



Financial Review Commission ' Public Meeting '

April 16, 2018 &

DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT

Agenda

DPSCD FY 2018 Bud Amend No. 2

FY 2019 Budget & 5 Year Projection

DPS and DPSCD Financial Update

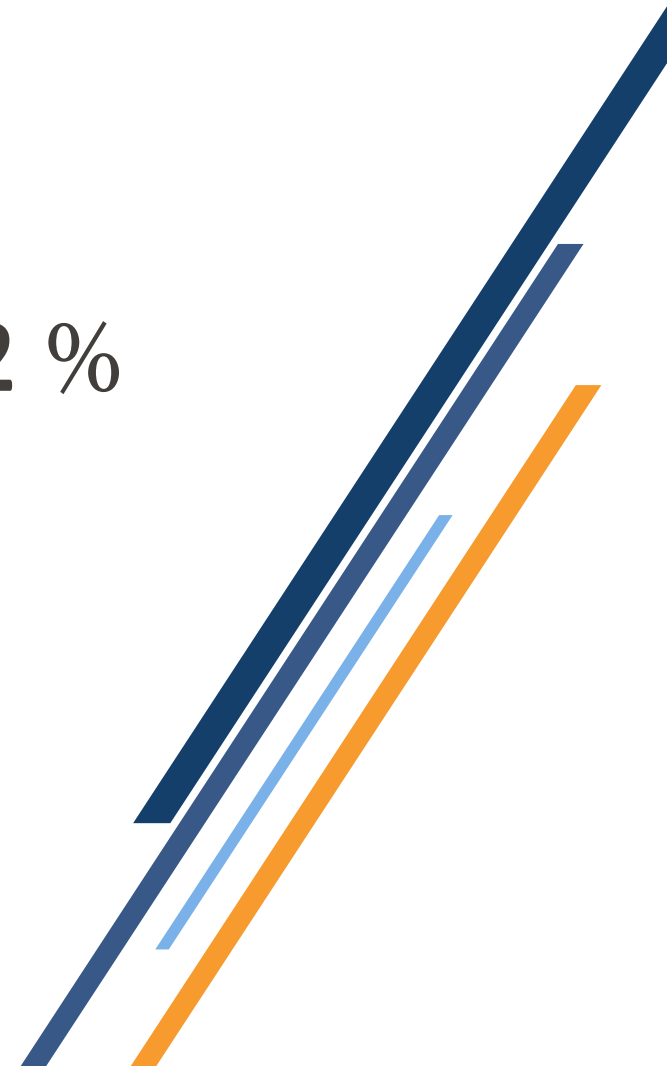
Supplemental Reports

Contracts

Out-of-State Travel

Appendix

DPSCD FY 2018 Budget Amendment No. 2 %





STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT RESOLUTION 2018-7

**APPROVING THE COMMUNITY DISTRICT'S APRIL 2018 BUDGET
AMENDMENT 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 April 16, 2018, 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 April 2018 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.

FY 2018 Revenues and Expenditures Comparison – Object Level

	FY 2017 - Actual	FY 2018 - Budget # Amendment # 1 #	FY 2018 - Budget Amendment # 2	FY 2018 - Budget Amendment # 2 Increase (Decrease) Over FY 2018 - Budget Amendment # 1
Revenue and Sources:				
Local sources	62,528,317	75,395,542	78,229,265	2,833,723
State sources	441,911,193	475,699,609	495,159,759	19,460,150
Federal sources	116,292,314	153,410,004	172,805,905	19,395,901
Proceeds from sale of capital assets	9,453,274	-	-	-
Payments from Other School Districts	34,104,890	13,100,000	13,100,000	-
Transfers In	2,571,460	2,000,000	2,000,000	-
Total Revenue and Sources	666,861,448	719,605,155	761,294,929	41,689,774
Expenditures and Uses:				
Personnel	417,935,642	495,341,999	485,132,039	(10,209,960)
Purchased Services	136,262,660	156,936,612	165,657,016	8,720,404
Supplies	15,739,061	20,780,977	36,839,686	16,058,709
Equipment & Capital	4,179,007	10,035,479	10,180,463	144,984
Utilities	13,781,958	16,719,000	16,719,800	800
Title I Restricted	-	6,118,839	4,728,506	(1,390,333)
Total Expenditures	587,898,328	705,932,906	719,257,510	13,324,604
Contingency Sources				
General Purpose Fund & State Transition Fund & Special Education Fund & ACT18 &	-	8,900,000	17,995,338	9,095,338
	-	485,000	522,567	37,567
	-	-	3,265,036	3,265,036
	-	-	2,794,748	2,794,748
Total Sources (Uses)	-	9,385,000	24,577,689	15,192,689
Excess (deficiency) of Revenue and	78,963,120	4,287,249	17,459,730	13,172,481
Beginning Reserves	-	78,963,120	78,963,120	
Ending Reserves	\$ 78,963,120	\$ 83,250,369	\$ 96,422,850	
Restricted Reserves	\$ 20,190,532	\$ 19,742,900	\$ 18,668,284	
Unrestricted Reserves	\$ 58,772,588	\$ 63,507,469	\$ 77,754,566	

Budget Amendment No. 2 Takeaways

- Balanced budget which increases end of the year fund balance from \$4.3M to \$17.6M
- Increases the general fund contingency from \$8.9M to ~\$18M

Revenue

- Overall increase in revenue of ~\$41M
- \$19M increase from 2,127 student increase in Fall Count Day
- \$18.5M increase in Title IA and Title IIA, and an additional \$2M in Special Education reimbursement.

Expenses

- Reduced allocated expenditures by eliminating unaligned district positions and unspent funding to vacancies to Contingency and fund balance
- Increased available funds for school level technology investments from carryover Title IA
- Increased Title IIA personnel costs for professional stipends for teachers

FY 2018 BA 2 and FY 2018 BA 1 variances – Object Level

Revenues and Sources:	
Local Sources '	<ul style="list-style-type: none"> Additional FY 2017 Special Education Transportation Reimbursement - \$2.0M, Revenue Enhancement Millage - \$800K
State Sources	<ul style="list-style-type: none"> Increase in student FTE Count ~2,127 - \$16.4M, One-Time MSPERS Deposit – \$5.9M UAAL Rate Stabilization – (\$2.5M)
Federal Sources	<ul style="list-style-type: none"> Title IA & Title IIA carryover - \$18.5M, Title III - \$380K, Workforce Innovation – \$340K
Expenditures and Uses:	
Personnel	<ul style="list-style-type: none"> Reduction vacant general fund positions by half – (\$9M), Reduction in Section 31A – (\$4.3M) Increase Title IA \$3.3M (summer school)
Purchased Services	<ul style="list-style-type: none"> General Purpose Fund: DPS Police - \$1.4M, General Counsel - \$700K, College and Career Readiness - \$350K, Strategy - \$300K, Schools - \$150K Consolidated Funds - \$1.9M, GSRP - \$1.2M, ACT18 - \$1.1M, Section 31A - \$1.0M, SIG - \$300K, Target Literacy - \$250K
Supplies	<ul style="list-style-type: none"> Expansion of 1-1 Initiative - \$13.7M, School Teaching Supplies - \$1.8M, Teacher Development Supplies & Materials - \$300K

FY 2018 Revenues and Expenditures Comparison – Function Level

	FY 2017 - Actual	FY 2018 - Budget Amendment # 1	FY 2018 - Budget Amendment # 2	FY 2018 Bud Amd. #2 vs. FY 2018 Bud Amd. #1
Revenue:				
Local sources &				
Special education millage	\$ 35,126,096	\$ 43,151,615 &	\$ 45,155,735	\$ 2,004,120
Revenue enhancement millage	15,546,457	17,740,760	18,528,860	788,100
Payments from the EAA	3,699,998	2,546,317	2,546,317	-
Other	8,155,766	11,956,850	11,998,353	41,503
Total local sources	62,528,317	75,395,542	78,229,265	2,833,723
State sources	441,911,193	475,699,609	495,159,759	19,460,150
Federal sources	116,292,314	153,410,004	172,805,905	19,395,901
Total Revenue	620,731,824	704,505,155	746,194,929	41,689,774
Expenditures:				
Instruction	300,767,174	362,773,872	375,053,163	12,279,291
Support services &				
Pupil services	50,446,214	63,366,955 &	63,397,068	30,113
Instructional staff support	45,947,616	52,253,390	52,516,821	263,431
General administration	3,408,368	5,342,036	5,225,977	(116,059)
School administration	32,685,915	40,105,434	41,155,553	1,050,119
Business office	9,950,639	9,211,035	10,051,024	839,989
Operations & maintenance	80,857,617	95,957,617	97,563,360	1,605,743
Transportation	33,519,120	38,096,982	38,672,144	575,162
Central support service	24,852,688	32,939,414	33,947,578	1,008,164
Other support service	1,764,382	1,561,965	2,459,804	897,839
Total support services	283,432,559	338,834,828	344,989,329	6,154,501
Community service	3,698,595	4,809,206	5,797,369	988,163
Total Expenditures	587,898,328	706,417,906	725,839,861	19,421,955
Other Financial Sources (Uses) #				
Sources #				
Proceeds from sale of capital assets	9,453,274	-	-	-
Payments From Detroit Public Schools	34,104,890	13,100,000	13,100,000	-
Transfer from Food Service Fund	2,571,460	2,000,000	2,000,000	-
Total Sources	46,129,624	15,100,000	15,100,000	(6,200,000)
Uses				
Contingency	-	(8,900,000)	(17,995,338)	(8,900,000)
Total Uses	-	(8,900,000)	(17,995,338)	(8,900,000)
Total Other Financial Sources (Uses)	46,129,624	6,200,000	(2,895,338)	(9,095,338)
Excess (deficiency) of Revenue and Other Sources #				
Over (Under) Expenditures and Other Uses	78,963,120	4,287,249 #	17,459,730	13,172,481
Beginning Reserves	-	78,963,120	78,963,120	
Ending Reserves	\$ 78,963,120	\$ 83,250,369	\$ 96,422,850	
Restricted Reserves	\$ 20,190,532	\$ 19,742,900	\$ 18,668,284	
Unrestricted Reserves	\$ 58,772,588	\$ 63,507,469	\$ 77,754,566	

FY 2018 BA 2 and FY 2018 BA 1 variances – Function Level

Revenues and Sources:	
Local Sources	<ul style="list-style-type: none"> FY 2017 Special Education Transportation Reimbursement - \$2.0M, Revenue Enhancement Millage - \$800K
State Sources	<ul style="list-style-type: none"> Increase in student FTE Count ~2,127 - \$16.4M, One-Time MSPERS Deposit – \$5.9M UAAL Rate Stabilization – (\$2,5M)
Federal Sources	<ul style="list-style-type: none"> Title IA & Title IIA carryover - \$18.5M, Title III - \$380K, Workforce Innovation – \$340K
Expenditures and Uses:	
Instruction	<ul style="list-style-type: none"> Title IA - \$12.4M (Instructional Technology)
Instructional Staff Support '	<ul style="list-style-type: none"> GSRP - \$400K (Contracted Instructors)
School Administration	<ul style="list-style-type: none"> GSRP - \$650K (personnel), GSRP Transportation - \$100K (supplies), College and Career Readiness - \$250K (contractors) '
Business Office	<ul style="list-style-type: none"> General Purpose Fund - \$800K (personnel) '
Operations and ' Maintenance '	<ul style="list-style-type: none"> DPSCD Police – \$1.3M (contractors), Community Use - \$125K, Equipment - \$100K
Transportation	<ul style="list-style-type: none"> Title IA- \$500K – student bussing for field trips '
Central Support	<ul style="list-style-type: none"> Legal Services - \$700K, Workshops and Conferences - \$300K '
Other Support	<ul style="list-style-type: none"> Office of Athletics - \$540K (coaching stipends), GSRP - \$330K (personnel) '
Community Service	<ul style="list-style-type: none"> Title IA - \$530K (contractors), Title IIA - \$410K (contractors) '
Contingency	<ul style="list-style-type: none"> \$9M increase from reducing the budgets for vacant positions by half and moving funds to Contingency. '

FY 2018 BA 2 Staff compared to FY 2018 BA 1

		FY 2018 DRAFT BUDGET AMENDMENT # 1		FY 2018 DRAFT BUDGET AMENDMENT # 2		INCREASE (DECREASE) OVER FY 2018 DRAFT BUDGET AMENDMENT # 2	
EEO Category	Category (FTE)	FTE	Salaries and Benefits Budget	FTE	Salaries and Benefits Budget	FTE	Salaries and Benefits Budget
1	Officials/Administrators/Managers	189.5	\$ 26,622,116	202.5	\$ 27,027,535	13.0	\$ 405,419
2	Principals	105.0	15,790,634	105.0	15,717,616	0.0	(73,018)
4	Assistant Principals	52.0	6,856,782	58.0	7,157,926	6.0	301,144
Tchr, 5-6	Classroom Teachers	3031.5	272,228,878	2957.8	261,771,393	-73.7	(10,457,485)
Tchr, 7	Other Classroom Teachers	118.3	9,500,100	104.6	7,072,254	-13.7	(2,427,846)
8	Guidance	110.8	10,231,190	107.8	9,679,453	-3.0	(551,737)
9	Psychological	41.6	3,559,604	40.0	3,572,898	-1.6	13,294
11	Consultants/Supervisors of Instruction	200.8	21,717,448	136.3	16,568,391	-64.5	(5,149,057)
12	Other Professional Staff	448.8	40,033,883	414.4	37,104,647	-34.4	(2,929,236)
13	Teacher Aides	1141.2	37,691,867	1117.5	38,732,743	-23.7	1,040,876
14	Technicians	7.0	411,661	7.0	272,762	0.0	(138,899)
15	Clerical/Secretarial Staff	286.8	15,263,691	286.8	14,367,603	0.0	(896,088)
16	Service Workers	253.0	10,228,827	262.0	10,195,601	9.0	(33,226)
17	Skilled Crafts	11.0	523,416	11.0	523,416	0.0	-
Totals (1-18)		5997.2	470,660,097	5810.7	449,764,238	-186.5	(20,895,859)
PT	Part-Time	205	1,581,129	201.0	1,513,253	-4.0	(67,876)
Sub/Inst	Substitutes/Instructional	0	2,243,708	0.0	4,508,710	0.0	2,265,002
Sub/NonInst	Substitutes/Non Instructional	13.3	235,041	10.3	171,740	-3.0	(63,301)
Totals (Part-Time and Subs)		218.3	4,059,878	211.3	6,193,703	-7	2,133,825
Other	Other positions	37.5	14,311,930	44.0	20,836,824	6.5	6,524,894
Total		6253.0	\$ 489,031,905	6066.0	\$ 476,794,765	-187.0	\$ (12,237,140)

- Other positions refer to additional miscellaneous positions outside of the FTE categories (e.g., after school, summer school, etc.)
- The above table represents the General Fund only (Food Service is excluded)

FY 2018 General Fund Filled and Vacant FTE

		VACANCIES IMPACTING GENERAL FUND		GRANT FUNDED VACANCIES		GRAND TOTAL	
EEO Category	Category (FTE)	FTE	Salaries and Benefits Budget	FTE	Salaries and Benefits Budget	FTE	Salaries and Benefits Budget
1	Officials/Administrators/Managers	24.0	\$ 1,174,739	15.5	\$ 2,525,388	39.5	\$ 3,700,127
2	Principals	0.0	-	0.0	-	0.0	-
4	Assistant Principals	0.0	-	0.0	-	0.0	-
Tchr, 5-6	Classroom Teachers	57.5	2,485,113	110.6	9,490,637	168.1	11,975,750
Tchr, 7	Other Classroom Teachers	11.8	383,646	15.9	908,732	27.7	1,292,378
8	Guidance	2.1	103,951	1.9	197,630	4.0	301,581
9	Psychological	1.0	43,635	3.0	266,150	4.0	309,785
11	Consultants/Supervisors of Instruction	9.8	670,744	20.0	2,539,194	29.8	3,209,938
12	Other Professional Staff	31.0	1,303,428	49.6	5,021,815	80.6	6,325,243
13	Teacher Aides	46.9	758,176	88.6	3,538,173	135.5	4,296,349
14	Technicians	1.7	23,176	0.3	22,429	2.0	45,605
15	Clerical/Secretarial Staff	11.5	204,612	9.5	652,330	21.0	856,942
16	Service Workers	17.1	235,187	7.9	530,949	25.0	766,136
17	Skilled Crafts	0.0	-	1.0	40,264	1.0	40,264
Totals (1-18)		214.4	7,386,407	323.8	25,733,691	538.2	33,120,098
PT	Part-Time	4.2	19,408	27.8	208,530	32.0	227,938
Sub/Inst	Substitutes/Instructional	0.0	-	0.0	21,294	0.0	21,294
Sub/NonInst	Substitutes/Non Instructional	0.5	1,533	5.8	66,821	6.3	68,354
Totals (Part-Time and Subs)		4.7	20,941	33.6	296,645	38.3	317,586
Other	Other positions	16.0	2,697,101	14.0	11,260,637	30.0	13,957,738
Total		235.1	\$ 10,104,449	371.4	\$ 37,290,973	606.5	\$ 47,395,422

- Other positions refer to additional miscellaneous positions outside of the FTE categories (e.g., after school, summer school, etc.)
- Food Service positions are excluded
- Other salaries/wages/benefits Includes Master Teacher Stipends, Special Ed Lead Teacher Stipends, Athletic Coach Stipends, Overtime for Police, etc.

DPSCD FY 2019 Proposed Budget %





STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT RESOLUTION 2018-8

**APPROVING THE DETROIT PUBLIC SCHOOLS COMMUNITY
DISTRICT'S BUDGET FOR FISCAL YEAR 2019**

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, the Community District presented its budget for the fiscal year ending June 30, 2019 ("fiscal year 2019") to the Commission at its meeting on April 16, 2018 for the Commission's review and consideration.

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

1. That the Community District's budget for fiscal year 2019 (the "Budget"), as presented to the Commission on April 16, 2018, is 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.

FY 2019 Key assumptions

Assumption		Projection methodology
Revenues:		
Enrollment (FTE)		<ul style="list-style-type: none"> Proposed FY 2019 budget assumes current enrollment (49,839 student FTEs).
Foundation allowance (State Aid)		<ul style="list-style-type: none"> Foundation allowance grows at a rate of \$120 / pupil in FY 2019 (1.6%).
Other Revenue		<ul style="list-style-type: none"> Enhancement millage rate per pupil was held constant in FY 2019. Act 18 revenue and special education transportation revenues were reduced for FY 2019 Title IA includes \$30M of anticipated carryover dollars. Federal revenue sources are conservatively budgeted with anticipated increases in budget amendment #1, after final allocations. \$6.9M transfer from DPS related to establishment of DPSCD.
Expenditures:		
Personnel		<ul style="list-style-type: none"> Projection assumes CBA wage increases, credit of teaching experience, normal step movements, and retirements. Teacher vacancies are budgeted at Step 8 (\$52,800), assuming external teacher experience is recognized for all new teachers hired. Establishes and fully funds a standard school staffing model, which will increase school personnel to support instruction, climate and culture.
Non-personnel		<ul style="list-style-type: none"> Lays foundation to upgrade technology districtwide at the school level (laptops, interactive TV monitors) with consistent online learning programming (supplement, not core). Establishes one-time funding for school level programmatic build out, including accelerated programs, performing arts, and STEM. Includes a \$17.8M reoccurring general fund contingency and an additional projected reoccurring \$8M surplus.
Fund Balance:		
Reserve)		<ul style="list-style-type: none"> Establishes a \$42M restricted reserve based on 10% of budgeted state aid.)

