equipment.
Human Resources Services	Human Resources outsourced service to provide effective policies, procedures, and people-friendly guidelines in support of schools and the District.

Materials & Supplies

	Proposed FY 2013
Teaching / Testing Supplies	$ 37,236
Office / Admin / Misc. Supplies	$ 1,263,404
Instructional Supplies/Materials/Textbooks	$ 6,167,404
Special Education Supplies	$ 200,000
Vocational Supplies	$ 3,556
Total Material & Supplies	**$ 7,671,600**

Teaching / Testing Supplies	Supplies for classroom and assessment of student progress.
Office / Admin / Misc. Supplies	Office supplies such as copy/printer paper, toner, and related supplies.
Instructional Supplies/Materials/Textbooks	Classroom/library books for schools, with textbooks transitioning to e-books.
Special Education Supplies	Supplies used in Special Education classrooms.
Vocational Supplies	Supplies used in Vocational classrooms.

Equipment

	Proposed FY 2013
Special Ed Equipment	$ 147,701
Classroom Equipment	$ 4,732,725
Office Equipment	$ 432,597
Vehicle/Travel	$ 68,000
Athletics Equipment	$ 150,000
Total Equipment	**$ 5,531,023**

Special Ed Equipment	Equipment used for special education students to assist with classroom instruction.
Classroom Equipment	Notebooks and related technology for students.
Office Equipment	Copier, telephones, computers and any other equipment needed for administrative services.
Vehicle/Travel	EAA Vehicle maintenance and travel costs.
Athletics Equipment	Sports equipment required for a comprehensive athletics program.

Title I/II Other

	Proposed FY 2013
Travel	$ 25,000
Parent Involvement	$ 639,531
SES/School of Choice	$ 4,263,538
PD/Interim Assessment	$ 2,755,901
Total Title I/II Other	**$ 7,683,970**

Travel	Travel Related to Professional Development.
Parent Involvement	Community/Parent Engagement Expenses.
SES/School of Choice	Supplementary Educational Services and Parental School Choice Options.
PD/Interim Assessment	Professional Development for Teachers and Testing of Students.

Other Services (Athletics Stipends)

	Proposed FY 2013
Other Services (Athletics Stipends)	**$ 350,000**

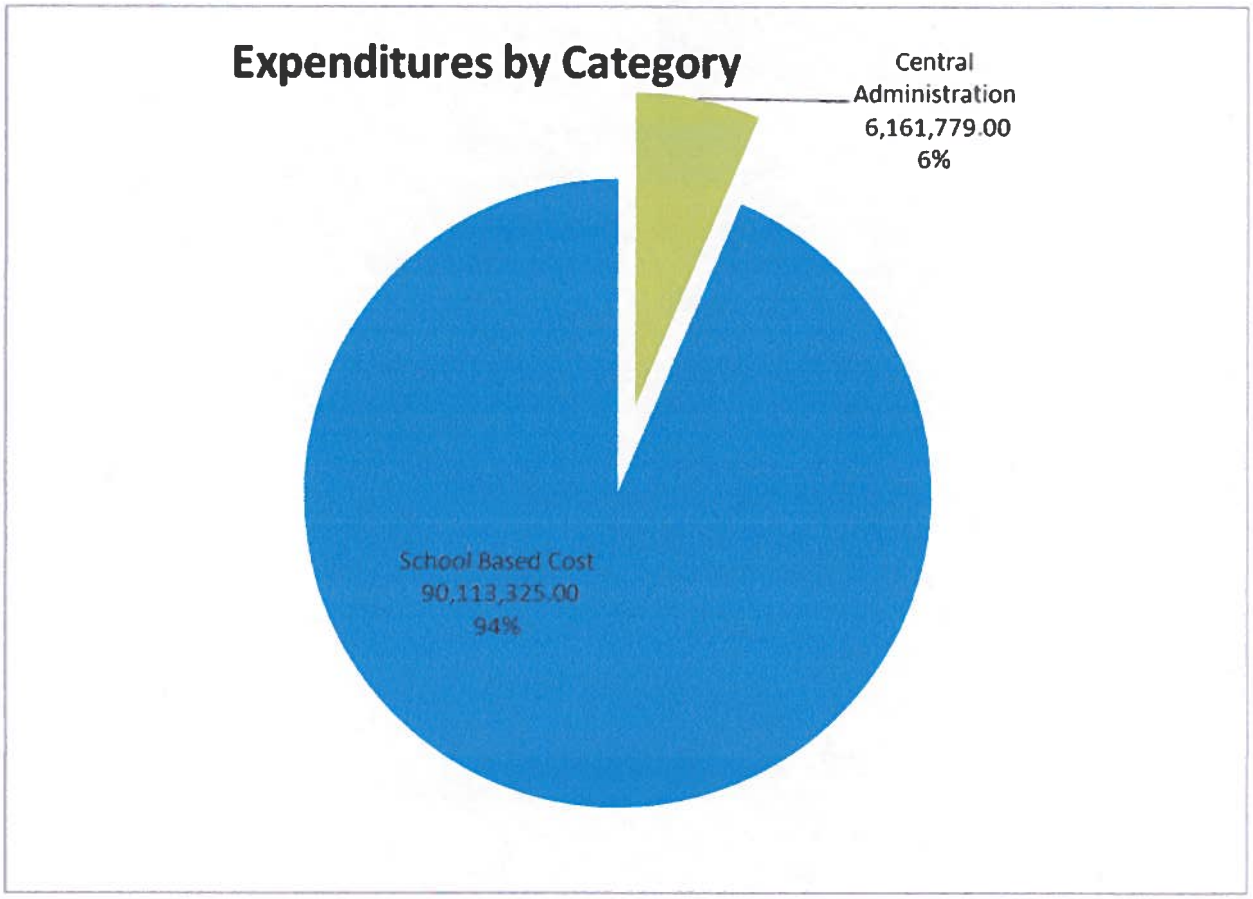
Other Services (Athletics Stipends)	Stipends for teacher to serve as coaches for Athletics program.

