

A young boy with short dark hair is smiling broadly, looking slightly off-camera to the right. He is wearing a dark blue polo shirt. In the background, other students are visible, some sitting at desks with white Apple laptops. The setting appears to be a classroom or computer lab.

FRC Committee

June 25, 2018

Agenda

DPS & DPSCD Financials

DPS Budget Amendment & Adoption

DPSCD FY 18 Budget Amendment No.3

DPSCD FY 19 Food Service Budget

DPSCD Capital Budget

Contracts & Out of State Travel

Supplemental Reports

DPS Summary

- **Revenues and Expenditures**

- Local revenues through April were significantly below budget, with YTD tax collections \$1.4M below anticipated collections.
- DPS paid the third installment of its settlement with Sodexo (\$2M).

- **Cash Flow**

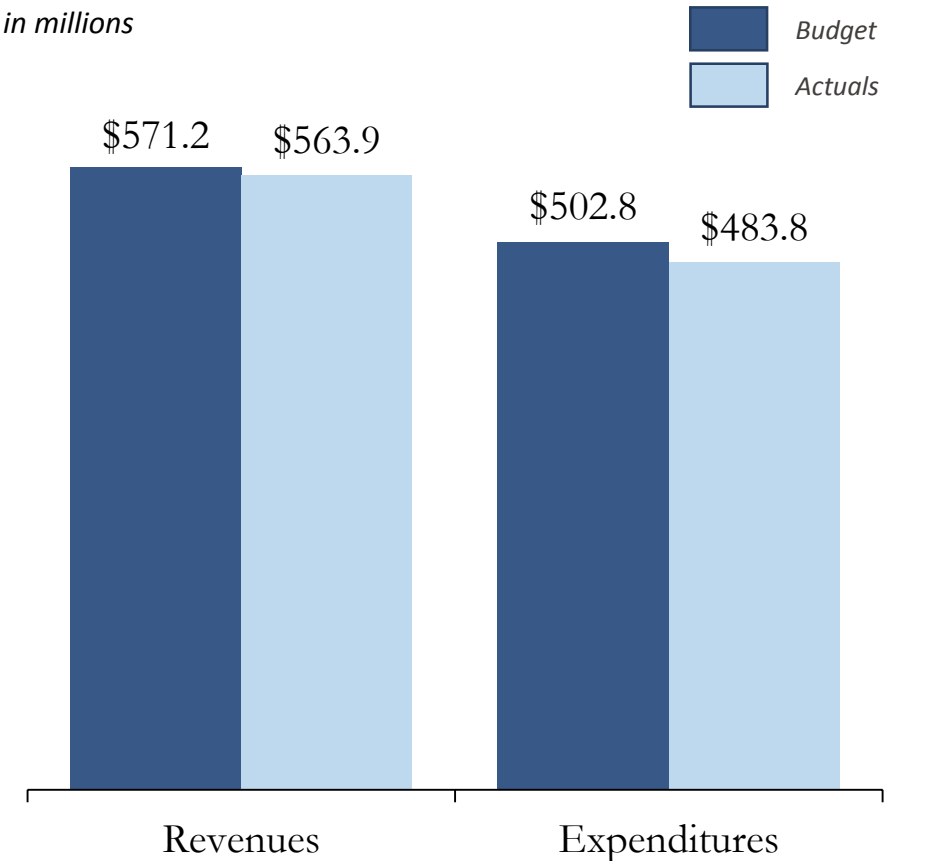
- DPS paid out the \$95.6M in debt service related to debt obligations, serviced by its 13 mill property tax collections, as well as additional borrowings of \$58.7M from the School Loan Revolving Fund (SLRF).
- The ending cash balance for April was \$6.7M, with a projected FY 2018 ending cash balance of \$16.8M.

DPSCD Revenues and Expenditures Through April 2018

- Financials reflect Budget Amendment No. 2.
- Year to Date revenues through April were slightly below budget (\$7.4M).
- Year to Date expenditures through April were below budget (\$19.0M).
 - Salaries and Benefits were below budget by \$3.8M.
 - Purchased Services were below budget by \$13.9M.

Budget vs. Actuals

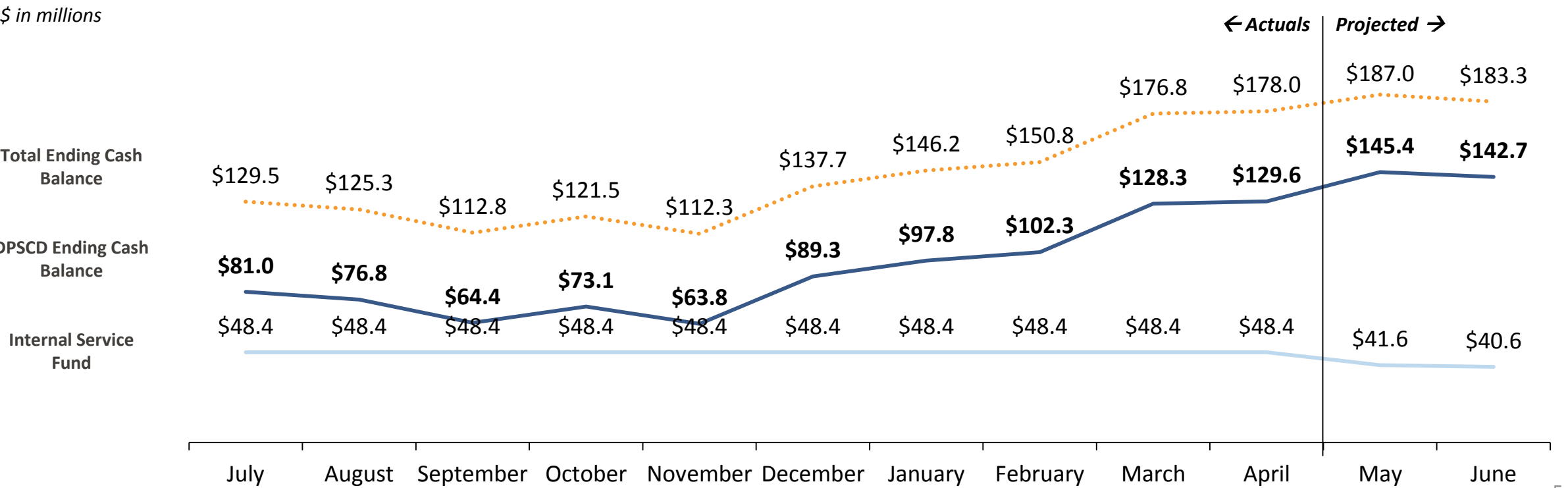
\$ in millions



DPSCD April 2018 Cash Flow Analysis

- DPSCD’s ending cash balance for April was \$129.6M and the Internal Service Fund ending balance was \$48.4M, for a total ending balance of \$178.0M.
- The projected FY 2018 ending cash balance for DPSCD of \$142.7M was raised from the previous projected ending cash balance of \$105.4M (drivers summarized below).
 - Grants: \$18M increase due to higher than initially projected grant reimbursements.
 - Transfer from DPS: \$4.5M transfer from DPS related to larger than necessary transfer for the employer taxes on the 3% payroll reimbursement.
 - Food Service: \$10M lower than initially projected spend.
 - Other: \$8M reduction in unused contingency.
- The current cash balance is estimated to be equivalent to 9.8 weeks of average expenditures¹.

Actual & Projected Ending Cash Balance



(1) Calculated by taking current cash balance as of April 30, 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.

DPS Monthly Report



Summary statement of revenues and expenditures – budget to actual comparison

- Based on actual results through April 2018, DPS recorded a slight deficit of revenues over expenditures of \$1.4M
- Year to date Local Source revenues remain below what was anticipated in budget, due to the timing of property tax distributions from the City and County.
- In the month of April, DPS incurred an additional \$875K in debt service, and received additional local revenues of \$554K.

	Budget Month of Apr-18	Actual Month of Apr-18	Variance		Budget YTD Apr-18	Actual YTD Apr-18	Variance	
			\$	%			\$	%
Revenues								
Local sources	557,107	554,886	(2,222)	0%	47,268,253	45,827,478	(1,440,774)	-3%
State sources	361,657	360,894	(763)	0%	3,616,567	3,608,941	(7,625)	0%
Federal sources	-	-	-	-	-	-	-	-
Interdistrict sources	-	-	-	-	-	-	-	-
Other sources	-	-	-	-	-	-	-	-
Total revenue	918,764	915,780	(2,984)	0%	50,884,819	49,436,420	(1,448,400)	-3%
Expenditures								
Operating expenditures	-	-	-	-	400,000	36,000	(364,000)	-
Debt Service	875,178	875,178	-	0%	47,672,986	47,672,986	-	0%
Transfers out	-	-	-	-	-	-	-	-
Total expenditures	875,178	875,178	-	0%	48,072,986	47,708,986	(364,000)	-1%
Surplus (Deficit)	43,586	40,602	(2,984)	-7%	2,811,834	1,727,434	(1,084,400)	-39%

DPS Cash Forecast to Actuals Variance – Apr. 2018

<i>\$ in thousands</i>	April Forecast	April Actuals	April Variance	Comment
Cash Receipts				
Property Tax (13 Mills)	896	707	(189)	
Transfer from DPSCD	-	178	178	The \$178K transfer relates to the reimbursement of Legal, Worker's Comp, and TIP payments made by DPS on behalf of DPSCD
Draw from BONY	5,109	-	(5,109)	Draw delayed to a future period to align with anticipated City and County collections
Miscellaneous	12	37	25	
Total Cash Receipts	6,017	922	(5,095)	
Cash Disbursements				
Payroll Direct Deposit	-	-	-	
FICA	-	-	-	
Accounts Payable	(2,037)	(2,037)	(0)	
Fringe Benefits	(11)	(11)	0	
Property Tax Transfer (1)	(3,138)	-	3,138	Additional transfers to be made in future periods
Food Service	-	-	-	
Transfer to DPSCD	(697)	(0)	697	Timing - transfer to occur in a future period
Other	(100)	(33)	67	
Total Cash Disbursements	(5,983)	(2,082)	3,901	
Net Cash Flow	34	(1,160)	(1,194)	
Beginning Cash Balance	7,833	7,833	-	
Net Cash Flow	34	(1,160)	(1,194)	
Ending Cash Balance	\$ 7,867	\$ 6,673	\$ (1,194)	