FY 2019 Revenues and Expenditures Comparison – Object level

	FY 2017 - Actual	FY 2018 - Budget Amendment # 2	FY 2019 - Draft Budget	FY 2019 - Draft Budget Increase (Decrease) Over FY 2018 - Budget Amendment # 2
Revenue and Sources:				
Local sources	62,528,317	78,229,265	71,531,139	(6,698,126)
State sources	441,911,193	495,159,759	503,289,568	8,129,809
Federal sources	116,292,314	172,805,905	174,565,368	1,759,463
Proceeds from sale of capital assets	9,453,274	-	-	-
Payments from Other School Districts	34,104,890	13,100,000	6,900,000	(6,200,000)
Transfers In	2,571,460	2,000,000	2,000,000	-
Total Revenue and Sources	666,861,448	761,294,929	758,286,075	(3,008,854)
Expenditures and Uses:				
Personnel	417,935,642	485,132,039	510,989,267	25,857,228
Purchased Services	136,262,660	165,657,016	159,008,594	(6,648,422)
Supplies	15,739,061	36,839,686	12,442,615	(24,397,071)
Equipment & Capital	4,179,007	10,180,463	3,944,754	(6,235,709)
Utilities	13,781,958	16,719,800	16,649,432	(70,368)
Title I Restricted	-	4,728,506	28,961,790	24,233,284
Total Expenditures	587,898,328	719,257,510	731,996,452	12,738,942
Contingency # Sources #				
General Purpose Fund	-	17,995,338	17,831,299	(164,039)
State Transition Fund	-	522,567	-	(522,567)
Special Education Fund	-	3,265,036	367,871	(2,897,165)
ACT18	-	2,794,748	-	(2,794,748)
Total Sources (Uses)	-	24,577,689	18,199,170	(6,378,519)
Excess (deficiency) of Revenue and	78,963,120	17,459,730	8,090,453	(9,369,277)
Beginning Reserves	-	78,963,120	96,422,850	
Ending Reserves	\$ 78,963,120	\$ 96,422,850	\$ 104,513,303	
Restricted Reserves	\$ 20,190,532	\$ 18,668,284	\$ 42,000,000	
Unrestricted Reserves	\$ 58,772,588	\$ 77,754,566	\$ 62,513,303	

FY 2019 Budget and FY 2018 BA2 Variances – Object Level

Revenues and Sources:	
Local Sources (<ul style="list-style-type: none"> EAA – (\$2.5M), Spec Ed Transportation Reimbursement – (\$2.0M), Property Taxes – (\$1.0M), Earnings on Investments – (\$600K), School Property Rental – (\$500K)
State Sources (<ul style="list-style-type: none"> State Aid - \$5.9M (\$120 Foundation Allowance increase), Section 31A - \$1.9M, Adult Education - \$1.1M Decrease in Targeted Literacy Instruction – (\$800K)
Federal Sources (<ul style="list-style-type: none"> Title IA increased \$11.8M based upon best available information Decreases in Title IIA (\$5.6M), 21st Century (\$2.0M), SIG (\$1.5M), Title III (\$700K)
Expenditures and Uses:	
Personnel	<ul style="list-style-type: none"> School Staffing Model including higher salaries and associated benefits, healthcare increases - \$48.0M, Special Education - \$2.2M, ACT18 - \$1.3M Reduction in teacher workshops (\$10.0M), summer school (\$10.0M), after school (\$5.5M)
Purchased Services	<ul style="list-style-type: none"> Consolidated Funds – (\$2.3M), State Transition Funds – (\$2.1M), GSRP – (\$1.9M), Student Transportation – (\$0.6M)
Supplies	<ul style="list-style-type: none"> Technology-student laptops – (\$11.7M), Maintenance Supplies – (\$5.0M), Teaching supplies – (\$3.0M), Central Office Supplies – (\$2.2M), Textbooks – (\$2.1M)
Equipment and Capital	<ul style="list-style-type: none"> State Transition Funds – (\$5.0M), School Equipment and Furniture – (\$1.2M)
Title I Restricted	<ul style="list-style-type: none"> Schools will complete their Title I budgets this spring

FY 2019 Revenues and Expenditures Comparison – Function level

	FY 2017 - Actual	FY 2018 - Budget Amendment # 2	FY 2019 - Draft Budget	FY 2019 - Draft Budget vs. Bud Amd. # 2
Revenue:				
Local sources &				
Special education millage	\$ 35,126,096	\$ 45,155,735 &	\$ 42,088,865	\$ (3,066,870)
Revenue enhancement millage	15,546,457	18,528,860	18,548,100	19,240
Payments from the EAA	3,699,998	2,546,317	-	(2,546,317)
Other	8,155,766	11,998,353	10,894,174	(1,104,179)
Total local sources	62,528,317	78,229,265	71,531,139	(6,698,126)
State sources	441,911,193	495,159,759	503,289,568	8,129,809
Federal sources	116,292,314	172,805,905	174,565,368	1,759,463
Total Revenue	620,731,824	746,194,929	749,386,075	3,191,146
Expenditures:				
Instruction	300,767,174	375,053,163	390,136,373	15,083,210
Support services &				
Pupil services	50,446,214	63,397,068 &	78,354,488	14,957,420
Instructional staff support	45,947,616	52,516,821	32,899,337	(19,617,484)
General administration	3,408,368	5,225,977	6,078,685	852,708
School administration	32,685,915	41,155,553	52,476,876	11,321,323
Business office	9,950,639	10,051,024	11,073,394	1,022,370
Operations & maintenance	80,857,617	97,563,360	81,961,782	(15,601,578)
Transportation	33,519,120	38,672,144	36,749,795	(1,922,349)
Central support service	24,852,688	33,947,578	38,949,349	5,001,771
Other support service	1,764,382	2,459,804	2,413,014	(46,790)
Total support services	283,432,559	344,989,329	340,956,720	(4,032,609)
Community service	3,698,595	5,797,369	1,271,230	(4,526,139)
Total Expenditures	587,898,328	725,839,861	732,364,323	6,524,462
Other Financial Sources (Uses) #				
Sources #				
Proceeds from sale of capital assets	9,453,274	-	-	-
Payments From Detroit Public Schools	34,104,890	13,100,000	6,900,000	(6,200,000)
Transfer from Food Service Fund	2,571,460	2,000,000	2,000,000	-
Total Sources	46,129,624	15,100,000	8,900,000	(6,200,000)
Uses				
Contingency	-	(17,995,338)	(17,831,299)	(164,039)
Total Uses	-	(17,995,338)	(17,831,299)	(164,039)
Total Other Financial Sources (Uses)	46,129,624	(2,895,338)	(8,931,299)	(6,035,961)
Excess (deficiency) of Revenue and Other Sources # Over (Under) Expenditures and Other Uses	78,963,120	17,459,730 #	8,090,453	(9,369,277)
Beginning Reserves	-	78,963,120	96,422,850	
Ending Reserves	\$ 78,963,120	\$ 96,422,850	\$ 104,513,303	
Restricted Reserves	\$ 20,190,532	\$ 18,668,284	\$ 42,000,000	
Unrestricted Reserves	\$ 58,772,588	\$ 77,754,566	\$ 62,513,303	

FY 2019 Budget and FY 2018 BA 2 variances – Function Level

Revenues and Sources:	
Local Sources	<ul style="list-style-type: none"> EAA – (\$2.5M), Spec Ed Transportation Reimbursement – (\$2.0M), Property Taxes – (\$1.0M), Earnings on Investments – (\$600K), School Property Rental – (\$500K)
State Sources	<ul style="list-style-type: none"> State Aid - \$5.9M (\$120 Foundation Allowance increase), Section 31A - \$1.9M, Adult Education - \$1.1M Decrease in Targeted Literacy Instruction – (\$800K)
Federal Sources	<ul style="list-style-type: none"> Title IA increased \$11.8M based upon best available information Decreases in Title IIA (\$5.6M), 21st Century (\$2.0M), SIG (\$1.5M), Title III (\$700K)
Expenditures and Uses:	
Instruction	<ul style="list-style-type: none"> Personnel costs - \$18.3M (School Staffing Model) Software Licenses budget – (\$3.2M) (shifting Section 31A funds to other priorities)
Pupil Services	<ul style="list-style-type: none"> Increase in Counselors - \$11.2M, Attendance Agents - \$3.6M
Instructional Staff Support	<ul style="list-style-type: none"> Consolidated Funds – (\$10.0M), Title IIA – (\$7.2M), State Transition Funds – (\$1.5M), Special Education – (\$1.3M) Audit Services - \$430,000
General Administration	<ul style="list-style-type: none"> Title IA - \$1.8M (Central Office school based services for City Year and Playworks) Audit Services – (\$980K) shifted to Instructional Staff Support and Business Office
School Administration	<ul style="list-style-type: none"> Personnel - \$11.7M (More APs/Dean of Cultures/Clericals, Paying Principals for 12 months)
Business Office	<ul style="list-style-type: none"> Property Insurance - \$1.5M, \$1M in FICA expenses for TIP repayment, Audit Services - \$550K Outside Consultants – (\$2.0M)
Operations and Maintenance	<ul style="list-style-type: none"> Facilities – (\$11.2M), Property Insurance – (\$1.5M), DPS Police – (\$1.3M), Title IA – (\$1.1M), Schools – (\$1.0M)
Transportation	<ul style="list-style-type: none"> Field Trips Transportation – (\$1.9M)
Central Support	<ul style="list-style-type: none"> Title IIA - \$4.4M (professional development stipends for teachers), School Climate Transformation - \$600K
Community Service	<ul style="list-style-type: none"> Title IA – (\$2.7M) (non-public school students), Consolidated Funds – (\$1.0M), Title IIA – (\$850K)

School Staffing Model &

The school staffing model creates equity in services and personnel among schools with a dedication to the Strategic Plan.

- All schools should have a basic set of services and support, which are increased or decreased based on the school's enrollment.
- The district is committed to fully staffing our schools and is working with the DFT to recognize ALL certified teaching experience for current employees and new hires.
- Staff allocation will be based on Winter Count student enrollment. Enrollment will be monitored over the summer and the start of the school year to adjust allocations. This creates stabilization with staffing and incentive to retain and recruit students at school level.

The School Staffing Model is funded by:

- Shifting from contracted school services (student behavior, PD, coaching) to full time employment at schools. (Dean of Culture, Master Teacher, School Culture Facilitator)
- Shifting central office positions to school based positions. (Attendance Agents)
- Standardizing curriculum, supports and resources at the Central Office level and eliminating one-off contracts at the school level.

FY 2019 Budget Staff Statistics compared to FY 2018

		FY 2018 DRAFT BUDGET AMENDMENT # 2		FY 2019 PRELIMINARY BUDGET		INCREASE (DECREASE) OVER FY 2018 DRAFT BUDGET AMENDMENT # 2	
EEO Category	Category (FTE)	FTE	Salaries and Benefits Budget	FTE	Salaries and Benefits Budget	FTE	Salaries and Benefits Budget
1	Officials/Administrators/Managers	202.5	\$ 27,027,535	200.5	\$ 28,037,620	-2.0	\$ 1,010,085
2	Principals	105.0	15,717,616	103.0	17,550,297	-2.0	1,832,681
4	Assistant Principals	58.0	7,157,926	110.0	12,905,873	52.0	5,747,947
Tchr, 5-6	Classroom Teachers	2957.8	261,771,393	3076.3	283,335,848	118.5	21,564,455
Tchr, 7	Other Classroom Teachers	104.6	7,072,254	80.5	6,699,917	-24.1	(372,337)
8	Guidance	107.8	9,679,453	240.0	20,941,332	132.2	11,261,879
9	Psychological	40.0	3,572,898	40.0	3,607,366	0.0	34,468
11	Consultants/Supervisors of Instruction	136.3	16,568,391	42.0	4,359,112	-94.3	(12,209,279)
12	Other Professional Staff	414.4	37,104,647	474.3	43,635,795	59.9	6,531,148
13	Teacher Aides	1117.5	38,732,743	1136.0	40,836,215	18.5	2,103,472
14	Technicians	7.0	272,762	0.0	-	-7.0	(272,762)
15	Clerical/Secretarial Staff	286.8	14,367,603	308.0	17,164,924	21.2	2,797,321
16	Service Workers	262.0	10,195,601	301.0	10,828,839	39.0	633,238
17	Skilled Crafts	11.0	523,416	10.0	605,380	-1.0	81,964
Totals (1-18)		5810.7	449,764,238	6121.6	490,508,518	311.0	40,744,280
PT	Part-Time	201	1,513,253	164.0	1,377,200	-37.0	(136,053)
Sub/Inst	Substitutes/Instructional	0	4,508,710	0.0	2,602,958	0.0	(1,905,752)
Sub/NonInst	Substitutes/Non Instructional	10.3	171,740	6.0	122,969	-4.3	(48,771)
Totals (Part-Time and Subs)		211.3	6,193,703	170	4,103,127	-41.3	(2,090,576)
Other	Other positions	44	20,836,824	13.0	8,525,741	-31.0	(12,311,083)
Total		6066.0	\$ 476,794,765	6304.6	\$ 503,137,386	238.7	\$ 26,342,621

- Other positions refer to additional miscellaneous positions outside of the FTE categories (e.g., after school, summer school, etc.)
- The above table represents the General Fund only (Food Service is excluded)

FY 2019 General Fund Filled and Vacant FTE

		Filled		Vacant		Total	
EEO Category	Category (FTE) /	FTE	Salaries and Benefits Budget	FTE	Salaries and Benefits Budget	Total FTE	Salaries and Benefits Budget
1	Officials/Administrators/Managers	161.5	\$ 23,125,877	39.1	\$ 4,911,743	200.5	\$ 28,037,620
2	Principals	103.0	17,550,297	0.0	-	103.0	17,550,297
4	Assistant Principals	110.0	12,905,873	0.0	-	110.0	12,905,873
Tchr, 5-6	Classroom Teachers	2901.3	267,740,682	175.0	15,595,166	3076.3	283,335,848
Tchr, 7	Other Classroom Teachers	73.8	6,254,002	6.7	445,915	80.5	6,699,917
8	Guidance	232.0	20,236,753	8.0	704,579	240.0	20,941,332
9	Psychological	35.8	3,337,174	4.2	270,192	40.0	3,607,366
11	Consultants/Supervisors of Instruction	32.5	3,404,600	9.5	954,512	42.0	4,359,112
12	Other Professional Staff	383.6	36,207,201	90.7	7,428,594	474.3	43,635,795
13	Teacher Aides	998.0	36,067,434	138.0	4,768,781	1136.0	40,836,215
15	Clerical/Secretarial Staff	285.5	15,897,952	22.5	1,266,972	308.0	17,164,924
16	Service Workers	272.0	9,972,267	29.0	856,572	301.0	10,828,839
17	Skilled Crafts	10.0	605,380	0.0	-	10.0	605,380
Totals (1-18) /		5599.0	453,305,492	522.7	37,203,026	6121.6	490,508,518
PT	Part-Time	138.0	1,150,717	26.0	226,483	164.0	1,377,200
Sub/Inst	Substitutes/Instructional	0.0	2,602,958	0.0	-	0.0	2,602,958
Sub/NonInst	Substitutes/Non Instructional	2.0	109,800	4.0	13,169	6.0	122,969
Totals (Part-Time and Subs)		140.0	3,863,475	30.0	239,652	170	4,103,127
Other	Other positions	8.0	3,767,656	5	4,758,085	13	8,525,741
Total		5747.0	\$ 460,936,623	557.7	\$ 42,200,763	6304.6	\$ 503,137,386
Other salaries/wages/benefits			4,897,545		-		4,897,545
Workshop Stipends			1,705,285		-		1,705,285
Severance Pay (excluding TIP Payments)			249,051		-		249,051
TIP FICA			1,000,000		-		1,000,000
GRAND TOTAL /		5747.0	\$ 468,788,504	557.7	\$ 42,200,763	6304.6	\$ 510,989,267

- Other positions refer to additional miscellaneous positions outside of the FTE categories (e.g., after school, summer school, etc.)
- Excludes Food Service
- Other salaries/wages/benefits Includes Master Teacher Stipends, Special Ed Lead Teacher Stipends, Athletic Coach Stipends, Overtime for Police, etc.
- Of the \$42.2M vacancies, \$8.8M are related to the General Fund and the remaining \$33.4M are related to grants. See page 44 in the appendix.