Utilities

	Proposed FY 2013
Electric	$ 2,554,329
Natural Gas	$ 1,714,541
Water & Sewage	$ 351,772
Telephone	$ 204,974
Insurance	$ 500,000
Lease	$ 127,193
Total Utilities	**$ 5,452,809**

Utility Providers

Electricity:	DTE Energy. Detroit Public Lighting Dept.
Natural Gas:	Michigan Consolidated Gas. Exelon. Lakeshore Energy Services.
Water & Sewage:	Detroit Water & Sewage Dept.
Telephone:	AT&T. XO Communications. Quest.



School Based Cost (includes Special Education) $90,113,325 divided by 9,309 Student FTE's equals **$9,680 per pupil expenditures**. This includes State, Federal and Grant Funding.

Staffing by Job Classification

School (by grade)	Classroom Teachers	Principals	Assistant Principals	Counselors	Media Specialist	Media Aide	Clerical	Para Professionals	Nurse	Other Professional Staff	Total FTE
Elementary School											
Phoenix	20.38	1.00	0.00	1.00	1.00	1.00	2.50	1.00	1.00	4.00	**32.88**
Burns	25.32	1.00	1.00	2.00	1.00	1.00	4.00	1.00	1.00	1.00	**38.32**
Nolan	29.55	1.00	1.00	2.00	1.00	1.00	4.00	2.00	1.00	1.00	**43.55**
Law	33.16	1.00	1.00	2.00	1.00	1.00	4.00	2.00	1.00	1.00	**47.16**
Bethune	32.70	1.00	1.00	2.00	1.00	1.00	4.00	1.00	1.00	1.00	**45.70**
Brenda Scott	36.41	1.00	1.00	2.00	1.00	1.00	4.00	1.00	1.00	1.00	**49.41**
Elementary School Total (6)	**177.52**	**6.00**	**5.00**	**11.00**	**6.00**	**6.00**	**22.50**	**8.00**	**6.00**	**9.00**	**257.02**
High School											
Central	35.67	1.00	1.00	2.00	1.00	1.00	4.00	3.00	1.00	1.00	**50.67**
Ford	40.23	1.00	1.00	2.00	1.00	1.00	4.00	1.00	1.00	1.00	**53.23**
Pershing	35.75	1.00	1.00	2.00	1.00	1.00	4.00	2.00	1.00	2.56	**51.31**
Mumford	42.34	1.00	1.00	2.00	1.00	1.00	4.00	3.00	1.00	1.00	**57.34**
Denby	47.55	1.00	2.00	3.00	1.00	1.00	5.00	2.00	1.00	1.00	**64.55**
Southeastern	48.09	2.00	1.00	3.00	1.00	1.00	5.00	2.00	1.00	1.00	**65.09**
High School Total (6)	**249.63**	**7.00**	**7.00**	**14.00**	**6.00**	**6.00**	**26.00**	**13.00**	**6.00**	**7.56**	**342.19**
Total Schools (12)	**427.15**	**13.00**	**12.00**	**25.00**	**12.00**	**12.00**	**48.50**	**21.00**	**12.00**	**16.56**	**599.21**

