

Detroit Public Schools Community District

Discussion Document – Financial Review Commission Public Meeting

October 30, 2017

a. Detroit Public Schools (Old Co.) Monthly Report

b. Community District's Monthly Report

c. Proposed Budget Amendment No. 1

d. Key Grants Report

e. Enrollment Update

f. DPS / DPSCD Interdistrict Transfer Activity

g. Contract Requests

h. Out-of-State Travel Requests

i. CBA Updates – Closed Session

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High level assumptions underlying DPS (Old Co.)

- DPS (Old Co.) is primarily a wind-down entity whose purpose is the satisfaction of legacy debt obligations
- DPS general fund receives revenue from two main sources
 - (i) Local Sources - Property Taxes (18 non-homestead mills) collected and remitted by the City and County
 - (ii) State Sources - Property tax abatements (Renaissance Zone) reimbursed by the State
- DPS general fund is budgeted to have the following categories of expenditures:
 - (i) Operating expenditures – Primarily related to legal and audit fees
 - (ii) Debt Service – Payments related to operating bonds, emergency loan, and pension obligations
 - (iii) Transfers out – Reimbursements to DPSCD in connection with legislation
- In addition, DPS collects property taxes related to the 13 mills, which are dedicated to service legacy Capital Debt. Any shortfall in these collections is backstopped by additional borrowings from the State of Michigan School Loan Revolving Fund (SLRF). Therefore, any activity related to the Capital Debt does not impact the General Fund, and is reported separately.

Summary statement of revenues and expenditures – budget to actual comparison

	Budget	Actual	Variance		Budget	Actual	Variance	
	Month of Aug-17	Month of Aug-17	\$	%	YTD Aug-17	YTD Aug-17	\$	%
Revenues								
Local sources	1,522,596	1,664,574	141,977	9%	1,606,911	1,756,750	149,840	9%
State sources	361,657	-	(361,657)	-100%	723,313	-	(723,313)	-100%
Federal sources	-	-	-	-	-	-	-	-
Interdistrict sources	-	-	-	-	-	-	-	-
Other sources	-	-	-	-	-	-	-	-
Total revenue	1,884,253	1,664,574	(219,679)	-12%	2,330,224	1,756,750	(573,474)	-25%
Expenditures								
Operating expenditures	-	-	-	-	-	-	-	-
Debt Service	875,178	-	(875,178)	-100%	1,750,356	-	(1,750,356)	-100%
Transfers out	-	-	-	-	-	-	-	-
Total expenditures	875,178	-	(875,178)	-100%	1,750,356	-	(1,750,356)	-100%
Surplus (Deficit)	1,009,075	1,664,574	655,499	65%	579,868	1,756,750	1,176,882	203%

DPS Cash Forecast to Actuals Variance – August 2017

<i>\$ in thousands</i>	August Forecast	August Actuals	August Variance	Comment
Cash Receipts				
Property Tax (13 Mills)	4,135	2,427	(1,708)	Timing of property taxes - forecast phasing assumed quicker rate of collections
Transfer from DPS	16,000	16,000	-	
Draw from BONY	16,740	16,740	0	
Miscellaneous	90	112	22	
Total Cash Receipts	36,966	35,280	(1,686)	
Cash Disbursements				
Accounts Payable	(16,129)	(16,209)	(80)	
Fringe Benefits	(0)	(0)	-	
Property Tax Transfer	(5,915)	(1,472)	4,443	Timing - related to slower than contemplated collections
Other	(1)	(72)	(70)	
Total Cash Disbursements	(22,046)	(17,754)	4,293	
Beginning Cash Balance	14,225	14,225	-	
Net Cash Flow	14,920	17,526	2,606	
Ending Cash Balance	\$ 29,144	\$ 31,750	\$ 2,606	

FY 2018 monthly cash flows – DPS

\$ in thousands

	2017						2018						FY 18 Total
	July Actuals	August Actuals	September Forecast	October Forecast	November Forecast	December Forecast	January Forecast	February Forecast	March Forecast	April Forecast	May Forecast	June Forecast	
Cash Receipts													
Property Tax (13 Mills)	-	2,427	20,981	4,283	1,837	1,194	2,593	4,588	18,447	870	2,357	17,850	77,427
Transfer from DPSCD	-	16,000	-	-	-	-	-	-	-	-	-	-	16,000
Draw from BONY	-	16,740	-	-	-	-	-	-	10,211	173	408	2,596	30,128
Miscellaneous	415	112	-	-	-	-	-	-	-	-	-	-	527
Total Cash Receipts	415	35,280	20,981	4,283	1,837	1,194	2,593	4,588	28,658	1,043	2,765	20,446	124,082
Cash Disbursements													
Payroll Direct Deposit	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
FICA	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Payable ⁽¹⁾	-	(16,209)	-	-	-	(400)	-	(2,000)	-	(2,000)	-	-	(20,609)
Pension (employee portion)	-	-	-	-	-	-	-	-	-	-	-	-	-
Pension (employer portion)	(4)	-	-	-	-	-	-	-	-	-	-	-	(4)
Health	-	-	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits	-	(0)	-	-	-	-	-	-	-	-	-	-	(0)
Property Tax Transfer	-	(1,472)	(23,716)	(4,283)	(1,837)	(1,194)	(2,593)	(4,588)	(18,447)	(870)	(2,357)	(17,850)	(79,207)
Food Service	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to DPSCD	-	-	(19,779)	-	-	-	-	-	-	-	-	(13,100)	(32,879)
Other	(24)	(72)	-	(2,363)	-	-	-	-	-	-	-	-	(2,459)
Total Cash Disbursements	(28)	(17,754)	(43,495)	(6,647)	(1,837)	(1,594)	(2,593)	(6,588)	(18,447)	(2,870)	(2,357)	(30,950)	(135,159)
Beginning Cash Balance	13,838	14,225	31,750	9,237	6,873	6,873	6,473	6,473	4,473	14,684	12,858	13,266	13,838
Net Cash Flow	386	17,526	(22,514)	(2,363)	-	(400)	-	(2,000)	10,211	(1,827)	408	(10,504)	(11,077)
Ending Cash Balance	\$ 14,225	\$ 31,750	\$ 9,237	\$ 6,873	\$ 6,873	\$ 6,473	\$ 6,473	\$ 4,473	\$ 14,684	\$ 12,858	\$ 13,266	\$ 2,762	\$ 2,762

Forecast includes actuals through September 1, 2017.

(1) Includes \$20M in settlement payments to Sodexo (the remaining \$8M will be paid in FY 2019) and \$400K in legal and audit fees, which are included in the Adopted FY 2018 Budget.

FY 2018 – DPS Budget Spread

<i>\$ in millions</i>	-----2017-----						-----2018-----						FY 18 Total
	July	August	September	October	November	December	January	February	March	April	May	June	
Revenue:													
Property taxes	\$ 0.1	\$ 1.5	\$ 21.9	\$ 2.4	\$ 2.6	\$ 0.5	\$ 2.0	\$ 16.5	\$ 0.2	\$ 0.5	\$ 1.4	\$ 9.0	\$ 58.6
State sources	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	4.3
Total revenue	\$ 0.4	\$ 1.9	\$ 22.2	\$ 2.7	\$ 3.0	\$ 0.9	\$ 2.3	\$ 16.8	\$ 0.6	\$ 0.9	\$ 1.8	\$ 9.4	\$ 62.9
Expenditures:													
General Administration	-	-	-	-	-	(0.2)	-	-	-	-	-	-	(0.2)
Business Office	-	-	-	-	-	(0.3)	-	-	-	-	-	-	(0.3)
Total operating expenditures	-	-	-	-	-	(0.4)	-	-	-	-	-	-	(0.4)
Debt Service:													
SAN Debt Service	-	-	-	(14.8)	-	-	-	-	(22.2)	-	-	-	(37.0)
Deferred MPSERS Interest	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(10.5)
Emergency Loan Debt Service	-	-	(1.0)	-	-	-	-	-	(1.0)	-	-	-	(2.0)
Total debt service	(0.9)	(0.9)	(1.9)	(15.7)	(0.9)	(0.9)	(0.9)	(0.9)	(24.0)	(0.9)	(0.9)	(0.9)	(49.4)
Other financial uses:													
Transfer to DPSCD General Fund - Other	-	-	-	-	-	-	-	-	-	-	-	(13.1)	(13.1)
Total other uses	-	-	-	-	-	-	-	-	-	-	-	(13.1)	(13.1)
Total expenditures	\$ (0.9)	\$ (0.9)	\$ (1.9)	\$ (15.7)	\$ (0.9)	\$ (1.3)	\$ (0.9)	\$ (0.9)	\$ (24.0)	\$ (0.9)	\$ (0.9)	\$ (14.0)	\$ (62.9)
Beginning fund balance	(166.6)	(167.0)	(166.0)	(145.6)	(158.5)	(156.4)	(156.8)	(155.4)	(139.4)	(162.9)	(162.9)	(162.0)	(166.6)
Excess (deficiency) of revenue over (under) expenditures	(0.4)	1.0	20.4	(12.9)	2.1	(0.4)	1.5	16.0	(23.5)	(0.0)	0.9	(4.6)	0.0
Ending fund balance	\$ (167.0)	\$ (166.0)	\$ (145.6)	\$ (158.5)	\$ (156.4)	\$ (156.8)	\$ (155.4)	\$ (139.4)	\$ (162.9)	\$ (162.9)	\$ (162.0)	\$ (166.5)	\$ (166.5)

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i. **CBA Updates – Closed Session**

j. **Appendix**

Financial Update – August 2017

- DPSCD recorded a surplus of revenues over expenditures of \$22.4M in the month of August 2017, compared to a budget surplus of \$13.4M (see p. 10), a \$9.0M variance. This was primarily driven by \$2.4M in Title funding (see p. 10) that was not previously budgeted for, and an additional \$8.0M in operations & maintenance and transportation expenses (see p. 11) that are expected to be expended at a later date.
 - Relative to budget, revenues exceeded plan by \$2.4M, or a 6% increase, primarily due to higher than expected reimbursements in Title I funding for summer school programs (see p. 10).
 - Title IA – \$1.9M due to EAA Summer School.
 - Title IIA – \$278,000 due to incurring more professional development expenses in August 2017 than August 2016.
 - IDEA Flowthrough – \$178,000 due to incurring more Special Education summer school expenses in August 2017 than August 2016.
 - On the expenditure side, actuals were below budget by \$6.6M, or a 25% decrease (see p. 10).
 - Salaries and benefits – DPSCD incurred more summer school expenses in August 2017 than August 2016 primarily attributed to the EAA, specifically for Title I and IDEA Flowthrough (Special Education). The budget spread assumes insurances costs will be spread consistently throughout the year, while actual insurance expenses for July & August indicate the majority of our insurance expenses will be recognized between September and June.
 - Utilities and purchased services – The actuals for purchased services and utilities are estimated based upon the invoices currently in Accounts Payable. In addition, the delay in the purchase order process has caused a timing difference in the budget to actuals. Particularly, the \$8M variance in Operations & Maintenance and Transportation.
 - The surplus is primarily due to lower expenditures, relative to the rest of the year, resulting from school being out of session during the summer.
- The net cash flow for August 2017 was (\$4.2M), putting the ending cash balance at \$76.9M (\$125.3M including the internal service fund and fiduciary account – see p. 13)
- DPSCD's FY18 Adopted Budget has a \$80.1M surplus, however proposed FY18 Budget Amendment no. 1 has a projected surplus of \$92.8M (see p. 19).

Summary statement of revenues and expenditures – budget to actual comparison

- Based on actual results through August 2017, DPSCD is \$9.6M ahead of budget. However at this point, we believe most or all of this favorable variance is due to timing and will reverse before the end of the fiscal year. Therefore, the budget is still a reasonable estimate of the District’s projected surplus.