(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	Actual	Actual	Forecast	Forecast	
Cash Receipts													
State Aid (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,876	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,876
Property Tax (13 Mills) (2)	290	2,427	27,530	4,209	1,704	1,363	7,855	7,028	877	707	13,187	10,000	77,178
Transfer from DPSCD (3)	-	16,000	-	-	-	-	-	-	5,327	178	-	570	22,075
Draw from BONY	-	16,740	-	-	-	-	-	-	-	-	-	13,260	30,000
Miscellaneous (4)	124	112	1,014	137	102	1,137	36	99	259	37	4,224	-	7,282
Total Cash Receipts	415	35,280	28,543	4,347	1,806	2,500	36,767	7,126	6,464	922	17,412	23,830	165,411
Cash Disbursements													
Payroll Direct Deposit (1)	-	-	-	-	-	-	-	-	(28,876)	-	-	-	(28,876)
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
FICA (1)	-	-	-	-	-	-	-	-	(4,597)	-	-	-	(4,597)
Accounts Payable (5)	-	(16,209)	(304)	(58)	(49)	(58)	(72)	(2,026)	(56)	(2,037)	(50)	(50)	(20,970)
Pension (employee portion)	-	-	-	-	-	-	-	-	-	-	-	-	-
Pension (employer portion)	(4)	-	-	-	-	-	-	-	-	-	-	-	(4)
Health	-	-	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits (6)	-	(0)	-	-	-	-	-	-	(23)	(11)	-	-	(34)
Property Tax Transfer	-	(1,472)	(27,530)	-	-	-	-	(16,408)	(7,411)	-	(16,136)	(10,000)	(78,957)
Food Service	-	-	-	-	-	-	-	-	(97)	-	-	-	(97)
Transfer to DPSCD (7)	-	-	(19,779)	-	-	-	-	-	-	(0)	(4,566)	-	(24,346)
Other (8)	(24)	(72)	-	(7)	(504)	(2,357)	(1,161)	(23)	(75)	(33)	(100)	(100)	(4,455)
Total Cash Disbursements	(28)	(17,754)	(47,612)	(65)	(553)	(2,415)	(1,233)	(18,457)	(41,135)	(2,082)	(20,853)	(10,150)	(162,337)
Net Cash Flow	386	17,526	(19,069)	4,281	1,253	85	35,534	(11,330)	(34,671)	(1,160)	(3,441)	13,680	3,074
Beginning Cash Balance	13,838	14,225	31,750	12,681	16,963	18,215	18,301	53,835	42,504	7,833	6,673	3,232	13,838
Net Cash Flow	386	17,526	(19,069)	4,281	1,253	85	35,534	(11,330)	(34,671)	(1,160)	(3,441)	13,680	3,074
Ending Cash Balance	\$ 14,225	\$ 31,750	\$ 12,681	\$ 16,963	\$ 18,215	\$ 18,301	\$ 53,835	\$ 42,504	\$ 7,833	\$ 6,673	\$ 3,232	\$ 16,912	\$ 16,912

Forecast includes actuals through May 25, 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) Property Tax forecast based on guidance provided by the City of Detroit.

(3) There is a \$178K draw-down from DPSCD in April that is related to the reimbursement of Legal, Worker's Comp, and TIP payments made by DPS on behalf of DPSCD.

(4) 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. March receipts include a transfer in from a DPS payroll account to fund the incremental withholding taxes owed by the District related to the 3% payroll withholding. May miscellaneous receipts includes a transfer from the DPS payroll account to reimburse DPSCD for the loan to fund the 3% payroll withholding employer related taxes.

(5) Includes \$20M in settlement payments to Sodexo (the remaining \$8M will be paid in FY 2019). January includes \$36K in audit and legal fees.

(6) Fringe benefits includes checks paid to the deceased relating to the 3% payroll reimbursement.

(7) Transfer to DPSCD in May includes the surplus of the amount transferred to DPS to cover taxes related to the 3% payroll reimbursement compared to the amount actually paid by DPS. About \$45K of the transfer amount is related to grant funds previously received from DPS but meant for DPSCD.

(8) 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 May – June includes the savings from the budgeted legal and audit fees, which are being spread here as contingency.

DPS FY 2019 monthly cash flows

\$ in thousands

	2018						2019						FY 19 Total
	July	August	September	October	November	December	January	February	March	April	May	June	
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Cash Receipts													
Property Tax (13 Mills)	\$ 951	\$ 2,682	\$ 19,965	\$ 4,076	\$ 1,748	\$ 1,137	\$ 2,468	\$ 4,366	\$ 17,553	\$ 828	\$ 2,243	\$ 16,985	\$ 75,000
Transfer from DPSCD	-	-	-	-	-	-	-	-	-	-	-	-	-
Draw from BONY (1)	9,968	4,188	-	-	-	-	-	1,003	3,508	-	-	-	18,666
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts	10,919	6,869	19,965	4,076	1,748	1,137	2,468	5,368	21,061	828	2,243	16,985	93,666
Cash Disbursements													
Payroll Direct Deposit	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
FICA	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Payable (2)	-	(8,000)	-	-	-	-	(100)	-	-	-	-	-	(8,100)
Pension (employee portion)	-	-	-	-	-	-	-	-	-	-	-	-	-
Pension (employer portion)	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Tax Transfer	(951)	(2,682)	(19,965)	(4,076)	(1,748)	(1,137)	(2,468)	(4,366)	(17,553)	(828)	(2,243)	(16,985)	(75,000)
Food Service	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to DPSCD	-	(13,100)	-	-	-	-	-	-	-	-	-	(6,900)	(20,000)
Other (3)	-	-	(2,357)	-	-	-	-	-	-	-	-	-	(2,357)
Total Cash Disbursements	(951)	(23,782)	(22,321)	(4,076)	(1,748)	(1,137)	(2,568)	(4,366)	(17,553)	(828)	(2,243)	(23,885)	(105,457)
Net Cash Flow	9,968	(16,912)	(2,357)	-	(0)	0	(100)	1,003	3,508	(0)	(0)	(6,900)	(11,791)
Beginning Cash Balance	16,912	26,880	9,968	7,611	7,611	7,611	7,611	7,511	8,514	12,022	12,022	12,022	16,912
Net Cash Flow	9,968	(16,912)	(2,357)	-	(0)	0	(100)	1,003	3,508	(0)	(0)	(6,900)	(11,791)
Ending Cash Balance	\$ 26,880	\$ 9,968	\$ 7,611	\$ 7,611	\$ 7,611	\$ 7,611	\$ 7,511	\$ 8,514	\$ 12,022	\$ 12,022	\$ 12,022	\$ 5,122	\$ 5,122

(1) The draw from BONY has been revised after further guidance was provided by the City of Detroit regarding property tax collections.

(2) The \$8M payment in August is the last settlement payment to Sodexo.

(3) The \$2.3M payment in September is a reimbursement to Wayne County for 2014/2015 overpayment of Act 18 Funds

DPSCD Monthly Report



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

- Based on actual results through April 2018, DPSCD is \$11.6M 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 Apr-18		Actual Month of Apr-18		Variance			Budget YTD Apr-18		Actual YTD Apr-18		Variance		
					\$	%						\$	%	
Revenues														
Local sources	\$	7,251,905	\$	8,594,328	\$	1,342,423	19%	\$	61,110,528	\$	63,018,567	\$	1,908,039	3%
State sources		42,544,438		39,000,801		(3,543,637)	(8%)		410,070,883		402,467,984		(7,602,899)	(2%)
Federal sources		9,515,691		9,739,863		224,172	2%		100,066,012		98,371,217		(1,694,795)	(2%)
Total revenues		59,312,034		57,334,992		(1,977,042)	(3%)		571,247,423		563,857,768		(7,389,655)	(1%)
Expenditures (Object)														
Salaries	\$	25,830,347	\$	25,725,574	\$	(104,773)	(0%)	\$	229,120,299	\$	228,688,974	\$	(431,325)	(0%)
Benefits		14,441,758		14,449,881		8,123	0%		134,194,475		130,780,061		(3,414,414)	(3%)
Purchased Services		12,709,027		8,539,450		(4,169,577)	(33%)		113,447,497		99,562,591		(13,884,906)	(12%)
Supplies & Textbooks		1,224,490		1,161,295		(63,195)	(5%)		9,655,020		8,635,593		(1,019,427)	(11%)
Equipment & Capital		279,185		241,302		(37,883)	(14%)		1,756,842		1,639,225		(117,617)	(7%)
Utilities		1,381,809		1,352,447		(29,362)	(2%)		13,956,183		13,829,276		(126,907)	(1%)
Contingency / Other		205,000		139,237		(65,763)	(32%)		712,696		708,243		(4,453)	(1%)
Total Expenditures		56,071,616		51,609,187		(4,462,429)	(8%)		502,843,012		483,843,963		(18,999,049)	(4%)
Surplus (Deficit)	\$	3,240,418	\$	5,725,805	\$	2,485,387	77%	\$	68,404,411	\$	80,013,805	\$	11,609,394	17%