Elementary Local School Expenditures

School	Personnel	Purchased & Contracted Services	Supplies	Equipment	Utilities	Title I/II Other	Other Services (Athletics)	Total Expenditures
Elementary School								
Phoenix	$ 2,336,040	$ 818,279	$ 310,403	$ 238,342	$ 183,063	$ 348,023	$ 11,747	**$ 4,245,897**
Burns	$ 2,926,560	$ 767,936	$ 379,667	$ 291,582	$ 147,160	$ 427,829	$ 14,441	**$ 4,955,175**
Nolan	$ 3,295,500	$ 1,166,075	$ 455,206	$ 349,328	$ 302,467	$ 502,700	$ 16,968	**$ 6,088,244**
Law	$ 3,577,080	$ 1,309,922	$ 520,405	$ 399,372	$ 270,623	$ 575,102	$ 19,412	**$ 6,671,916**
Bethune	$ 3,502,200	$ 1,013,369	$ 520,123	$ 399,465	$ 268,107	$ 586,620	$ 19,800	**$ 6,309,684**
Brenda Scott	$ 3,791,580	$ 1,339,224	$ 592,259	$ 454,934	$ 315,584	$ 670,540	$ 22,633	**$ 7,186,754**
Elementary School Total (6)	**$ 19,428,960**	**$ 6,414,805**	**$ 2,778,063**	**$ 2,133,023**	**$ 1,487,004**	**$ 3,110,814**	**$ 105,001**	**$ 35,457,670**

Secondary Local School Expenditures

School	Personnel	Purchased & Contracted Services	Supplies	Equipment	Utilities	Title I/II Other	Other Services	Total Expenditures
High School								
Central	$ 3,811,860	$ 1,941,097	$ 575,667	$ 446,650	$ 634,609	$ 631,048	$ 33,994	**$ 8,074,925**
Ford	$ 4,089,540	$ 2,028,938	$ 660,010	$ 512,515	$ 713,455	$ 733,892	$ 39,533	**$ 8,777,883**
Pershing	$ 3,818,412	$ 1,948,322	$ 579,013	$ 449,350	$ 466,597	$ 637,630	$ 34,348	**$ 7,933,672**
Mumford	$ 4,332,120	$2,193,164	$ 705,828	$ 547,784	$ 664,937	$ 775,030	$ 41,749	**$ 9,260,612**
Denby	$ 4,947,280	$ 2,220,013	$ 793,067	$ 615,702	$ 528,365	$ 875,405	$ 47,156	**$ 10,026,988**
Southeastern	$ 4,989,400	$ 2,260,291	$ 805,270	$ 625,401	$ 957,842	$ 895,151	$ 48,220	**$ 10,581,575**
High School Total (6)	**$ 25,988,612**	**$ 12,591,825**	**$ 4,118,855**	**$ 3,197,402**	**$ 3,965,805**	**$ 4,548,156**	**$ 245,000**	**$ 54,655,655**

Summary of Revenue by Fund Appropriations

State Funds

State Aid:
State Aid is dependent on student enrollment and provided in two forms:

22b Discretionary Payment
51c Special Education Obligation (Not included as a General Purpose Fund revenue source)

For the FY 2013 operating budget the state foundation allowance per student FTE is $7,190.
See Appendix A for the complete breakdown of State Aid Funds.

Discretionary Payment: When the State of Michigan identifies the current year foundation allowance amount, any reductions to the foundation allowance will come from the discretionary payment.

Special Education Obligation:
For the Special Education population, the EAA of Michigan receives the following:
The State of Michigan will provide to the District reimbursement of 28.6138 percent of the previous fiscal year cost for the Special Education program plus 70.4165 percent of the previous fiscal year transportation costs.