DPSCD five year projections %

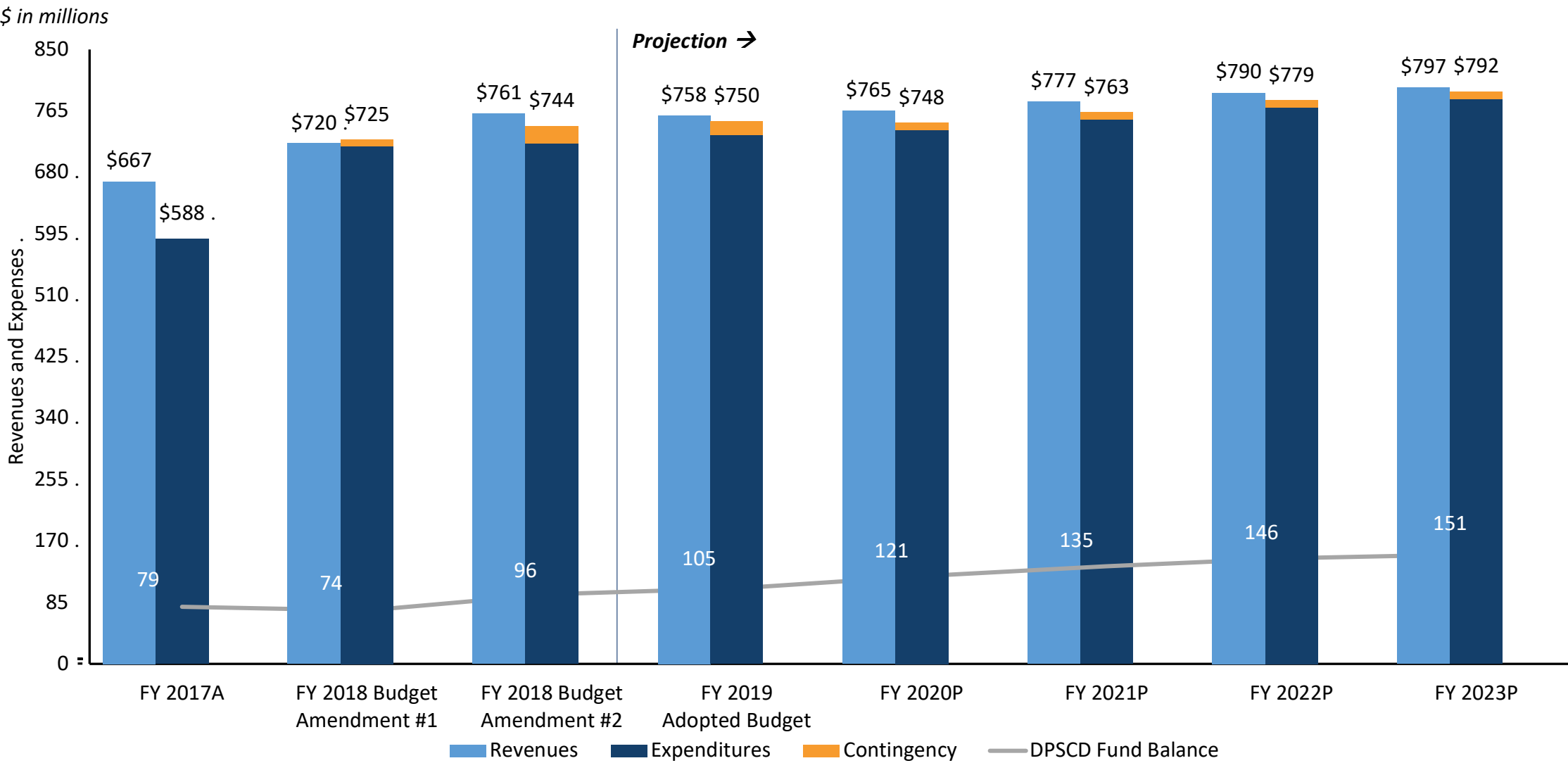


Key projection assumptions \$

Assumption	Projection methodology
Revenues:	
Enrollment (FTE)	<ul style="list-style-type: none"> Proposed FY 2019 budget assumes current enrollment (49,839 student FTEs). Projected enrollment (FY 2020 - FY 2023) grows at 1% per year (~500 students / year).)
Foundation allowance) (State Aid)	<ul style="list-style-type: none"> Foundation allowance grows at a rate of \$120 / pupil in FY 2019 (1.6%) and \$75 / pupil (1.0%), in each year, thereafter.
Enhancement millage	<ul style="list-style-type: none"> Enhancement millage (\$365 / pupil) is assumed to grow 1% annually through FY 2022 (last year authorized). Enhancement millage is reduced by \$90 / pupil in FY 2023 to account for revenue shared with Charter Schools.
All other revenue	<ul style="list-style-type: none"> Act 18 revenue is reduced in FY 2019 by ~\$3M from FY 2018B #2, and then grown at the rate of enrollment (~1% / year). Federal and all other revenue sources are anticipated to grow at the rate of enrollment (~1% / year).
Expenditures:	
Personnel (FTE)	<ul style="list-style-type: none"> Projection assumes all vacancies are funded, and certain contracted positions are insourced over the next 5 years.
Wages	<ul style="list-style-type: none"> Projection assumes CBA wage increases, credit of teaching experience, normal step movements, and retirements. Contingency is included in the projections to account for CBA wage reopeners (FY 2020 – FY 2023).
Benefits	<ul style="list-style-type: none"> HDLV benefits are projected to increase ~5.6% per year consistent with estimated industry growth expectations. All other benefits (pension, payroll taxes and workers comp.) are maintained at current levels, as a percentage of payroll.
Non-personnel costs	<ul style="list-style-type: none"> Non-personnel costs include Facilities, IT, Supplies and Services, and other discretionary expenditures Costs are assumed to grow at the rate of enrollment, plus an inflation factor (1 - 2% / year). Contingency of ~\$10M / year included.

DPSCD preliminary 5 Year projection summary %

- Based on preliminary assumptions, DPSCD is projecting a balanced budget through FY 2023 with a modest surplus in the early years.



Risks / Opportunities %

Externalities

- Enrollment fluctuations
- Changes in legislation and impact of priority school status
- Changes in available Charter school options
- Continuation of Wayne RESA Enhancement Millage

Revenue

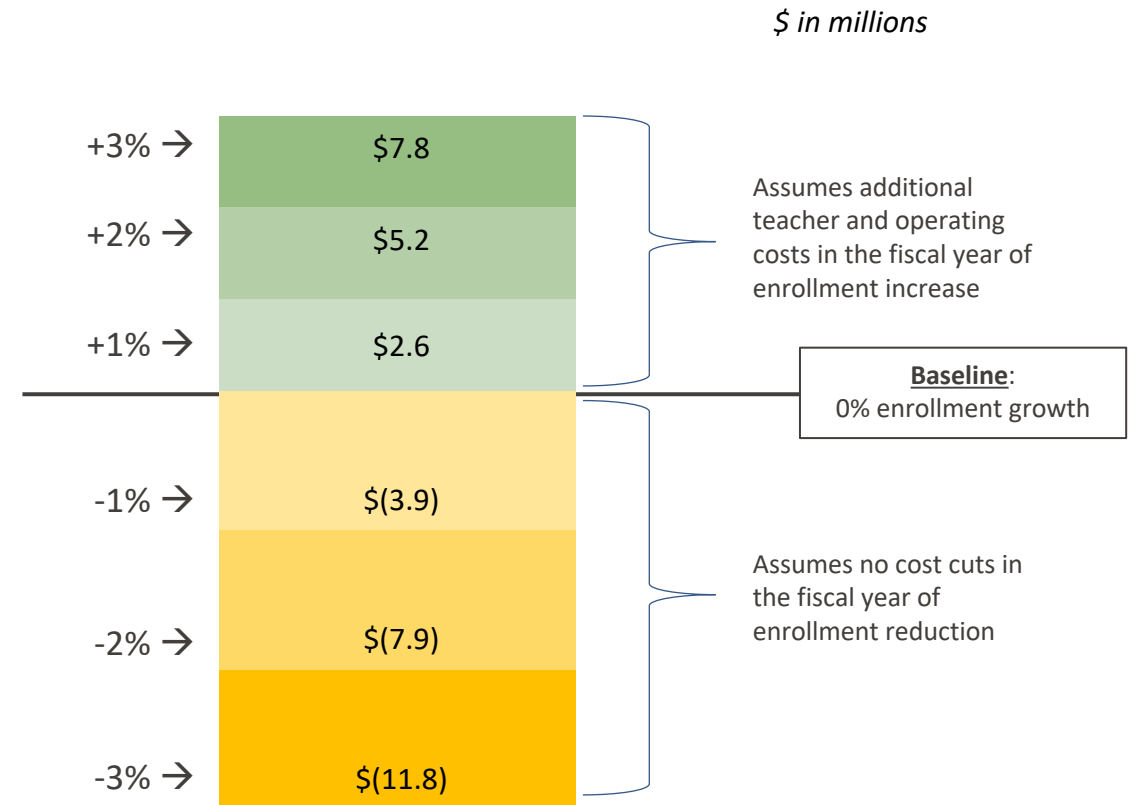
- Foundation allowance growth/reduction
- Change in availability of Federal and State grants

Expenditures

- Collective Bargaining Agreements (FY 2020 opener)
- Increase / decrease in pension and benefit rates
- Shift away from contracted services
- Strategic investment in capital building improvements
- One time expenditures for strategic District initiatives can be funded with the available fund balance
- \$10M in contingencies per year (FY 20 – 23)

FY 2019 Enrollment sensitivity

The District has a \$18M contingency, in FY 2019. Even in a worst case 3% enrollment reduction scenario (as illustrated below), the District would still have a balanced budget



Financial Update '



DPS Summary '

- **Revenues and Expenditures**

- Revenues through February were above budget, with \$3.5M in tax collections above anticipated collections. '
- Expenditures for the audit and legal expense were below budget. '
- The next bond payments are scheduled for March and April 2018¹. '

- **Cash Flow**

- DPS received \$28.9M from Michigan Office of Retirement Services as part of the 3% Healthcare Refund. This refund will be paid in March, 2018.
- The ending cash balance for February is \$42.5M, with a projected FY 2018 ending cash balance of \$3.1M.

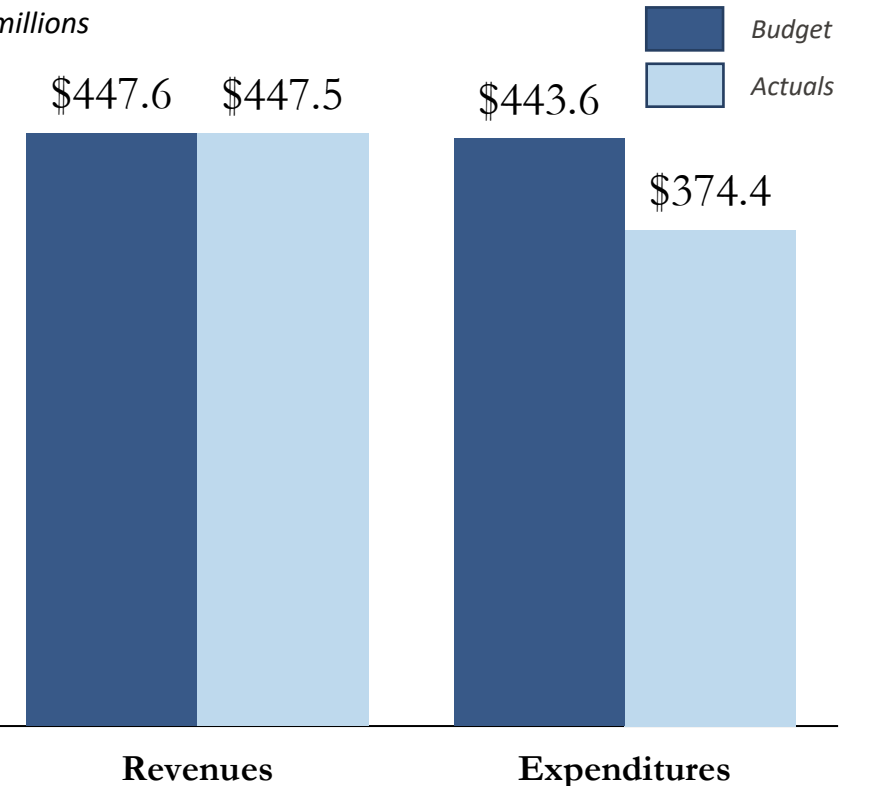
(1) See Debt repayment schedule in the appendix (page 61).

DPSCD Revenues and Expenditures Through February 2018 %

- Revenues through February were slightly below budget (\$0.1M).
 - Federal sources were below budget by \$16.1M, primarily due to lower than expected grant reimbursements from unfilled vacancies.
 - State sources were above budget by \$16.1M due to higher enrollment.
- Expenditures through February were below budget (\$69.2M).
 - Salaries and Benefits were below budget by \$27.9M, primarily due to unfilled vacancies.
 - Purchased Services were below budget by \$22.2M, primarily due to a reduction in contract services and timing of Accounts Payable.

Budget vs. Actuals

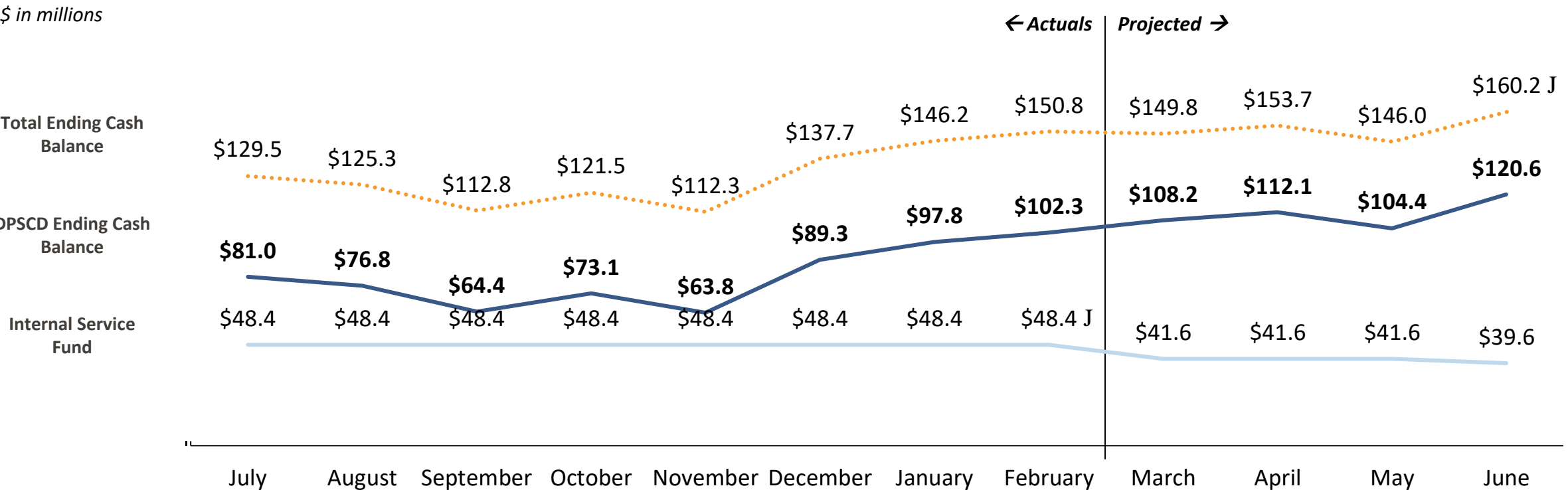
\$ in millions



DPSCD February 2018 Cash Flow Analysis %

- DPSCD’s ending cash balance for February was \$102.3M and the Internal Service Fund ending balance was \$48.4M, for a total ending balance of \$150.8M.
- The projected FY 2018 ending cash balance for DPSCD is \$120.6M.
- The current cash balance is estimated to be equivalent to 8.3 weeks of average expenditures¹.
- Accounts Payable has trended lower relative to the initial cash flow forecast in the first eight months. The forecast (Mar.-Jul.) has been lowered to be more in-line with the rate of spending for AP expenditures through February.

Actual & Projected Ending Cash Balance



(1) "Calculated by taking current cash balance as of March 2, 2018 and dividing it by the average actual YTD expenditures per week, excluding any one-time items such as the \$16M loan to DPS to fund a SODEXO payment."

26

DPS Monthly Report \$



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's 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's 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

- Based on actual results through February 2018, DPS recorded a surplus of revenues over expenditures of \$44.9M
- For the month of February, DPS received \$6.8M in local property tax revenue, which is dedicated to legacy debt service
- Operating expenditures includes \$36K of legal and audit fees. Budget assumed higher fees

	Budget Month of Feb-18	Actual Month of Feb-18	Variance		Budget YTD Feb-18	Actual YTD Feb-18	Variance	
			\$	%			\$	%
Revenues								
Local sources	6,254,176	6,778,358	524,182	8%	41,480,502	44,957,114	3,476,612	8%
State sources	361,657	360,894	(763)	0%	2,893,253	2,887,153	(6,100)	0%
Federal sources	-	-	-	-	-	-	-	-
Interdistrict sources	-	-	-	-	-	-	-	-
Other sources	-	-	-	-	-	-	-	-
Total revenue	6,615,832	7,139,252	523,420	8%	44,373,756	47,844,267	3,470,511	8%
Expenditures								
Operating expenditures	-	-	-	-	400,000	36,000	(364,000)	-
Debt Service	875,178	875,178	-	0%	22,766,457	22,766,457	-	0%
Transfers out	-	-	-	-	-	-	-	-
Total expenditures	875,178	875,178	-	0%	23,166,457	22,802,457	(364,000)	-2%
Surplus (Deficit)	5,740,654	6,264,074	523,420	9%	21,207,299	25,041,810	3,834,511	18%

DPS Cash Forecast to Actuals Variance – Feb. 2018 \$

<i>\$ in thousands</i>	February Forecast	February Actuals	February Variance	Comment 5
Cash Receipts				
Property Tax (13 Mills)	3,081	7,028	3,947	Timing - forecast assumed lower amount 5
Transfer from DPSCD	178	-	(178)	Forecast assumed a \$178K transfer which relates to the reimbursement of Legal, 5 Worker's Comp, and TIP payments made by DPS on behalf of DPSCD. Transfer to be 5 made in a future period. 5
Draw from BONY	-	-	-	
Miscellaneous	31	99	68	Miscellaneous revenue primarily due to food services and JROTC 5
Total Cash Receipts	3,290	7,126	3,836	
Cash Disbursements				
Accounts Payable	(4,050)	(2,026)	2,024	\$2M in SODEXO payments are due in future periods 5
Fringe Benefits	-	-	-	
Property Tax Transfer (1)	(21,237)	(16,408)	4,829	Additional transfers to be made in future periods 5
Transfer to DPSCD	-	-	-	
Other	(100)	(23)	77	
Total Cash Disbursements	(25,387)	(18,457)	6,930	
Net Cash Flow	(22,097)	(11,330)	10,767	
Beginning Cash Balance	53,835	53,835	-	
Net Cash Flow	(22,097)	(11,330)	10,767	
Ending Cash Balance	\$ 31,738	\$ 42,504	\$ 10,767	

(1) Property tax transfer relates to 13 Mills property tax receipts collected to cover capital debt service.

DPS FY 2018 monthly cash flows

\$ in thousands

	2017						2018						FY 18 Total
	July	August	September	October	November	December	January	February	March	April	May	June	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	
Cash Receipts													
State Aid (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,876	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,876
Property Tax (13 Mills)	290	2,427	27,530	4,209	1,704	1,363	7,855	7,028	10,545	497	1,347	10,204	75,000
Transfer from DPSCD (2)	-	16,000	-	-	-	-	-	-	1,178	-	-	637	17,814
Draw from BONY	-	16,740	-	-	-	-	-	-	4,081	4,576	552	3,467	29,415
Miscellaneous (3)	124	112	1,014	137	102	1,137	36	99	529	-	-	-	3,291
Total Cash Receipts	415	35,280	28,543	4,347	1,806	2,500	36,767	7,126	16,333	5,074	1,899	14,307	154,396
Cash Disbursements													
Payroll Direct Deposit (1)	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
FICA (1)	-	-	-	-	-	-	-	-	(29,876)	-	-	-	(29,876)
Accounts Payable (4)	-	(16,209)	(304)	(58)	(49)	(58)	(72)	(2,026)	(50)	(2,050)	(50)	(50)	(20,977)
Pension (employee portion)	-	-	-	-	-	-	-	-	-	-	-	-	-
Pension (employer portion)	(4)	-	-	-	-	-	-	-	-	-	-	-	(4)
Health	-	-	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits	-	(0)	-	-	-	-	-	-	-	-	-	-	(0)
Property Tax Transfer	-	(1,472)	(27,530)	-	-	-	-	(16,408)	(19,322)	(497)	(1,347)	(10,204)	(76,780)
Food Service	-	-	-	-	-	-	-	-	(97)	-	-	-	(97)
Transfer to DPSCD	-	-	(19,779)	-	-	-	-	-	-	-	-	(13,100)	(32,879)
Other (5)	(24)	(72)	-	(7)	(504)	(2,357)	(1,161)	(23)	(100)	(100)	(100)	(100)	(4,547)
Total Cash Disbursements	(28)	(17,754)	(47,612)	(65)	(553)	(2,415)	(1,233)	(18,457)	(49,444)	(2,647)	(1,497)	(23,454)	(165,160)
Net Cash Flow	386	17,526	(19,069)	4,281	1,253	85	35,534	(11,330)	(33,111)	2,426	402	(9,147)	(10,764)
Beginning Cash Balance	13,838	14,225	31,750	12,681	16,963	18,215	18,301	53,835	42,504	9,393	11,819	12,221	13,838
Net Cash Flow	386	17,526	(19,069)	4,281	1,253	85	35,534	(11,330)	(33,111)	2,426	402	(9,147)	(10,764)
Ending Cash Balance	\$ 14,225	\$ 31,750	\$ 12,681	\$ 16,963	\$ 18,215	\$ 18,301	\$ 53,835	\$ 42,504	\$ 9,393	\$ 11,819	\$ 12,221	\$ 3,074	\$ 3,074

Forecast includes actuals through March 09, 2018.