	Budget		Actual		Variance		Budget		Actual		Variance	
	Month of	Month of					YTD	YTD				
	Aug-17	Aug-17	\$	%			Aug-17	Aug-17	\$	%		
Revenues												
Local sources	\$ 2,583	\$ -	\$ (2,583)	(100%)			\$ 2,583	\$ -	\$ (2,583)	(100%)		
State sources	39,539,600	39,529,484	(10,116)	(0%)			68,731,945	68,781,999	50,054	0%		
Federal sources	617,501	2,993,395	2,375,894	385%			3,872,250	8,813,228	4,940,978	128%		
Interdistrict sources	-	-	-	-			-	-	-	-		
Other sources	-	-	-	-			-	-	-	-		
Total revenues	40,159,684	42,522,878	2,363,194	6%			72,606,778	77,595,226	4,988,448	7%		
Expenditures (Object)												
Salaries	\$ 8,962,305	\$ 8,096,435	\$ (865,870)	(10%)			\$ 17,068,244	\$ 18,310,092	\$ 1,241,848	7%		
Benefits	5,239,144	4,732,977	(506,167)	(10%)			11,040,161	9,962,245	(1,077,915)	(10%)		
Purchased Services	10,963,896	5,520,779	(5,443,117)	(50%)			19,450,234	14,221,498	(5,228,736)	(27%)		
Supplies & Textbooks	99,281	-	(99,281)	(100%)			99,281	-	(99,281)	(100%)		
Equipment & Capital	-	-	-	-			-	-	-	-		
Utilities	1,499,583	1,750,000	250,417	17%			2,999,167	3,580,000	580,833	19%		
Total Expenditures	26,764,209	20,100,191	(6,664,018)	(25%)			50,657,086	46,073,836	(4,583,251)	(9%)		
Surplus (Deficit)	\$ 13,395,475	\$ 22,422,687	\$ 9,027,212	67%			\$ 21,949,692	\$ 31,521,391	\$ 9,571,699	44%		

Summary statement of functional expenditures – budget to actual comparison

	Budget		Actual		Variance		Budget		Actual		Variance	
	Month of	Month of					YTD	YTD				
	Aug-17	Aug-17	\$		\$	%	Aug-17	Aug-17	\$		\$	%
Expenditures (Function)												
Elementary Programs	\$ 1,503,476	\$ 1,683,375	\$ 179,899	12%	\$ 1,847,413	\$ 2,706,676	\$ 859,263	47%				
Middle School Programs	137,622	187,366	49,744	36%	139,146	278,789	139,642	100%				
High School & Summer Programs	822,372	791,824	(30,549)	(4%)	3,362,948	3,980,509	617,561	18%				
Special Education	1,064,948	1,098,267	33,319	3%	1,963,285	2,319,893	356,608	18%				
Compensatory Education	935,104	312,956	(622,148)	(67%)	2,905,988	1,966,472	(939,516)	(32%)				
Career and Technical Education	37,489	30,548	(6,941)	(19%)	37,359	39,543	2,184	6%				
Adult/Continuing Education - Basic	16,610	10,266	(6,343)	(38%)	19,666	19,355	(311)	(2%)				
Total Instruction	4,517,622	4,114,603	(403,019)	(9%)	10,275,805	11,311,236	1,035,431	10%				
Pupil	\$ 703,532	\$ 659,794	\$ (43,738)	(6%)	\$ 1,579,162	\$ 1,767,793	\$ 188,630	12%				
Instructional Support	1,634,836	2,276,784	641,948	39%	4,222,135	4,950,082	727,947	17%				
General Administration	618,469	920,743	302,274	49%	910,725	1,151,030	240,305	26%				
School Administration	2,241,308	2,680,287	438,979	20%	2,793,311	4,585,148	1,791,837	64%				
Business	142,698	131,548	(11,150)	(8%)	608,968	890,286	281,318	46%				
Maintenance & Operations	10,958,030	4,932,826	(6,025,204)	(55%)	17,563,722	12,614,180	(4,949,542)	(28%)				
Transportation	3,620,316	1,620,107	(2,000,209)	(55%)	6,085,031	3,480,928	(2,604,104)	(43%)				
Central Support Services	2,310,575	2,748,537	437,962	19%	4,391,644	5,284,706	893,063	20%				
School Activities	6,162	-	(6,162)	(100%)	20,561	-	(20,561)	(100%)				
Security	-	-	-	-	-	-	-	-				
Other	-	-	-	-	2,179,750	-	(2,179,750)	(100%)				
Total Supporting Services	22,235,927	15,970,627	(6,265,301)	(28%)	40,355,009	34,724,153	(5,630,855)	(14%)				
Community Service	\$ 10,659	\$ 14,961	4,302	40%	\$ 26,273	\$ 38,446	12,173	46%				
Facilities acquisitions and improvement	-	-	-	-	-	-	-	-				
Other uses	-	-	-	-	-	-	-	-				
Total Expenditures	\$ 26,764,209	\$ 20,100,191	\$ (6,664,018)	(25%)	\$ 50,657,087	\$ 46,073,836	\$ (4,583,251)	(9%)				

DPSCD Cash Forecast to Actuals Variance – August 2017

<i>\$ in thousands</i>	August Forecast	August Actuals	August Variance	Comment
Cash Receipts				
State Aid	\$ 35,012	\$ 35,071	\$ 59	
MPSERS (State Funded)	3,182	3,186	4	
Enhancement Millage	841	1,017	176	
Grants	4,764	12,295	7,531	Catch up from previous months; reimbursements related to summer school
Transfer from DPS	-	-	-	
WCRESA	-	-	-	
Food Service Reimbursement	10,592	2,828	(7,765)	Timing - receipts expected at later date / in line with disbursements
Capital Asset Sales	-	-	-	
Miscellaneous	598	578	(19)	
Total Cash Receipts	54,989	54,974	(15)	
Cash Disbursements				
MPSERS (Pass through)	\$ (3,182)	\$ (3,182)	\$ -	
Payroll Direct Deposit	(17,078)	(15,085)	1,993	Forecast assumed higher payroll run-rate
Taxes	(3,856)	(4,182)	(326)	
FICA	(1,658)	(1,752)	(94)	
Accounts Payable	(14,895)	(4,348)	10,547	Timing - disbursements expected in future periods
Pension (employee portion)	(1,554)	(1,454)	100	
Pension (employer portion)	(4,903)	(4,622)	281	
Health	(6,719)	(3,042)	3,677	Timing to be offset in future periods
Fringe Benefits	(943)	(937)	6	
Food Service	(2,825)	(4,544)	(1,719)	Timing to be offset in future periods
Transfer to DPS	(16,000)	(16,000)	-	
Other	(685)	-	685	
Total Cash Disbursements	(74,298)	(59,148)	15,150	
Beginning Cash Balance	81,020	81,020	-	
Net Cash Flow	(19,309)	(4,174)	15,135	
Ending Cash Balance	\$ 61,711	\$ 76,846	\$ 15,135	

FY 2018 monthly cash flows – DPSCD

\$ in thousands

	2017						2018						FY 18 Total
	July	August	September	October	November	December	January	February	March	April	May	June	
	Actuals	Actuals	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Cash Receipts													
State Aid	\$ 35,012	\$ 35,074	\$ -	\$ 37,478	\$ 37,478	\$ 37,478	\$ 37,478	\$ 37,478	\$ 37,478	\$ 37,478	\$ 37,478	\$ 37,478	\$ 407,390
MPSERS (State Funded)	3,182	3,182	-	-	6,813	3,406	3,406	3,406	3,406	3,406	3,406	3,406	37,021
Enhancement Millage	1,078	1,017	-	-	-	-	172	5,106	5,106	3,493	1,450	1,450	18,874
Grants	18,108	12,295	1,496	13,075	13,075	13,075	13,075	13,075	13,075	13,075	13,075	13,075	149,578
Transfer from DPS	92	-	19,779	-	-	-	-	-	-	-	-	13,100	32,971
WCRESA	-	-	4,045	4,045	4,045	4,045	4,045	4,045	4,045	4,045	4,045	4,045	40,452
Food Service Reimbursement	4,897	2,828	10,976	2,085	2,625	3,938	2,625	2,625	2,625	2,625	2,625	3,938	44,414
Capital Asset Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	2,501	578	439	2,439	548	439	2,439	548	439	2,439	548	439	13,795
Total Cash Receipts	64,870	54,974	36,735	59,122	64,585	62,382	63,241	66,285	66,176	66,562	62,629	76,932	744,494
Cash Disbursements													
MPSERS (Pass through)	\$ (3,182)	\$ (3,182)	\$ (3,182)	\$ -	\$ -	\$ (6,813)	\$ (3,406)	\$ (3,406)	\$ (3,406)	\$ (3,406)	\$ (3,406)	\$ (3,406)	\$ (36,797)
Payroll Direct Deposit	(14,688)	(15,085)	(18,207)	(14,457)	(14,457)	(14,457)	(14,891)	(22,337)	(14,891)	(14,891)	(14,891)	(14,891)	(188,146)
Taxes	(4,878)	(4,182)	(5,976)	(5,549)	(8,323)	(5,549)	(5,714)	(5,714)	(5,714)	(8,571)	(5,714)	(5,714)	(71,599)
FICA	(2,017)	(1,752)	(1,663)	(1,735)	(2,602)	(1,735)	(1,787)	(1,787)	(1,787)	(2,680)	(1,787)	(1,787)	(23,120)
Accounts Payable	(4,013)	(4,348)	(17,555)	(17,555)	(19,763)	(17,555)	(17,555)	(19,763)	(17,555)	(17,555)	(19,763)	(17,555)	(190,535)
Pension (employee portion)	(1,635)	(1,454)	(1,444)	(1,946)	(2,918)	(1,946)	(1,975)	(2,004)	(2,004)	(2,004)	(3,006)	(2,004)	(24,337)
Pension (employer portion)	(5,029)	(4,622)	(4,513)	(6,031)	(9,047)	(6,031)	(6,119)	(6,206)	(6,206)	(6,206)	(9,309)	(6,206)	(75,525)
Health	(1,218)	(3,042)	(9,655)	(4,645)	(4,645)	(4,645)	(4,645)	(4,645)	(4,645)	(4,645)	(4,645)	(4,645)	(55,718)
Fringe Benefits	(215)	(937)	(572)	(560)	(638)	(560)	(577)	(785)	(577)	(577)	(657)	(577)	(7,233)
Food Service	(8,474)	(4,544)	(1,668)	(2,100)	(3,150)	(2,100)	(2,100)	(2,100)	(2,100)	(2,100)	(3,150)	(2,100)	(35,689)
Transfer to DPS	-	(16,000)	-	-	-	-	-	-	-	-	-	-	(16,000)
Other	(23)	-	(1,434)	(1,434)	(1,792)	(1,434)	(1,434)	(1,792)	(1,434)	(1,434)	(1,792)	(1,434)	(15,434)
Total Cash Disbursements	(45,374)	(59,148)	(65,869)	(56,011)	(67,336)	(62,824)	(60,203)	(70,540)	(60,319)	(60,319)	(71,871)	(60,319)	(740,134)
Beginning Cash Balance	61,523	81,020	76,846	47,712	50,823	48,072	47,630	50,668	46,414	52,270	58,513	49,271	61,523
Net Cash Flow	19,496	(4,174)	(29,134)	3,111	(2,751)	(442)	3,038	(4,255)	5,856	6,243	(9,242)	16,613	4,360
Ending Cash Balance	\$ 81,020	\$ 76,846	\$ 47,712	\$ 50,823	\$ 48,072	\$ 47,630	\$ 50,668	\$ 46,414	\$ 52,270	\$ 58,513	\$ 49,271	\$ 65,884	\$ 65,884
Memo:													
Internal Service Fund and Fiduciary Account													
Beginning Balance	\$ 48,439	\$ 48,439	\$ 48,439	\$ 48,439	\$ 46,439	\$ 46,439	\$ 46,439	\$ 44,439	\$ 44,439	\$ 44,439	\$ 42,439	\$ 42,439	\$ 48,439
(+) Liability Balance Transfer from DPS	-	-	-	-	-	-	-	-	-	-	-	-	-
(-) TIP, Legal, And Workers' Compensation Claims	-	-	-	(2,000)	-	-	(2,000)	-	-	(2,000)	-	-	(6,000)
Ending Balance	48,439	48,439	48,439	46,439	46,439	46,439	44,439	44,439	44,439	42,439	42,439	42,439	42,439
Grand Total	\$ 129,459	\$ 125,285	\$ 96,151	\$ 97,262	\$ 94,511	\$ 94,069	\$ 95,107	\$ 90,853	\$ 96,709	\$ 100,952	\$ 91,710	\$ 108,323	\$ 108,323