Vocational Education:
EAA of Michigan receives state funding for expenses related to its Vocational Education program. The State of Michigan reimburses on an added costs basis for secondary-level vocational- technical education programs. The allocation of added costs funds is based on the following: (1) the type of vocational-technical programs provided; (2) the number of pupils enrolled; and (3) the length of the training period provided. The reimbursements will not exceed 75 percent of the added costs of the vocational-technical program. For FY 2013, EAA is projected to receive $159,556 for its Vocational Education program.

JROTC Salary Reimbursement:
For the FY 2013 academic year, EAA is proposing JROTC programs at 6 schools in the district. Each school has one lead instructor and one assistant instructor. JROTC instructors are paid at the equivalent of active duty pay for their service pay. EAA receives a 25 percent reimbursement of instructor's salaries from the Federal Government to help fund these costs.

Charter School Administration Fee:
For charter schools that exist within the school district, EAA is able to charge a three percent administration fee on the state aid revenues that the school receives. Currently, there are three charter schools in the school district and EAA estimates that it will collect $340,637 in annual administrative fees.

Indirect Cost Revenue:

The EAA will apply an indirect cost rate to appropriate expenditures. Indirect cost is revenue from Federal & State Grant Funds to offset administrative costs within the General Purpose fund.

Grants Federal and State

Title I Part (A):

Supplemental funding provided to school districts with large concentrations of low-income students to assist in meeting their educational needs and goals. The FY 2013 Budget includes $ 21,317,691 in Title I funding.

Title II (A):

Title II A's goal is to increase the academic achievement of all students by helping school districts improve teacher and principal quality and ensure that all teachers are highly qualified. These funds are also used for class size reduction. The FY 2013 Title II A Operating Budget is $3,186,585.

Title III:

This grant is used to provide Limited English Proficient students with necessary instructional resources and programs (before and after school) that promote proficiency with the English Language.

At-Risk (31A):

At Risk grants are supplied by the State of Michigan to provide additional services to students that meet at least two of the "At Risk" definitions. The "At Risk" student definition includes the following: (1) being a victim of child abuse or neglect; (2) being below grade level in English or math; (3) a pregnant teenager or teenage parent; (4) qualifying for Federal lunch assistance; (5) having atypical behavior or attendance patterns; (6) having a family history of school failure; and (7) incarceration or substance abuse.

The FY 2013 Operating Budget for At-Risk funds is expected to be $3,723,600.

Summary of Spending Within Major Expense Categories - Detail

FY 2013 Budget - General Fund Unrestricted				
Personnel	**$ 34,335,535**		**Supplies & Materials**	**$ 1,917,205**
Salaries/Wages	$ 26,411,950		Instructional Supplies/Materials/Textbooks	$ 698,175
401K	$ 1,788,732		Office/ Admin/ Misc. Supplies	$ 1,181,794
Health/Vision/Dental	$ 3,889,726		Teaching/ Testing Supplies	$ 37,326
FICA	$ 2,020,514			
Unemployment Compensation	$ 158,583		**Equipment**	**$ 720,725**
Worker's Compensation	$ 66,030		Vehicle/Travel	$ 68,000
			Classroom Equipment	$ 232,725
Purchased & Contracted Services	**$ 14,350,829**		Office Equipment	$ 270,000
Substitute Teachers	$ 265,920		Athletics Equipment	$ 150,000
Custodial/Maintenance	$ 5,410,831			
Security	$ 1,399,976		**Utilities/Lease/ Insurance**	**$ 5,452,809**
Transportation	$ 5,917,983		Electricity	$ 2,554,329
Information Management (IT)	$ 296,119		Natural Gas	$ 1,714,541
Human Resource Services	$ 285,000		Water & Sewer	$ 351,772
Accounting Services	$ 100,000		Telephone	$ 204,974
Audit Services	$ 75,000		Insurance	$ 500,000
Legal	$ 490,000		Lease	$ 127,193
Administrative Support	$ 110,000			
			Other Services (Athletics Stipends)	**$ 350,000**
			Grand Total - General Fund	**$57,127,103**

FY 2013 Budget- General Fund Restricted				
Personnel	**$ 8,369,682**		**Supplies & Materials**	**$ 203,556**
Salaries/Wages	$ 6,438,217		Special Education Supplies	$ 200,000
401K	$ 359,873		Vocational Supplies	$ 3,556
Health/Vision/Dental	$ 1,024,343			
FICA	$ 492,524		**Equipment**	**$ 147,701**
Unemployment Compensation	$ 38,629		Special Ed Equipment	$ 147,701
Worker's Compensation	$ 16,096			
Purchased & Contracted Services	**$ 5,522,470**			
Substitute Teachers	$ 100,250			
Security	$ 744,720			
Transportation	$ 2,000,000			
Special Education Management	$ 2,000,000			
Special Education Support Staff	$ 677,500			
			Grand Total - General Fund	**$14,243,409**