- (1) Includes a \$28.9M reimbursement of salaries to District employees, that were previously withheld by the State. The amount withheld plus applicable employer related taxes is to be passed through to the payroll line and FICA line.
- (2) There is a \$178K draw-down from DPSCD in March that is related to the reimbursement of Legal, Worker's Comp, and TIP payments made by DPS on behalf of DPSCD. March also includes \$1.0M funding for the applicable employer related taxes, which will be paid by DPSCD. June includes a reimbursement for P-card payments made by DPS on behalf of DPSCD.
- (3) Miscellaneous receipts in September includes a \$1.1M in property tax abatements (Ren. Zone), which should have been sent to the BONY account. Monies were transferred to BONY in January.
- (4) Includes \$20M in settlement payments to Sodexo (the remaining \$8M will be paid in FY 2019). January includes \$36K in audit fees.
- (5)) December activity includes a reimbursement to Wayne County for 2014/2015 overpayment of Act 18 Funds. January activity includes the pass-through to the BONY account mentioned in footnote 3. The forecast for March – June includes) the savings from the budgeted legal and audit fees, which are being spread here as contingency.)

DPSCD Monthly Report %



Financial Update – February 2018 '

- DPSCD recorded a surplus of revenues over expenditures of \$1.8M in the month of February 2018, compared to a budget deficit of \$10.8M, a \$12.6M variance.
 - Relative to budget, revenues were ahead by \$5.9M for the month of February, or a 10% increase.
 - Local Sources – Local enhancement millage was ahead of budget, leading to the \$1.7M increase over budget for local sources.
 - State Sources – Budgeted state sources were behind actuals by \$2.1M. &
 - On the expenditure side, actuals were below budget by \$11.8M for the month of February, or an 18.9% decrease. &
 - Salaries and benefits (object level) – The variance between actuals and budget for salaries and benefits is largely due to budgeted unfilled vacancies. The District has addressed this with FY 2018 Budget Amendment no. 2 by moving unspent funds to contingency.
 - Contingency (object level) – Additionally, the District has \$15.5M in budgeted contingency, of which \$1.5M was budgeted in February; the remaining amount will be used for unplanned future expenditures from previous year.
 - Instruction (function level) – In the month of February, instructional spend trailed budget by \$3.8M, or 11.6%, mainly due to unfilled vacancies that are mentioned in salaries and benefits.
 - Support Services (function level) – Support services for the month of February was \$21.5M, or 26.2%, below budget.
- The net cash flow for February 2018 was \$4.5M, putting the ending cash balance at \$102.3M (\$150.7M including the internal service fund and fiduciary account).

Summary statement of revenues and expenditures (object) – budget to actual comparison

- Based on actual results through February 2018, DPSCD is \$69.1M ahead of budget. However at this point, DPSCD believes some of this favorable variance is due to timing and will reverse before the end of the fiscal year.

	Budget Month of Feb-18		Actual Month of Feb-18		Variance			Budget YTD Feb-18		Actual YTD Feb-18		Variance		
					\$	%						\$	%	
Revenues														
Local sources	\$	6,225,880	\$	7,926,661	\$	1,700,781	27%	\$	44,520,776	\$	44,427,613	\$	(93,163)	(0%)
State sources		33,353,902		35,443,805		2,089,903	6%		308,930,097		324,982,008		16,051,911	5%
Federal sources		11,847,730		8,920,961		(2,926,769)	(25%)		94,171,354		78,060,976		(16,110,379)	(17%)
Total revenues		51,427,512		52,291,427		863,915	2%		447,622,227		447,470,596		(151,630)	(0%)
Expenditures (Object)														
Salaries	\$	27,361,231	\$	25,830,348	\$	(1,530,883)	(6%)	\$	194,832,981	\$	177,070,324	\$	(17,762,658)	(9%)
Benefits		15,563,984		13,841,758		(1,722,226)	(11%)		110,375,420		100,235,056		(10,140,364)	(9%)
Purchased Services		13,540,055		8,558,575		(4,981,480)	(37%)		99,367,103		77,209,983		(22,157,119)	(22%)
Supplies & Textbooks		1,981,659		805,514		(1,176,146)	(59%)		12,361,412		6,999,443		(5,361,969)	(43%)
Equipment & Capital		998,639		191,590		(807,049)	(81%)		6,015,873		1,158,823		(4,857,050)	(81%)
Utilities		1,313,900		1,176,487		(137,413)	(10%)		11,463,400		11,192,565		(270,835)	(2%)
Contingency / Other		1,463,951		46,140		(1,417,810)	(97%)		9,177,823		507,697		(8,670,126)	(94%)
Total Expenditures		62,223,418		50,450,413		(11,773,006)	(19%)		443,594,012		374,373,891		(69,220,120)	(16%)
Surplus (Deficit)	\$	(10,795,906)	\$	1,841,014	\$	12,636,921	N/A	\$	4,028,215	\$	73,096,705	\$	69,068,490	1,715%

Summary statement of expenditures (function) – budget to actual comparison

	Budget Month of Feb-18		Actual Month of Feb-18		Variance			Budget YTD Feb-18		Actual YTD Feb-18		Variance		
					\$	%						\$	%	
Expenditures (Function)														
Elementary Programs	\$	12,828,109	\$	12,027,032	\$	(801,077)	(6%)	\$	84,167,715	\$	76,824,915	\$	(7,342,800)	(9%)
Middle School Programs		1,241,534		1,176,730		(64,804)	(5%)		8,252,676		7,844,772		(407,904)	(5%)
High School & Summer Programs		5,501,819		5,177,709		(324,110)	(6%)		39,534,757		35,896,470		(3,638,287)	(9%)
Special Education		7,131,380		6,386,801		(744,579)	(10%)		48,663,003		41,948,729		(6,714,275)	(14%)
Compensatory Education		5,587,572		3,747,901		(1,839,671)	(33%)		38,838,674		25,530,100		(13,308,574)	(34%)
Career and Technical Education		284,930		217,282		(67,649)	(24%)		1,922,899		1,370,574		(552,325)	(29%)
Adult/Continuing Education - Basic		75,244		143,326		68,082	90%		846,070		718,908		(127,162)	(15%)
Total Instruction		32,650,589		28,876,781		(3,773,808)	(12%)		222,225,796		190,134,468		(32,091,327)	(14%)
Pupil	\$	5,700,392	\$	4,500,549	\$	(1,199,843)	(21%)	\$	38,722,838	\$	29,098,621	\$	(9,624,217)	(25%)
Instructional Support		4,359,123		2,511,137		(1,847,986)	(42%)		33,371,543		19,468,187		(13,903,355)	(42%)
General Administration		420,386		308,152		(112,234)	(27%)		3,704,581		2,913,912		(790,669)	(21%)
School Administration		3,534,335		3,277,002		(257,333)	(7%)		26,163,069		24,058,909		(2,104,160)	(8%)
Business		833,412		882,037		48,625	6%		5,943,360		5,689,333		(254,027)	(4%)
Maintenance & Operations		8,430,636		5,167,687		(3,262,950)	(39%)		63,278,199		52,697,486		(10,580,712)	(17%)
Transportation		2,886,007		2,777,363		(108,645)	(4%)		24,201,831		21,770,703		(2,431,127)	(10%)
Central Support Services (1)		2,771,350		2,009,562		(761,788)	(27%)		22,097,666		25,967,355		3,869,690	18%
School Activities		158,683		49,697		(108,986)	(69%)		952,099		837,565		(114,534)	(12%)
Total Supporting Services		29,094,325		21,483,184		(7,611,141)	(26%)		218,435,185		182,502,073		(35,933,112)	(16%)
Community Service	\$	478,505	\$	90,447		(388,057)	(81%)	\$	2,933,031	\$	1,737,350		(1,195,681)	(41%)
Total Expenditures	\$	62,223,418	\$	50,450,413	\$	(11,773,006)	(19%)	\$	443,594,012	\$	374,373,891	\$	(69,220,120)	(16%)

(1) Central Support Services actuals for the month of October includes a one time MPSERS pass-through to the retirement system, which was funded by State Aid.

DPSCD Cash Forecast to Actuals Variance – Feb. 2018 %

\$ in thousands

Cash Receipts

	February Forecast	February Actuals	February Variance	Comment 4
State Aid	\$ 39,920	\$ 36,331	\$ (3,589)	\$2.2M one-time special education headlee obligation reduced the amount of State Aid received
MPSERS (State Funded)	2,983	2,983	(0)	
Enhancement Millage	2,791	2,164	(627)	Timing - forecast assumed higher amount
Grants	17,594	23,452	5,858	Timing - catch up from prior periods
Transfer from DPS	-	-	-	
WCRESA	4,052	4,052	(0)	
Food Service Reimbursement	2,428	318	(2,110)	Timing of grant reimbursements; catch up expected in future periods
Capital Asset Sales	-	-	-	
Miscellaneous	1,656	2,674	1,018	Based on reporting period, the District received three Outreach Medicaid receipts
Total Cash Receipts	71,424	71,974	549	

Cash Disbursements

MPSERS (Pass through)	\$ (2,983)	\$ (2,983)	\$ (0)	
Payroll Direct Deposit	(21,979)	(21,948)	31	
Taxes	(5,578)	(5,521)	57	
FICA	(1,787)	(1,675)	111	
Accounts Payable	(17,977)	(17,419)	558	
Pension (employee portion)	(1,895)	(2,809)	(914)	Timing - additional pension payment made as catch up from a prior period
Pension (employer portion)	(5,879)	(8,440)	(2,561)	Timing - additional pension payment made as catch up from a prior period
Health	(7,862)	(3,574)	4,288	Timing - forecast assumed two health payments
Fringe Benefits	(636)	(266)	370	
Food Service	(4,814)	(2,787)	2,027	Timing - forecast assumed higher amount
Transfer to DPS	(178)	-	178	Forecast assumed a \$178K transfer which relates to the reimbursement of Legal, Worker's Comp, and TIP payments made by DPS on behalf of DPSCD. Transfer to be made in a future period.
Other	(2,443)	-	2,443	Forecast assumed contingency
Total Cash Disbursements	(74,011)	(67,424)	6,587	

Net Cash Flow

Beginning Cash Balance	97,790	97,790	-
Net Cash Flow	(2,587)	4,550	7,136
Ending Cash Balance	\$ 95,204	\$ 102,340	\$ 7,136

DPSCD FY 2018 monthly cash flows

\$ in thousands

	2017						2018						FY 18 Total
	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Forecast	April Forecast	May Forecast	June Forecast	
Cash Receipts													
State Aid	\$ 35,012	\$ 35,071	\$ -	\$ 39,508	\$ 40,457	\$ 39,236	\$ 39,920	\$ 36,331	\$ 41,788	\$ 41,788	\$ 41,788	\$ 41,788	\$ 432,686
MPERS (State Funded)	3,182	3,186	-	6,634	5,966	2,983	2,983	2,983	2,983	2,983	2,983	2,983	39,850
Enhancement Millage	1,078	1,017	2,128	3,342	3,037	1,631	310	2,164	1,431	784	286	792	18,000
Grants	18,108	12,295	11,226	229	5,854	13,756	7,349	23,452	10,226	10,226	10,226	10,226	133,174
Transfer from DPS	-	-	19,779	-	-	-	-	-	-	-	-	13,100	32,879
WCRESA	-	-	3,848	4,052	6,613	4,052	4,052	4,052	4,052	4,052	4,052	4,052	42,878
Food Service Reimbursement	4,897	2,828	-	2,295	4,260	9,000	109	318	2,317	2,926	4,819	5,781	39,551
Miscellaneous (1)	2,593	578	588	602	2,985	1,232	1,057	2,674	7,986	1,344	1,680	3,344	26,663
Total Cash Receipts	64,870	54,974	37,569	56,662	69,172	71,890	55,780	71,974	70,783	64,104	65,835	82,067	765,681
Cash Disbursements													
MPERS (Pass through)	\$ (3,182)	\$ (3,182)	\$ (3,186)	\$ -	\$ (12,600)	\$ -	\$ (2,985)	\$ (2,983)	\$ (2,983)	\$ (2,983)	\$ (2,983)	\$ (2,983)	\$ (40,051)
Payroll Direct Deposit	(14,688)	(15,085)	(16,264)	(14,168)	(14,479)	(15,232)	(13,230)	(21,948)	(14,806)	(14,891)	(14,891)	(14,891)	(184,573)
Taxes	(4,878)	(4,182)	(4,368)	(5,119)	(8,795)	(5,233)	(5,204)	(5,521)	(5,869)	(5,714)	(8,572)	(5,714)	(69,171)
FICA	(2,017)	(1,752)	(1,261)	(1,554)	(1,802)	(1,635)	(1,509)	(1,675)	(1,787)	(1,787)	(2,680)	(1,787)	(21,247)
Accounts Payable	(11,803)	(8,513)	(15,531)	(11,884)	(17,819)	(14,121)	(13,066)	(17,419)	(15,305)	(12,704)	(15,880)	(17,704)	(171,750)
Pension (employee portion) (2)	(1,635)	(1,454)	(1,140)	(1,751)	(2,773)	(1,875)	(966)	(2,809)	(2,004)	(2,001)	(3,006)	(2,004)	(23,417)
Pension (employer portion) (2)	(5,029)	(4,622)	(3,459)	(5,504)	(8,660)	(5,819)	(2,931)	(8,440)	(6,103)	(6,196)	(9,308)	(6,206)	(72,279)
Health	(1,218)	(3,042)	(3,920)	(5,639)	(6,740)	(66)	(4,639)	(3,574)	(7,394)	(4,645)	(4,645)	(4,645)	(50,166)
Fringe Benefits	(215)	(937)	(592)	(795)	(177)	(214)	(449)	(266)	(523)	(577)	(657)	(577)	(5,980)
Food Service	(684)	(379)	(338)	(1,533)	(2,229)	(2,209)	(2,311)	(2,787)	(4,590)	(5,506)	(6,883)	(5,506)	(34,954)
Transfer to DPS (3)	-	(16,000)	-	-	-	-	-	-	(1,178)	-	-	(637)	(17,814)
Other	(23)	-	-	-	(2,356)	-	-	-	(2,405)	(3,207)	(4,009)	(3,207)	(15,207)
Total Cash Disbursements	(45,374)	(59,148)	(50,059)	(47,948)	(78,429)	(46,403)	(47,291)	(67,424)	(64,948)	(60,212)	(73,514)	(65,861)	(706,609)
Net Cash Flow	19,496	(4,174)	(12,489)	8,714	(9,257)	25,487	8,489	4,550	5,835	3,892	(7,679)	16,207	59,071
Beginning Cash Balance	61,523	81,020	76,846	64,357	73,071	63,814	89,301	97,790	102,340	108,175	112,067	104,388	61,523
Net Cash Flow	19,496	(4,174)	(12,489)	8,714	(9,257)	25,487	8,489	4,550	5,835	3,892	(7,679)	16,207	59,071
Ending Cash Balance	\$ 81,020	\$ 76,846	\$ 64,357	\$ 73,071	\$ 63,814	\$ 89,301	\$ 97,790	\$ 102,340	\$ 108,175	\$ 112,067	\$ 104,388	\$ 120,595	\$ 120,595
Memo:													
Internal Service Fund and Fiduciary Account													
Beginning Balance	\$ 48,439	\$ 48,439	\$ 48,439	\$ 48,439	\$ 48,439	\$ 48,439	\$ 48,439	\$ 48,439	\$ 48,439	\$ 41,606	\$ 41,606	\$ 41,606	\$ 48,439
(+) Liability Balance Transfer from DPS	-	-	-	-	-	-	-	-	-	-	-	-	-
(-) TIP, Legal, And Workers' Compensation Claims	-	-	-	-	-	-	-	-	(6,833)	-	-	(2,000)	(8,833)
Ending Balance	48,439	48,439	48,439	48,439	48,439	48,439	48,439	48,439	41,606	41,606	41,606	39,606	39,606
Grand Total	\$ 129,459	\$ 125,285	\$ 112,795	\$ 121,510	\$ 112,253	\$ 137,740	\$ 146,229	\$ 150,779	\$ 149,780	\$ 153,672	\$ 145,994	\$ 160,200	\$ 160,200

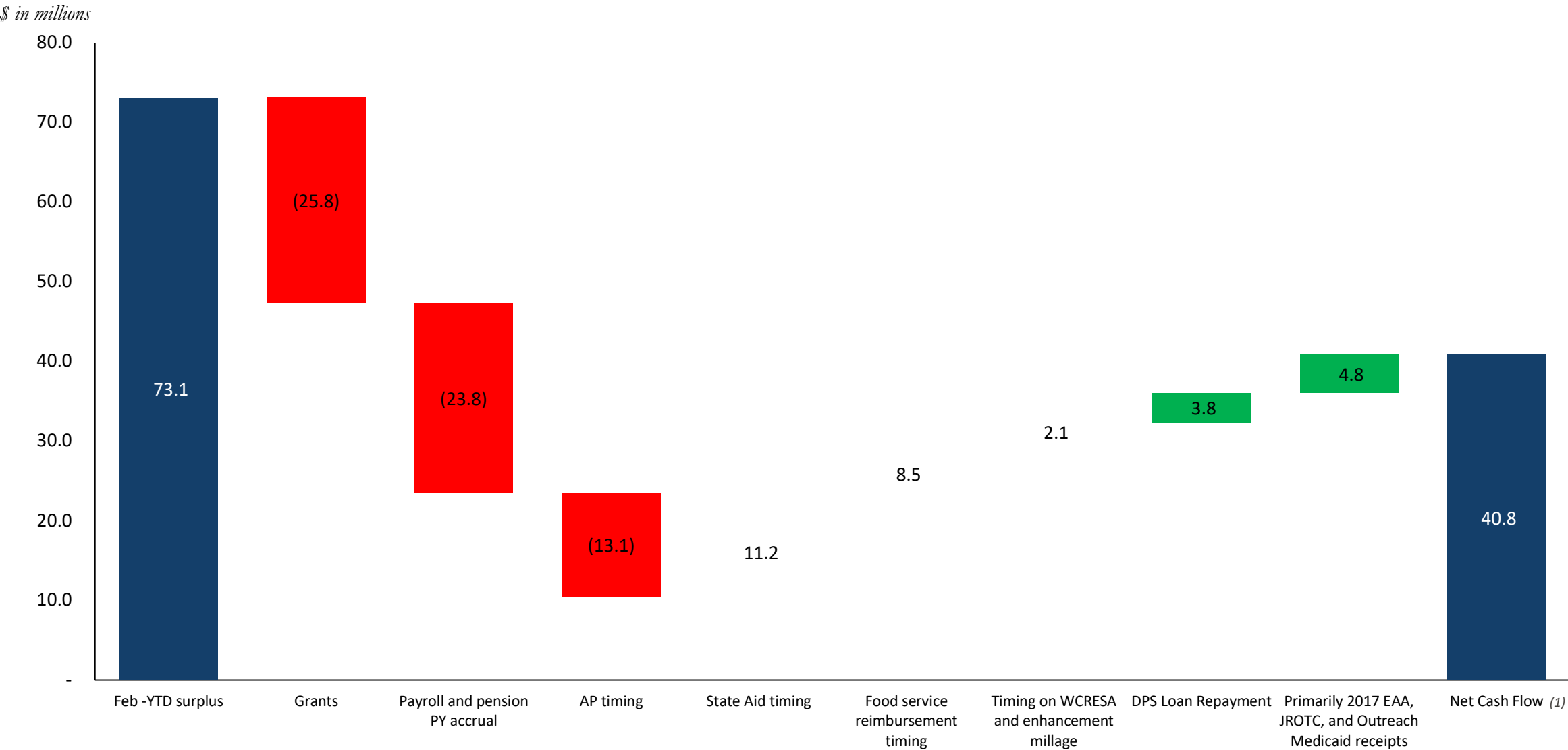
Forecast includes actuals through March 09, 2018.