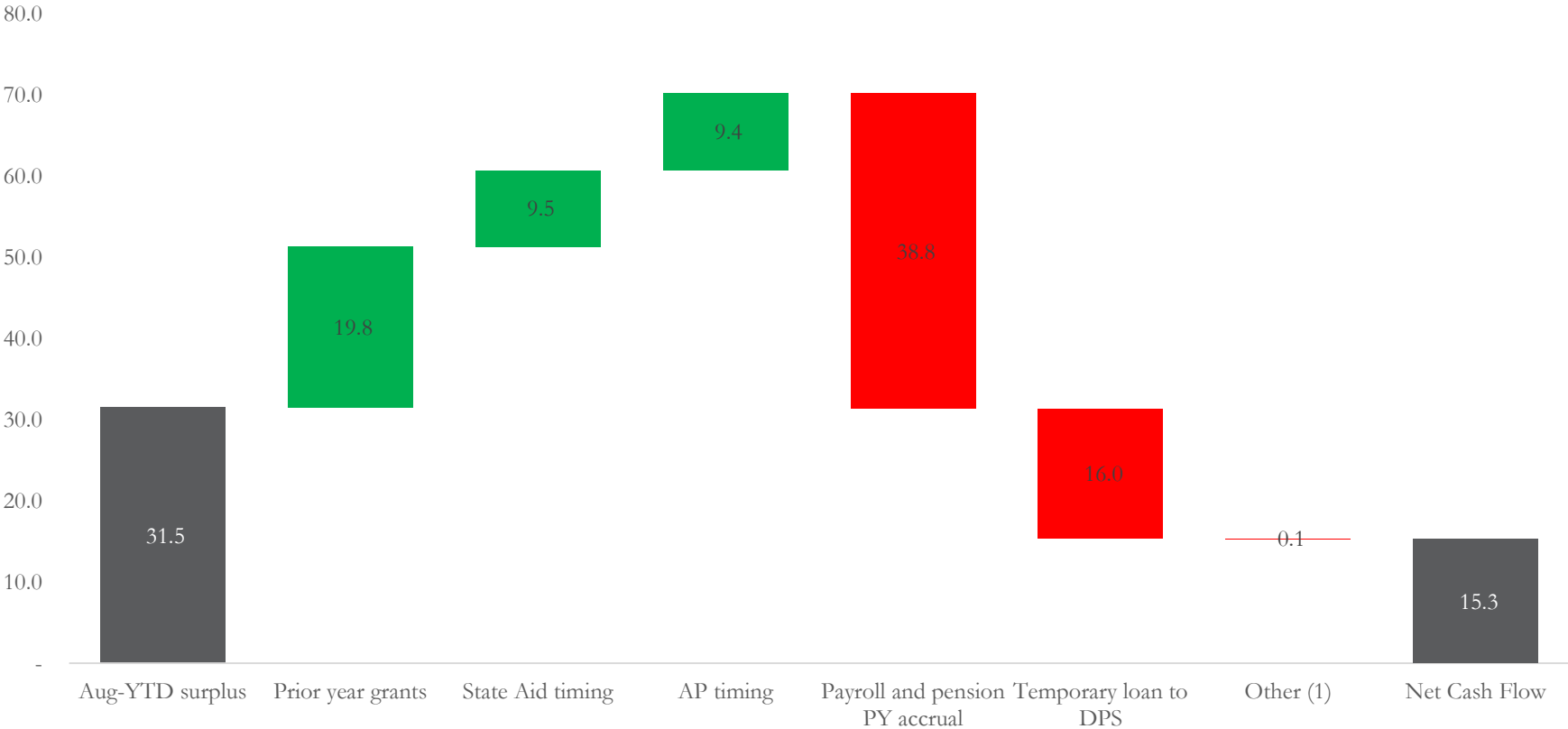
Forecast includes actuals through September 1, 2017.

The July 31, 2017 bank reconciliation was completed in August 2017 and DPSCD is currently working on the August 31, 2017 bank reconciliation.

Reconciliation of FY18 August YTD general ledger surplus to actual net cash flow

Revenues over Expenditures to Net Cash Flow Bridge

\$ in millions



(1) Primarily due to Food Service timing offset by miscellaneous and enhancement millage collections, which relate to the prior year.

a. **Detroit Public Schools (Old Co.) Monthly Report**

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d. **Key Grants Report**

e. **Enrollment Update**

f. **DPS / DPSCD Interdistrict Transfer Activity**

g. **Contract Requests**

h. **Out-of-State Travel Requests**

i. **CBA Updates – Closed Session**

j. **Appendix**



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT RESOLUTION 2017-22

**APPROVING THE COMMUNITY DISTRICT'S OCTOBER 2017 BUDGET
AMENDMENT 1 REQUESTS**

WHEREAS, Public Act 181 of 2014, the Michigan Financial Review Commission Act (the "Act"), allows for the creation of the Detroit Financial Review Commission (the "Commission") within the Michigan Department of Treasury; and

WHEREAS, Section 6(1) of the Act empowers the Commission to provide oversight for the Detroit Public Schools Community District (the "Community District") beginning on June 21, 2016; and

WHEREAS, Section 7(c) of the Act provides that during the period of oversight, the Commission review, modify, and approve the Community District's proposed and amended operational budgets and that a proposed budget or budget amendment does not take effect unless approved by the Commission; and

WHEREAS, Section 6(3) of the Act further requires the Commission to ensure that the Community District complies with the requirements of the Uniform Budgeting and Accounting Act; and

WHEREAS, the Uniform Budgeting and Accounting Act prevents the Community District from deviating from its original general appropriations act without amending it and requires the Community District to amend its general appropriations act as soon as it becomes apparent that a

deviation from the original general appropriations act is necessary and the amount of the deviation can be determined; and

WHEREAS, at the Commission meeting on October 30, 2017, the Community District presented budget amendment requests, attached as **Exhibit A** to this Resolution, for the Commission's review and approval.

NOW THEREFORE, be it resolved by the Detroit Financial Review Commission as follows:

1. That the Community District's October 2017 budget amendment requests, attached as **Exhibit A** to this Resolution but excluding any budget amendments a majority of Commission members present has agreed to exclude as noted in the minutes, are hereby approved.
2. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
3. This Resolution shall have immediate effect.

FY18 Proposed Budget Amendment No. 1: Overview

Why amend the adopted budget?

- FY 18 adopted budget did not include \$12.5 million in required expenses
- Align the budget to central office reorganization
 - Shift of Instructional Specialists to schools
 - Addition/Exit of personnel
- Implement a zero based budget review of expenditures
 - Identify all anticipated central office expenditures for the FY 18
 - Eliminate duplicative, discretionary or unnecessary expenses
 - Build contingency for continuing unexpected costs

Budget Process

	July	August	September	October
Introduce Zero-Based Budget Process: Introduce zero-based budget development process to central office leadership.				
Budget Development: Department heads conduct line item review of central office budgets.				
Budget Review Process: Finance department & Superintendent conduct line item review of central office budgets.				
School Allocation Review: Review school based teacher allocations to ensure all staffing is accounted for in the budget.				
Finalize Amendment Materials: Finance department prepares budget presentation materials.				
Budget Amendment Presentation: Present budget amendment no. 1 to school board and FRC.				

FY18 Proposed Budget Amendment No. 1: High-level Assumptions

Revenue

- Federal sources increased by \$9.1M, primarily due to Title IA, with the remainder coming from other grants

Expenditures

- All vacancies are fully funded (see p. 50)
- There are currently 145 long-term substitutes hired. There is no mandated number of substitutes to be employed by the District.

As part of the line item review process for central office, \$12.5 million of non-budgeted expenses were identified and included in the budget amendment. These costs were off-set by reduction in other expenses.

- Information Technology
 - Purchased Service (Contract Vendors) - \$1.2 million
 - Equipment & Capital (Technology Infrastructure) - \$2.1 million
- Finance
 - Purchased Service (Ernst & Young) - \$1.3 million
- Operations
 - Purchased Service (Contracted Custodians / Engineers / Janitors) - \$6.0 million
 - Supplies (Maintenance supplies) - \$1.9 million

Areas of Focus when Moving Forward

- Finalize process of capturing district and school level contract costs from previous year
- District needs to finalize Collective Bargaining Agreements with 6 additional unions
- District is allocating a large portion of our state categorical funds (31a) to cover police and safety
- Uncertain future of Federal funding - Medicaid reimbursements & Title II funding
- Unforeseen capital repairs
- Using Federal funds for professional development, program development (focus on STEM and accelerated programs), and technology

FY18 Proposed Budget Amendment No. 1

	<u>FY 2018 - Adopted</u>	<u>FY 2018 - Proposed Budget Amendment # 1</u>	<u>FY 2018 - Proposed Budget Amendment # 1 Increase (Decrease) Over FY 2018 - Adopted</u>	<u>Notes (See Appendix for Details)</u>
Revenue:				
Local sources				
Special education millage	\$ 43,151,615	\$ 43,151,615	\$ -	
Revenue enhancement millage	17,740,760	17,740,760	-	
Debt Payments from the EAA	2,546,317	2,546,317		
Other ¹	11,689,525	11,956,850	267,325	1
Total local sources	75,128,217	75,395,542	267,325	
State sources	475,732,309	475,699,609	(32,700)	2
Federal sources	144,305,730	153,410,004	9,104,274	3
Total Revenue	695,166,256	704,505,155	9,338,899	
Expenditures:				
Instruction	368,474,924	367,412,442	(1,062,482)	4
Support services				
Pupil services	64,545,884	64,169,948	(375,936)	5
Instructional staff support	53,486,475	52,950,733	(535,742)	6
General administration	5,421,503	5,412,154	(9,349)	7
School administration	39,684,565	40,610,334	925,769	8
Business office	7,718,860	9,320,844	1,601,984	9
Operations & maintenance	90,944,957	97,067,578	6,122,621	10
Transportation	39,401,259	38,583,242	(818,017)	11
Central support service	29,494,567	33,337,117	3,842,550	12
Other support service	2,036,418	1,586,831	(449,587)	13
Total support services	332,734,488	343,038,781	10,304,293	
Community service	4,706,607	4,866,680	160,073	14
Total Expenditures	705,916,019	715,317,903	9,401,884	
Other Financial Sources (Uses)				
Sources				
Payments from Other School Districts	13,100,000	13,100,000	-	
Transfers In	2,000,000	2,000,000	-	
Total Sources	15,100,000	15,100,000	-	
Total Other Financial Sources (Uses)	15,100,000	15,100,000	-	
Excess (deficiency) of Revenue and Other Sources Over (Under) Expenditures and Other Uses	4,350,237	4,287,252	(62,985)	
Beginning Fund Balance ²	75,718,774	88,479,930		
Ending Fund Balance	\$ 80,069,011	\$ 92,767,182		

Note: Please see appendix p. 42, 46, and 47 for additional detail.
 (1) Includes Medicaid, private donations, rent from school property, community use
 (2) Budget Amendment No. 1 fund balance based on unaudited figures as of August 2017.

FY18 Proposed Budget Amendment No. 1 vs. FY18 Adopted Budget by Object

	<u>FY 2018 - Adopted</u>	<u>FY 2018 - Proposed Budget Amendment # 1</u>	<u>FY 2018 - Proposed Budget Amendment # 1 Increase (Decrease) Over FY 2018 - Adopted</u>	Notes (See Appendix for Details)
Expenditures and Uses				
Salaries	318,755,644	316,029,307	(2,726,337)	1
Benefits	181,185,098	179,312,689	(1,872,409)	2
Purchased Services	149,213,690	156,936,612	7,722,922	3
Supplies	19,464,436	20,780,977	1,316,541	4
Equipment & Capital	7,951,443	10,035,479	2,084,036	5
Utilities	18,004,000	16,719,000	(1,285,000)	6
Contingency/Restricted				
General Purpose Fund	10,000,000	8,900,000	(1,100,000)	7
Title I Restricted	1,341,708	6,118,839	4,777,131	8
State Transition Fund	-	485,000	485,000	9
Total Expenditures and Uses	<u>705,916,019</u>	<u>715,317,903</u>	<u>9,401,884</u>	

Note: Please see appendix p. 48 for additional detail. Total contingency equals \$15,503,839.

FY18 Proposed Budget Amendment No. 1 Breakdown: Non-Recurring, Recurring Revenues & Expenditures

	Non-Recurring		Recurring	FY 2018 - Proposed Budget Amendment # 1
	Transition Funds	One-Time	Core Operations	
Revenue:				
Local sources				
Special education millage	\$ -	\$ -	\$ 43,151,615	\$ 43,151,615
Revenue enhancement millage	-	-	17,740,760	17,740,760
Debt Payments from the EAA		2,546,317	-	2,546,317
Other	-	-	11,956,850	11,956,850
Total local sources	-	2,546,317	72,849,225	75,395,542
State sources	-	-	475,699,609	475,699,609
Federal sources	-	-	153,410,004	153,410,004
Total Revenue	-	2,546,317	701,958,838	704,505,155
Expenditures:				
Instruction	2,078,754	-	365,333,688	367,412,442
Support services				
Pupil services	148,535	-	64,021,413	64,169,948
Instructional staff support	1,652,391	-	51,298,342	52,950,733
General administration	-	-	5,412,154	5,412,154
School administration	59,000	-	40,551,334	40,610,334
Business office	-	-	9,320,844	9,320,844
Operations & maintenance	5,450,000	2,155,000	89,462,578	97,067,578
Transportation	-	-	38,583,242	38,583,242
Central support service	214,117	400,000	32,723,000	33,337,117
Other support service	-	-	1,586,831	1,586,831
Total support services	7,524,043	2,555,000	332,959,738	343,038,781
Community service	-	-	4,866,680	4,866,680
Total Expenditures	9,602,797	2,555,000	703,160,106	715,317,903
Other Financial Sources (Uses)				
Sources				
Payments from Other School Districts	-	13,100,000	-	13,100,000
Transfers In	-	-	2,000,000	2,000,000
Total Sources	-	13,100,000	2,000,000	15,100,000
Total Other Financial Sources (Uses)	-	13,100,000	2,000,000	15,100,000
Excess (deficiency) of Revenue and Other Sources Over (Under) Expenditures and Other Uses	(9,602,797)	13,091,317	798,732	4,287,252
Beginning Fund Balance ¹				88,479,930
Ending Fund Balance				\$ 92,767,182

(1) Budget Amendment No. 1 fund balance based on unaudited figures as of August 2017.