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

	Budget		Actual		Variance		Budget		Actual		Variance			
	Month of		Month of				YTD		YTD					
	Apr-18		Apr-18		\$	%	Apr-18		Apr-18		\$	%		
Expenditures (Function)														
Elementary Programs	\$	13,504,731	\$	11,846,126	\$	(1,658,605)	(12%)	\$	103,168,191	\$	100,665,175	\$	(2,503,016)	(2%)
Middle School Programs		1,260,657		1,240,722		(19,935)	(2%)		10,415,900		10,179,467		(236,433)	(2%)
High School & Summer Programs		5,543,975		5,227,719		(316,256)	(6%)		47,392,447		46,451,385		(941,062)	(2%)
Special Education		6,837,321		6,600,538		(236,783)	(3%)		56,206,461		55,127,848		(1,078,613)	(2%)
Compensatory Education		4,010,196		4,383,661		373,465	9%		35,022,602		34,319,635		(702,967)	(2%)
Career and Technical Education		232,476		217,418		(15,058)	(6%)		1,863,715		1,826,959		(36,756)	(2%)
Adult/Continuing Education - Basic		223,350		139,292		(84,058)	(38%)		1,165,608		1,000,891		(164,717)	(14%)
Total Instruction		31,612,706		29,655,477		(1,957,229)	(6%)		255,234,924		249,571,361		(5,663,563)	(2%)
Pupil	\$	5,740,087	\$	4,403,926	\$	(1,336,161)	(23%)	\$	41,964,263	\$	38,735,378	\$	(3,228,886)	(8%)
Instructional Support		2,985,028		2,670,352		(314,676)	(11%)		25,389,385		24,942,056		(447,330)	(2%)
General Administration		309,424		338,640		29,216	9%		3,619,120		3,603,197		(15,923)	(0%)
School Administration		3,296,159		3,398,023		101,864	3%		32,254,710		31,192,891		(1,061,819)	(3%)
Business		885,130		816,879		(68,251)	(8%)		7,475,057		7,197,510		(277,547)	(4%)
Maintenance & Operations		5,470,418		5,438,144		(32,274)	(1%)		74,398,590		67,999,403		(6,399,187)	(9%)
Transportation		3,259,401		3,265,312		5,911	0%		28,899,695		27,199,553		(1,700,142)	(6%)
Central Support Services (1)		2,017,009		1,232,123		(784,886)	(39%)		30,038,608		29,797,739		(240,869)	(1%)
School Activities		405,560		261,122		(144,438)	(36%)		1,648,685		1,503,393		(145,292)	(9%)
Total Supporting Services		24,368,216		21,824,522		(2,543,694)	(10%)		245,688,113		232,171,120		(13,516,993)	(6%)
Community Service	\$	90,694	\$	129,188		38,494	42%	\$	1,919,975	\$	2,101,482		181,507	9%
Total Expenditures	\$	56,071,616	\$	51,609,187	\$	(4,462,429)	(8%)	\$	502,843,012	\$	483,843,963	\$	(18,999,049)	(4%)

(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 – Apr. 2018

\$ in thousands

Cash Receipts

	April Forecast	April Actuals	April Variance	Comment
State Aid	\$ 39,359	\$ 39,821	\$ 462	
MPSERS (State Funded)	2,983	2,983	(0)	
Enhancement Millage	270	-	(270)	
Grants	7,226	11,493	4,267	Timing - catch up from prior periods
Transfer from DPS	697	0	(697)	Timing - transfer to occur in a future period
WCRESA	-	-	-	
Food Service Reimbursement	2,926	-	(2,926)	Timing - catch up expected in future periods
Miscellaneous	1,294	1,069	(225)	
Total Cash Receipts	54,755	55,366	611	

Cash Disbursements

MPSERS (Pass through)	\$ (2,983)	\$ (2,983)	\$ -	
Payroll Direct Deposit	(14,893)	(14,841)	52	
Taxes	(5,383)	(5,164)	219	
FICA	(1,747)	(1,637)	110	
Accounts Payable	(12,473)	(13,564)	(1,091)	Timing - catch up from prior periods
Pension (employee portion)	(2,040)	(2,054)	(14)	
Pension (employer portion)	(6,316)	(6,164)	152	
Health	(8,165)	(3,971)	4,194	Timing - forecast assumed two health payments. Additional health payment to be made in a future period
Fringe Benefits	(505)	(190)	315	
Food Service	(5,304)	(3,379)	1,925	Timing - forecast assumed higher amount
Transfer to DPS	-	(178)	(178)	The \$178K transfer relates to the reimbursement of Legal, Worker's Comp, and TIP payments made by DPS on behalf of DPSCD
Other	(3,207)	-	3,207	Forecast assumed contingency
Total Cash Disbursements	(63,015)	(54,126)	8,889	

Net Cash Flow

Beginning Cash Balance	128,349	128,349	-
Net Cash Flow	(8,260)	1,240	9,500
Ending Cash Balance	\$ 120,089	\$ 129,589	\$ 9,500

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 Actual	April Actual	May Forecast	June Forecast	
Cash Receipts													
State Aid	\$ 35,012	\$ 35,071	\$ -	\$ 39,508	\$ 40,457	\$ 39,236	\$ 39,920	\$ 36,331	\$ 40,439	\$ 39,821	\$ 39,684	\$ 39,097	\$ 424,575
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	39,849
Enhancement Millage	1,078	1,017	2,128	3,342	3,037	1,631	310	2,164	2,651	-	11	-	17,368
Grants	18,108	12,295	11,226	229	5,854	13,756	7,349	23,452	27,995	11,493	28,016	7,226	166,999
Transfer from DPS (1)	-	-	19,779	-	-	-	-	-	-	0	4,566	-	24,346
WCRESA	-	-	3,848	4,052	6,613	4,052	4,052	4,052	8,104	-	4,052	4,052	42,878
Food Service Reimbursement	4,897	2,828	-	2,295	4,260	9,000	109	318	3,096	-	3,314	3,425	33,542
Miscellaneous (2)	2,593	578	588	602	2,985	1,232	1,057	2,674	1,479	1,069	8,124	2,800	25,781
Total Cash Receipts	64,870	54,974	37,569	56,662	69,172	71,890	55,780	71,974	86,748	55,366	90,750	59,583	775,337
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)	\$ (40,050)
Payroll Direct Deposit	(14,688)	(15,085)	(16,264)	(14,168)	(14,479)	(15,232)	(13,230)	(21,948)	(15,222)	(14,841)	(15,502)	(14,891)	(185,549)
Taxes	(4,878)	(4,182)	(4,368)	(5,119)	(8,795)	(5,233)	(5,204)	(5,521)	(5,201)	(5,164)	(8,400)	(5,714)	(67,781)
FICA	(2,017)	(1,752)	(1,261)	(1,554)	(1,802)	(1,635)	(1,509)	(1,675)	(1,568)	(1,637)	(2,611)	(1,787)	(20,809)
Accounts Payable	(11,803)	(8,513)	(15,531)	(11,884)	(17,819)	(14,121)	(13,066)	(17,419)	(17,683)	(13,564)	(14,374)	(17,472)	(173,250)
Pension (employee portion)	(1,635)	(1,454)	(1,140)	(1,751)	(2,773)	(1,875)	(966)	(2,809)	(1,928)	(2,054)	(2,988)	(2,006)	(23,379)
Pension (employer portion)	(5,029)	(4,622)	(3,459)	(5,504)	(8,660)	(5,819)	(2,931)	(8,440)	(5,752)	(6,164)	(9,070)	(6,218)	(71,669)
Health	(1,218)	(3,042)	(3,920)	(5,639)	(6,740)	(66)	(4,639)	(3,574)	(3,197)	(3,971)	(3,005)	(7,741)	(46,753)
Fringe Benefits	(215)	(937)	(592)	(795)	(177)	(214)	(449)	(266)	(242)	(190)	(486)	(577)	(5,141)
Food Service	(684)	(379)	(338)	(1,533)	(2,229)	(2,209)	(2,311)	(2,787)	(1,634)	(3,379)	(1,315)	(4,000)	(22,798)
Transfer to DPS (3)	-	(16,000)	-	-	-	-	-	-	(5,327)	(178)	-	(570)	(22,075)
Other	(23)	-	-	-	(2,356)	-	-	-	-	-	-	(5,000)	(7,379)
Total Cash Disbursements	(45,374)	(59,148)	(50,059)	(47,948)	(78,429)	(46,403)	(47,291)	(67,424)	(60,738)	(54,126)	(60,734)	(68,960)	(686,633)
Net Cash Flow	19,496	(4,174)	(12,489)	8,714	(9,257)	25,487	8,489	4,550	26,010	1,240	30,015	(9,377)	88,704
Beginning Cash Balance	61,523	81,020	76,846	64,357	73,071	63,814	89,301	97,790	102,340	128,349	129,589	159,605	61,523
Net Cash Flow	19,496	(4,174)	(12,489)	8,714	(9,257)	25,487	8,489	4,550	26,010	1,240	30,015	(9,377)	88,704
Ending Cash Balance	\$ 81,020	\$ 76,846	\$ 64,357	\$ 73,071	\$ 63,814	\$ 89,301	\$ 97,790	\$ 102,340	\$ 128,349	\$ 129,589	\$ 159,605	\$ 150,228	\$ 150,228
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	\$ 48,439	\$ 48,439	\$ 41,606	\$ 48,439
(+) Liability Balance Transfer from DPS	-	-	-	-	-	-	-	-	-	-	-	-	-
(-) TIP, Legal, And Workers' Compensation Claims	-	-	-	-	-	-	-	-	-	-	(6,833)	(800)	(7,633)
Ending Balance	48,439	48,439	48,439	48,439	48,439	48,439	48,439	48,439	48,439	48,439	41,606	40,806	40,806
Grand Total	\$ 129,459	\$ 125,285	\$ 112,795	\$ 121,510	\$ 112,253	\$ 137,740	\$ 146,229	\$ 150,779	\$ 176,788	\$ 178,028	\$ 201,210	\$ 191,033	\$ 191,033

Forecast includes actuals through May 25, 2018.

- (1) Transfer from DPS in May includes the surplus of the amount transferred to DPS to cover taxes related to the 3% payroll reimbursement compared to the amount actually paid by DPS. About \$45K of the transfer amount is related to grant funds previously received from DPS but meant for DPSCD.
- (2) Miscellaneous receipts in April consist primarily of a \$414K of outreach Medicaid, \$208K from the department of treasury, \$190K due to grant transfer timing, \$153K of remote deposits, and \$89K of JROTC.
- (3) Transfers to DPS includes a \$5.3M and a \$178K transfer to DPS in March and April, respectively. The \$5.3M transfer is to cover the employer related taxes associated with \$28.9M in salaries for District employees previously withheld by the State. The \$178K transfer relates to the reimbursement of Legal, Worker's Comp, and TIP payments made by DPS on behalf of DPSCD.