(1)) Miscellaneous receipts in February consist primarily of 1.7M of Outreach Medicaid, \$466K due to remote deposits, 235K due to grant timing, and \$85K due to JROTC.

(2)) Pension in February includes a catch-up payment from the prior month.

(3)) Transfers to DPS includes a \$178K and a \$1.0M transfer to DPS in March. The \$178K transfer relates to the reimbursement of Legal, Worker's Comp, and TIP payments made by DPS on behalf of DPSCD. The \$1.0M transfer is to cover the employer related taxes associated with \$28.9M in salaries for District employees previously withheld by the State.

Reconciliation of FY 2018 February YTD general ledger surplus to actual net cash flow



(1) Net Cash Flow is the sum of year-to-date monthly cash flows (i.e., the summation of monthly cash flows from July to March).

Supplemental Reports *



Compliance Reporting – Completed Submissions +

Organization	Category	Report/Task	Entity	Submission Date
DPS	Debt	Quarterly Debt Certification - DPS Emergency Loan Report	State of Michigan	26-Feb
DPSCD	Risk Management	Silicosis, Dust Disease And Logging Ind Comp Fund Assessment - Report	State of Michigan	28-Feb
DPSCD	Risk Management	Second Injury Fund - Report	State of Michigan	28-Feb
DPSCD	Risk Management	Safety Education And Training Levy - Report	State of Michigan	28-Feb
DPSCD	Risk Management	Annual Medical Payment Report (WC-406)	State of Michigan	28-Feb
DPSCD	Grants	Section 31a Student Report	MSDS	28-Feb
DPSCD	Medicaid	Medicaid Annual Expense Report (MAER Report)	State of Michigan	28-Feb
DPSCD	Tax	Submit payroll State, Federal Tax Payment and Retirement withholdings	Reporting Entity	Bi-weekly
DPS/DPSCD	Reporting	Monthly financial results vs monthly budget and PY	School Board/FRC	Monthly
DPS/DPSCD	Reporting	FTE actuals vs budget and PY	School Board/FRC	Monthly
DPS/DPSCD	Reporting	Bridge cash to budget and actual financial results	School Board/FRC	Monthly
DPS/DPSCD	Reporting	Cash forecast including actuals	School Board/FRC	Monthly
DPSCD	Procurement	FRC Out of State Travel	School Board/FRC	Monthly
DPS/DPSCD	Procurement	Contract approval (>\$750k OR term>2 years)	School Board/FRC	Monthly
DPS/DPSCD	Procurement	Collective bargaining agreements	School Board/FRC	Monthly
DPSCD	Grants	Personnel activity report for split funded staff	Internal Tracking	Monthly

Compliance Reporting – Upcoming Submissions +

Organization	Category	Report/Task	Entity	Submission Date
DPSCD	Tax	Submit electronic forms W-2 (employer copy)	Social Security Administration	31-Mar
DPS	Debt	Payment on 18 Mills debt	BONY	31 - Mar
DPS	Debt	School Loan Revolving Fund Draw Request	State of Michigan	1-Apr
DPS	Debt	Payment on 13 Mills debt	Creditors	24-Apr
DPSCD	Tax	Submit payroll State, Federal Tax Payment and Retirement withholdings	Reporting Entity	Bi-weekly
DPS/DPSCD	Reporting	Monthly financial results vs monthly budget and PY	School Board/FRC	Monthly
DPS/DPSCD	Reporting	FTE actuals vs budget and PY	School Board/FRC	Monthly
DPS/DPSCD	Reporting	Bridge cash to budget and actual financial results	School Board/FRC	Monthly
DPS/DPSCD	Reporting	Cash forecast including actuals	School Board/FRC	Monthly
DPSCD	Procurement	FRC Out of State Travel	School Board/FRC	Monthly
DPS/DPSCD	Procurement	Contract approval (>\$750k OR term>2 years)	School Board/FRC	Monthly
DPS/DPSCD	Procurement	Collective bargaining agreements	School Board/FRC	Monthly
DPSCD	Grants	Personnel activity report for split funded staff	Internal Tracking	Monthly



Contracts

The image features a minimalist design with a white background. On the left, the word "Contracts" is written in a bold, dark grey sans-serif font. To the right, there are several parallel diagonal lines in shades of blue and orange, extending from the bottom right towards the top right. A small, solid blue horizontal bar is located in the top left corner.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT RESOLUTION 2018-9

APPROVING THE COMMUNITY DISTRICT'S APRIL 2018 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 April 16, 2018 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 April 2018 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 Financial Review Commission (“FRC”) 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	IT	16-0345-C	Contract Amount: \$925,000 Contract Period: July 1, 2016-June 30, 2019 Source: General Funds Purpose: To provide basic cable plant maintenance and technology installation services Contractor: Learning Consultants, Inc. Location: 17601 James Couzens, Detroit, MI 48235	Increase	Yes	No	Anticipated Approval Board 04.10.2018 FRC 04.16.2018	The District put an RFP out in August of 2016 garnering two responses, LCI and Direct Internet. Both respondents were awarded the business due to the amount of work needed in the District. Contracts were signed for a three-year term, expiring June, 2019. This request is to increase funding on the existing contract for LCI.
2	Finance	16-0384-C	Contract Amount: \$794,321 NTE Contract Period: May 1, 2016 - December 31, 2018 Source: General Funds Purpose: To provide audit services for the District Contractor: Plante Moran Location: 19176 Hall Road, Suite 300, Clinton Twp, MI 48038	Increase	Yes	Yes	Anticipated Approval Board 04.10.2018 FRC 04.16.2018	An RFP was issued in 2016 to find a provider who would conduct an audit of the District’s financial statements. Based on evaluation of the proposals, Plante & Moran was selected as the supplier providing the best overall value. They have the capability, experience and most competitive pricing to provide the services requested. This request is to increase funding on the existing contract.

Contract Requests (Continued)

The following contracts are being provided to the Financial Review Commission (“FRC”) 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															
3	Curriculum and Instruction	18-0048	Contract Amount: \$5,250,000 Contract Period: April 16, 2018 – June 30,2019 Source: Grants Purpose: To provide core instructional materials for K-8 ELA/Literacy Contractor: Open Up Resources Location: 1600 El Camino Real, Ste 155, Menlo Park, CA 94025	New	Yes	No	Anticipated Approval Board 04.10.2018 FRC 04.16.2018	An RFP was conducted in March of 2018 to solicit instructional materials for K-8 ELA. 12 responses were received. Respondents that scored over 70 are listed below. Though Open Up was not the low-cost source, their response was the most comprehensive and complete. The other respondents, despite having a good program, did not submit costs for foundational skills or trade books, which can increase costs by millions of dollars. <table><tr><th><u>Respondent</u></th><th><u>Score</u></th><th><u>Cost</u></th></tr><tr><td>Open Up</td><td>91</td><td>\$5,292,381</td></tr><tr><td>Great Minds</td><td>77</td><td>\$128,890</td></tr><tr><td>Amplify</td><td>74</td><td>\$566,321</td></tr><tr><td>Pearson</td><td>72</td><td>\$276,733</td></tr></table>	<u>Respondent</u>	<u>Score</u>	<u>Cost</u>	Open Up	91	\$5,292,381	Great Minds	77	\$128,890	Amplify	74	\$566,321	Pearson	72	\$276,733
<u>Respondent</u>	<u>Score</u>	<u>Cost</u>																					
Open Up	91	\$5,292,381																					
Great Minds	77	\$128,890																					
Amplify	74	\$566,321																					
Pearson	72	\$276,733																					
4	Curriculum and Instruction	18-0049	Contract Amount: \$1,375,000 Contract Period: April 16, 2018 – June 30,2019 Source: Grants Purpose: To provide core instructional materials for K-8 Mathematics Contractor: Great Minds, LLC Location: 55 M S/E, Suite 340, Washington D.C., 20003	New	Yes	No	Anticipated Approval Board 04.10.2018 FRC 04.16.2018	An RFP was conducted in March of 2018 to solicit instructional materials for K-8 Math. 16 responses were received. Respondents that scored over 70 are listed below. Though Open Up had the high score, they only provided a 6-8 submission, and the district chose to adopt a K-8 program. Great Minds is the most widely used math curriculum in the United States, according to a study released by the RAND Corporation. It is also 1 of only 2 curriculums found by EdReports.org to align fully with the CCSS for all grades, K–8. <table><tr><th><u>Respondent</u></th><th><u>Score</u></th><th><u>Cost</u></th></tr><tr><td>Open Up</td><td>97</td><td>\$368,392</td></tr><tr><td>Great Minds</td><td>94</td><td>\$1,375,000</td></tr><tr><td>CA</td><td>84</td><td>\$1,196,401</td></tr></table>	<u>Respondent</u>	<u>Score</u>	<u>Cost</u>	Open Up	97	\$368,392	Great Minds	94	\$1,375,000	CA	84	\$1,196,401			
<u>Respondent</u>	<u>Score</u>	<u>Cost</u>																					
Open Up	97	\$368,392																					
Great Minds	94	\$1,375,000																					
CA	84	\$1,196,401																					

**Agenda Item Details**

Meeting	Apr 10, 2018 - Regular Board Meeting
Category	11. Administrative Action Items
Subject	11.08 Contract Amendment for Learning Consultant, Inc.
Access	Public
Type	Action
Recommended Action	Motion to approve amendment of the contract with Learning Consultants, Inc (LCI) to increase the amount of the contract from \$750,000 by \$175,000 for a total amount not to exceed \$925,000 for IT device installation and cabling services for the period July 1, 2016 through June 30, 2018.

Public Content**Recommendation:**

That the School Board approve amendment of the contract with Learning Consultants, Inc (LCI) to increase the amount of the contract from \$750,000 by \$175,000 for a total amount not to exceed \$925,000 for IT device installation and cabling services for the period July 1, 2016 through June 30, 2018.

Description and Background:

This agenda item has been recommended for approval by the Finance Subcommittee. LCI, headquartered in Detroit, has been a District partner since 1971. LCI has completed installs of data, video, and voice infrastructure system for district buildings; installed electrical lines for projectors, interactive boards, and additional outlets in schools and has provided project planning and site mapping services for installation of new technology and network moves and additions. LCI has designed and installed computer labs using new equipment as well as district refurbished technology.

After completion of an RFP process, in August 2016, the District signed a three-year contract with LCI for provisions of the services described above in the amount of \$750,000. At the time of signing, the District had not developed a strategic plan for use of technology. With the District's current focus on increasing laptop access in schools, significant additional services have been used, exhausting the initial contract allocation.

Gap Analysis:

The District, with School Board approval, is working toward ensuring a twenty-first century learning environment, rich in opportunity for all students to access relevant technology. The services provided by LCI make that possible and are in alignment with the launch of the District's 1:1 technology initiative.

Previous Outcomes:

LCI technicians uses the district ticketing system to manage projects that range from interactive technology repairs to installations. This allows the district to track contractor progress in real-time as well as the time allotted to each school or district project. The District has been satisfied with repairs scheduled and assigned to LCI technicians.

In the prior fiscal year LCI completed 464 cabling infrastructure service tickets and provided 870 individual classroom interactive technology solutions.

Expected Outcomes:

LCI's range of IT infrastructure services will support the district information technology initiatives ranging from enhanced instructional technology resources in classrooms, self-service kiosks in schools to District streamlined process to improve efficiency.

Alignment to Strategic Plan:

Responsible Stewardship

Financial Impact:

	Total Expenditures
FY 2017	\$311,164
FY 2018 to Date	\$471,456
FY 2018 (Projected through June 30)	\$142,380
TOTAL	\$925,000, General Funds

Contact for Item:

Name: Christine Burkette, Senior Executive Director of Information Technology, Assessment & Accountability
Phone: 313-873-7445
Email: christine.burkette@detroitk12.org

Supporting Documents/Attachments:

Contract Amendment



[Learning Consultants Amendment 1.pdf \(93 KB\)](#)

Administrative Content

Executive Content



Agenda Item Details

Meeting	Apr 10, 2018 - Regular Board Meeting
Category	11. Administrative Action Items
Subject	11.10 Approval of Increased Expenditures under Plante Moran Engagement Letter
Access	Public
Type	Action
Recommended Action	Motion to approve a cost increase under engagement letter with Plante Moran from \$707,400 by \$86,920 for a total amount not to exceed \$794,321

Public Content

Recommendation:

That the School Board approve the cost increase for the previously approved engagement with Plante Moran for Detroit Public Schools Community District (DPSCD) from \$707,400 by \$86,920 for a total amount not to exceed \$794,321.

Description and Back ground:

This agenda item was recommended for approval by the Finance Subcommittee. On October 10, 2017, the School Board approved the selection of Plante Moran for (i) the 2016-2017 fiscal year (FY) financial audit of Detroit Public Schools (DPS) at a cost of \$30,000 and (ii) the FY 2016-2017 (a) financial audit of DPSCD at a cost of \$610,000 and (b) quarterly financial monitoring of DPSCD at a cost of \$97,400 for a total cost to DPSCD of 707,400.

During the course of the annual statutory audits, additional services, such as split accounting between DPS and DPSCD, were required to complete the audit, resulting in \$11,920 in additional fees. Further, while DPSCD works to fully staff its internal auditing team, Plante Moran provided interim internal audit services on an as needed basis. These additional costs are budgeted at \$75,000.

Gap Analysis:

DPSCD is required to complete an annual financial audit and comply with the AUP. Failure to complete the audits on time can result in withholding of the state per pupil funding. Further, the District is committed to responsible stewardship. The provision of additional funds for internal auditing services will support that commitment.

Previous Outcomes:

Plante Moran was selected on May 5, 2016 to complete the financial audit for Detroit Public Schools. They successfully completed the FY 2016 and FY 2017 audits for DPS and the FY 2017 audit for

DPSCD.

Expected Outcomes:

Plante Moran will conduct the AUP audits and submit required information to district and state personnel. In addition, Plante Moran staff will conduct internal audits of relevant matters as required by finance personnel.

Financial Impact:

The contract pricing is as follows:

Annual External Audit DPSCD: \$621,920

Federal AUP: \$97,400

Internal Audit Function: \$75,000

Fund Source: General & Grant Funds

Bid Process: RFP 16-0384-C was issued on Demandstar and received two responses. Based on evaluation of the proposals, Plante Moran was selected as the supplier providing the best overall value. They have the capability, experience, and competitive pricing to provide the services requested.

Contact for Item:

Jeremy Vidito, Chief Financial Officer

Phone: (313) 873-4057

Email: Jeremy.vidito@detroitk12.org

Arthur Jackson, Deputy Finance Director

Phone: (313) 873-4057

Email: Arthur.jackson@detroitk12.org

Supporting Documents/Attachments:

None. Subject to the previously approved engagement letter.

Administrative Content

Executive Content



Agenda Item Details

Meeting	Apr 10, 2018 - Regular Board Meeting
Category	11. Administrative Action Items
Subject	11.12 Adoption of District-Wide K-8 ELA/Literacy Instructional Materials
Access	Public
Type	Action
Recommended Action	Motion to approve the adoption and purchase of the recommended district-wide, grades K-8 Open Up Resources (EL Education) English Language Arts instructional materials in an amount not-to-exceed \$5,250,000.

Public Content

Recommendation:

That the School Board to approve the adoption and purchase of the recommended district-wide, grades K-8 Open Up Resources (EL Education) English Language Arts instructional materials in an amount not-to-exceed \$5,250,000.

Description and Background:

The Finance Subcommittee approved the agenda item to the full board and the Academic Subcommittee forwarded the item to the full board for review. The Curriculum Audit in English Language Arts (ELA) and Mathematics revealed that the district's current instructional materials are unaligned to the demands of the Common Core State Standards (CCSS). The District was seeking a qualified and experienced firm to provide core instructional materials for the the K-8 ELA program. The core program needs to: align to the shifts and major features of the Common Core Standards, include strategies to engage and support all learners (including race/ethnicity, exceptional students, and English language learners), as they work to achieve grade level standards, be grounded in research, include formative assessments, and provide supplemental options for remediation and acceleration.

On February 7, 2018, a Request For Proposals (RFP) was distributed to solicit core instructional materials for K-8 ELA. In total, 264 companies were notified of the RFP and 12 responses were received on or by March 5, 2018. An evaluation committee of 58 teachers, principals, and administrators was convened over the course of three days. Committee members evaluated the texts and tradebooks that students would engage with to ensure that students could both see themselves reflected in the materials as well as windows to other cultures and places in the world. Through a structured and facilitated process, committee members were organized by grade level and reviewed all eligible core programs. Each product was evaluated in six areas and scored using a



Agenda Item Details

Meeting	Apr 10, 2018 - Regular Board Meeting
Category	11. Administrative Action Items
Subject	11.11 Adoption of District-Wide K-8 Mathematics Instructional Materials
Access	Public
Type	Action
Recommended Action	Motion to approve the adoption and purchase of the recommended District-wide, Grades K-8 Eureka Mathematics Instructional Materials in an amount not-to-exceed \$1,375,000.

Public Content

Recommendation:

That the School Board approve the adoption and purchase of the recommended district-wide, grades K-8 Eureka Mathematics instructional materials in an amount not-to-exceed \$1,375,000.

Description and Background:

The Finance Subcommittee approved the agenda item to the full board and the Academic Subcommittee forwarded the item to the full board for review. The Curriculum Audit in English Language Arts (ELA) and Mathematics revealed that the district's current instructional materials are unaligned to the demands of the Common Core State Standards (CCSS). The District was seeking a qualified and experienced firm to provide core instructional materials for the K-8 Mathematics program. The core program needs to: align to the shifts and major features of the CCSS including the Mathematical Practices, provide supplemental options, provide support to diverse learners (including race/ethnicity, exceptional students, and English language learners), fully engage all learners, be grounded in research, reflect multiple perspectives through texts, and have formative assessments.

On February 7, 2018, a Request For Proposals (RFP) was distributed to solicit core instructional materials for K-8 Mathematics. In total, 287 companies were notified of the RFP and 16 responses were received on or by March 5, 2018. An evaluation committee of 52 teachers, principals, and administrators was convened over the course of three days. Through a structured and facilitated process, committee members were organized by grade level and reviewed all eligible core programs. Each product was evaluated in six areas and scored using a consistent rubric and process. Only teachers and leaders provided scoring for the materials evaluation component of the RFP rubric.

The results of the evaluators' score-sheets were tabulated by a core evaluation team. Submissions below 70 did not move forward for further consideration. The submissions that scored over 70 are outlined in the graph below, from highest score to lowest

COMP ANY	SCORING
Open Up (Illustrative Math, 6-8)	97
Great Minds (Eureka, K-8)	94
Curriculum Associates (Ready, K-8)	84

The Evaluation Committee came to the consensus that Great Minds (Eureka) based on their proposal, would meet the District needs for providing core instructional materials for K-8 mathematics. The proposal highlighted their strength and ability to be the best qualified vendor with a high rating average of 94 out of 100. Although Open Up (Illustrative Math) scored slightly higher, the District prefers to work with a single vendor for K-8 for ease of administration and student transition.