FY18 Proposed Budget Amendment No. 1 Breakdown: Non-Recurring Transition Funds

DPSCD Transition Funds Summary

<i>\$ in millions</i>	Amount			
	UNAUDITED FY17	FY18	FY19	Total
Academic Initiatives	\$1.6	\$4.1	\$2.3	\$8.0
Facilities Maintenance and Improvements	\$3.3	\$5.0	\$1.7	\$10.0
Safety Improvements	\$0.4	\$0.5	\$1.1	\$2.0
Minimum Cash Balance				\$5.0
Total	\$5.3	\$9.6	\$5.1	\$25.0

Section 31A – Budget by Function

Function	Percentage of Section 31A budget
Instruction	63.8%
Security	20.4%
Pupil Services ¹	6.3%
Transportation	6.2%
Remaining Functions	3.3%
Total	100.0%

(1) Pupil Services includes Attendance Agents, Guidance Counselors, Nurses and Social Workers.

FY18 Proposed Budget Amendment No. 1 Position Detail – FTE Level

Category	Filled			Vacant			GRAND TOTAL		
	FTE	Salary	Salary & Benefits	FTE	Salary	Salary & Benefits	FTE	Salary	Salary & Benefits
Officials/Administrators/Managers	128.9	\$ 12,019,020.13	\$ 18,587,662.15	60.6	\$ 5,186,093.67	\$ 8,034,453.40	189.5	\$ 17,205,113.80	\$ 26,622,115.55
Principals	102.8	9,814,831.90	15,451,731.50	2.2	215,906.90	338,902.83	105.0	10,030,738.80	15,790,634.33
Assistant Principals	49.0	3,910,868.51	6,152,493.26	3.0	448,938.79	704,289.18	52.0	4,359,807.30	6,856,782.44
Classroom Teachers	2,708.0	156,272,697.27	245,475,559.83	216.5	9,886,592.77	15,172,678.80	2,924.5	166,159,290.04	260,648,238.63
Unidentified Classroom Teachers ¹	0.0	-	-	225.3	13,276,742.33	21,080,739.29	225.3	13,276,742.33	21,080,739.29
Guidance	96.8	5,745,169.21	9,044,244.33	14.0	754,438.83	1,186,946.03	110.8	6,499,608.04	10,231,190.36
Psychological	34.0	1,996,448.18	3,165,060.47	7.6	248,941.32	394,543.06	41.6	2,245,389.50	3,559,603.53
Librarians/Audio Visual Technicians	0.0	-	-	0.0	-	-	0.0	-	-
Consultants/Supervisors of Instruction	136.5	9,724,866.33	15,202,781.87	64.3	4,146,971.72	6,514,665.67	200.8	13,871,838.05	21,717,447.54
Other Professional Staff	320.2	18,936,150.04	29,764,676.04	128.6	6,541,461.64	10,269,207.44	448.8	25,477,611.68	40,033,883.48
Teacher Aides	870.5	18,352,216.94	28,869,577.10	270.7	5,599,748.76	8,822,290.16	1,141.2	23,951,965.70	37,691,867.26
Technicians	6.0	172,578.33	271,726.40	1.0	89,530.96	139,934.18	7.0	262,109.29	411,660.58
Clerical/Secretarial Staff	250.3	8,445,630.39	13,230,913.68	36.5	1,296,314.41	2,032,777.17	286.8	9,741,944.80	15,263,690.85
Service Workers	216.0	5,611,725.19	8,672,554.60	37.0	998,793.21	1,556,272.73	253.0	6,610,518.40	10,228,827.33
Skilled Crafts	10.0	312,025.77	483,152.61	1.0	26,002.84	40,263.79	11.0	338,028.61	523,416.40
Laborers, Unskilled	0.0	-	-	0.0	-	-	0.0	-	-
Sub-total	4,929.0	251,314,228.19	394,372,133.84	1,068.2	48,716,478.15	76,287,963.73	5,997.2	300,030,706.34	470,660,097.57
Part-Time	161.0	791,930.25	1,227,012.62	44.0	228,156.26	354,115.90	205.0	1,020,086.51	1,581,128.52
Substitutes/Instructional	0.0	1,456,580.81	2,243,708.04	0.0	-	-	0.0	1,456,580.81	2,243,708.04
Substitutes/Non Instructional	5.0	68,661.61	107,808.11	8.3	80,296.45	127,232.54	13.3	148,958.06	235,040.65
Sub-total (Part-Time and Subs)	166.0	2,317,172.67	3,578,528.77	52.3	308,452.71	481,348.44	218.3	2,625,625.38	4,059,877.21
Other salaries / wages / benefits	1.0	4,475,000.83	5,036,369.22	36.5	8,897,972.55	13,950,791.49	37.5	13,372,973.38	18,987,160.71
Worker's Compensation	0.0	-	2,006,217.60	0.0	-	-	0.0	-	2,006,217.60
UAAL Adjustment	0.0	-	(371,357.09)	0.0	-	-	0.0	-	(371,357.09)
Sub-total Other Compensation	1.0	4,475,000.83	6,671,229.73	36.5	8,897,972.55	13,950,791.49	37.5	13,372,973.38	20,622,021.22
GRAND TOTAL	5,096.0	\$ 258,106,401.69	\$ 404,621,892.34	1,157.0	\$ 57,922,903.41	\$ 90,720,103.66	6,253.0	\$ 316,029,305.10	\$ 495,341,996.00

(1) Unidentified Classroom Teachers related to vacant positions in the system that need to be re-allocated to other positions or eliminated.

FY18 Proposed Budget Amendment No. 1 Vacant Detail – Fund Level

Fund Name	Vacancies - All Funds		
	Salaries	Benefits	Total
General Purpose (Fund 11)	\$ 5,652,552	\$ 3,054,604	\$ 8,707,156
Adult Education (Fund 13)	856,315	490,101	1,346,416
Grants (Fund 14)	16,171,606	8,869,126	25,040,732
State Transition (Fund 15)	108,539	65,698	174,237
Special Education (Fund 16) ¹	5,197,112	3,042,107	8,239,219
Consolidated Funds (Fund 19) ²	22,298,646	12,810,807	35,109,453
Center Based Special Education (Fund 22)	7,638,133	4,464,757	12,102,890
Total	\$ 57,922,903	\$ 32,797,200	\$ 90,720,103

Fund Name	Vacancies - General Fund Impact		
	Salaries	Benefits	Total
General Purpose (Fund 11)	\$ 5,652,552	\$ 3,054,604	\$ 8,707,156
Adult Education (Fund 13)	-	-	-
Grants (Fund 14)	-	-	-
State Transition (Fund 15)	-	-	-
Special Education (Fund 16) ¹	3,118,267	1,825,264	4,943,531
Consolidated Funds (Fund 19) ²	15,609,052	8,967,565	24,576,617
Center Based Special Education (Fund 22)	-	-	-
Total	\$ 24,379,871	\$ 13,847,433	\$ 38,227,304

(1) Assumes 60% of the Special Education Fund is impacted by the General Purpose Fund.

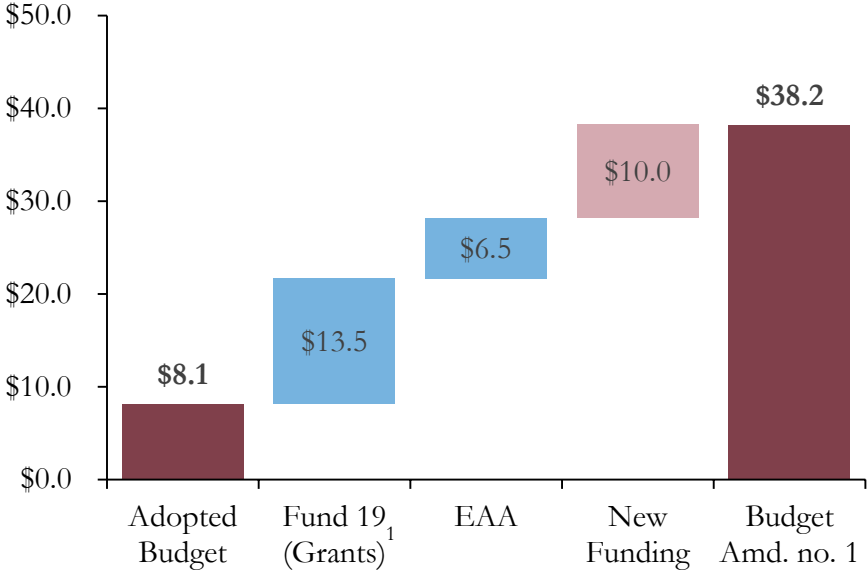
(2) Assumes 70% of the Consolidated Fund is impacted by the General Purpose Fund.

FY 2018 Budget Amendment no. 1 Vacancy Funding

- During the budget amendment process all of the vacancies were funded
- The general fund increased from \$8.1M to \$38.2M, due to the inclusion of Fund 19 (Grant) vacancies (previously funded, but not included in the \$8.1M), EAA vacancies (previously funded, but not included in the \$8.1M), and an additional \$6.4M of other general fund vacancies (previously not funded)

FY 2018 Adopted Budget to FY 2018 Budget Amendment no. 1 General Fund Vacancy Bridge (see pg. 52)

\$ in millions



Description	Economic Impact
Elimination of Instructional Consultant positions	\$6.1
Variance and actual personnel cost vs. budget	5.8
Reduced Networks 1-3 Personnel Budgets ²	4.3
Reducing Contingency	1.1
Total	\$17.3

(1) According to DPSCD, the Adopted Budget included \$8.1 million in vacancies. The Grant Funded Fund 19 Vacancies were not included in the \$8.1 million figure but should have been. The Grant Funded Fund 19 Vacancies were fully funded in the Adopted Budget and are fully funded in Budget Amendment # 1.

(2) The reduction of the Networks Personnel Budget frees Title I Dollars in the budget. DPSCD was able to move employees previously funded on the General Purpose Fund to Title I, and this freed General Purpose Dollars to fund vacant positions.

a. **Detroit Public Schools (Old Co.) Monthly Report**

b. **Community District's Monthly Report**

c. **Proposed Budget Amendment No. 1**

d. **Key Grants Report**

e. **Enrollment Update**

f. **DPS / DPSCD Interdistrict Transfer Activity**

g. **Contract Requests**

h. **Out-of-State Travel Requests**

i. **CBA Updates – Closed Session**

j. **Appendix**

Key Grants Report FY 2017 Award Period: as of June 30, 2017

Grant Name(s)	Carryover available in FY 2017	2017 Approved Awards Amount	Total 2017 Available Grant Amount	FY 2017 Cumulative Expenditures (as of June 30, 2017)	FY 2017 Grant Balance Remaining	2017 Grant period start date	Grant period	Carryover period
IDEA Preschool ¹	\$ 51,366	\$ 622,671	\$ 674,037	\$ 623,344	\$ 50,693	July 1, 2016	24 months	12 months
IDEA Flowthrough ¹	1,515,665	15,237,452	16,753,117	12,285,984	4,467,133	July 1, 2016	24 months (except center program offset)	12 months (except center program offset)
Title I, Part A ²	3,982,109	99,402,883	103,384,992	83,014,684	20,370,308	July 1, 2016	15 months	12 months
Title II, Part A ^{3,4}	7,890,786	15,835,325	23,726,111	14,883,037	8,843,074	July 1, 2016	12 months	12 months
CTE Perkins ⁴	-	3,105,696	3,105,696	2,467,647	638,049	July 1, 2016	12 months	No carryover
GSRP ⁵	4,317,382	18,415,000	22,732,382	14,851,103	7,881,279	October 1, 2016	12 months	12 months
Section 31A At Risk	-	22,845,931	22,845,931	22,845,931	(0)	July 1, 2016	12 months	12 months
Total	\$ 17,757,308	\$ 175,464,958	\$ 193,222,266	\$ 150,971,730	\$ 42,250,535			

(1) Carryover has been approved. The District received approval signatures on 1/18/17 for the FY17 IDEA agreement forms so reimbursements can now be requested.

(2) Carryover has been approved. MDE recomputed the FY17 Carryover Amount and the FY17 Award Amount based upon the final expenditure reports submitted.

(3) Carryover has been approved.

(4) Received updated unaudited numbers on 10/16/2017

(5) Carryover has been approved. FY17 allocation decrease is due to decline in students.