DPSCD FY 2019 monthly cash flows

\$ in thousands	2018						2019						FY 19 Total
	July	August	September	October	November	December	January	February	March	April	May	June	
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Cash Receipts													
State Aid	\$ 39,097	\$ 39,097	\$ -	\$ 39,545	\$ 39,545	\$ 39,545	\$ 39,545	\$ 39,545	\$ 39,545	\$ 39,545	\$ 39,545	\$ 39,545	\$ 434,094
MPSERS (State Funded)	2,983	2,983	-	-	5,967	2,983	2,983	2,983	2,983	2,983	2,983	2,983	32,816
Enhancement Millage	1,152	1,086	2,272	3,569	3,243	1,742	320	2,229	2,831	-	11	-	18,455
Grants	11,973	17,785	15,168	15,168	15,894	20,912	14,153	14,153	14,153	14,153	15,640	14,153	183,304
Transfer from DPS	-	13,100	-	-	-	-	-	-	-	-	-	6,900	20,000
WCRESA	-	-	4,209	4,209	4,209	4,209	4,209	4,209	4,209	4,209	4,209	4,209	42,089
Food Service Reimbursement	330	5,250	3,241	3,241	4,051	3,241	4,051	3,241	3,241	3,241	4,051	3,241	40,422
Miscellaneous	941	1,092	23,941	941	1,092	2,941	1,092	941	2,941	941	1,092	2,941	40,894
Total Cash Receipts	56,475	80,393	48,831	66,672	74,001	75,572	66,353	67,301	69,902	65,071	67,532	73,971	812,075
Cash Disbursements													
MPSERS (Pass through)	\$ (2,983)	\$ (2,983)	\$ (2,983)	\$ -	\$ -	\$ (5,967)	\$ (2,983)	\$ (2,983)	\$ (2,983)	\$ (2,983)	\$ (2,983)	\$ (2,983)	\$ (32,816)
Payroll Direct Deposit	(14,085)	(21,128)	(27,711)	(14,714)	(14,714)	(14,714)	(25,214)	(14,809)	(14,809)	(14,809)	(14,809)	(14,809)	(206,327)
Taxes	(5,402)	(5,402)	(10,364)	(5,642)	(8,463)	(5,642)	(5,678)	(5,678)	(5,678)	(5,678)	(8,517)	(5,678)	(77,823)
FICA	(1,579)	(1,579)	(3,071)	(1,649)	(2,474)	(1,649)	(1,660)	(1,660)	(1,660)	(1,660)	(2,490)	(1,660)	(22,788)
Accounts Payable	(19,000)	(23,750)	(14,167)	(14,167)	(17,709)	(14,167)	(17,709)	(14,167)	(14,167)	(14,167)	(17,709)	(14,167)	(195,047)
Pension (employee portion)	(1,913)	(1,833)	(1,839)	(3,629)	(2,888)	(1,926)	(1,932)	(1,938)	(1,938)	(1,938)	(2,907)	(1,938)	(26,619)
Pension (employer portion)	(6,000)	(5,822)	(5,835)	(6,101)	(9,152)	(6,101)	(6,120)	(6,139)	(6,139)	(6,139)	(9,209)	(6,139)	(78,899)
Health	(4,238)	(6,357)	(4,427)	(4,427)	(4,427)	(4,427)	(6,684)	(4,456)	(4,456)	(4,456)	(4,456)	(4,456)	(57,268)
Fringe Benefits	(448)	(671)	(468)	(468)	(468)	(468)	(706)	(471)	(471)	(471)	(471)	(471)	(6,049)
Food Service	(2,339)	(2,923)	(2,339)	(2,339)	(2,923)	(2,339)	(2,923)	(2,339)	(2,339)	(2,339)	(2,923)	(2,339)	(30,403)
Transfer to DPS	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	(1,400)	(1,750)	(1,400)	(1,400)	(1,750)	(1,400)	(1,750)	(1,400)	(1,400)	(1,400)	(1,750)	(1,400)	(18,199)
Total Cash Disbursements	(59,387)	(74,198)	(74,605)	(54,536)	(64,968)	(58,799)	(73,359)	(56,040)	(56,040)	(56,040)	(68,225)	(56,040)	(752,238)
Net Cash Flow	(2,911)	6,195	(25,774)	12,136	9,033	16,773	(7,006)	11,260	13,862	9,031	(692)	17,931	59,837
Beginning Cash Balance	150,228	147,316	153,511	127,738	139,874	148,907	165,679	158,673	169,933	183,795	192,826	192,134	150,228
Net Cash Flow	(2,911)	6,195	(25,774)	12,136	9,033	16,773	(7,006)	11,260	13,862	9,031	(692)	17,931	59,837
Ending Cash Balance	\$ 147,316	\$ 153,511	\$ 127,738	\$ 139,874	\$ 148,907	\$ 165,679	\$ 158,673	\$ 169,933	\$ 183,795	\$ 192,826	\$ 192,134	\$ 210,065	\$ 210,065
Memo:													
Internal Service Fund and Fiduciary Account													
Beginning Balance	\$ 40,806	\$ 40,806	\$ 40,806	\$ 17,806	\$ 17,806	\$ 17,806	\$ 15,806	\$ 15,806	\$ 15,806	\$ 13,806	\$ 13,806	\$ 13,806	\$ 40,806
(+) Liability Balance Transfer from DPS	-	-	-	-	-	-	-	-	-	-	-	-	-
(-) TIP, Legal, And Workers' Compensation Claims	-	-	(23,000)	-	-	(2,000)	-	-	(2,000)	-	-	(2,000)	(29,000)
Ending Balance	40,806	40,806	17,806	17,806	17,806	15,806	15,806	15,806	13,806	13,806	13,806	11,806	11,806
Grand Total	\$ 188,122	\$ 194,317	\$ 145,543	\$ 157,680	\$ 166,712	\$ 181,485	\$ 174,479	\$ 185,739	\$ 197,601	\$ 206,632	\$ 205,939	\$ 221,870	\$ 221,870

DPS FY 2018 Budget Amendment #1





STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION
DETROIT PUBLIC SCHOOLS (DPS) RESOLUTION 2018-1
APPROVING THE DETROIT PUBLIC SCHOOLS (DPS) JUNE 2018
BUDGET AMENDMENT #1 REQUESTS

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

WHEREAS, Section 6(1) of the Act empowers the Commission to provide oversight for the Detroit Public Schools (“DPS”) 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 Detroit Public Schools 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 Detroit Public Schools complies with the requirements of the Uniform Budgeting and Accounting Act; and

WHEREAS, the Uniform Budgeting and Accounting Act prevents Detroit Public Schools from deviating from its original general appropriations act without amending it and requires Detroit Public Schools 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 June 25, 2018, Detroit Public Schools 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 Detroit Public Schools June 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.

Detroit Public Schools' Restructuring

- Effective July 1, 2016, the Michigan Legislature approved a set of bills to restructure Detroit Public Schools (DPS). The bills effectively split DPS into two entities, Detroit Public Schools and Detroit Public Schools Community District (DPSCD).
- DPS has two types of debt, capital bonds which are being repaid by the 13 mills levy and operating debt which is being repaid by the 18 Mills levy.
 - As of June 30, 2017, there was \$1.63 billion in debt associated with the capital bonds which the current debt schedules forecast being repaid in 2049 and \$466.8 million in operating debt which is scheduled to be repaid in 2027.
 - Repayment of the operating debt (18 mills) is contingent on the renewal of the 18 mills levy, which is set to expire in 2022.
- The debt repayment schedules are updated annually based on the projected tax collections. The tax collections are based on property value and collection rates. For the past five years the city of Detroit has undergone a process to reassess all property values. This has resulted in annual decreases in tax revenue collections as the overall taxable value of the city has been declining despite collection rates remaining consistent.
- The process of reassessing property values is complete, and the city is projecting a 1% increase in taxable value for FY 19.

DPS Summary of Revenues & Expenditures

- DPS' General Fund receives revenue from two main sources:
 - (i) Local Sources – Property Taxes (18 non-homestead mills) collected and remitted by the City and County - \$58.6m
 - (ii) State Sources – Property tax abatements (Renaissance Zone) reimbursed by the State - \$4.3m
- DPS' General Fund is budgeted to have the following categories of expenditures:
 - (i) Operating expenditures – Primarily related to legal and audit fees
 - (ii) Debt Service – Payments related to operating bonds, emergency loan, and pension obligations
 - (iii) Transfers out – Reimbursements to DPSCD in connection with legislation
- The 13 mills revenue is not reflected in the DPS financials, as that revenue is solely dedicated to the repayment of the long term capital bonds. 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.

DPS FY 18 Proposed BA #1

DPS General Fund Budget Amendment #1 through year ending June 30, 2018

- ✓ Revenue, expenditure and debt service budgets were adjusted based upon the best available information.
- ✓ Support services came in lower than expected due to lower than anticipated audit fees and the utilization of in-house counsel for legal services.
- ✓ Debt service is the repayment of principle and interest on the DPS Stabilization Bonds. The operating debt includes DPS Operating Bonds, MPSRS repayment, and DPS Emergency Loan. Repayment is based on debt schedules and is scheduled to be repaid by 2027.

Footnote 1: The negative Ending Fund Balance is a result of outstanding MPSRS balance which will be repaid through 18 Mills collection.

	FY 2017 - Actual	FY 2018 - Adopted	FY 2018 - Proposed Budget Amendment #1	FY 2018 - Proposed Budget Amendment #1 Increase (Decrease) Over FY 2018 -
Revenue:				
Local sources	74,097,588	58,600,000	58,600,000	-
State sources	4,908,505	4,339,880	4,330,730	(9,150)
Federal sources	34,501,056	-	-	-
Total Revenue	113,507,149	62,939,880	62,930,730	(9,150)
Expenditures:				
Instruction	8,244,089	-	-	-
Support services				
Pupil services	3,208,798	-	-	-
Instructional staff support	1,334,867	-	-	-
General administration	102,505	150,000	30,000	(120,000)
School administration	160,135	-	-	-
Business office	1,239,992	250,000	70,000	(180,000)
Operations & maintenance	2,100,577	-	-	-
Transportation	555,322	-	-	-
Central support service	1,291,085	-	-	-
Other support service	215,206	-	-	-
Total support services	10,208,487	400,000	100,000	(300,000)
Community service	66,605	-	-	-
Debt service				
Stabilization Bonds	32,000,000	36,956,205	37,068,585	112,380
MPSERS Interest	11,473,098	10,502,137	9,632,836	(869,301)
Emergency Loan Debt Service	1,102,348	1,965,000	1,965,000	-
Total Debt service	44,575,446	49,423,342	48,666,421	(756,921)
Payments to other public schools (ISDs, LEAs)	756,108	-	-	-
Total Expenditures	63,850,735	49,823,342	48,766,421	(1,056,921)
Other Financial Sources (Uses)				
Sources				
Payments to escrow agent	(225,143,166)	-	-	-
Face value of debt issued	498,790,456	-	-	-
Total Sources	273,647,290	-	-	-
Uses				
Transfer to DPSCD General Fund - Other	-	(13,100,000)	(13,100,000)	-
Total Uses	-	(13,100,000)	(13,100,000)	-
Total Other Financial Sources (Uses)	273,647,290	(13,100,000)	(13,100,000)	-
Transition Funding to DPSCD	(82,543,784)	-	-	-
Excess (deficiency) of Revenue and Other Sources Over (Under) Expenditures and Other Uses	240,759,920	16,538	1,064,309	1,047,771
Beginning Fund Balance	(251,587,254)	(10,827,334)	(10,810,796)	
Ending Fund Balance	\$ (10,827,334) ¹	\$ (10,810,796) ¹	\$ (9,746,487) ¹	