Eureka Math is the most widely used math curriculum in the United States, according to a study released by the RAND Corporation. It is also 1 of only 2 curriculums found by EdReports.org to align fully with the CCSS for all grades, K–8. Additionally, over a dozen lessons from Eureka Math were rated to be EQUIP exemplars by Achieve. Eureka math leverages coherent models to build understanding within and across grades and through the use of visual models provides supports for diverse learners.

Eureka Math is being implemented in districts such as Indianapolis, IN, Memphis, TN, DC Public Schools, Salt Lake City, Atlanta Public Schools, Tucson Unified School District, Bellflower Unified School District, Partnership for Los Angeles Schools, Lafayette Parish School Board, Savannah Public Schools, Buffalo Public Schools, Skokie School District, and Hartford Public Schools.

As noted above, while the district reviewed K-8, K-5, and 6-8 Curriculum Materials, the committees and leaders emphasized the benefit of a single K-8 curriculum. The selection of one program will insure a coherent implementation including materials, professional development, and support for teachers and leaders.

The associated costs cover the digital and print resources to support curriculum implementation, and teacher access to professional development resources for all participating faculty which will begin during summer 2018 and continue through school year 2019. Purchases will be based on the number of students and teachers at each school site and will include an overage allocation for each school and the District. The District will ensure that materials are delivered to schools on time or contract consequences will be applied.

Gap Analysis:

Through the completion of a Curriculum Audit, funded by Wayne RESA, through Student Achievement Partners it was revealed that our current adopted materials for K-8 Mathematics (adopted in 2012), EnvisionMATH Common Core is far from aligned to the standards for Focus, Coherence, Rigor, and Support for all students. Additionally, student proficiency in our district has been far below national norms. Students in the State of Michigan also had the lowest overall growth in the nation on NAEP. According to the NAEP results, in 2015, the average math score of eighth-grade students in Michigan was 278 out of 500, compared to the national average score, 281. The average Michigan score has not significantly changed from 280 in 2013 and 277 in 2000.

Previous Outcomes:

Previous M-STEP Performance Outcomes in Mathematics for the district can be found in the table below:

Essential Metrics	Grade Level	Measure Being Used	Baseline Year	Baseline Availability	Frequency	2015-2017 Performance		
						14-15SY	15-16SY	16-17SY
The percentage of our students who meet state proficiency standards in math.	3-8	M-STEP	2016-17	Fall 2017	Annual	7.1	5.8	7

Expected Outcomes:

The proposed mathematics adoption will provide clear, concise curriculum mapping with explicit, scaffolded lessons. This should support greater confidence in the district's core curriculum from principals and teachers. This confidence will increase the fidelity of implementation of curriculum materials, which will lead to the raising of student achievement. The district's strategic plan metrics and targets expect an annual increase of 3.1 percentage points. In multiple large urban districts, these materials have served as the basis for consistent improvement in mathematics in proficiency and growth.

Alignment to Strategic Plan:

This agenda item is aligned to the Outstanding Achievement Priority.

Financial Impact:

The proposed adoption will not to exceed \$1,375,000, which includes: digital resources. print resources to support curriculum implementation, and teacher access to professional development resources for all participating faculty. The annual reoccurring cost for this adoption is estimated to be \$1,144,000.

Note: A separate item will be provided to fund manipulatives. The District should realize significant cost savings by using an alternate vendor. Manipulatives are a one time cost.

Contact for Item:

Name: Beth Gonzalez, Senior Executive Director of Curriculum & Instruction
 Phone: 313-873-4894
 Email: beth.gonzalez@detroitk12.org

Supporting Documents/Attachments:

Contract



18-0049-R Adoption of Core Instructional Materials for K-8 Math Contract .pdf (324 KB)

consistent rubric and process.

Only teachers and leaders provided scoring for the materials evaluation component of the RFP rubric. The results of the evaluators' scoresheets were tabulated by a core evaluation team. Submissions below 70 did not move forward for further consideration. The submissions that scored over 70 are outlined in the graph below, from highest score to lowest.

COMP ANY	SCORE
Open Up Resources (EL Education)	91
Great Minds (Wit and Wisdom)	77
Amplify (Core Knowledge)	74
Pearson (My Perspectives, 6-8 only)	72

The Evaluation Committee came to the consensus that Open Up Resources (EL Education), based on their proposal, would meet the District needs for providing core instructional materials for K-8 ELA. The proposal highlighted their strength and ability to be the best qualified vendor with a high rating average of 91 out of 100.

EL Education Language Arts Curriculum is currently used in 44 states. According to EdReports, the curriculum is highly aligned to Common Core State Standards, and the New York City Dept. of Education described the curriculum as among the "highest-quality Common Core-aligned curriculum materials currently available." In addition, EL Education's curriculum in grades 3-8 received the highest ratings by EquiP (Educators Evaluating the Quality of Instructional Products) in 2015. Created by teachers for teachers, the highly-acclaimed curriculum draws on EL Education's 25 years of experience in engaging teachers and students in active and meaningful learning.

EL Education Language Arts curriculum is a comprehensive, standards-based core literacy program that engages teachers and students through compelling, real world content. Expeditionary Learning engages students in experiences of critical thinking about complex text, researching deeply about a topic, and writing to sources. Each classroom will receive class sets of authentic shared reading, student resources, and instructional guides that provide for explicit instruction and differentiation.

While the district reviewed K-8, K-5, and 6-8 Curriculum Materials, the committees and leaders emphasized the benefit of a single K-8 curriculum. The selection of one program will ensure a coherent implementation including materials, professional development, and support for teachers and leaders.

The associated costs cover the print resources to support curriculum implementation and teacher access to professional development resources for all participating faculty which will begin during summer 2018 and continue through SY2019. Purchases will be based on the number of students and teachers at each school site and will include an overage allocation for each school and the district. The district will ensure that materials are delivered to schools on time or contract consequences will be applied.

Gap Analysis:

Through the completion of a Curriculum Audit, funded by Wayne RESA, through Student Achievement Partners, it was revealed that our current adopted materials for K-8 Literacy, SRA Imagine It earned a 3 of 27 eligible points and is far aligned from the expectation of the shifts outlined in the CCSS for Literacy. The EdReports review of EL Education K–5 Language Arts adds to the evidence of its top-notch quality. Recently, Louisiana’s Department of Education awarded the the curriculum with a Tier 1 rating, the highest designation given by the state in its teacher-led review process.

The curriculum, which has been piloted in schools across the country and adopted by districts such as Wake County Public School System in North Carolina – the 15th-largest district in the US—has been shown to foster strong student outcomes. An 18-district study by Mathematica Policy Research found that teachers using EL Education’s K–5 Language Arts curriculum engaged students in more higher-order thinking after receiving aligned professional development—and that novice teachers using the curriculum were three times more likely to focus on asking students higher-order thinking questions. These materials have been used in schools and districts throughout the nation and are demonstrating consistent improvement in proficiency and growth in literacy.

Previous Outcomes:

Previous M-STEP Performance Outcomes in Literacy for the district can be found in the table below:

						2015-2017 Performance		
Essential Metrics	Grade Level	Measure Being Used	Baseline Year	Baseline Availability	Frequency	14-15SY	15-16SY	16-17SY
The percentage of our students who meet state proficiency standards in literacy.	3-8	M-STEP	2016-17	Fall 2017	Annual	13.6	11.4	11.4

Expected Outcomes:

The proposed mathematics adoption will provide clear, concise curriculum mapping with explicit, scaffolded lessons. This will bring more confidence in the district’s core curriculum from principals and teachers. This confidence will increase the fidelity of implementation of curriculum materials, which will lead to the raising of student achievement. The district's strategic plan metrics & targets outline an expected 3.46 percentage points increase per year in proficiency.

Alignment to Strategic Plan:

Outstanding Achievement

Financial Impact:

The proposed adoption will not exceed \$5,250,000 which includes: digital resources, print resources to support curriculum implementation, and teacher access to professional development resources for all participating faculty which will begin during summer 2018 and continue through SY2019. While the one time cost may appear high, teachers will be establishing classroom libraries, be provided rich read aloud texts, a complete foundational skills program, decodable readers, and all of the required materials for a comprehensive reading block including formative assessments. The reoccurring annual cost is estimated to be approximately \$1,930,151.

Contact for Item:

Name: Beth Gonzalez, Senior Executive Director of Curriculum & Instruction

Phone: 313-873-4894

Email: beth.gonzalez@detroitk12.org

Supporting Documents/Attachments:

Contract



18-0048-R Adoption of Core Instructional Materials for K-8 ELA Contract.pdf (270 KB)

Administrative Content

Executive Content

Out-of-State Travel *





STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT RESOLUTION 2018-10

**APPROVING THE COMMUNITY DISTRICT'S APRIL 2018 OUT-OF-
STATE TRAVEL REIMBURSEMENT 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(q) of the Act provides that during the period of oversight, the Commission approve all Community District reimbursements to school board members, officials, and employees for travel outside the state; and

WHEREAS, at the Commission meeting on April 16, 2018, the Community District presented out-of-state travel reimbursement 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 April 2018 out-of-state travel reimbursement requests, attached as **Exhibit A** to this Resolution but excluding any reimbursements 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.

Out-of-State Travel Reimbursement Requests *

The following reimbursements (estimated cost) are being provided to the Board of Education for review and approval. These must also be provided to the FRC for review and approval pursuant to section 7(q) of the Michigan Financial Review Commission Act.

#	Conference Name	Location of Trip	Dates of Conference	School / Department	Central Office	Students	Faculty	Participants	Funding Source	Total Est. Cost	Approved by:
1	Career and Technical Education (CTE) National Academic Competitions	TX, GA, KY	Multiple (4 events)	Partnerships	0	74	15	89	Perkins Grant	\$30,842.28	Finance Sub-Committee approved 3/29/18 and Academic Sub-Committee approved 3/26/18; Board approval expected 04/10/18
2	Title IX Training	Columbus, OH	6/4/18-6/7/18	Office of Compliance	2	0	0	2	General Funds	\$4,911.00	Finance Sub-Committee approved 3/29/18 and Academic Sub-Committee approved 3/26/18; Board approval expected 04/10/18
3	Academic Games National Tournament	Knoxville, TN	4/26/18-5/1/18	Office of Mathematics	0	60	14	74	Title I	\$51,200.00	Finance Sub-Committee approved 3/29/18 and Academic Sub-Committee approved 3/26/18; Board approval expected 04/10/18
4	Chess Tournaments	Columbus, OH	4/25/18-4/30/18	Office of Mathematics	0	64	15	79	Title IV	\$55,195.00	Finance Sub-Committee approved 3/29/18 and Academic Sub-Committee approved 3/26/18; Board approval expected 04/10/18
5	Allocation of Additional Funds for Competitive Student Events	TBD	TBD	Academics	0	0	0	0	Various	\$100,000.00	Finance Sub-Committee approved 3/29/18 and Academic Sub-Committee approved 3/26/18; Board approval expected 04/10/18

Total: \$242,148.28



Agenda Item Details

Meeting	Apr 10, 2018 - Regular Board Meeting
Category	11. Administrative Action Items
Subject	11.01 Out of State Travel for Career & Technical Education Academic Competitions
Access	Public
Type	Action
Recommended Action	Motion to approve request for out-of-state travel for 15 Career and Technical Education teachers to attend national academic competitions with students in a total grant-funded amount of \$30,843.

Public Content

Recommendation:

That the School Board approve the request for out-of-state travel for 15 Career and Technical Education (CTE) teachers to attend national academic competitions with CTE students in a total grant-funded amount of \$30,843.

Description and Background:

This agenda item has been recommended for approval by the Academic and Finance Subcommittees. The following charts represent the travel requests, details and related costs--

Student Leadership Organization	Schools	# of Students	# of Staff Members	Estimated Cost for Staff Travel	
Business Professionals of America (BPA) Location: Dallas, TX Date: 5/9/18 - 5/13/18	Cass Golightly CTC King	30	5	Registration	\$575.00
				Transportation	\$2,260.00
				Lodging & Food	\$7,458.00
				Per Diem	\$1,760.00
DECA Location: Atlanta, GA Date: 4/20/18 - 4/24/18	King Detroit Collegiate Prep	4	2	Registration	\$560.00
				Transportation	\$674.00
				Lodging & Food	\$2,320.00
				Per Diem	\$759.00
Health Occupations Students of America (HOSA) Location: Dallas, TX Date: 6/26/18 - 7/1/18	Crockett CTC	2	1	Registration	\$135.00
				Transportation	\$501.63
				Lodging & Food	\$1,066.15
				Per Diem	\$352.00
Skills USA Location: Louisville, KY	Breithaupt CTC Cass Golightly CTC	38	7	Registration	\$1,050.00
					\$9,100.00

Date: 6/25/18 - 6/30/18				Transportation / Lodging & Food	\$2,271.50
				Per Diem	
Total		74	15		\$30,842.28

Gap Analysis:

The overall purpose is to allow teachers to chaperone students to national career and technical student organization (CTSO) conferences. Students will join their peers from across the country to compete at the national level and showcase their skills. Additionally, students will network, participate in workshops and engage in leadership development activities. This is an investment toward the Strategic Priority of Outstanding Achievement and will result in “dramatically improving the overall academic experience of all students to ensure that they are college and career ready”.

Previous Outcomes:

CTSO is an organization for students enrolled in a CTE program that engages in CTE activities and is an integral part of the students’ academic experience. In fact, the Michigan Department Education’s Office of Career and Technical Education require teachers to provide students with opportunities to build leadership skills through such associations.

Expected Outcomes:

It is essential that District students are college and career ready, and prepared to compete and experience success on the national stage. Exposure opportunities at national conferences help students to grow professional and discover their career passion. Research has also shown that students who connect and apply in a real world setting are more likely to remain in school and transition to post secondary studies.

Financial Impact:

\$30,842.28 (Grant Funded)

Strategic Plan Alignment:

Outstanding Achievement

Contact for Item:

Alycia Meriweather, Deputy Superintendent
Phone: (313) 873-7553
Email: alycia.meriweather@detroitk12.org

Brenda Belcher, Principal Leader, CTE
Phone: (313) 873-7637
Email: brenda.belcher@detroitk12.org

Administrative Content

Executive Content



Agenda Item Details

Meeting	Apr 10, 2018 - Regular Board Meeting
Category	11. Administrative Action Items
Subject	11.02 Out of State Travel for Civil Rights/Title IX Training
Access	Public
Type	Action
Recommended Action	That the School Board approve the request for out of state travel for the Office of Compliance as described below in the total amount of \$4,911.00, which will be paid using general funds.

Public Content

Recommendation:

That the School Board approve the request for out of state travel for the Office of Compliance as described below in the total amount of \$4,911, which will be paid using general funds.

Description and Background:

This agenda item has been recommended for approval by the Finance Subcommittee. The following represents the travel request for approval:

Trip Details	Estimated Cost		Comments
Event: ATIXA Title IX Training – Civil Rights Investigator Training and Certification Location: Columbus, OH Dates: 6/4/18-6/7/18 Department: Office of Compliance Participants: 2 Funding Source: General Funds	Registration: Transportation: Lodging & Food: Total:	\$4,298.00 \$100.00 \$513.00 \$4,911.00	

Gap Analysis:

The District is currently operating under a Resolution Agreement with the U.S. Department of Education's Office of Civil Rights (OCR) resolving certain complaints under Title IX of the Education Amendments of 1972. The Resolution Agreement requires district-wide training of all staff, tailored to staff member roles, on Title IX. The District is subject to monitoring by OCR until all requirements of the Resolution Agreement have been met and verified/ The District has found that many of its constituents, both students and employees, are not aware of their obligations under Title IX. Accordingly, the District needs highly trained administrators who are equipped with a thorough understanding the most recent guidance produced by the United States Department of Education to develop and provide appropriate training for District stakeholders. Effective training as well as effective investigation of complaints should reduce the number of future OCR matters and bring OCR monitoring to a close while ensuring a safe and healthy environment for all that we serve.

Previous Outcomes:

The district has not previously received or participated in extensive Title IX Training.

Expected Outcomes:

This training will satisfy the requirements of the Resolution Agreement. Participants will walk away from this training with an understanding of the legal underpinnings of Title IX, useful templates, practical rubrics, and the key tools of the professional civil rights investigator. Further, participants will learn how to structure a Title IX team, and the intersection of Title IX with ADA 504, pregnancy, and athletics.

Alignment to Strategic Plan:

Transformative Culture

Financial Impact:

\$4,911.00 funded by general funds.

Contact for Item:

Name: Kristen Howard, Executive Director of Compliance
Phone: 313-873-6891
Email: kristen.howard@detroitk12.org



Agenda Item Details

Meeting	Apr 10, 2018 - Regular Board Meeting
Category	11. Administrative Action Items
Subject	11.03 Out-of-State Travel Request – Academic Games National Tournament
Access	Public
Type	Action
Recommended Action	Motion to approve request for out of state travel for 74 students, coaches, and chaperones to the National Tournament for Academic Games in the grant funded amount of \$51,200.

Public Content

Recommendation

That the School Board approve out of state travel for 74 students, coaches, and chaperones to the National Tournament for Academic Games in the grant funded amount of \$51,200.

Description and Background:

This agenda item has been recommended for approval by the Academic and Finance Subcommittees.

The following represents the travel request for approval. The District will cover event registration fees, lodging, meals and coach's stipend:

Trip Details	Estimated Cost
Event: National Academic Games Tournament	Registration: \$8,510
Location: Knoxville, Tennessee	Transportation: \$10,400
Dates: 4/26/18 – 05/01/18	Lodging: \$30,130 (approx. \$407 per person for 5 nights)
Department: Office of Mathematics	Per Diem: \$2,160 (coaches only)
Participants: 9 Coaches, 5 chaperones, 60 student-competitors from Bates, Cass Technical High School, Davison, Ludington, Mackenzie, Renaissance	Total: \$51,200
Funding Source: Title I	

Gap Analysis:

Many students may have limited opportunities to travel out of the state and interact with their peers. By participating in the Academic Games, students have the opportunity to travel and interact with diverse students while sharpening their academic skills by competing in seven interdisciplinary games.

Previous Outcomes:

The Academic Games Leagues of America (AGLOA) is a non-profit organization formed in 1991 to encourage and conduct academic competitions at the local and national level. Players receive recognition and rewards in the same way that other students may be recognized through athletics. AGLOA is dedicated to developing "Thinking Kids" of character, excellence, and integrity. Mathematics, language arts, and social studies are the core subjects for the various games. Players often learn and apply important concepts in these subjects before they are learned in school. Strategy, in addition to knowledge, is a key component in each of the Academic Games competitions. Players develop courage, character, and poise in applying their knowledge while competing against other students.

Expected Outcomes:

Success in the competition as well as the provision of a new experience. Further, students who connect and apply knowledge in a real world setting are more likely to remain in school and transition to post secondary studies.

Alignment to Strategic Plan:

Whole Child Commitment & Outstanding Achievement

Financial Impact:

\$51,200 funded through Title I funds.