Key Grants Report FY 2018 Award Period: as of August 31, 2017

Grant Name(s)	Carryover available in FY 2018	2018 Approved Awards Amount	Total 2018 Available Grant Amount	FY 2018 Cumulative Expenditures (as of August 31, 2017)	FY 2018 Grant Balance Remaining	2017 Grant period start date	Grant period	Carryover period
IDEA Preschool ¹	\$ 50,692	\$ 484,909	\$ 535,601	\$ 45,488	\$ 490,113	July 1, 2017	24 months	12 months
IDEA Flowthrough ¹	4,467,133	15,784,850	20,251,983	1,897,188	18,354,795	July 1, 2017	24 months (except center program offset)	12 months (except center program offset)
Title I, Part A ¹	-	98,547,320	98,547,320	3,501,334	95,045,986	July 1, 2017	15 months	12 months
Title II, Part A ¹	9,415,043	10,108,686	19,523,729	409,274	19,114,455	July 1, 2017	12 months	12 months
CTE Perkins	-	3,000,000	3,000,000	-	3,000,000	July 1, 2017	12 months	No carryover
GSRP ¹	4,000,000	18,415,000	22,415,000	-	22,415,000	October 1, 2017	12 months	12 months
Section 31A At Risk	-	29,996,520	29,996,520	1,280,515	28,716,005	July 1, 2017	12 months	12 months
Total	\$ 17,932,868	\$ 176,337,285	\$ 194,270,153	\$ 7,133,800	\$ 187,136,353			

(1) Carryover has not been approved; IDEA award amounts have not been approved. Amounts subject to change.

a. **Detroit Public Schools (Old Co.) Monthly Report**

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e. **Enrollment Update**

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g. **Contract Requests**

h. **Out-of-State Travel Requests**

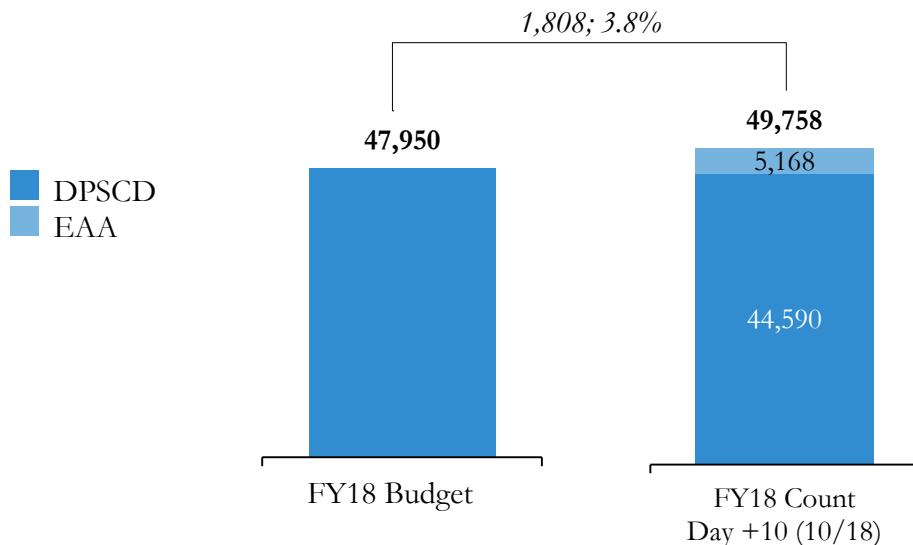
i. **CBA Updates – Closed Session**

j. **Appendix**

FY18 Student Enrollment Update

- The District budget is based on student FTE's which is calculated by a full day attendance at school day. The District receives a partial FTE for students who attend only part of the day.
- Through October 18th, the District FTE's have increased to 49,758¹, a increase of 1,808 over the projected budget.
- Through October 18th, the District has 50,112 students who have been in attendance once in the last five days. The district is actively targeting those students to ensure they attend school for a full day and the District can receive the full FTE allocation.
- The District is able to claim student FTEs during a 10 day count window, also during an additional 30 day count window for students with excused absence, and a 45 day count window for students on suspension during the original count window.
- DPSCD is seeing a positive trend in enrollment across the board for the first time since 2005.

State Aid Membership Comparison: FY17 and FY18 FTE Actuals to FTE Budget



The increase in student FTE's will translate into an approximately \$11M in per pupil funding for the district.

(1) Attendance is who showed up (i.e., present) and enrollment is who is enrolled in the system (i.e., may be enrolled, but not present). Enrollment may differ from attendance because a student might be enrolled, but may not attend class.

FY 2018 Student Enrollment by School (as of October 6, 2017)

K-8 Schools (48 Schools with an enrollment count of 24,962 students)

School	Enrollment	School	Enrollment	School	Enrollment
Academy of The Americas Elem/Mid ²	873	Dossin Elem/Middle	369	Mark Twain Elem/Middle ²	216
Ann Arbor Trail Magnet ¹	215	Duke Ellington @ Beckham	603	Marquette Elem/Middle ¹	509
Bates Academy ²	705	Durfee Elem/Middle ¹	504	Marshall Elementary	587
Bethune Elementary ¹	555	Earhart Elem/ Middle	802	Mason Elementary ¹	411
Blackwell Institute	307	Emerson Elem/Middle	569	Munger Elem/Middle	1,006
Bow Elem/Middle ¹	525	FLICS ²	682	Neinas Elementary	327
Brenda Scott Elementary	732	Garvey Academy ²	344	Nichols Elem/Middle	291
Brewer Elem/Middle	493	Golightly Education Center ²	378	Noble Elem/Middle	632
Bunche Elem/Middle	586	Gompers Elem/Middle ¹	766	Nolan Elementary	358
Burns Elementary ¹	332	Greenfield Union Elem/Middle	298	Palmer Park Academy	436
Burton International ²	633	Henderson Academy ¹	781	Priest Elem/Middle	749
Carstens Elem/Middle	364	Holmes, A.L. Elem/Middle	449	Pulaski Elem/Middle	475
Carver Elem/Middle	318	Hutchinson Elem/Middle	345	Robeson Academy ²	309
Clark Elementary ¹	438	King Academy Perf. Arts	885	Sampson Academy ¹	333
Davison Elem/Middle	786	Law Elementary ¹	464	Spain Elem/Middle	360
Dixon Elem/Middle	496	Mackenzie Elem/Middle	807	Thirkell Elementary ¹	559
				Total	24,962

Elementary Schools (19 Schools with an enrollment count of 7,582 students)

School	Enrollment	School	Enrollment	School	Enrollment
Bagley Elem/Middle	372	Edison Elementary	289	Schulze Elem/Middle	485
Bennett Elementary School	475	Fisher Lower Academy	551	Vernor Elem/Middle	247
Brown Academy	922	Gardner Elementary	246	Wayne Elementary	286
Carleton Elementary	302	Harms Elementary	391	Wright Elementary	459
Chrysler Elementary ²	152	Mann Elementary	346	Young Elementary	376
Clemente Academy	642	Maybury Elementary	303		
Cooke Elem/Middle	353	Pasteur Elem/Middle	385		
				Total	7,582

Note: Attendance is who showed up (i.e., present) and enrollment is who is enrolled in the system (i.e., may be enrolled, but not present). Enrollment may differ from attendance because a student might be enrolled, but may not attend class.

(1) Denotes Partnership Schools

(2) Denotes Application Schools & CTC

FY 2018 Student Enrollment by School (as of October 6, 2017) Cont.

Middle Schools (5 Schools with an enrollment count of 1,338 students)

School	Enrollment	School	Enrollment	School	Enrollment
Clippert Academy ²	461	Fisher Upper Academy ¹	432	Ludington Magnet Middle Honors ²	53
Detroit Lions Alt. School	86	Ludington Magnet ²	306		
Total					1,338

High Schools (23 Schools with an enrollment count of 14,837 students)

School	Enrollment	School	Enrollment	School	Enrollment
Academy of the Americas High ²	96	Davis Aerospace High School ²	150	Mumford High School ¹	572
Carson High School ²	386	Denby High School ¹	515	Osborn Academy of Mathematics ¹	625
Cass Tech High School	2,457	Detroit College Prep @ NWestern ¹	478	Pershing High School ¹	356
Central High School	368	Detroit School of the Arts ²	433	Renaissance High School	1,195
Cody Institute of Tech ¹	224	East English Prep. Academy	1,182	Southeastern High School ¹	166
Cody Medicine/Comm Hlth.	328	Ford High School ¹	460	West Side Academy	482
Cody Public Leadership	224	King High School	1,192	Western High School	1,988
Communication & Media Arts HS ²	581	Mumford Academy ¹	379		
Total					14,837

K-12 School

School	Enrollment
Detroit Academy for Young Women ²	317

6-12 School

School	Enrollment
Douglass Academy for Young Men ²	147

Center Based Schools (7 Schools with an enrollment count of 998 students)

School	Enrollment	School	Enrollment	School	Enrollment
Diann Banks-Williamson Ed Ctr	65	Moses Field	75	White, J.L. Center High School	203
Drew Transition Center	471	Turning Point Academy@Fleming	31		
Keidan Center	124	Turning Point Academy@Henry Ford	29		
Total					998

Note: Attendance is who showed up (i.e., present) and enrollment is who is enrolled in the system (i.e., may be enrolled, but not present). Enrollment may differ from attendance because a student might be enrolled, but may not attend class.

(1) Denotes Partnership Schools

(2) Denotes Application Schools & CTC

-
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DPS / DPSCD Interdistrict Transfer Activity

<i>\$ in thousands</i>	Actual	Forecast	Forecast	Total	Comment
	FY2017	FY2018	FY2019		
Receipts					
Transition funds	\$ 150,000	\$ -	\$ -	\$ 150,000	
State Aid (Jul/Aug)	65,661	-	-	65,661	
Grants & WCRESA	82,694	-	-	82,694	
Other operating receipts	8,103	527	-	8,630	
18 mills receipts (AP reimbursement)	10,333	22,028	11,638	44,000	
18 mills receipts (pension reimbursement)	-	8,100	6,900	15,000	Transfer of pension reimbursement (\$15M) - see below
Transfers from DPSCD:					
Borrowings from DPSCD	3,779	16,000	-	19,779	Temp loan to fund legacy reserve (FY 17) and Sodexo (FY 18)
DPSCD repayment of loans taken	32,739	-	-	32,739	Temp loan fully repaid (see below)
Erroneous transfer correction	5,374	-	-	5,374	Wrong amount transferred; reversed (see above)
DPSCD reimbursements for items paid by DPS	5,625	-	-	5,625	Reimbursement for legacy costs paid by DPS on behalf of DPSCD
Total Receipts	364,308	46,655	18,538	429,501	
Disbursements					
Transition fund uses:					
Salaries & benefits	(60,274)	-	-	(60,274)	
MPERS settlement	(37,714)	-	-	(37,714)	
Accounts payable & other	(27,012)	-	-	(27,012)	
Transfer to DPSCD	(25,000)	-	-	(25,000)	Transfer of EL proceeds per legislation
Subtotal transition fund uses:	(150,000)	-	-	(150,000)	
Transition costs (additional):					
Salaries & benefits	(679)	-	-	(679)	
Accounts payable & other	(47,383)	(710)	-	(48,093)	
Vendor litigation	-	(20,000)	(8,000)	(28,000)	
Transfer to bond redemption, net (13 mills)	(18,482)	(1,780)	-	(20,262)	
Debt service (SAN)	(52,264)	-	-	(52,264)	
MPERS (Pass Through)	(9,201)	-	-	(9,201)	
WRESA repayment	(2,100)	(2,363)	(2,796)	(7,259)	
Subtotal transition costs (additional):	(130,110)	(24,853)	(10,796)	(165,759)	
Transfers to DPSCD:					
DPS Gen Fun ending cash (6/30/16)	(15,696)	-	-	(15,696)	Ending GF cash transfer per legislation
DPS Food Service ending cash (6/30/16)	(4,458)	-	-	(4,458)	Ending FS cash transfer per legislation
Outstanding DPS obligations (TIP/WC/Legal)	(48,439)	-	-	(48,439)	Funding for TIP, work comp, and legal claims
DPSCD repayment of temp loans	(32,739)	-	-	(32,739)	Temp loan fully repaid (see above)
Erroneous transfer correction	(5,374)	-	-	(5,374)	Wrong amount transferred; reversed (see below)
DPSCD receipts collected at DPS (i.e. Grants, EAA)	(8,315)	-	-	(8,315)	Collected by DPS but belonging to DPSCD
DPS repayment of borrowings from DPSCD	-	(19,779)	-	(19,779)	Fully repaid in September 2017 (see "Borrowings from DPSCD")
Reimbursement for Pension (18 mills)	-	(8,100)	(6,900)	(15,000)	Transfer of pension reimbursement (\$15M) - see above
Additional transfers	-	(5,000)	(3,603)	(8,603)	Subject to availability of excess cash
Subtotal transfers to DPSCD:	(115,022)	(32,879)	(10,503)	(158,404)	
Total Disbursements	(395,132)	(57,732)	(21,299)	(474,163)	
Net Cash Flow	(30,824)	(11,077)	(2,761)	(44,661)	
Beginning Cash Balance	44,661	13,838	2,761	44,661	
Net Cash Flow	(30,824)	(11,077)	(2,761)	(44,661)	
Ending Cash Balance	\$ 13,838	\$ 2,761	\$ -	\$ -	

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STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION
SCHOOL DISTRICT RESOLUTION 2017-23

APPROVING THE COMMUNITY DISTRICT'S OCTOBER 2017- 23
CONTRACT REQUESTS

WHEREAS, Public Act 181 of 2014, the Michigan Financial Review Commission Act (the "Act"), allows for the creation of the Detroit Financial Review Commission (the "Commission") within the Michigan Department of Treasury; and

WHEREAS, Section 6(1) of the Act empowers the Commission to provide oversight for the Detroit Public Schools Community District (the "Community District") beginning on June 2016; and

WHEREAS, Section 6(6) of the Act provides that during the period of oversight, the Commission review and approve the Community District's applicable contracts, as defined by Section 3(a) of the Act, and that an applicable contract does not take effect unless approved by the Commission; and

WHEREAS, at the Commission meeting on October 30, 2017, the Community District presented applicable contracts, attached as **Exhibit A** to this Resolution, for the Commission's review and approval.