DPS FY 2019 Budget Amendment # 1





STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION
DETROIT PUBLIC SCHOOLS (DPS) RESOLUTION 2018-2
APPROVING THE DETROIT PUBLIC SCHOOLS (DPS) 2019 BUDGET
AMENDMENT #1 REQUESTS

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

WHEREAS, Section 6(1) of the Act empowers the Commission to provide oversight for the Detroit Public Schools (“DPS”) 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 Detroit Public Schools 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 Detroit Public Schools complies with the requirements of the Uniform Budgeting and Accounting Act; and

WHEREAS, the Uniform Budgeting and Accounting Act prevents Detroit Public Schools from deviating from its original general appropriations act without amending it and requires Detroit Public Schools 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 June 25, 2018, Detroit Public Schools 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 Detroit Public Schools June 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.

DPS FY 19 Proposed BA #1

	FY 2018 - Adopted	FY 2018 - Budget Amendment #1	FY 2019 - Proposed Budget	FY 2019 Proposed Budget Increase (Decrease) FY 2018 - Budget Amendment
Revenue:				
Local sources	58,600,000	58,600,000	58,893,000	293,000
State sources	4,339,880	4,330,730	4,330,730	-
Total Revenue	62,939,880	62,930,730	63,223,730	293,000
Expenditures:				
Support services				
General administration	150,000	30,000	30,000	-
Business office	250,000	70,000	70,000	-
	-	-	-	-
Total support services	400,000	100,000	100,000	-
Debt service				
Stabilization Bonds	36,956,205	37,068,585	37,383,076	314,491
MPSERS Interest	10,502,137	9,632,836	9,624,000	(8,836)
Emergency Loan Debt Service	1,965,000	1,965,000	1,965,000	-
Total Debt service	49,423,342	48,666,421	48,972,076	305,655
Total Expenditures	49,823,342	48,766,421	49,072,076	305,655
Uses				
Transfer to DPSCD General Fund - Other	(13,100,000)	(13,100,000)	(6,900,000)	6,200,000
Total Uses	(13,100,000)	(13,100,000)	(6,900,000)	6,200,000
Total Other Financial Sources (Uses)	(13,100,000)	(13,100,000)	(6,900,000)	6,200,000
Excess (deficiency) of Revenue and Other Sources Over (Under) Expenditures and Other Uses	16,538	1,064,309	7,251,654	6,187,345
Beginning Fund Balance	(10,827,334)	(10,810,796)	(9,746,487)	
Ending Fund Balance	\$ (10,810,796)	\$ (9,746,487)	\$ (2,494,833)	

DPS FY 19 General Fund Budget through year ending June 30, 2019

- ✓ Revenue is based on a conservative property tax value increase of approximately .5%.
- ✓ Support Services include expenses for audit and staff expenses associated with administration of DPS.
- ✓ Debt service expense includes both interest and principal for the Stabilization Bonds and is based on debt schedules.
- ✓ As part of the restructuring, it was assumed that a portion of the 18 mill property tax collection would ultimately be transferred to DPSCD for legacy obligations. For FY 19, DPS anticipates transferring \$6.9 million in remaining cash to DPSCD.

DPSCD Budget Amendment No. 3





STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT RESOLUTION 2018-14

**APPROVING THE COMMUNITY DISTRICT'S JUNE 2018 BUDGET
AMENDMENT #3 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 June 25, 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 June 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.

Budget Amendment No. 3 Summary

Budget Amendment No. 3 presents final expenditures through April 30th, and projection final FY 18 expenditures through June 30th, 2018.

- ✓ The budget reduces local, state, and federal reimbursable revenue by \$76M to match anticipated final expenditures through June 30th, 2018.
 - ✓ FY 18 federal grants may be spent until September 30th, 2018 and then remaining funds will carryover into FY 19.
 - ✓ Act 18 funds (Local source revenue) was reduced to match projected FY 18 final expenditures. Any overpayments would have been required to be repaid in subsequent fiscal years.
- ✓ Remaining unused contingency was removed from the budget.

Increase in FY 18 Surplus

The district projects an FY 18 surplus of \$55.6 M.

- ✓ The budget reflects the decreased revenues and expenses associated with the reimbursable grants.
- ✓ Reduction in general fund vacancies and contract services.
- ✓ Removal of unused contingency.

Update: The district is now projecting an additional \$9.5M in revenues associated with the wind down of the EAA and 31A.

Revenue	
Reduction in reimbursable revenue	(\$76M)
Expenses	
Corresponding reduction reimbursable in expenses	\$76M
Removal of general fund vacancies	\$6.9M
Reduction in contract services	\$9.4M
Elimination of Contingency	\$24.6M
Increased Expenses - FY 18 Capital Projects Fund & Nutrition Audit Findings	(\$2.8M)
Net	
increase in projected ending surplus	\$38.1
Additional Variances	
Increased Revenue (31A & EAA)	~\$9.5M

FY 18 Proposed Budget Amend. #3 – General Fund

	FY 2017 - Actual	FY 2018 - Budget Amendment # 2	FY 2018 - Budget Amendment # 3	FY 2018 - Budget Amendment # 3 Increase (Decrease) Over FY 2018 - Budget Amendment # 2
Revenue and Sources:				
Local sources	62,528,317	78,229,265	70,914,670	(7,314,595)
State sources	441,911,193	495,159,759	489,277,904	(5,881,855)
Federal sources	116,292,314	172,805,905	109,750,256	(63,055,649)
Proceeds from sale of capital assets	9,453,274	-	140,000	140,000
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	761,294,929	685,182,830	(76,112,099)
Expenditures and Uses:				
Personnel	417,935,642	485,132,039	433,538,464	(51,593,575)
Purchased Services	136,262,660	165,657,016	144,785,842	(20,871,174)
Supplies	15,739,061	36,839,686	29,226,273	(7,613,413)
Equipment & Capital	4,179,007	10,180,463	3,525,345	(6,655,118)
Utilities	13,781,958	16,719,800	15,596,268	(1,123,532)
Title I Restricted	-	4,728,506	-	(4,728,506)
Transfers Out	-	-	1,000,000	1,000,000
Prior Year Adjustments	-	-	1,855,428	1,855,428
Total Expenditures	587,898,328	719,257,510	629,527,620	(89,729,890)
Contingency				
Sources				
General Purpose Fund	-	17,995,338	-	(17,995,338)
State Transition Fund	-	522,567	-	(522,567)
Special Education Fund	-	3,265,036	-	(3,265,036)
ACT18	-	2,794,748	-	(2,794,748)
Total Sources (Uses)	-	24,577,689	-	(24,577,689)
Excess (deficiency) of Revenue and	78,963,120	17,459,730	55,655,210	38,195,480
Beginning Reserves	-	78,963,120	78,963,120	
Ending Reserves	\$ 78,963,120	\$ 96,422,850	\$ 134,618,330	
Restricted Reserves	\$ 20,190,532	\$ 18,668,284	\$ 17,595,576	
Unrestricted Reserves	\$ 58,772,588	\$ 77,754,566	\$ 117,022,754	

DPSCD FY 18 General Fund Budget Amendment #3 through year ending June 30, 2019

- Grant revenues were reduced to match anticipated actual expenditures through 6/30.
- Based on the projected final expenditures for the grants, expenses to be aligned with the revenues.
 - Personnel expenses reflect reduction of vacant general and grant funded positions.
 - Purchased Services and Supply lines were reduced to match anticipated expenditures through 6/30.
 - One-time capital investments in the Equipment & Capital line were removed from the operating budget and will be included in the Capital Projects budget.
 - Transfers Out represent the \$1M transfer to the Capital Projects Fund for the Palmer Park repair that will take place by 6/30.
- The overall fund balance is projected to increase by \$55M to \$134M which includes a Restricted Reserve (State Transition Funds) of \$17.6M.
- Unrestricted Reserve includes \$42M which will be transferred to a restricted reserve "Rainy Day Fund".

FY 2018 Proposed Budget Amendment #3 – Food Service

	FY 2017 - Actual	FY 2018 - Budget Amendment # 1	FY 2018 - Budget Amendment # 2	FY 2018 - Budget Amendment # 3	FY 2018 - Budget Amendment # 3 Increase (Decrease) Over FY 2018 - Budget Amendment # 2
Revenue:					
Local sources					
Other	\$ 527,397	\$ 980,500	\$ 980,500	\$ 980,500	\$ -
Total local sources	527,397	980,500	980,500	980,500	-
State sources	1,701,715	1,283,000	1,568,000	1,610,600	42,600
Federal sources	47,247,599	45,815,884	45,815,884	45,815,884	-
Total Revenue	49,476,711	48,079,384	48,364,384	48,406,984	42,600
Expenditures:					
Support services					
Personnel	13,350,968	18,124,974	18,343,454	18,343,456	2
Purchased Services	1,511,583	1,924,400	1,924,400	1,923,110	(1,290)
Supplies	25,782,470	24,850,010	24,850,010	24,875,498	25,488
Equipment & Capital	35,365	930,000	996,520	1,014,920	18,400
Utilities	-	250,000	250,000	250,000	-
Total support services	40,680,386	46,079,384	46,364,384	46,406,984	42,600
Total Expenditures	40,680,386	46,079,384	46,364,384	46,406,984	42,600
Other Financial Sources (Uses)					
Sources					
Transfer from DPS	8,691,423	-	-	-	-
Prior Year Adjustments	-	-	-	1,855,428	1,855,428
Total Sources	8,691,423	-	-	1,855,428	1,855,428
Uses					
Transfers Out	(2,571,460)	(2,000,000)	(2,000,000)	(2,000,000)	-
Total Uses	(2,571,460)	(2,000,000)	(2,000,000)	(2,000,000)	-
Total Other Financial Sources (Uses)	6,119,963	(2,000,000)	(2,000,000)	(144,572)	1,855,428
Excess (deficiency) of Revenue Over (Under) Expenditures	14,916,288	-	-	1,855,428	1,855,428
Beginning Fund Balance	-	14,916,288	14,916,288	14,916,288	
Ending Fund Balance	\$ 14,916,288	\$ 14,916,288	\$ 14,916,288	\$ 16,771,716	

✓ The National School Lunch Program (NSLP) Equipment Assistant Grant allocation increased. These funds will be used to purchase equipment and supplies to improve the quality of school lunches.