FY 2013 Budget- Federal Funds				
Personnel	**$ 6,813,855**		**Supplies & Materials**	**$ 5,550,840**
Salaries/Wages	$ 5,241,427		Office/Admin/Misc. Supplies	$ 81,610
401K	$ 247,134		Instructional Supplies/Materials/Textbooks	$ 5,469,229
Health/Vision/Dental	$ 879,773			
FICA	$ 400,969		**Equipment**	**$ 4,662,597**
Unemployment Compensation	$ 31,448		Office Equipment	$ 162,597
Worker's Compensation	$ 13,104		Classroom Equipment	$ 4,500,000
Purchased & Contracted Services	**$ 193,331**		**Title I/II Other***	**$ 7,683,970**
Substitute Teachers	$ 24,000		Travel	$ 25,000
Information Management (IT)	$ 169,331		Parent Involvement	$ 639,531
			SES/ School of Choice	$ 4,263,538
			PD/Interim Assessment	$ 2,755,901
			Grand Total – Federal Fund	**$ 24,904,592**

***Professional Development, Interim Assessments, SES, School of Choice and Parent Involvement**

Central Administration Expenditures

The EAA of Michigan will allocate approximately 6.1% ($5,614,411) of the Total Revenue to support central administration. The EAA of Michigan will collect a 3% indirect administrative fee from its charter schools equaling $300,772 for the FY 2013 operational budget. In addition, the EAA of Michigan has received $150,000 from the Gates Foundation for technology implementation and applied $32,175 for Curriculum and Instruction Salaries.

State Funded Personnel			**Federally Funded Personnel**	
Department	Positions		Department	Positions
The Office of the Chancellor	3.00 Positions		Curriculum and Instruction	2.00 Positions
Curriculum and Instruction	5.85 Positions		Instructional Technology	2.00 Positions
Business and Finance	4.00 Positions			
Instructional Technology	0.50 Position		**Grant Funded Personnel**	
Technology	5.50 Positions		Curriculum and Instruction	0.15 Positions
Human Resources	2.00 Positions			
Communications	2.00 Positions			
Total	**22.85 Positions**		**Total**	**4.15 Positions**
Total Salaries				**$ 4,101,500**

State Funded Operational Cost			**Federally Funded Operational Cost**	
Administrative Services	$ 110,000		Office/Admin/Misc. Supplies	$ 58,338
Vehicle/Parking/Travel	$ 68,000		Travel	$ 25,000
Office/Admin/Misc. Supplies	$ 80,000		Office Equipment	$ 132,597
Human Resource Services	$ 285,000			
Accounting Services	$ 100,000			
Auditing Services	$ 75,000			
Other	$ 636,344			
Total State Funded	**$ 1,844,344**		**Total Federal Funded**	**$ 215,935**
Grand Total Operational Cost				**$ 2,060,279**

Appendix A – Projected State Aid Financial Status Report

State Of Michigan

2012-2013 State Aid Financial Status Report

District: 84060 ISD :82

Education Achievement Authority of Michigan **Non-Charter**

FY 2013 Foundation	7,190.00

	Amount	Mills	Revenue
Non -Pre TV	0.00	0.00	0.00
Comm PP TV	0.00	0.00	0.00
Assumed Local Revenue			0.00
Local Revenue Per GE			0.00
Local Revenue Per Membership			0.00

State Aid Membership	9,309.00
General ED K-12	8,478.00
Supplemental 2012	8,478.00
Fall 2012	8,478.00
Special ED K-12 Sec 52	831.00
Supplemental 2012	831.00
Fall 2012	831.00
Special ED K-12 Sec 53	0.00
Supplemental 2012	0.00
Fall 2012	0.00
Special ED. Costs	8,970,133.00
Special ED. Transp. Costs	2,000,000.00