NOW THEREFORE, be it resolved by the Detroit Financial Review Commission as follows:

1. That the Community District's October 2017 contract requests, attached as **Exhibit A** to this Resolution but excluding any contracts a majority of Commission members present has agreed to exclude as noted in the minutes, are hereby approved.
2. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
3. This Resolution shall have immediate effect.

Contract Requests

The following contracts are being provided to the Board of Education for review and approval. Contracts over \$750,000 or a two (2) year period must also be provided to the FRC for review and approval pursuant to section 6(6) of the Michigan Financial Review Commission Act. Please review the individual Action Items provided for more detailed information.

Department	Contract Number	Description	Contract Request Type	Competitively Bid? If not a new contract, was the original contract competitively bid?	Lowest Bid? If not a New Contract, was the original contract the lowest bid?	DPSCD Approval Date	Comments
1 Information Technology	17-0094-C	Previous Contract Amount: \$2,400,000.00 NTE Amended Contract Amount: \$3,242,000.00 NTE Contract Period: July 1, 2017 through June 30, 2018 Source: General Fund Purpose: To provide IT staff augmentation Contractor: CW Professional Services LLC dba Lochbridge Location: 150 West Jefferson, Suite 1200, Detroit, MI 48226	Contract Amendment 001	Yes	N/A – varies by posted position. DPSCD manual requires best available value, not lowest bid	Anticipated Approval Board 10.10.2017 FRC 10.30.2017	<ul style="list-style-type: none"> FRC approved original contract on June 26, 2017. Amendment will be effective upon approval. Increase contract amount to allow for additional staff to provide Data Center and Network Operations, Monitoring, Management and Maintenance Services.
2 Academics	16-0448-C	Contract Amendment Amount: \$960,960.00 NTE Revised Contract Total: \$2,650,486.51 NTE Contract Period: November 1, 2017 through October 21, 2018 Source: Grant Fund Purpose: To provide wraparound supports to students and families. Contractor: Communities in Schools Location: 5575 Conner Suite 205, Detroit, MI 48213	Renewal	Yes	N/A – The supplier who best fit the needs of the program was selected. DPSCD manual requires best available value, not lowest bid	Anticipated Approval Board 10.10.2017 FRC 10.30.2017	<ul style="list-style-type: none"> Contract 16-0448-C was previously approved by FRC previously on October 31, 2016. Adding amount for the 2017-18 scope.
3 Academics	16-0447-C	Contract Amendment Amount: \$ 1,135,680.00 NTE Revised Contract Total: 2,184,000.00 NTE Contract Period: November 1, 2017 through June 30, 2018 Source: Grant Fund Purpose: To provide community-based counseling solutions, housing solutions and economic solutions. Contractor: Southwest Counseling Solutions Location: 5716 Michigan Ave, Ste 3000, Detroit, MI 48210	Renewal	Yes	N/A – The supplier who best fit the needs of the program was selected. DPSCD manual requires best available value, not lowest bid	Anticipated Approval Board 10.10.2017 FRC 10.30.2017	<ul style="list-style-type: none"> Contract 16-0419-C was previously approved by FRC previously on October 31, 2016. Adding amount for the 2017-18 scope.

information, technical support with district websites, hardware, and software, as well as student transcript requests. These calls generate an average of 800 service requests each week. These contractors also provide service for several hundred weekly requests for equipment service and new hardware deployments. These contractors maintain and operate the District's email, websites, telephones, Internet, data center, financial and HR systems including payroll processes. 24/7 support is provided to the DPSCD Police department for security alarms, surveillance cameras, Police vehicle laptops and building access control.

The department currently has only eight (8) employees.

Without the approximately 13 full and part time contracted personnel to be provided by this contract and the approximately 62 to be provided by the other staff augmentation contracts, DPSCD IT would not be able to provide the necessary technical services to all schools and central offices.

Recommendation:

Approval of a two-year contract with CW Professionals (formerly Compuware) to provide professional staffing for Information Technology (IT) related short and long term positions that will provide services to the Department of Information Technology, for the period July 1, 2017 to June 30, 2019, with three (3) one-year renewal options, for a NTE amount of \$2,300,000 000 for each year of the base period for a total of NTE \$4,800,000 for the initial two-year period.

Recommended by: Mark Bartoski, Executive Director of Information Technology

Phone: 313.873.1947

Email: mark.bartoski@detroitk12.org

DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT

Academic and Finance Sub-Committee (**Communities in Schools (** **September 25, 2017 (**

Recommendation:

That the School Board approve the renewal of the contract with Communities in Schools of Metropolitan Detroit to continue enrichment and family services through the Community Schools Model at 11 schools for the period of November 1, 2017 through June 30, 2018 in an amount not to exceed \$960,960.

Description and Background:

For the past ten years, Communities in Schools has partnered with the district to provide wraparound supports to students and families. The goal of the Communities Schools model is to provide wraparound support services for at-risk students through the use of a Community School Coordinators (CSC). The CSC serve as an additional resource to students, parents and school based staff to identify programs and services to improve academic achievement, improve absenteeism, and maintain programs that address the student's social and emotional needs.

Historically schools have recognized the need for these services and elected to use a portion of school-based Title I funds for this purpose. Currently 11 school sites have selected to use this program model: Marquette, Wayne, J.R. King, Priest, Brewer, Westside Academy, Edison, Cody Academy of Public Leadership, Detroit Collegiate Preparatory Academy, East English Village and Mann.

Gap Analysis:

Communities in Schools (CIS) provides services in support of the school's educational plan related to community service providers, academic support organizations, volunteers, increased parental involvement and community engagement. CIS works with school based administrators to analyze attendance, attendance and discipline data. Although anecdotally the program is supportive of the whole child, there is limited quantitative impact data. We will use this year to determine if it is more cost effective to hire our own staff to provide these services.

Previous Outcomes:

Currently 14 schools utilized CIS as the service provider for the CSC position, Marquette, Wayne, J.R. King, Priest, Brewer, Durfee, Westside Academy, Edison, Cody APL and Cody MCH, Detroit Collegiate Preparatory, Fisher Lower and Carver. CIS and the school staff determined metrics

Communities in Schools**Date: September 25, 2017**

that were most relevant to the schools to track program effectiveness. The provider identified academics, attendance and behavior as areas of focus. The column below titled Total Student Profiles identifies the number of students attached to the data listed. According to the provider, improved academics is defined by school grades, improved attendance is defined by daily attendance after services through the CSC and improved behavior is based on observation data.

School	Total School Enroll	Total Student Profiles	Improve Academics	Improve Attendance	Improve Behavior
Brewer Academy	502	50	100%	100%	92%
Carver S.T.E.M Academy	366	39	100%	82%	100%
Cody Academy of Public Leadership	249	24	100%	80%	100%
Cody High-Medicine and Health	377	24	100%	86%	
Detroit Collegiate Prep	650	51	100%	100%	95%
Durfee Elementary School	565	29	100%	100%	
East English Village Preparatory Academy	1224	92	100%	86%	
Edison Elementary School	338	33	100%	80%	100%
Fisher Magnet Lower Academy	678	42	100%	90%	89%
John R King Academic and Performing Arts	890	42	100%	88%	95%
Marquette Elementary-Middle School	599	63	100%	85%	89%
Osborn Evergreen Academy of Design	441	41	100%	100%	100%
Priest Elementary Middle	896	18	100%	89%	94%
Wayne Elementary School	360	44	100%	98%	92%
West Side Academy Alt	480	32	100%	81%	91%

Expected Outcomes:

Through this partnership, the expected outcomes are to increase academic achievement, improve attendance and solicit programs that support the social and emotional health of students.

Communities in Schools**Date: September 25, 2017****Financial Impact:**

The per site cost for the CSC position is \$87,360 with an overall financial impact of \$960,960. CIS was selected through a competitive bidding process to provide Community Schools services.

Contact for Item:

Iranetta Wright, Deputy Superintendent of Schools

Phone: 313-873-7471

Email: iranetta.wright@detroitk12.org

Attachments

Existing Contract and Amendment

DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT

Finance and Academic Sub-Committee Southwest Solutions September 25, 2017

Recommendation:

That the School Board approve the renewal of the contract with Southwest Solutions to continue enrichment and family services through the Community Schools Model at 13 schools for the period of November 1, 2017 through June 30, 2018 in an amount not to exceed \$1,135,680.

Description and Background:

Southwest Solutions has provided service in Detroit since 1970. The organization provides community-based counseling solutions, housing solutions and economic solutions. In partnership with the district, Southwest Solutions works with school based leadership to ensure excellent academic programs with before, during and after school programs that address the academic needs of students.

The goal of the Communities Schools is to serve as the connector for schools, families and the community by serving as a place where families can receive services and resources. The Communities School model of providing wraparound support services is facilitated by the Community School Coordinators (CSC). CSCs serve as a primary consultant on the resources available to families with a concentrated focus to improve academic achievement and absenteeism while maintaining programs that address students' social and emotional needs.

Historically, schools have recognized the need for these services and elected to use a portion of school-based Title I funds for this purpose. Currently 13 school sites have selected to use this program model: Ann Arbor Trail, Bagley, Bennett, Cartsens, Cody Medicine and Community Health Academy, Earhart, Golightly Educational Center, Gompers, Harms, Mark Twain, Mason, Munger, and Western.

Gap Analysis:

Southwest Solutions provides services in support of the school's educational plan related to community service providers, academic support organizations, volunteers, increased parental involvement and community engagement. Southwest Solutions works with school based administrators to analyze attendance and discipline data. Although anecdotally the program is supportive of the whole child, there is limited quantitative impact data. We will use this year to determine if it is more cost effective to hire our own staff to provide these services.

Southwest Solutions

Date: September 25, 2017

Previous Outcomes:

Previously 13 school sites have selected to use this program model: Ann Arbor Trail, Bagley, Bennett, Carstens, Cody Medicine and Community Health Academy, Earhart, Golightly Educational Center, Gompers, Harms, Mark Twain, Mason, Munger, and Western.

The provider identified CSC meetings, school contacts, partnerships, referrals to other agencies and professional development as the areas of focus. According to the provider, partnerships are defined as obtaining outreach activities for families, including donations of food and clothing, referrals are defined by the number of students and families that the CSC refers to other agencies for additional services and professional development is defined by learning activities planned by the CSC for families and school based staff. The column below identifies the number of occurrences based on the provider.

Southwest Solutions, Community Schools	CSSC meetings for the 2016-17 school year	CSSC School contacts for 2016-17 school year	# of Partnerships for 2016-17 school year	# of Referrals for 2016-17 school year	# of Professional Development for 2016-2017
Ann Arbor Trail	1320	1869	802	1426	87
Bagley Elementary	1856	2683	1043	2275	124
Bennett Elementary	3224	3303	3809	8835	90
Carstens Academy of Aquatic Science	697	984	67	21	16
Cody High School	2072	432	55	410	5
Earhart Elementary-Middle	2382	2675	297	1084	25
Golightly Education Center	1313	1105	973	n/a	110
Gompers Elementary-Middle	1522	2148	412	952	97
Harms Elementary	935	1325	298	20431	10
Mark Twain	1572	478	241	438	91
Mason Academy	1374	2021	920	2537	62
Munger Elementary-Middle	1355	1456	821	1723	89
Western High School	764	475	230	547	53
TOTALS:	20386	20954	9968	40679	859

Southwest Solutions

Date: September 25, 2017

Expected Outcomes:

Through this partnership, the expected outcomes are to increase academic achievement, improve attendance and promote programs that support the social and emotional health of students.

Financial Impact:

The per site cost for the CSC position is \$87,360 with an overall financial impact of \$1,135,680. Southwest Solutions was selected through a competitive bidding process to provide Community Schools services.

Contact for Item:

Iranetta Wright, Deputy Superintendent of Schools

Phone: 313-873-7471

Email: iranetta.wright@detroitk12.org

Attachments

Existing Contract and Amendment

Requests for consideration and approval

a. Contract Requests '

b. Out-of-State Travel Requests '

Out-of-State Travel Reimbursement Requests '

The District does not have any outstanding out-of-state travel reimbursements that need to be provided to the Board of & Education or FRC for review and approval. &

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Out-of-State Travel Reimbursement Requests

The District does not have any outstanding out-of-state travel reimbursements that need to be provided to the Board of Education or FRC for review and approval.