✓ The fund balance will increase \$1.8M due to the moving of unallowable FY 2017 expenses from the Food Service Fund to the General Fund.

DPSCD FY 19 Food Service Budget





STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT RESOLUTION 2018-15

**APPROVING THE DETROIT PUBLIC SCHOOLS COMMUNITY
DISTRICT'S FOOD SERVICE 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 Food Service budget for the fiscal year ending June 30, 2019 ("fiscal year 2018") to the Commission at its meeting on June 25, 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 food service budget for fiscal year 2019 (the Food Service "Budget"), as presented to the Commission on June 25, 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 19 Proposed Food Service Budget

	FY 2017 - Actual	FY 2018 - Budget Amendment # 1	FY 2019 - Draft Budget	FY 2019 - Draft Budget Increase (Decrease) Over FY 2018 - Budget Amendment # 1
Revenue:				
Local sources				
Other	\$ 527,397	\$ 980,500	\$ 629,972	\$ (350,528)
Total local sources	527,397	980,500	629,972	(350,528)
State sources	1,701,715	1,283,000	1,844,667	561,667
Federal sources	47,247,599	45,815,884	47,031,438	1,215,554
Total Revenue	49,476,711	48,079,384	49,506,077	1,426,693
Expenditures:				
Support services				
Personnel	13,350,968	18,124,974	19,103,195	978,221
Purchased Services	1,511,583	1,924,400	1,060,633	(863,767)
Supplies	25,782,470	24,850,010	26,857,627	2,007,617
Equipment & Capital	35,365	930,000	146,054	(783,946)
Utilities	-	250,000	338,568	88,568
Total support services	40,680,386	46,079,384	47,506,077	1,426,693
Total Expenditures	40,680,386	46,079,384	47,506,077	1,426,693
Other Financial Sources (Uses)				
Sources				
Proceeds from sale of capital assets	8,691,423	-	-	-
Total Sources	8,691,423	-	-	-
Uses				
Transfers Out	(2,571,460)	(2,000,000)	(2,000,000)	-
Total Uses	(2,571,460)	(2,000,000)	(2,000,000)	-
Total Other Financial Sources (Uses)	6,119,963	(2,000,000)	(2,000,000)	-
Excess (deficiency) of Revenue Over (Under) Expenditures	14,916,288	-	-	-
Beginning Fund Balance	-	14,916,288	14,916,288	
Ending Fund Balance	\$ 14,916,288	\$ 14,916,288	\$ 14,916,288	

FY 19 Budget Takeaways

Preliminary DPSCD FY 19 Food Service Budget of revenue and expenses through year ending June 30, 2019

- ✓ Balanced budget with substantial contingency, all positions are fully funded.

Revenue

- ✓ Overall small increase in total revenue resulting from the increase in student enrollment.

Expenses

- ✓ Increased expenses associated with the increase in enrollment.
- ✓ Reduction in Equipment & Capital expenses. One-time physical plant expenses will be covered through the use of the fund balance, after the capital assessment study is complete.

DPSCD Capital Budget





STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT RESOLUTION 2018-16

**APPROVING THE DETROIT PUBLIC SCHOOLS COMMUNITY
DISTRICT'S CAPITAL PROJECTS BUDGET FOR FISCAL YEAR
2018/2019**

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 capital projects budget for the fiscal year ending June 30, 2018 ("fiscal year 2018") to the Commission at its meeting on June 25, 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 capital projects budget for fiscal year 2018 (the Capital Projects "Budget"), as presented to the Commission on June 25, 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.

FY18 Proposed Budget Adoption – Capital Projects

	<u>FY 2017 - Actual</u>	<u>FY 2018 - Budget Adoption</u>
Revenue:		
Local sources	-	-
Total local sources	-	-
Total Revenue	<u>-</u>	<u>-</u>
Expenditures:		
Capital Expenditures		
Building improvements	<u>1,000,000</u>	<u>1,000,000</u>
Total Capital Expenditures	<u>1,000,000</u>	<u>1,000,000</u>
Total Expenditures	<u>1,000,000</u>	<u>1,000,000</u>
Other Financial Sources		
Transfers In	<u>1,000,000</u>	<u>1,000,000</u>
Total Sources	<u>1,000,000</u>	<u>1,000,000</u>
Uses		
Total Other Financial Sources	<u>1,000,000</u>	<u>1,000,000</u>
Excess of Revenue Over Expenditures	<u>-</u>	<u>-</u>
Beginning Fund Balance	-	-
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>

DPSCD FY 18 Capital Fund Budget through year ending June 30, 2018

- ✓ The establishment of the Capital Projects Fund is to account for the necessary maintenance and repairs of the District's buildings and equipment.
- ✓ The district will budget non-recurring capital expenditures as part of the Capital Projects Fund. This will shift one-time capital expenditures out of the General Fund's restricted reserve. The General Fund Operating Budget will cover recurring operating expenses associated with the day to day operations of the district.
- ✓ The Capital Projects Fund budget includes projections for immediate health and safety expenditures related to the roof replacement of Palmer Park. The total cost of the project is \$1.4M, it is anticipated that \$1M will be spent by June 30th.

FY19 Proposed Budget Adoption – Capital Projects

DPSCD FY 19 Capital Fund Budget through year ending June 30, 2019

- ✓ The Capital Fund Budget is funded with restricted reserve from General Operating Budget that includes Bond Settlement of \$700,000, EAA Transition Fund of \$865,000 and State Transition Fund (Fund 15) of \$7,460,000.
- ✓ The Capital Projects Fund budget includes projections for immediate health and safety expenditures related to roof replacement and repair, building maintenance, bond settlement repairs (Cass Tech HVAC and football field).

	FY 2018 - Budget Adoption	FY 2019 - Budget Adoption
Revenue:		
Local sources	-	-
Total local sources	-	-
Total Revenue	-	-
Expenditures:		
Capital Expenditures		
Building improvements	1,000,000	6,095,000
Site improvements	-	400,000
Equipment & Capital	-	2,530,000
Total Capital Expenditures	1,000,000	9,025,000
Total Expenditures	1,000,000	9,025,000
Other Financial Sources		
Transfers In	1,000,000	9,025,000
Total Sources Uses	1,000,000	9,025,000
Total Other Financial Sources	1,000,000	9,025,000
Excess of Revenue Over Expenditures	-	-
Beginning Fund Balance	-	-
Ending Fund Balance	\$ -	\$ -

Project Description	Costs	Completion Dates
Site Improvement:		
Cass Tech Parking Lot	\$400,000	Oct-18
Building Improvements:		
Roof Replacements	\$5,520,000	Oct-18
Painting - Ceiling & Floors	\$200,000	Oct-18
Floor Repairs	\$375,000	Oct-18
Equipment & Capital:		
Football Field & Bleacher Replacement	\$1,640,000	Oct-18
HVAC Overhaul	\$700,000	Oct-18
Burner Replacement	\$30,000	Oct-18
Playground Repairs	\$50,000	Oct-18
Boiler Replacement	\$110,000	Oct-18
Total	\$9,025,000	

Contracts





STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT RESOLUTION 2018-17

**APPROVING THE COMMUNITY DISTRICT'S JUNE 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 June 25, 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 June 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	Finance	16-0384-C	Contract Amount: \$814,000.00 NTE Contract Period: July 1, 2016 – June 30, 2019 Source: General and Grant Funds Purpose: To meet MOA & MDE quarterly requirements for Agreed Upon Procedure (AUP) audits of federal programs Contractor: Plante & Moran, PLLC Location: 19176 Hall Rd. Suite 300 Clinton Township, MI 48038	Renewal	Yes	Yes	Anticipated Approval Board 06.12.2018 FRC 06.25.2018	In 2016, RFP 16-0384-C was issued to find a provider who would conduct audits of the District’s financial statements. Two responses were received. 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 renew the contract for FY19.								
2	Curriculum & Instruction	18-0074-C	Contract Amount: \$2,200,325.00 Contract Period: June 25, 2018 – June 30, 2019 Source: Title Funds Purpose: Reading and Mathematics Diagnostic and Instruction program for Grades K-8 Contractor: Curriculum Associates (i-Ready) Location: 153 Rangeway Rd. N. Billerica, MA 01862	New	Yes	Yes	Anticipated Approval Board 06.12.2018 FRC 06.25.2018	RFP 18-0074 was conducted in April of 2018 to solicit online reading and math diagnostic and instruction programming for K-8 students. Based on the evaluation of the qualifying proposals, Curriculum Associate’s program called i-Ready was selected. <table><tr><td><u>Respondent</u></td><td><u>Score</u></td></tr><tr><td>i-Ready</td><td>86</td></tr><tr><td>Pearson</td><td>60</td></tr><tr><td>School Spire</td><td>DNQ</td></tr></table>	<u>Respondent</u>	<u>Score</u>	i-Ready	86	Pearson	60	School Spire	DNQ
<u>Respondent</u>	<u>Score</u>															
i-Ready	86															
Pearson	60															
School Spire	DNQ															
3	IT	16-0345-C	Contract Amount: \$1,051,950.00 Contract Period: July 1, 2018 – June 30, 2019 Source: General and Grant Funds Purpose: Interactive technology device installation Contractor: Learning Consultants, Inc. (LCI) Location: 17601 James Couzens, Detroit, MI 48235	Increase	Yes	Yes	Anticipated Approval Board 06.12.2018 FRC 06.25.2018	The District put out RFP 16-0345 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 the contract value. The District is focusing on increasing technology access in schools, and this amount includes the installation of 548 SMART interactive television-size monitors in 23 schools.								