Current Year Allowances		Amount	PCT to Date	Previous Amts	Current Amt
51c	SPEC ED HEADLEE OBLIGATION	3,975,025.92	0%	0.00	0.00
22b	DISCRETIONARY PAYMENT	62,956,684.08	0%	0.00	0.00
31A	AT RISK ($400 Per FTE)	3,723,600.00	0%	0.00	0.00
22f	BEST PRACTICE INCENTIVE ($52 per FTE)*	484,068.00	0%	0.00	0.00
152a	HEADLEE OBLIGATION FOR DATA COLLEC ($30 Per FTE)*	279,270.00	0%	0.00	0.00
61a.1	VOCATIONAL EDUCATION ($17.14 Per FTE)*	159,556.26	0%	0.00	0.00
	Total State	71,578,204.26		0.00	0.00

Appendix B – Glossary of Terms

Adequate Yearly Progress (AYP) - The measure of progress each year for a student, school, or school district that ensures that states/school districts/schools are meeting the requirements of the Federal No Child Left Behind Act of 2001 (NCLB) to adequately meet students' academic needs. Targets used to measure AYP are participation in and performance on statewide assessments in subjects such as math and English, and other indicators such as attendance and graduation rates.

Board of Directors - The Board is comprised of 11 appointed members consisting of a five member voting executive board.

Fiscal Year - The 12 month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. The EAA's fiscal year is July 1 through June 30.

Foundation Allowance - The major Michigan education grant to school districts which provides state funding to school districts for general operating purposes. State funds are provided by formula based on factors including enrollment.

Individuals with Disabilities Education Act (IDEA) - Primary federal funding stream for special education. In exchange for federal dollars, schools must guarantee that all children with disabilities receive a free appropriate public education.

Individualized Education Plan (IEP) - A plan written by the IEP team (including teachers, special education staff and parents) that specifically describes the programs and services necessary for a "free appropriate public education" for a child who has been determined after evaluation to be eligible for special education services.

Student-Centered System of Learning - This system allows students the time and resources needed to achieve learning targets and progress by mastering course content rather than clocking seat time.

Individualized Learning Plan (ILP) - Individualized Learning Plan (ILP) is a user's specific program or strategy of education or learning that takes into consideration the student's strengths and weaknesses; the ILP presumes that the needs of individual students are different and therefore must be addressed on an individual basis.

Limited English Proficiency (LEP) - Students who speak a language other than English and have not yet mastered English.

Michigan Educational Assessment Program (MEAP) - The State' s state-wide system of annual assessment tests for core subjects such as reading and math in grades 3-8 and grade 11.

Michigan Merit Exam (MME) - The State's annual assessments for High School students, similar to the MEAP.

No Child Left Behind (NCLB) - The No Child Left Behind Act of 2001 is a reauthorization of the Elementary and Secondary Education Act, the central federal law in pre-collegiate education. The NCLB Act expanded the federal role in education and has become a focal point of education policy.

School Improvement Schools - A school (or school district) that has been designated as needing school improvement because it did not meet AYP targets for two or three consecutive years. Under NCLB, school choice and supplemental education services are to be offered to students in schools that are in School Improvement status.

Special Education - Gifted - Supplemental school-based programs for students exhibiting above average general and/or specific abilities, high levels of task commitment, and high levels of creativity.

Special Education - High Incidence - School-based programs for students who are evaluated as meeting the "exception ability" and "eligibility" criteria for Learning Support or Emotional Support. Students in High Incidence Programs are educated, to the extent possible, with regular education peers. This population of students is taught the General Education Curriculum but provided with accommodation strategies to meet their unique learning and/or behavioral needs in the Least Restrictive Environment.

Special Education - Low Incidence - School-based programs for students who are evaluated as requiring Autistic Support, Life Skills Support or Multiple Disabilities Support. These programs are named Low Incidence because there is a lower prevalence of their occurrence in the general education population. Students in Low Incidence Special Education Programs participate in an alternative curriculum developed to address their educational and functional needs.

Title I - The main federal grant for education under No Child Left Behind, designed "to ensure that all children have a fair, equal, and significant opportunity to obtain a high-quality education and reach, at a minimum, proficiency on challenging State academic achievement standards and state academic assessments." Title I funds are distributed to school districts proportionately based on the number of low income students they serve.

Title II (A) - An indirect federal grant dedicated for Improving Teacher Quality. This grant is used to "prepare, train, and recruit high-quality teachers and principals capable of ensuring increased academic achievement for all students."

Title II (D) - An indirect federal grant for Enhancing Education through Technology. This grant is used to "improve student academic achievement through the use of technology in elementary schools and secondary schools."