Contact for Item:

Name: Beth Gonzalez, Senior Executive Director of Curriculum & Instruction
Phone: (313) 873-4894
Email: beth.gonzalez@detroitk12.org
Administrative Content

Executive Content



Agenda Item Details

Meeting	Apr 10, 2018 - Regular Board Meeting
Category	11. Administrative Action Items
Subject	11.04 Out-of-State Travel Request – Chess Tournaments
Access	Public
Type	Action
Recommended Action	Motion to approve request for out of state travel for 79 students, coaches and chaperones to a National Chess Tournament in the grant funded amount of \$55,195.

Public Content

Recommendation

That the School Board approve out of state travel for 79 students, coaches, and chaperones to a National Chess Tournament in the grant funded amount of \$55,195.

Description and Background:

This agenda item has been recommended for approval by the Academic and Finance Subcommittees. The following represents the travel request for approval. The District will cover event registration fees, lodging, meals and coach's stipend:

Trip Details	Estimated Cost
Event: National Chess Tournament Location: Columbus, Ohio Dates: 4/25/18 – 04/30/18 Department: Office of Mathematics Participants: 10 Coaches, 5 chaperones, 64 student-competitors from Bates, Blackwell, Ludington, Cass Technical HS, Renaissance, DCP at Northwestern Funding Source: Title IV	Registration: \$5,530 Transportation: \$10,400 Lodging: \$30,130 (approx. \$407 per person for 5 nights) Per Diem: \$1,920 (coaches only) Food: \$13,430 (meals all participants) Total: \$55,195

Gap Analysis:

Many students may have limited opportunities to travel out of the state and interact with their peers. By participating in the chess tournament, students have the opportunity to travel and interact with diverse students. Further, studies have shown that chess develops memory, concentration, logical thinking, imagination, creativity, independence and self – motivation, which all support academic achievement.

Previous Outcomes:

Students who participate in chess engage in critical thinking and learn skills integral to their academic experience. Students network and engage within highly-competitive, head-to-head, chess matches with other students from around the country.

Expected Outcomes:

Success in the competition as well as the provision of a new experience. Further, students who connect and apply knowledge in a real world setting are more likely to remain in school and transition to post secondary studies.

Alignment to Strategic Plan:

Whole Child Commitment

Financial Impact:

\$55,195 funded through Title IV funds.

Contact for Item:

Name: Beth Gonzalez, Senior Executive Director of Curriculum & Instruction

Phone: (313) 873-4894

Email: beth.gonzalez@detroitk12.org

Administrative Content

Executive Content



Agenda Item Details

Meeting	Apr 10, 2018 - Regular Board Meeting
Category	11. Administrative Action Items
Subject	11.05 Out-of-State Travel Request – Allocation of Additional Funds for Competitive Student Events
Access	Public
Type	Action
Recommended Action	Motion to approve allocation of funds in an amount not to exceed \$100,000 for out of state travel for competitive events.

Public Content

Recommendation:

That the School Board approve the allocation of funds in an amount not to exceed \$100,000 for out of state travel for competitive events.

Description and Background:

This agenda item has been recommended for approval by the Academic and Finance Subcommittees. During the Spring, students may advance in academic and sporting events to the national level. Because local competitions occur throughout the spring months and selected participants are not known until immediately prior to travel, there may not be sufficient time to seek School Board and Financial Review Commission (FRC) approval. In order to allow student participation in such events, the FRC previously approved a reserve for competitive out of state travel. A report of any funds expended under this allocation will be shared with the School Board and the FRC at the next regularly scheduled meeting.

Gap Analysis:

Competitive student travel may arise on short notice. Due to the approval process for out of state travel, participation would not be possible without a general allocation of funds for such events.

Previous Outcomes:

This is the first request of its kind to the School Board; however, the FRC has previously approved a request of this nature.

Expected Outcomes:

Students will be able to participate in competition as they qualify.

Alignment to Strategic Plan:

Whole Child Commitment

Financial Impact:

Not to Exceed \$100,000 (funding source may vary).

Contact for Item:

Name: Jeremy Vidito, Chief Financial Officer

Phone: 313-873-7671

Email: jeremy.vidito@detroitk12.org

Administrative Content

Executive Content

Update DFT Negotiations '

Appendix





Appendix – FY 2019 Budget (

Four parallel diagonal lines in the bottom right corner, colored dark blue, medium blue, light blue, and orange from top-left to bottom-right.

FY 2018 Revenues and Expenditures Comparison – Object Level

	FY 2017 - Actual	FY 2018 - Budget Amendment # 1	FY 2018 - Budget Amendment # 2	FY 2018 Bud Amd. #2 vs. FY 2018 Bud Amd. #1
Revenue and Sources:				
Local sources	\$ 62,528,317	\$ 75,395,542	\$ 78,229,265	\$ 2,833,723
State sources	441,911,193	475,699,609	495,159,759	19,460,150
Federal sources	116,292,314	153,410,004	172,805,905	19,395,901
Proceeds from sale of capital assets	9,453,274	-	-	-
Payments from Other School Districts	34,104,890	13,100,000	13,100,000	-
Transfers In	2,571,460	2,000,000	2,000,000	-
Total Revenue and Sources	666,861,448	719,605,155	761,294,929	41,689,774
Expenditures and Uses:				
Personnel	417,935,642	495,341,999	485,132,037	(10,209,962)
Purchased Services	136,262,660	156,936,612	165,657,016	8,720,404
Supplies	15,739,061	20,780,977	36,839,686	16,058,709
Equipment & Capital	4,179,007	10,035,479	10,180,463	144,984
Utilities	13,781,958	16,719,000	16,719,800	800
Title I Restricted	-	6,118,839	4,728,506	(1,390,333)
Total Expenditures	587,898,328	705,932,906	719,257,508	13,324,602
Contingency Sources				
General Purpose Fund	-	8,900,000	17,995,338	9,095,338
State Transition Fund	-	485,000	522,567	37,567
Special Education Fund	-	-	3,265,036	3,265,036
ACT18	-	-	2,794,748	2,794,748
Total Sources (Uses)	-	9,385,000	24,577,689	15,192,689

FY 2019 Budget By Fund

	Fund 11 (General Fund)	Fund 14 (Grants)	Fund 19 (Consolidated Funds)	Fund 11, 14, & 19 (SUB-TOTAL)	Fund 16 (Special Education)	Fund 22 (Center Based Special Education)	Fund 16 & 22 (SUB-TOTAL)	Fund 13 (Adult Education)	Fund 15 (State Transition)	TOTAL
Revenue:										
Local sources										
Special education millage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,088,865	\$ 42,088,865	\$ -	\$ -	\$ 42,088,865
Property Taxes	-	-	-	-	-	-	-	-	-	-
Revenue enhancement millage	18,548,100	-	-	18,548,100	-	-	-	-	-	18,548,100
Other	3,827,577	982,281	-	4,809,858	1,600,000	4,484,316	6,084,316	-	-	10,894,174
Total local sources	22,375,677	982,281	-	23,357,958	1,600,000	46,573,181	48,173,181	-	-	71,531,139
State sources	406,432,390	48,750,584	6,306,965	461,489,939	22,242,348	16,628,781	38,871,129	2,928,500	-	503,289,568
Federal sources	-	87,753,714	86,811,654	174,565,368	-	-	-	-	-	174,565,368
Total Revenue	428,808,067	137,486,579	93,118,619	659,413,265	23,842,348	63,201,962	87,044,310	2,928,500	-	749,386,075
Expenditures:										
Instruction	12,886,257	93,432,753	217,405,018	323,724,028	32,351,016	32,408,721	64,759,737	1,652,608	-	390,136,373
Support services				-			-			
Pupil services	905,972	6,534,179	31,524,462	38,964,613	23,142,969	16,026,844	39,169,813	220,062	-	78,354,488
Instructional staff support	5,916,312	21,432,236	108,152	27,456,700	3,093,051	1,855,625	4,948,676	493,961	-	32,899,337
General administration	4,078,685	2,000,000	-	6,078,685	-	-	-	-	-	6,078,685
School administration	1,953,544	1,039,910	46,373,707	49,367,161	846,746	1,818,281	2,665,027	444,688	-	52,476,876
Business office	10,148,499	668,061	226,834	11,043,394	30,000	-	30,000	-	-	11,073,394
Operations & maintenance	81,881,627	80,155	-	81,961,782	-	-	-	-	-	81,961,782
Transportation	34,982,256 ¹	1,556,650	-	36,538,906	70,000	140,889	210,889	-	-	36,749,795
Central support service	30,178,880	8,609,769	43,519	38,832,168	-	-	-	117,181	-	38,949,349
Other support service	2,413,014	-	-	2,413,014	-	-	-	-	-	2,413,014
Total support services	172,458,789	41,920,960	78,276,674	292,656,423	27,182,766	19,841,639	47,024,405	1,275,892	-	340,956,720
Community service	-	1,271,230	-	1,271,230	-	-	-	-	-	1,271,230
Total Expenditures	185,345,046	136,624,943	295,681,692	617,651,681	59,533,782	52,250,360	111,784,142	2,928,500	-	732,364,323
Other Financial Sources (Uses)										
Uses										
Contingency	(17,831,299)	-	-	(17,831,299)	-	-	-	-	-	(17,831,299)
Total Uses	(17,831,299)	-	-	(17,831,299)	-	-	-	-	-	(17,831,299)
Excess (deficiency) of Revenue/Sources Over (Under) Expenditures	\$ 234,531,722	\$ 861,636	\$ (202,563,073)	\$ 32,830,285	\$ (35,691,434)	\$ 10,951,602	\$ (24,739,832)	\$ -	\$ -	\$ 8,090,453

(1) Fund 11 includes ~\$11.5M in transportation costs supporting special education.

One Time Revenues and Expenses \$

	Contingency	One-Time Expenses	Recurring Expenses	TOTAL
Revenue:				
Local sources				
Special education millage	\$ -	\$ 2,700,000	\$ 39,388,865	\$ 42,088,865
Revenue enhancement millage	-	-	18,548,100	18,548,100
Other	-	-	10,894,174	10,894,174
Total local sources	-	2,700,000	68,831,139	71,531,139
State sources	-	-	503,289,568	503,289,568
Federal sources	-	-	174,565,368	174,565,368
Total Revenue	-	2,700,000	746,686,075	749,386,075
Expenditures:				
Instruction	-	2,577,181	387,559,192	390,136,373
Support services				
Pupil services	-	7,200	78,347,288	78,354,488
Instructional staff support	-	2,631,278	30,268,059	32,899,337
General administration	-	-	6,078,685	6,078,685
School administration	-	209,050	52,267,826	52,476,876
Business office	-	301,140	10,772,254	11,073,394
Operations & maintenance	-	255,900	81,705,882	81,961,782
Transportation	-	87,450	36,662,345	36,749,795
Central support service	-	1,280,558	37,668,791	38,949,349
Other support service	-	-	2,413,014	2,413,014
Total support services	-	4,772,576	336,184,144	340,956,720
Community service	-	-	1,271,230	1,271,230
Total Expenditures	-	7,349,757	725,014,566	732,364,323
Other Financial Sources (Uses)				
Transfers In	-	-	-	-
Proceeds from other Districts	-	6,900,000	-	6,900,000
Transfer from Food Service Fund	-	-	2,000,000	2,000,000
Total Sources	-	6,900,000	2,000,000	8,900,000
Uses				
Contingency	(17,831,299)	-	-	(17,831,299)
Total Uses	(17,831,299)	-	-	(17,831,299)
Total Other financial uses	(17,831,299)	6,900,000	2,000,000	(8,931,299)
Excess (deficiency) of Revenue Over (Under) Expenditures	\$ (17,831,299)	\$ 2,250,243	\$ 23,671,509	\$ 8,090,453

FY 2019 General Fund vs. Grant Vacancies

VACANCIES IMPACTING							
GENERAL FUND				GRANT FUNDED VACANCIES		GRAND TOTAL	
EEO Category	Category (FTE)	FTE	Salaries and Benefits Budget	FTE	Salaries and Benefits Budget	FTE	Salaries and Benefits Budget
1	Officials/Administrators/Managers	27.5	\$ 2,258,704	11.6	\$ 2,653,039	39.1	\$ 4,911,743
2	Principals	0.0	-	0.0	-	0.0	-
4	Assistant Principals	0.0	-	0.0	-	0.0	-
Tchr, 5-6	Classroom Teachers	44.6	2,429,873	130.4	13,165,293	175.0	15,595,166
Tchr, 7	Other Classroom Teachers	1.5	74,749	5.2	371,166	6.7	445,915
8	Guidance	3.5	184,800	4.5	519,779	8.0	704,579
9	Psychological	0.5	21,949	3.7	248,243	4.2	270,192
11	Consultants/Supervisors of Instruction	0.5	38,639	9.0	915,873	9.5	954,512
12	Other Professional Staff	30.0	1,638,014	60.7	5,790,580	90.7	7,428,594
13	Teacher Aides	33.7	749,638	104.3	4,019,143	138.0	4,768,781
15	Clerical/Secretarial Staff	10.6	352,341	11.9	914,631	22.5	1,266,972
16	Service Workers	22.7	363,868	6.3	492,704	29.0	856,572
17	Skilled Crafts	0.0	-	0.0	-	0.0	-
Totals (1-18)		175.1	8,112,575	347.6	29,090,451	522.7	37,203,026
PT	Part-Time	0.0	8,763	26.0	217,720	26.0	226,483
Sub/Inst	Substitutes/Instructional	0.0	-	0.0	-	0.0	-
Sub/NonInst	Substitutes/Non Instructional	0.5	1,139	3.5	12,030	4.0	13,169
Totals (Part-Time and Subs)		0.5	9,902	29.5	229,750	30	239,652
Other	Other positions	4.0	630,197	1.0	4,127,888	5.0	4,758,085
Total		179.6	\$ 8,752,674	378.1	\$ 33,448,089	557.7	\$ 42,200,763

- Assumes FY 2019 positions will be filled at a similar rate as FY 2018 Draft Budget Amendment # 2
- Vacancies Impacting the General Fund: Fund 11 General Purpose (100%), Fund 16 Special Education (50%), Fund 19 Consolidated (70%)
- Excludes Food Service
- Other positions refer to additional miscellaneous positions outside of the FTE categories (e.g., after school, summer school, etc.)

Trended Title IA and 31A fund allocation &

- Funding for the additional positions included in the FY 2019 proposed budget comes from a reduction in the District’s reliance on contracted services, as compared to previous years.
- Non-personnel grant funding as a percentage of total Title IA and 31A grants, drops from 27% in FY 2017 to 13% in FY 2019.
- Personnel funding increases by about 15% from FY 2018 to FY 2019 while the non-personnel funding decreases by about 33% over the same time period.

	\$ Amount "			% of Total		
	FY 2017 Actuals	FY 2018 Bud Amd. #2	FY 2019 Proposed Budget	FY 2017 Actuals	FY 2018 Bud Amd. #2	FY 2019 Proposed Budget
Personnel	\$ 65,955,265	\$ 101,320,763	\$ 116,616,539	73%	65%	68%
Non-Personnel	24,054,399	49,767,820	21,354,411	27%	32%	13%
Title I/Grants Restricted	-	4,728,506	32,646,956	0%	3%	19%
Total	\$ 90,009,664	\$ 155,817,089	\$ 170,617,906	100%	100%	100%

Capital Investment Potential '

Area	Notes	Dollar Amount
Title IA Carry-over	<ul style="list-style-type: none"> Technology <ul style="list-style-type: none"> 1-1 Student Laptops Interactive Smartboards/TVs Teacher Laptops Student Response Devices 	~\$TBDM
General Fund	<ul style="list-style-type: none"> Ongoing Capital Investments <ul style="list-style-type: none"> IT Equipment (primarily laptops and desktops for employees) Classroom Equipment Special Education Classroom Equipment New Furniture for Montessori classrooms New Vehicles Miscellaneous Equipment 	\$3.9M
Fund Balance	<ul style="list-style-type: none"> Detailed expenditure allocation upon completion of facility review <ul style="list-style-type: none"> \$20M² from the State Transition Funds for facility investments \$38M additional facility investments ~\$42M Restricted Balance (rainy day fund) 	\$96.4M

(1) FY 18 DPSCD directed \$16M in Title IA carry-over funds to Technology investments. Total FY 19 investment will be made once final carry-over allocations are determined.

(2) Out of the \$25M related to the transition funds, \$5M has been spent on Academic Initiatives and Safety Improvements and the remaining \$20M has / will be spent on capital improvements.

K-8 Illustrative Example \$

- The chart shows an illustrative example for a K-8 school based on the proposed school staffing model.
- This excludes Special Education and Food Service positions.

	Funding	Current	Proposed	Variance
Enrollment		400	400	0
Principal	GF	1.0	1.0	0.0
Assistant Principal	GF	0.0	1.0	1.0
Dean of Culture	Title	0.0	1.0	1.0
Culture Facilitator	Title	0.0	1.0	1.0
Core Teacher	GF Title	14.5	16.0	1.5
Master Teacher	Title	0.0	4.0	4.0
Art, Music, Gym Teacher	Title	0.0	2.0	2.0
Kindergarten Title IA (0.5 FTE)	Title	0.0	1.0	1.0
Guidance Counselor	GF Title	1.0	2.0	1.0
Attendance Agent	Title	0.0	1.0	1.0
School Social Worker	Title	0.0	0.0	0.0
Educational Technician	Title	0.0	2.0	2.0
School Service Assistant	Title	4.0	4.0	0.0
Clerical	GF	2.0	2.0	0.0
Instructional Specialists & AEA	Title	3.0	0.0	-3.0
Total		25.5	38.0	12.5

High School Illustrative Example %

- The chart shows an illustrative example for a high school based on the proposed school staffing model.
- This excludes Special Education and Food Service positions.