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
4	IT	17-0065-C	Contract Amount: \$4,500,000.00 Contract Period: July 1, 2018 – June 30, 2019 Source: General Funds Purpose: IT contract staff Contractor: VisionPro, LLC Location: 3031 W. Grand Blvd., Suite 600 Detroit, MI 48202	Renewal	Yes	No	Anticipated Approval Board 06.12.2018 FRC 06.25.2018	<p>In 2016, RFP 17-0065 was issued to find a vendor who would provide professional staffing for IT. The RFP received 14 responses. Based on evaluation of the proposals, four contracts were awarded, including one to VisionPro. These four suppliers were selected because of their solid written proposals, current track record, and answers to in-person interviews which all demonstrated their ability to provide qualified contracted resources to a large K-12 school district in the specific technical areas requested by DPSCD.</p> <p>The original award was approved by the FRC in June of 2017. This request is to renew the contract for FY19.</p>
5	IT	17-0094-C	Contract Amount: \$2,065,000.00 Contract Period: July 1, 2018 – June 30, 2019 Source: General Funds Purpose: IT contract staff Contractor: Lochbridge, LLC. Location: 150 West Jefferson Ave. Suite 1200 Detroit, MI 48226	Renewal	Yes	No	Anticipated Approval Board 06.12.2018 FRC 06.25.2018	<p>In 2016, RFP 17-0065 was issued to find a vendor who would provide professional staffing for IT. The RFP received 14 responses. Based on evaluation of the proposals, four contracts were awarded, including one to Lochbridge. These four suppliers were selected because of their solid written proposals, current track record, and answers to in-person interviews which all demonstrated their ability to provide qualified contracted resources to a large K-12 school district in the specific technical areas requested by DPSCD.</p> <p>The original award was approved by the FRC in June of 2017. This request is to renew the contract for FY19.</p>
6	IT	071B6600111	Contract Amount: \$3,754,811.00 Contract Period: July 1, 2018 – June 30, 2019 Source: Grant Funds Purpose: To purchase interactive Smart flat panel TVs and carts Contractor: Tierney Brothers Interactive Technology Location: 3300 University Ave. Minneapolis, MN 55414	Cooperative	N/A	N/A	Anticipated Approval Board 06.12.2018 FRC 06.25.2018	<p>The purchase of these interactive technology products is part of the District’s One-to-One (1:1) Technology Initiative. This purchase provides 548 Smart flat panel TVs and TV carts across 23 schools.</p> <p>This co-operative contract (REMC) was bid through an authorized lead agency in compliance with Michigan statutes.</p>

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												
7	IT	071B6600111	Contract Amount: \$9,072,810 Contract Period: July 1, 2018 – June 30, 2019 Source: Grant Funds Purpose: To purchase Dell student laptops and laptop carts Contractor: Dell Location: One Dell Way, MS RR1-33 Round rock, TX 78682	Cooperative	N/A	N/A	Anticipated Approval Board 06.12.2018 FRC 06.25.2018	The purchase of these laptops and carts is part of the District’s One-to-One (1:1) Technology Initiative. This purchase provides 16,256 laptops and 585 carts across 23 schools. This co-operative contract (REMC) was bid through an authorized lead agency in compliance with Michigan statutes.												
8	IT	071B6600111	Contract Amount: \$3,411,278.00 Contract Period: July 1, 2018 – June 30, 2019 Source: General Funds Purpose: To purchase Dell laptops for teachers and staff Contractor: Dell Location: One Dell Way, MS RR1-33 Round rock, TX 78682	Cooperative	N/A	N/A	Anticipated Approval Board 06.12.2018 FRC 06.25.2018	By providing new laptops, the District will be making an investment in the culture, morale, performance and development of current and future teachers and staff. 3,040 laptops will be purchased for teachers and 745 will be purchased for administrators. This co-operative contract was bid through an authorized lead agency in compliance with Michigan statutes.												
9	Safety & Health	19-0034	Contract Amount: \$2,341,560.00 NTE Contract Period: July 1, 2018 – June 30, 2019 Source: Grant Funds Purpose: Nursing Services for transportation Contractor: Delta – T Group Location: 21415 Civic Center Drive, Suite 302 Southfield, MI 48076	New	Yes	Yes	Anticipated Approval Board 06.12.2018 FRC 06.25.2018	The District issued Request for Proposal #19-0002 in April of 2018 and received 14 responses. The top two scoring vendors were awarded contracts. Elite will mainly be in schools and Delta T will provide nursing services during transportation of fragile students. <table><tr><td><u>Respondent</u></td><td><u>Score</u></td></tr><tr><td>Delta T Group</td><td>83</td></tr><tr><td>Elite Medical Staffing</td><td>79</td></tr><tr><td>ATC</td><td>69</td></tr><tr><td>RCM</td><td>67</td></tr><tr><td>Career Staff</td><td>52</td></tr></table>	<u>Respondent</u>	<u>Score</u>	Delta T Group	83	Elite Medical Staffing	79	ATC	69	RCM	67	Career Staff	52
<u>Respondent</u>	<u>Score</u>																			
Delta T Group	83																			
Elite Medical Staffing	79																			
ATC	69																			
RCM	67																			
Career Staff	52																			

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												
10	Safety & Health	19-0002-C	Contract Amount: \$2,032,485.00 Contract Period: July 1, 2018 – June 30, 2019 Source: Grant Funds Purpose: Nursing Services Contractor: Quality Staffing DBA Elite Medical Staffing Location: 44450 Pinetree, Suite 203 Plymouth, MI 48170	New	Yes	Yes	Anticipated Approval Board 06.12.2018 FRC 06.25.2018	The District issued Request for Proposal #19-0002 in April of 2018 and received 14 responses. The top two scoring vendors were awarded contracts. Elite will mainly be in schools and Delta T will provide nursing services during transportation of fragile students. <table><tr><td><u>Respondent</u></td><td><u>Score</u></td></tr><tr><td>Delta T Group</td><td>83</td></tr><tr><td>Elite Medical Staffing</td><td>79</td></tr><tr><td>ATC</td><td>69</td></tr><tr><td>RCM</td><td>67</td></tr><tr><td>Career Staff</td><td>52</td></tr></table>	<u>Respondent</u>	<u>Score</u>	Delta T Group	83	Elite Medical Staffing	79	ATC	69	RCM	67	Career Staff	52
<u>Respondent</u>	<u>Score</u>																			
Delta T Group	83																			
Elite Medical Staffing	79																			
ATC	69																			
RCM	67																			
Career Staff	52																			
11	Specialized Student Services	19-0004-C	Contract Amount: \$10,655,757.00 NTE Contract Period: July 1, 2018 – June 30, 2019 Source: Grant Funds Purpose: Provide skilled Speech-Language Pathologists, Occupational Therapists, Physical Therapists, Psychologist and Social Workers for the District’s students Contractor: EBS Healthcare, Inc. DBA Educational Based Services Location: 200 Skiles Blvd., West Chester, PA 19382	New	Yes	No	Anticipated Approval Board 06.12.2018 FRC 06.25.201	The District issued Request for Proposal #19-0004 to obtain suppliers to provide Social Work, Speech-Language Pathology, Physical Therapy, Occupational Therapy and Physiological services. The evaluation committee reviewed 11 supplier proposals and moved five forward for interviews. The team selected this highest scoring firm, EBS Healthcare. Though not the lowest cost in all six positions needed, they were the lowest cost in three. <table><tr><td><u>Respondent</u></td><td><u>Score</u></td></tr><tr><td>EBS</td><td>96</td></tr><tr><td>Supplemental Health</td><td>69</td></tr><tr><td>Invo</td><td>65</td></tr><tr><td>Delta T</td><td>63</td></tr><tr><td>Therapy Staff</td><td>52</td></tr></table>	<u>Respondent</u>	<u>Score</u>	EBS	96	Supplemental Health	69	Invo	65	Delta T	63	Therapy Staff	52
<u>Respondent</u>	<u>Score</u>																			
EBS	96																			
Supplemental Health	69																			
Invo	65																			
Delta T	63																			
Therapy Staff	52																			
12	Specialized Student Services	16-0446-C	Contract Amount: \$1,069,469.00 Contract Period: July 1, 2018 – June 30, 2019 Source: General Funds & Grant Funds Purpose: To provide sign language interpreters for students Contractor: Deaf Community Advocacy Network Location: 2111 Orchard Lake Rd. #101 Sylvan Lake, MI 48320	Renewal	Yes	Yes	Anticipated Approval Board 06.12.2018 FRC 06.25.2018	An RFP was issued in June of 2017 for sign language interpreters. Two organizations responded. Because DeafCANs new response was higher than the renewal cost, the contract was renewed in December and approved by the FRC. The second respondent also received a contract that was under the \$750K threshold. This request is to exercise a renewal of the DeafCAN contract.												