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FY18 Proposed Budget Amendment No. 1 vs. FY18 Adopted Budget: Revenue

Note	Function	Description	FY18 Adopted vs FY18 Proposed Bud Amend #1 Increase/(Decrease)
1	Other local sources (Inc private donations, rent from school property, community services)	Increase Transportation Revenue from Charter Schools based upon 2017 Invoices	\$ 193,569
		Increase Lightweight Innovations for Tomorrow Grant	100,000
		Various revenue decreases	(26,244)
			267,325
2	State sources	Increase Unrestricted State Aid	370,823
		Increase Adult Education Fund	155,587
		Increase Financial Analytic Tools	59,578
		Increase Section 61a Vocational Education	18,928
		Increase MiBlisi Implementation	13,040
		Decrease Headlee Obligation for Data Collection	(656)
		Decrease Targeted Literacy Instruction	(650,000)
	(32,700)		
3	Federal sources	Increase Title IA	6,730,606
		Increase School Improvement Grant - Cohort	1,500,000
		Increase Title IIA	659,423
		Increase SIG Year 2	533,678
		Decrease Title III Limited English Proficiency	(22,853)
		Decrease Perkins	(296,580)
	9,104,274		
Total Revenue Increase			\$ 9,338,899

FY18 Proposed Budget Amendment No. 1 vs. FY18 Adopted Budget Revenue Projections

Detail: Local Sources

Description	ADOPTED FY 2018	Proposed Budget Amendment # 1 FY 2018	FY 2018 - Proposed Budget Amendment # 1 Increase (Decrease) Over FY 2018 - Adopted
Special Education Millage			
Property Taxes	\$ 40,451,615	\$ 40,451,615	\$ -
Special Education Transportation Reimbursement	2,700,000	2,700,000	-
Revenue Enhancement Millage	17,740,760	17,740,760	-
Payments from the EAA	2,546,317	2,546,317	-
Other			
Tuition - Non Resident Driver Education	140,220	140,220	-
Earnings on Investments	600,000	600,000	-
Income from Real Property	128,179	128,179	-
Medicaid Revenue	2,500,000	2,500,000	-
Rent from School Property	1,651,777	1,651,777	-
Private Donations	86,997	121,000	-
Community Use	104,365	104,365	-
Charter School Administration Fee	1,292,048	1,292,048	-
Miscellaneous Revenue	2,823,227	2,862,979	39,752
Transportation Revenue - Other Schools	247,690	441,259	193,569
WRESA Follow That Kid	2,084,316	2,084,316	-
Charter Schools Services Provided	30,707	30,707	-
Other Subtotal	11,689,525	11,956,850	267,325
Total Local sources	\$ 75,128,217	\$ 75,395,542	\$ 267,325

FY18 Proposed Budget Amendment No. 1 vs. FY18 Adopted Budget Revenue Projections

Detail: State Sources

Description	FY 2018 - Proposed Budget Amendment # 1		
	ADOPTED FY 2018	Proposed Budget Amendment # 1 FY 2018	Increase (Decrease) Over FY 2018 - Adopted
General Operating Fund (11)			
Prop A Obligation	267,737,065	267,817,452	80,387
Discretionary Payment	71,367,972	72,069,247	701,275
MPERS UAAL	37,700,855	37,700,855	-
MPERS Cost Offset	3,950,380	3,950,380	-
ST Rest Headlee Data Collect	1,143,502	1,142,846	(656)
State Restricted - Vocational Education 61a	642,229	661,157	18,928
State Aid for High School Students	767,150	356,311	(410,839)
Financial Analytic Tools	-	59,578	59,578
Adult Education Fund (13)			
Adult Education	1,681,290	1,836,877	155,587
Grants (14)			
State Restricted - At Risk 31a	29,375,250	29,375,250	-
GSRP	21,542,943	21,542,943	-
Targeted Literacy Instruction	650,000	-	(650,000)
Section 41 Bilingual Instruct	400,000	400,000	-
MiBlisi Implementation Special	133,800	146,840	13,040
Wayne County Early On Program	130,000	130,000	-
Adolescent and School Health	80,000	80,000	-
First Robotics	48,900	48,900	-
HRTTP HIV	40,023	40,023	-
Sexual Health Initiative	3,000	3,000	-
Special Education (16)			
State Restricted - Special Ed Headlee 51c	21,288,231	21,288,231	-
Center Based Special Education (22)			
Section 51C	17,049,719	17,049,719	-
Total State Sources	475,732,309	475,699,609	(32,700)

FY18 Proposed Budget Amendment No. 1 vs. FY18 Adopted Budget Revenue Projections

Detail: Federal Sources and Other Financial Sources

Description	ADOPTED FY 2018	Proposed Budget Amendment # 1 FY 2018	FY 2018 - Proposed Budget Amendment # 1 Increase (Decrease) Over FY 2018 - Adopted
Title IA	110,031,133	116,761,739	6,730,606
IDEA Flowthrough Grant	13,136,850	13,136,850	-
Title IIA - Teacher/Principal	8,983,786	9,643,209	659,423
CTE Perkins Title II	3,092,064	2,795,484	(296,580)
IDEA CPA	2,741,700	2,741,700	-
SIG Year 2 (of 5 year grant)	2,250,000	3,750,000	1,500,000
20th Century Cohort H	2,025,000	2,025,000	-
School Climate Transformation	699,797	699,797	-
Title III Limited English Proficiency	607,000	584,147	(22,853)
IDEA Preschool Incentive Grant	455,400	455,400	-
(WIA) Adult Basic Education	200,000	200,000	-
Adult Ed & Family Literacy	78,000	78,000	-
English Literacy and Civics Ed	5,000	5,000	-
SIG Year 3 (of 3 year grant)	-	533,678	533,678
Total Federal Sources	144,305,730	153,410,004	9,104,274
Transfer from DPS to DPSCD	13,100,000	13,100,000	-
Fund 25 Transfer to Fund 11	2,000,000	2,000,000	-
Total Other Financial Sources	\$ 15,100,000	\$ 15,100,000	\$ -

FY18 Proposed Budget Amendment No. 1 vs. FY18 Adopted Budget: Expenditures

Note	Function	Description	FY18 Adopted vs FY18 Proposed Bud Amend #1 Increase/(Decrease)
4	Instruction	Decrease Section 31A due primarily to funds being shifted to building security	\$ (831,693)
		Decrease GSRP due primarily to funds being shifted to Instructional Staff Support	(143,480)
		Decrease Title III due primarily to fund being shifted to Instructional Staff Support	(92,789)
		Various budget increases	5,480
			(1,062,482)
5	Pupil services	Decrease Title I due primarily to summer school expenses	(403,705)
		Various budget increases	27,769
			(375,936)
6	Instructional staff support	Decrease Title IIA due to funds being shifted to Instruction	(522,004)
		Various budget decreases	(13,738)
			(535,742)
7	General administration	Decrease Talent Acquisition budget due primarily to funds being shifted to Central Support Service	(10,500)
		Various budget increases	1,151
			(9,349)
8	School administration	Increase SIG due primarily to payroll expenses	919,608
		Various budget increases	6,161
			925,769

FY18 Proposed Budget Amendment No. 1 vs. FY18 Adopted Budget: Expenditures

Note	Function	Description	FY18 Adopted vs FY18 Proposed Bud Amend #1 Increase/(Decrease)
9	Business office	Increase Outside Consultants for Division of Finance Various budget increases	1,600,000 1,984 1,601,984
10	Operations & maintenance	Increase Operations Budget due primarily to contractor services and supplies Increase DPS Police Budget due primarily to additional grant funding Increase Adult Education Budget due to contracted services for maintenance and security Increase Finance Budget due primarily to Property and Liability Insurance Various budget increases	4,851,484 1,031,411 139,398 90,014 10,314 6,122,621
11	Transportation	Decrease Student Bus Pass budget based upon FY 2017 actual expenditures Increase Title I Contracted Services Various budget increases	(1,109,250) 290,120 1,113 (818,017)
12	Central support service	Increase Technology Budget due primarily to contractor services and supplies Decrease Labor Contract Management Budget due to central office reorganization Various budget increases	4,093,080 (294,516) 43,986 3,842,550
13	Other support service	Reduction Academics budget due primarily to payroll expenses Increase Operations Budget for Community Use at HS Athletic Events Various budget decreases	(511,513) 70,000 (8,074) (449,587)
14	Community services	Increase Title IIA Contracted Services Decrease Title IA Contracted Services Various budget increases	433,389 (276,629) 3,313 160,073
Total Expenditure Increase			\$ 9,401,884

FY18 Proposed Budget Amendment No. 1 vs. FY18 Adopted Budget: Object Code

Note	Object	Description	FY18 Adopted vs FY18 Proposed Bud Amend #1 Increase/(Decrease)
1	Salaries	Decrease Title IIA due primarily to funds being shifted to contractor services for Curriculum and Instruction and Strategy	\$ (1,955,758)
		Decrease Perkins due primarily to a reduction in funding	(513,618)
		Decrease Section 31A due primarily to funds being shifted to contracted security services and teaching supplies	(181,535)
		Decrease GSRP due primarily to funds being shifted to contracted services	(100,000)
		Various increases	24,571
			(2,726,340)
2	Benefits	Decrease Title IA due primarily to funds being shifted to Title I Restricted for expenses to be more aligned with Superintendent's Plan.	(999,417)
		Decrease Title IIA due primarily to funds being shifted to contractor services for Curriculum and Instruction and Strategy	(558,005)
		Decrease Perkins due primarily to a reduction in funding	(245,043)
		Various decreases	(69,943)
			(1,872,408)
3	Purchased Services	Increase Division of Operations budget due primarily to contracted engineering and custodial services	3,190,010
		Increase Title IIA due primarily to Curriculum and Instruction and Strategy	3,127,454
		Increase Outside Consultants for Division of Finance	1,600,000
		Various decreases	(194,543)
			7,722,922
4	Supplies & Textbooks	Increase Physical Plant Operations budget due primarily to maintenance supplies	1,692,500
		Decrease Targeted Literacy Instruction budget due to a reduction in funding	(285,039)
		Various decreases	(90,921)
			1,316,541
5	Equipment and Capital	Increase Division of Information Technology Equipment budget	2,120,045
		Various decreases	(36,009)
			2,084,036
6	Utilities	Decrease Electric budget based upon FY 2017 payments	(2,000,000)
		Decrease Fisher Building utility budget (water and electric) based upon the best available information.	(20,000)
		Increase Telephone budget based upon the best available information	235,000
		Increase Water and Sewage budget based upon FY 2017 payments	500,000
			(1,285,000)
7	Contingency	Decrease budget to keep the projected annual surplus approximate with the surplus included in the Adopted Budget	(1,100,000)
8	Title I Restricted	Increase budget due primarily to ensure future Title IA expenses are aligned with the Superintendent's Plan.	4,777,131
	State Transition Fund	Increase budget due primarily to ensure future State Transition Fund expenses are aligned with the Superintendent's Plan.	485,000
9	Contingency		
Total Expenditure Increase			\$ 9,401,882

FY18 Budget Amendment No. 1 Breakdown: Other Non-Recurring Revenues and Expenditures

<i>\$ in millions</i>	Amount
FY18 Non-Recurring Revenues & Other Financial Sources	
Remaining DPS Cash Balance	\$13.1
EAA Rental Agreement	\$2.5
Subtotal	\$15.6
FY18 Non-Recurring Expenditures	
FY18 Cass Tech Athletic Field	(\$1.5)
FY18 EAA Transition Costs - Operations	(\$0.7)
FY18 EAA Transition Costs - Technology	(\$0.4)
Subtotal	(\$2.6)
Total	\$13.0