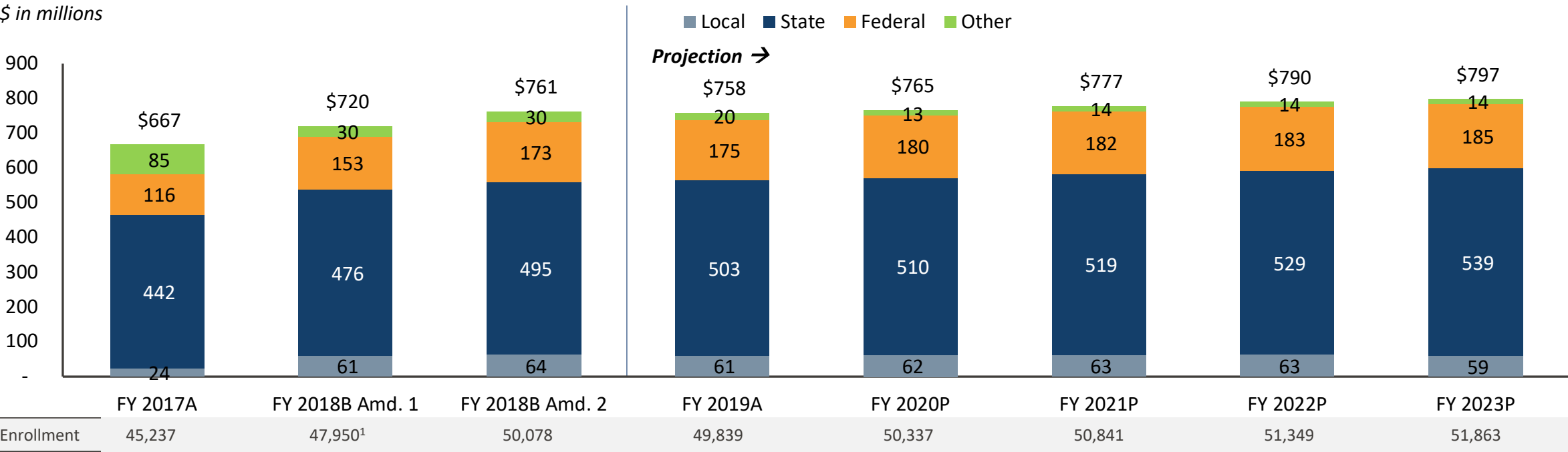
	Funding	Current	Proposed	Variance
Enrollment		2,000	2,000	0
Principal	GF	1.0	1.0	0.0
Assistant Principal	GF	3.0	5.0	2.0
Dean of Culture	Title	0.0	1.0	1.0
Culture Facilitator	Title	0.0	1.0	1.0
Core Teacher	GF Title	65.0	65.0	0.0
Master Teacher	Title	0.0	2.0	2.0
Art, Music, Gym Teacher	Title	0.0	2.0	2.0
Guidance Counselor	GF Title	5.0	6.0	1.0
Attendance Agent	Title	2.0	1.0	-1.0
School Social Worker	Title	0.5	0.0	-0.5
Educational Technician	Title	6.0	5.0	-1.0
Clerical	Title	5.0	5.0	0.0
Instructional Specialists	GF	3.0	0.0	-3.0
Other Staff (Grant Funded)	Title	2.0	2.0	0.0
Total		92.5	96.0	3.5

Appendix – DPSCD five year projections (



Revenue is projected to grow to ~\$800m by FY 2023 &

Key revenue assumptions	Current (FY 2018)	Projection methodology
Enrollment (FTE)	49,839	Current enrollment is based on Fall 2018 count. Projected enrollment (FY 2019 - FY 2023) grows at 1% per year (approx: 500 students).
Foundation allowance (per pupil)	\$ 7,670	Foundation allowance grows at \$120/pupil in FY 2019 (1.6%) and \$75/pupil (1.0%), in each year, thereafter.
Enhancement millage (per pupil)	\$ 356	Enhancement millage is assumed to grow 1% annually to keep pace with enrollment growth until FY 2022, which is the last year of collection under the current authorization. In FY 2023, a \$90/pupil reduction in collections from this millage is anticipated in the projections.
All other	1.0%	Act 18, federal, and all other revenue sources are assumed to grow at a rate of 1% per year to remain consistent with the enrollment growth.)

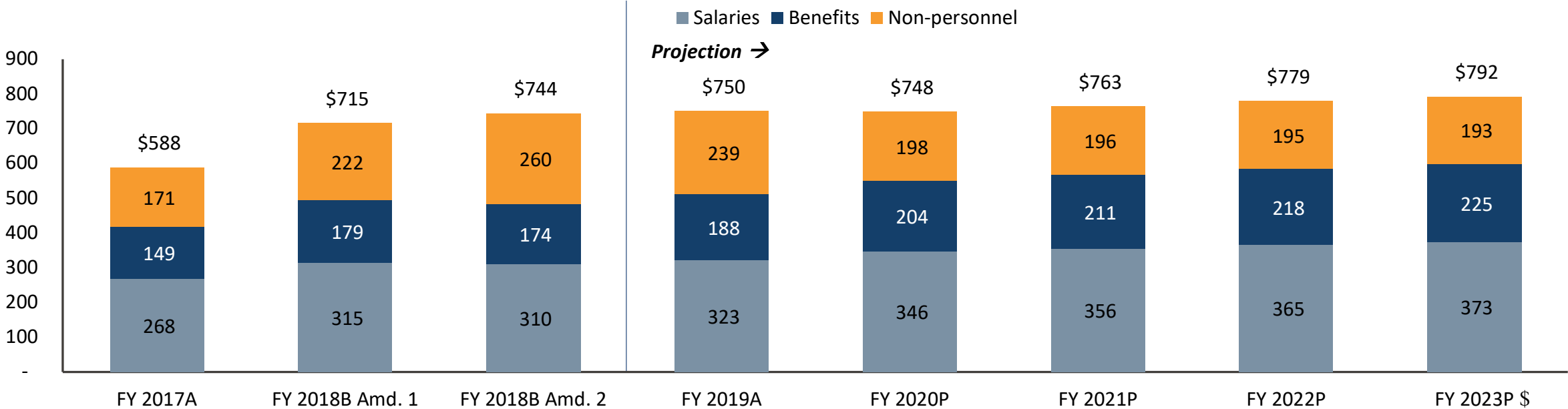


Note: (1) Figure represents budgeted enrollment count. Actual attendance on count day was higher, and 49,839 (shown above) is used for purposes of the calculation of State Aid. It is anticipated that budget amendment # 2 will represent the higher enrollment figure.

Expenditures are projected to grow to ~\$790m by FY 2023 ,

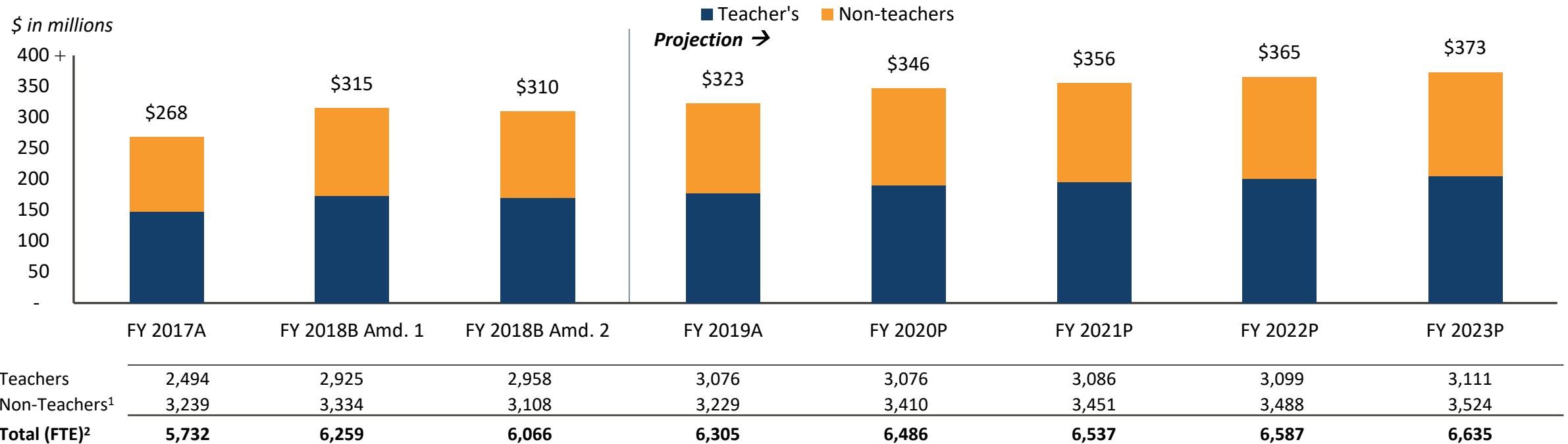
The projected expenditures include the personnel cost associated with the school staffing model, and a shift from contractors to employees.

- Salary: Assumes wage increases, vacancies filled, headcount growth, insourcing, and attrition.
- Benefits: Benefits is projected as a percentage of payroll/wages. Growth is primarily due to the increase in payroll and health benefit inflation.
- Non-personnel: Non-personnel costs include Facilities, IT, Supplies and Services, and other discretionary expenditures. Assumed to grow based on enrollment, and an inflation factor.



Personnel and wages (

- Personnel changes: Projection assumes all vacancies are funded and insourcing of certain contracted positions over the next 5 years.
- Wage changes:
 - Projection assumes CBA wage increases, teacher experience service credit, normal continued step movements, attrition, and other miscellaneous wage increase contingency.
 - Non-teacher salary increase assumes the impact of the CBA negotiations performed with the non-DFT unions, as well as changes to principal compensation, which will impact FY 2019 with agreement reopeners to affect FY 2020 – FY 2023. The projection anticipates that wage increase for this group will normalize to 1.5% in FY 2021 – 2023.



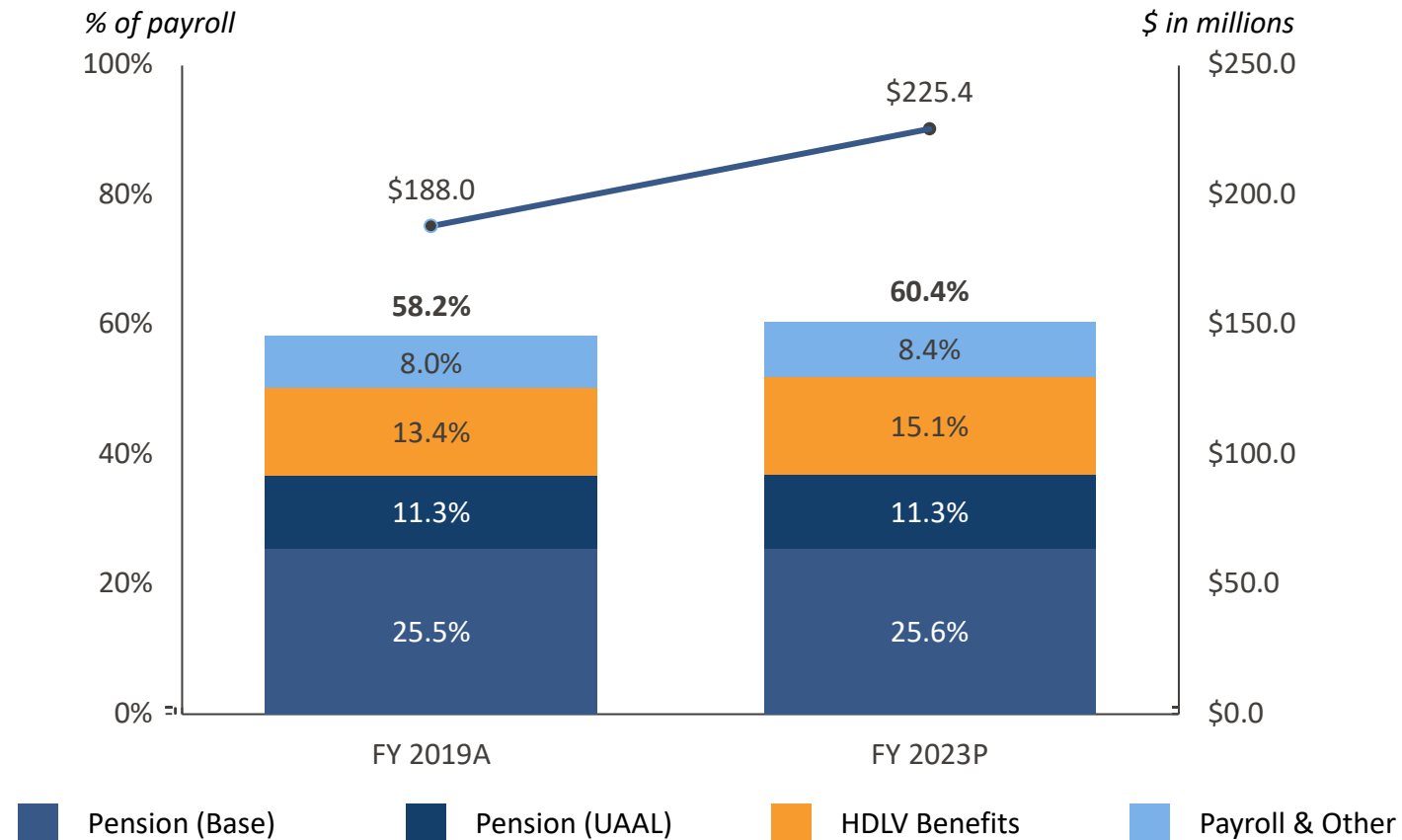
(1) ' The number of contractors eliminated was determined by assuming an annual 10% reduction in contractor expenses, divided by a blended salary rate of \$80,000 (adjusted for fringes, and grown over time consistent with the salary growth assumption used in the rest of the projections). Other Non-Teaching Positions is calculated by deducting teachers from the District-wide FTE count.

(2) ' FY 2017 FTE count does not include substitute staff.

Pension and Benefits '

Costs are projected to grow from \$188M in FY 2019 to \$225M in FY 2023, primarily due to increased payroll and health benefit inflation.

- Pension: Projected to remain constant, as a percentage of wages, at 25.56% (base) and 11.32% (UAAL) based on the current contribution rates.
- HDLV Benefits: Health benefits are projected to increase 5.5%-5.7% per year consistent with estimated industry growth expectations.
- Payroll & Other: Projected to remain relatively flat, as a percentage of wages, based on current FICA and workers comp rates.



Appendix – Financial Update (



Schedule of projected millage required to repay bonded debt - after SLRF refunding

		Taxable Value		Debt After Refunding					SLRF Activity at 3.50%				
Levy Year	Fiscal Yr. End 30-Jun	Projected Taxable Value [1]	Growth	PPT Exemption Reimburse	UTQ After Refunding	Net Proposed & Extng UT Debt	Mills without SLRF	Total UT Mills Levied	1-Jul SLRF Balance	2017 Ref Repayment	Accrued Interest	Amount Borrowed (Repaid)	30-Jun SLRF Balance
2017	2018	\$5,575,772,832		(\$6,534,468)	\$129,800,797	\$123,266,329	22.11	13.00	\$289,283,594	(\$291,107,000)	\$2,119,875	\$50,781,282	\$51,077,750
2018	2019	5,659,409,424	1.50%	(6,534,468)	182,913,092	176,378,623	31.17	13.00	51,077,750		2,406,604	102,806,301	156,290,655
2019	2020	5,744,300,565	1.50%	(6,534,468)	182,912,738	176,378,269	30.70	13.00	156,290,655		6,122,123	101,702,362	264,115,141
2020	2021	5,830,465,074	1.50%	(6,534,468)	182,916,037	176,381,569	30.25	13.00	264,115,141		9,929,953	100,585,523	374,630,617
2021	2022	5,917,922,050	1.50%	(6,534,468)	182,917,687	176,383,219	29.80	13.00	374,630,617		13,832,870	99,450,232	487,913,719
2022	2023	6,006,690,881	1.50%	(6,534,468)	182,918,680	176,384,211	29.36	13.00	487,913,719		17,833,591	98,297,230	604,044,540
2023	2024	6,096,791,244	1.50%	(6,534,468)	159,291,541	152,757,073	25.06	13.00	604,044,540		21,797,118	73,498,787	699,340,445
2024	2025	6,188,243,113	1.50%	(6,534,468)	125,985,263	119,450,795	19.30	13.00	699,340,445		24,967,037	39,003,634	763,311,116
2025	2026	6,281,066,759	1.50%	(6,534,468)	125,481,209	118,946,741	18.94	13.00	763,311,116		27,220,051	37,292,873	827,824,040
2026	2027	6,375,282,761	1.50%	(6,534,468)	125,854,527	119,320,058	18.72	13.00	827,824,040		29,497,261	36,441,383	893,762,684
2027	2028	6,470,912,002	1.50%	(6,534,468)	126,171,221	119,636,753	18.49	13.00	893,762,684		31,824,469	35,514,897	961,102,050
2028	2029	6,567,975,682	1.50%	(6,534,468)	126,500,127	119,965,658	18.27	13.00	961,102,050		34,201,190	34,581,974	1,029,885,214
2029	2030	6,666,495,317	1.50%	(6,534,468)	114,416,756	107,882,288	16.18	13.00	1,029,885,214		36,556,472	21,217,849	1,087,659,535
2030	2031	6,766,492,747	1.50%	(6,534,468)	113,867,596	107,333,127	15.86	13.00	1,087,659,535		38,589,480	19,368,722	1,145,617,737
2031	2032	6,867,990,138	1.50%	(6,534,468)	64,592,060	58,057,592	8.45	13.00	1,145,617,737		40,344,643	(31,226,280)	1,154,736,100
2032	2033	6,971,009,990	1.50%	(6,534,468)	41,341,051	34,806,583	4.99	13.00	1,154,736,100		40,523,766	(55,816,547)	1,139,443,320
2033	2034	7,075,575,140	1.50%	(6,534,468)	30,167,745	23,633,277	3.34	13.00	1,139,443,320		39,909,670	(68,349,200)	1,111,003,789
2034	2035	7,181,708,767	1.50%	(6,534,468)	29,029,213	22,494,744	3.13	13.00	1,111,003,789		38,888,917	(70,867,470)	1,079,025,237
2035	2036	7,289,434,399	1.50%	(6,534,468)	27,890,680	21,356,212	2.93	13.00	1,079,025,237		37,742,849	(73,406,435)	1,043,361,651
2036	2037	7,398,775,915	1.50%	(6,534,468)	26,757,148	20,222,680	2.73	13.00	1,043,361,651		36,466,328	(75,961,407)	1,003,866,572
2037	2038	7,509,757,553	1.50%	(6,534,468)	25,618,393	19,083,925	2.54	13.00	1,003,866,572		35,054,111	(78,542,923)	960,377,760
2038	2039	7,622,403,917	1.50%	(6,534,468)	24,479,638	17,945,170	2.35	13.00	960,377,760		33,500,488	(81,146,081)	912,732,167
2039	2040	7,736,739,976	1.50%	(6,534,468)	4,715,884	(1,818,585)	0.00	13.00	912,732,167		31,691,042	(102,396,205)	842,027,005
2040	2041	7,852,791,075	1.50%	(6,534,468)	-	(6,534,468)	0.00	13.00	842,027,005		29,153,502	(108,620,752)	762,559,755
2041	2042	7,970,582,941	1.50%	(6,534,468)	-	(6,534,468)	0.00	13.00	762,559,755		26,333,376	(110,152,047)	678,741,084
2042	2043	8,090,141,685	1.50%	(6,534,468)	-	(6,534,468)	0.00	13.00	678,741,084		23,359,183	(111,706,310)	590,393,957
2043	2044	8,211,493,811	1.50%	(6,534,468)	-	(6,534,468)	0.00	13.00	590,393,957		20,224,657	(113,283,888)	497,334,725
2044	2045	8,334,666,218	1.50%	(6,534,468)	-	(6,534,468)	0.00	13.00	497,334,725		16,923,300	(114,885,129)	399,372,895
2045	2046	8,459,686,211	1.50%	(6,534,468)	-	(6,534,468)	0.00	13.00	399,372,895		13,448,371	(116,510,389)	296,310,877
2046	2047	8,586,581,504	1.50%	(6,534,468)	-	(6,534,468)	0.00	13.00	296,310,877		9,792,878	(118,160,028)	187,943,726
2047	2048	8,715,380,227	1.50%	(6,534,468)	-	(6,534,468)	0.00	13.00	187,943,726		5,949,569	(119,834,411)	74,058,884
2048	2049	8,846,110,930	1.50%	(4,098,848)	-	(4,098,848)	0.00	8.15	74,058,884		2,175,171	(76,234,055)	0
2049	2050	8,978,802,594	1.50%	0	-	0	0.00	0.00	0		0	0	0
				(\$206,667,370)	\$2,336,539,086	\$2,129,871,715						(\$776,556,510)	
												\$778,379,916	

[1] Includes 2017 Taxable Value of \$6,001,630,305 and 2017 Equivalent IFT value of \$27,849,521 less 2017 Captured Value of \$453,706,994.