FY18 Proposed Budget Amendment No. 1 Vacant Detail – FTE Level

Category	Vacant General Fund			Vacant Non General Fund			GRAND TOTAL		
	FTE	Salary	Salary & Benefits	FTE	Salary	Salary & Benefits	FTE	Salary	Salary & Benefits
Officials/Administrators/Managers	32.6	\$ 3,046,045.77	\$ 4,707,268.52	28.0	\$ 2,140,047.90	\$ 3,327,184.88	60.6	\$ 5,186,093.67	\$ 8,034,453.40
Principals	0.2	18,020.55	27,758.74	2.0	197,886.35	311,144.09	2.2	215,906.90	338,902.83
Assistant Principals	2.1	336,853.24	527,809.29	0.9	112,085.55	176,479.89	3.0	448,938.79	704,289.18
Classroom Teachers	125.7	5,982,367.28	9,243,975.01	90.8	3,904,225.49	5,928,703.79	216.5	9,886,592.77	15,172,678.80
Unidentified Classroom Teachers ¹	45.0	2,046,862.48	3,373,648.52	180.3	11,229,879.85	17,707,090.77	225.3	13,276,742.33	21,080,739.29
Guidance	9.1	503,249.57	792,371.75	4.9	251,189.26	394,574.28	14.0	754,438.83	1,186,946.03
Psychological	3.0	64,253.88	101,864.61	4.6	184,687.44	292,678.45	7.6	248,941.32	394,543.06
Librarians/Audio Visual Technicians	0.0	-	-	0.0	-	-	0.0	-	-
Consultants/Supervisors of Instruction	37.7	2,296,322.00	3,616,114.67	26.6	1,850,649.72	2,898,551.00	64.3	4,146,971.72	6,514,665.67
Other Professional Staff	41.6	2,053,144.83	3,227,022.44	87.0	4,488,316.81	7,042,185.00	128.6	6,541,461.64	10,269,207.44
Teacher Aides	103.8	2,287,070.90	3,596,663.64	166.9	3,312,677.86	5,225,626.52	270.7	5,599,748.76	8,822,290.16
Technicians	1.0	71,757.61	111,949.85	0.0	17,773.35	27,984.33	1.0	89,530.96	139,934.18
Clerical/Secretarial Staff	21.4	778,436.18	1,216,765.43	15.1	517,878.23	816,011.74	36.5	1,296,314.41	2,032,777.17
Service Workers	23.3	557,604.57	868,854.03	13.7	441,188.64	687,418.70	37.0	998,793.21	1,556,272.73
Skilled Crafts	0.0	-	-	1.0	26,002.84	40,263.79	1.0	26,002.84	40,263.79
Laborers, Unskilled	0.0	-	-	0.0	-	-	0.0	-	-
Sub-total	446.5	20,041,988.86	31,412,066.50	621.7	28,674,489.29	44,875,897.23	1,068.2	48,716,478.15	76,287,963.73
Part-Time	4.2	27,315.11	42,758.94	39.8	200,841.15	311,356.96	44.0	228,156.26	354,115.90
Substitutes/Instructional	0.0	-	-	0.0	-	-	0.0	-	-
Substitutes/Non Instructional	0.0	-	-	8.3	80,296.45	127,232.54	8.3	80,296.45	127,232.54
Sub-total (Part-Time and Subs)	4.2	27,315.11	42,758.94	48.1	281,137.60	438,589.50	52.3	308,452.71	481,348.44
Other salaries / wages / benefits	16.8	4,310,567.34	6,772,478.95	19.7	4,587,405.21	7,178,312.54	36.5	8,897,972.55	13,950,791.49
Worker's Compensation	0.0	-	-	0.0	-	-	0.0	-	-
UAAL Adjustment	0.0	-	-	0.0	-	-	0.0	-	-
Sub-total Other Compensation	16.8	4,310,567.34	6,772,478.95	19.7	4,587,405.21	7,178,312.54	36.5	8,897,972.55	13,950,791.49
GRAND TOTAL	467.5	\$ 24,379,871.31	\$ 38,227,304.39	689.5	\$ 33,543,032.10	\$ 52,492,799.27	1,157.0	\$ 57,922,903.41	\$ 90,720,103.66

(1) Unidentified Classroom Teachers related to vacant positions in the system that need to be re-allocated to other positions or eliminated.

FY18 Proposed Budget Amendment No. 1 vs. FY18 Adopted Budget: FTE

Category	Adopted			Budget Amendment # 1			NCREASE (DECREASE) OVER ADOPTED		
	FTE	Salary	Salary & Benefits	FTE	Salary	Salary & Benefits	FTE	Salary	Salary & Benefits
Officials/Administrators/Managers	169.8	\$ 16,304,370.55	\$ 24,751,354.73	189.5	\$ 17,573,503.27	\$ 26,622,115.55	19.7	\$ 1,269,132.72	\$ 1,870,760.82
Principals	105.8	10,564,601.03	16,015,255.27	105.0	10,416,868.05	15,790,634.32	(0.8)	(147,732.98)	(224,620.94)
Assistant Principals	51.0	4,077,493.12	6,316,628.60	52.0	4,429,926.47	6,856,782.43	1.0	352,433.35	540,153.83
Classroom Teachers	3,031.9	182,369,378.13	284,560,664.82	2,924.5	164,280,802.68	257,635,914.52	(107.4)	(18,088,575.45)	(26,924,750.30)
Unidentified Classroom Teachers ¹	0.0	-	-	225.3	13,276,742.33	21,080,739.29	225.3	13,276,742.33	21,080,739.29
Guidance	106.8	6,459,015.74	10,059,062.02	110.8	6,468,526.00	10,125,693.07	4.0	9,510.26	66,631.05
Psychological	40.2	2,352,191.89	3,636,601.46	41.6	2,262,093.89	3,516,274.30	1.4	(90,098.00)	(120,327.17)
Librarians/Audio Visual Technicians	0.0	-	-	0.0	-	-	0.0	-	-
Consultants/Supervisors of Instruction	244.3	17,468,616.09	27,148,713.15	200.8	13,900,065.51	21,600,646.97	(43.5)	(3,568,550.58)	(5,548,066.18)
Other Professional Staff	416.5	24,621,291.35	38,204,396.20	448.8	25,473,473.85	39,709,856.10	32.3	852,182.50	1,505,459.90
Teacher Aides	1,104.7	20,996,231.18	36,605,779.06	1,141.2	21,714,215.45	37,691,867.25	36.5	717,984.27	1,086,088.19
Technicians	7.0	191,528.10	318,979.63	7.0	245,497.88	411,660.58	0.0	53,969.78	92,680.95
Clerical/Secretarial Staff	278.4	8,857,288.05	14,486,665.75	286.8	9,263,012.51	15,263,690.85	8.4	405,724.46	777,025.10
Service Workers	241.0	5,823,603.07	9,683,839.34	253.0	6,140,356.65	10,228,827.34	12.0	316,753.58	544,988.01
Skilled Crafts	11.0	407,430.90	523,413.40	11.0	407,430.90	523,416.40	0.0	-	3.00
Laborers, Unskilled	0.0	-	-	0.0	-	-	0.0	-	-
Sub-total	5,808.3	300,493,039.20	472,311,353.42	5,997.2	295,852,515.45	467,058,118.97	188.9	(4,640,523.76)	(5,253,234.45)
Part-Time	201.0	1,067,643.43	1,531,431.71	205.0	1,110,832.56	1,581,128.51	4.0	43,189.13	49,696.80
Substitutes/Instructional	0.0	1,555,888.59	2,243,708.04	0.0	1,555,888.59	2,243,708.04	0.0	-	(0.00)
Substitutes/Non Instructional	16.3	292,936.88	450,310.42	13.3	159,441.96	235,040.64	(3.0)	(133,494.92)	(215,269.78)
Sub-total (Part-Time and Subs)	217.3	2,916,468.90	4,225,450.18	218.3	2,826,163.12	4,059,877.19	1.0	(90,305.79)	(165,572.99)
Other salaries / wages / benefits	45.5	13,316,407.99	19,584,076.97	37.5	9,052,792.87	13,189,672.56	(8.0)	(4,263,615.12)	(6,394,404.41)
DFT Stipends (\$1,750 for Employees on Top Step)	0.0	-	-	0.0	3,311,000.00	3,564,291.50	0.0	3,311,000.00	3,564,291.50
Workshops	0.0	2,029,729.00	2,185,003.27	0.0	4,986,833.67	5,835,175.27	0.0	2,957,104.67	3,650,172.00
Worker's Compensation	0.0	-	2,006,217.60	0.0	-	2,006,217.60	0.0	-	-
UAAL Adjustment	0.0	-	(371,357.09)	0.0	-	(371,357.09)	0.0	-	-
Sub-total Other Compensation	45.5	15,346,136.99	23,403,940.75	37.5	17,350,626.54	24,223,999.84	(8.0)	2,004,489.55	820,059.09
GRAND TOTAL	6,071.1	\$ 318,755,645.10	\$ 499,940,744.35	6,253.0	\$ 316,029,305.10	\$ 495,341,996.00	181.9	\$ (2,726,340.00)	\$ (4,598,748.35)

(1) Unidentified Classroom Teachers related to vacant positions in the system that need to be re-allocated to other positions or eliminated.

FY18 Proposed Budget Amendment No. 1 Vacant Detail – Fund Level

Fund Name	ADOPTED BUDGET			BUDGET AMENDMENT # 1 (no EAA)			BUDGET AMENDMENT # 1 (EAA)			BUDGET AMENDMENT # 1 (TOTAL)		
	Vacancies - All Funds			Vacancies - All Funds			Vacancies - All Funds			Vacancies - All Funds		
	Salaries	Benefits	Total	Salaries	Benefits	Total	Salaries	Benefits	Total	Salaries	Benefits	Total
General Purpose (Fund 11)	\$ 257,501	\$ 145,649	\$ 403,150	\$ 5,603,191	\$ 3,021,640	\$ 8,624,831	\$ 49,361	\$ 32,964	\$ 82,325	\$ 5,652,552	\$ 3,054,604	\$ 8,707,156
Adult Education (Fund 13)	76,446	45,136	121,582	856,315	490,101	1,346,416	-	-	-	856,315	490,101	1,346,416
Grants (Fund 14)	14,494,973	8,178,414	22,673,387	15,711,368	8,616,674	24,328,042	460,238	252,452	712,690	16,171,606	8,869,126	25,040,732
State Transition (Fund 15)	182,622	100,754	283,377	108,540	65,698	174,237	-	-	-	108,540	65,698	174,237
Special Education (Fund 16)	3,746,896	2,274,810	6,021,705	4,819,613	2,772,956	7,592,569	377,499	269,151	646,650	5,197,112	3,042,107	8,239,219
Consolidated Funds (Fund 19) - Fund 11 Portion	910,850	525,752	1,436,601	4,460,008	2,774,391	7,234,399	2,088,779	1,279,557	3,368,336	6,548,788	4,053,948	10,602,735
Consolidated Funds (Fund 19) - Grants Portion	9,701,761	5,599,953	15,301,714	12,472,271	6,858,036	19,330,307	3,277,587	1,898,824	5,176,410	15,749,858	8,756,859	24,506,717
Center Based Special Education (Fund 22)	7,174,656	4,216,937	11,391,594	7,573,731	4,432,400	12,006,131	64,402	32,357	96,759	7,638,133	4,464,757	12,102,890
Total	\$36,545,705	\$21,087,406	\$57,633,111	\$51,605,036	\$29,031,895	\$80,636,931	\$6,317,867	\$3,765,305	\$10,083,172	\$57,922,903	\$32,797,200	\$90,720,103

Fund Name	Vacancies - General Fund Impact			Vacancies - General Fund Impact			Vacancies - General Fund Impact			Vacancies - General Fund Impact		
	Salaries	Benefits	Total	Salaries	Benefits	Total	Salaries	Benefits	Total	Salaries	Benefits	Total
General Purpose (Fund 11)	\$ 441,063	\$ 249,476	\$ 690,539	\$ 5,603,191	\$ 3,021,640	\$ 8,624,831	\$ 49,361	\$ 32,964	\$ 82,325	\$ 5,652,552	\$ 3,054,604	\$ 8,707,156
Adult Education (Fund 13)	-	-	-	-	-	-	-	-	-	-	-	-
Grants (Fund 14)	-	-	-	-	-	-	-	-	-	-	-	-
State Transition (Fund 15)	-	-	-	-	-	-	-	-	-	-	-	-
Special Education (Fund 16) ¹	3,746,896	2,274,810	6,021,705	2,891,768	1,663,774	4,555,541	226,499	161,491	387,990	3,118,267	1,825,264	4,943,531
Consolidated Funds (Fund 19) - Fund 11 Portion ²	910,850	525,752	1,436,601	3,122,006	1,942,074	5,064,080	1,462,145	895,690	2,357,835	4,584,151	2,837,764	7,421,915
Consolidated Funds (Fund 19) - Grants Portion ²	-	-	-	8,730,590	4,800,625	13,531,215	2,294,311	1,329,177	3,623,487	11,024,901	6,129,801	17,154,702
Center Based Special Education (Fund 22)	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$ 5,098,808	\$ 3,050,037	\$ 8,148,846	\$20,347,554	\$11,428,112	\$31,775,666	\$4,032,317	\$2,419,321	\$ 6,451,638	\$24,379,871	\$13,847,433	\$38,227,304

(1) Budget Amendment # 1 assumes only 60% of Special Education vacancies impact the General Fund.

(2) Budget Amendment # 1 assumes only 70% of ALL Consolidated Fund vacancies impact the General Fund.

DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT

Office of the Superintendent

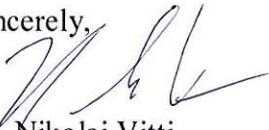
Nikolai P. Vitti, Ed.D.
Fisher Building, 14th Floor
3011 West Grand Boulevard
Detroit, MI 48202
313-873-7922

October 25th, 2017

Nick Khouri
State Treasure
Chairman, Financial Review Commission
3062 West Grand Blvd
Detroit, MI 48202

I am writing to request that the Financial Review Commission (FRC) allow a closed session with the Detroit Public Schools Community District, at its meeting scheduled for October 30th, 2017. Since the FRC has a duty to approve and disapprove all modifications of collective bargaining agreements, the District has deemed it beneficial to make a presentation clarifying the positions taken by the District in negotiations, and the potential financial impact of the actions that the District is proposing.

Sincerely,



Dr. Nikolai Vitti
Superintendent, Detroit Public Schools Community District