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										
13	Facilities	19-0015-C	Contract Amount: \$3,422,175.00 Contract Period: June 25, 2018 – June 30, 2019 Source: Capital Projects Fund (State Transition Funds) Purpose: For the replacement of the roofs at Ann Arbor Trail, A.L. Holmes, Henderson, and Dixon Contractor: Quality Roofing Location: 10800 Plaza Drive Whitmore Lake, MI 48189	New	Yes	Yes	Anticipated Approval Board 06.12.2018 FRC 06.25.201	On May 10, 2018, the District issued a Request for Proposals (RFP 19-0015) via DemandStar. The notice reached 576 firms and the District received four responses. Royal Roofing and Quality Roofing were selected as the suppliers due to lowest pricing and ability to meet the District’s project timeline. <table><tr><td><u>Respondent</u></td><td><u>Score</u></td></tr><tr><td>Quality</td><td>87</td></tr><tr><td>Royal</td><td>84</td></tr><tr><td>Lutz</td><td>71</td></tr><tr><td>Bloom</td><td>65</td></tr></table>	<u>Respondent</u>	<u>Score</u>	Quality	87	Royal	84	Lutz	71	Bloom	65
<u>Respondent</u>	<u>Score</u>																	
Quality	87																	
Royal	84																	
Lutz	71																	
Bloom	65																	
14	Facilities	19-0033-C	Contract Amount: \$2,809,315.00 Contract Period: June 25, 2018 – June 30, 2019 Source: Capital Projects Fund (State Transition Funds) Purpose: For the replacement of the roofs at Garvey and Noble Contractor: Royal Roofing Location: 2445 Brown Rd. Orion, MI 48359	New	Yes	Yes	Anticipated Approval Board 06.12.2018 FRC 06.25.201	On May 10, 2018, the District issued a Request for Proposals (RFP 19-0015) via DemandStar. The notice reached 576 firms and the District received four responses. Royal Roofing and Quality Roofing were selected as the suppliers due to lowest pricing and ability to meet the District’s project timeline. <table><tr><td><u>Respondent</u></td><td><u>Score</u></td></tr><tr><td>Quality</td><td>87</td></tr><tr><td>Royal</td><td>84</td></tr><tr><td>Lutz</td><td>71</td></tr><tr><td>Bloom</td><td>65</td></tr></table>	<u>Respondent</u>	<u>Score</u>	Quality	87	Royal	84	Lutz	71	Bloom	65
<u>Respondent</u>	<u>Score</u>																	
Quality	87																	
Royal	84																	
Lutz	71																	
Bloom	65																	
15	Facilities	15-0220-C	Contract Amount: \$26,000,000.00 NTE Contract Period: July 1, 2018 – June 30, 2019 Source: Food Service Purpose: Contract renewal with U.S. Foods for the storage, distribution and warehousing of food Contractor: US Foods Location: 28001 Napier Rd. Wixom, MI 48393	Renewal	Yes	No	Anticipated Approval Board 06.12.2018 FRC 06.25.201	RFP 15-0220-C for Food Storage, Distribution and Warehousing was issued on DemandStar and 89 companies were notified of the bid opportunity. The District received three responses; U.S. Foods, Sun Valley and Van Eerden. While they were not the lowest bid, they were selected based on their experience, capability, and cost. This request is to exercise the final renewal.										

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
16	Facilities	18-0036-C	Contract Amount: \$765,4700.00 Contract Period: July 1, 2018 – June 30, 2019 Source: General Funds Purpose: Provide management services for the District’s warehouse Contractor: Progressive Distribution Centers, Inc. Location: 18765 Seaway Drive Melvindale, MI 48122	Renewal	Yes	Yes	Anticipated Approval Board 06.12.2018 FRC 06.25.201	<p>In February 2018, the Board approved an amended contract with Progressive for the period of March 1, 2018 through June 30, 2018 with two (2) one-year options for renewal. The contract amount was for \$220,767.</p> <p>In April 2018, in accordance with the District's commitment to the Board, the District issued RFP 18-0078. One contractor responded, and the dollar value of this contractor was 46% more than the contract renewal amount of the incumbent. Therefore, this request is to exercise a renewal on the existing contract with Progressive Distribution Centers, Inc.</p>

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 2018-18

**APPROVING THE COMMUNITY DISTRICT'S JUNE 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 June 25, 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 June 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	2018 National Association of Charter School Authorizers (NACSA) Annual Leadership Conference	Orlando, FL	10/22/18 - 10/25/18	Office of Charter Schools	2	0	0	2	3% Authorizer Fees	\$4,084.00	Finance Sub-Committee approved 05/21/18 and Academic Sub-Committee approved 5/21/18; Board approved 06/12/18
2	Association of Inspector Generals (AIG) Annual Training Institute	New York, NY	8/13/18 - 8/17/18	Office of the Inspector General	1	0	0	1	General Funds	\$4,141.00	Finance Sub-Committee approved 06/04/18, and the Board approved 06/12/18

Total: \$8,225.00

Appendix

- Contract Summaries



14. Administrative Action Items

Subject	14.09 Approval of Engagement of Plante Moran for Auditing and Financial Services
Meeting	Jun 12, 2018 - Regular Board Meeting
Access	Public
Type	Action
Recommended Action	Motion to approve engagement letters with Plante Moran.

Recommendation:

That the School Board approve the contract renewal for Plante Moran. Plante Moran will serve as the independent financial auditor for Detroit Public Schools (DPS) and Detroit Public Schools Community District (DPSCD) for the 2018 fiscal year, conduct the quarterly Agreed Upon Procedures (AUP) audits in accordance with the Memorandum of Agreement (MOA) with Michigan Department of Education (MDE). DPS and DPSCD can expect to pay an amount Not-To-Exceed (NTE) \$814,000 for the period ending June 30, 2019.

Description and Background:

This action item was recommend for approval at the June 4, 2018 Finance Committee Meeting.

The Board must designate an independent audit firm to complete the annual financial audits of DPS and DPSCD. Plante Moran was selected in 2016 through a Request for Proposal (RFP) process to serve as the financial auditors for the District. They conducted the 2016 and 2017 fiscal year financial audits for DPS and the 2017 fiscal year financial audit DPSCD.

As part of the MOA with MDE, the District is required to receive quarterly Agreed Upon Procedure (AUP) audits of federal programs. This auditing monitors District compliance with federal rules around Purchasing and Payroll.

Gap Analysis:

DPS and DPSCD are required to complete annual financial audits. Failure to complete the audit on time will result in withholding of the state per pupil funding. Failure to complete quarterly AUP audits will result in withholding of federal funds.

Previous Outcomes:

Plante Moran completed and submitted to appropriate organizations the annual financial audit for DPS in the 2016 and 2017 fiscal years and the 2017 fiscal year audit for DPSCD. Plante Moran also completed and submitted the quarterly AUP audits.

Expected Outcomes:

Plante Moran will serve as the District's independent financial auditor, they will conduct quarterly AUP audits, and will be available for additional audit related support. Plante Moran will submit

required information to the District and State of Michigan.

Alignment to Strategic Plan:

Responsible Stewardship

Financial Impact:

The District can expect to be billed the NTE amount of \$814,000 for the audits conducted in this fiscal year.

DPSCD Annual External Audit FY 2017-2018: \$630,000

DPS Annual External Audit: FY2017-2018: \$30,000

Federal Agreed Upon Procedures Audit: Total contract value of \$79,000

Contingency: \$75,000

Bid Process: In 2016, RFP 16-0384-C was issued on DemandStar and received two responses. Based on evaluation of the proposal, Plante Moran was selected as the supplier. They have the capability, experience, and competitive pricing to provide the services requested.

Contact for Item:

Name: Jeremy Vidito, Chief Financial Officer

Phone: 313-873-4057

Email: jeremy.vidito@detroitk12.org

Name: Arthur Jackson, Deputy Executive Director, Finance

Phone: 313-873-4057

Email: arthur.jackson@detroitk12.org

File Attachments

DPS Plante Moran.pdf (3,416 KB)

DPSCD Plante Moran.pdf (3,438 KB)

14. Administrative Action Items

Subject	14.12 Purchase of i-Ready Reading and Mathematics
Meeting	Jun 12, 2018 - Regular Board Meeting
Access	Public
Type	Action
Recommended Action	Motion to approve the purchase of i-Ready Reading and Mathematics for Grades K-8 in an amount not to exceed \$2,200,325.00.

Recommendation:

That the School Board approve the purchase of i-Ready Reading and Mathematics Diagnostic and Instruction program for Grades K-8 in an amount not to exceed \$2,200,325 (inclusive of a 10% contingency of \$200,000).

Description and Background:

This action item was recommend for approval at the May 21, 2018 Finance Committee Meeting and the May 21, 2018 Academic Committee Meeting.

i-Ready Diagnostic and Instruction program for reading and mathematics combines an adaptive diagnostic assessment with individualized instruction, reliable progress monitoring, and comprehensive reporting for teachers and administrators. In addition to the blended learning environment, the platform provides teachers access to resources which will be utilized for remediation of skills based on student needs.

Section 380.1280f(2)(a) of the Michigan Revised School Code mandates School Board approval of an assessment system from the list of assessment systems approved by Michigan Department of Education (MDE) beginning in the 2017-2018 school year. The statute also requires that the initial assessment be administered (i) in grades K-3; (ii) at least 3 times a year; and (iii) within 30 school days of the start of the school year.

Section 380.1280 of the Michigan Revised School Code mandates School Board approval of an “extensive assessment” which must be delivered to students who demonstrate a deficiency on the initial assessment and will (i) provide a more in-depth look at student ability, (ii) be directly aligned to a specific skill, and (iii) produce support for the placement of students into intervention tiers. Additionally, in Grades 3-8 the district is required to using progress monitoring assessment to monitor students’ progress toward proficiency in Reading and Mathematics throughout the year prior to the administration of M-STEP.

District-wide, students in grades K-8 will participate in the reading i-Ready Diagnostic three times each year. This will replace the Northwest Evaluation Association (“NWEA”) assessments for these students. Through the use of the i-Ready diagnostic, students will also have access to an adaptive learning environment specifically designed to meet their individual learning needs both below and above grade level. Through a single platform, both MDE testing requirements will be met and

students will be provided with aligned instruction. Math teachers will also have access to the i-Ready Math Toolbox, which provides standards-aligned small group lesson plans designed for the daily 30 minute differentiated centers block which will be instituted in Grades K-8. Finally, the district will procure i-Ready Math print materials to support Tier II and Tier III aligned interventions in mathematics. This contract also includes Professional Development for Teachers, Leaders, Education Technicians, and Paraprofessionals to support effective implementation district-wide.

Gap Analysis:

With the emphasis on technology, blended, adaptive learning platforms are a necessity in increasing student achievement. As referenced above, MDE requires an assessment solution. This assessment platform is state approved, assesses students' progress toward meeting grade level standards and provides data which both predicts year end progress and data driven instructional next steps.

The implementation of these tools were introduced during the 2017/2018 school year beginning with Grades K-3 English, Language Arts (ELA) to respond to Michigan's Third Grade Reading Law.

Following the administration of the first diagnostic assessment, school leaders and teachers began using the assessment results and tools provided for small group instruction. During this time educators also became familiar with additional products offered through i-Ready, specifically the online learning platform. Enthusiasm has grown among principals and teachers to expand their purchase to include this blended learning component. As the district closely monitored purchase requests from individual schools it became apparent that a more fiscally responsible solution was to purchase the online instruction for grades K-3 district-wide, which allowed the district to obtain additional discounts and serve all K-3 students. This implementation has been well received, and Principals have articulated the desire to expand to Grades K-8 in Reading and Mathematics.

Based on a student's results on the i-Ready Diagnostic, the program automatically assigns the student online instructional modules within i-Ready Instruction. This differentiated instruction is presented in highly engaging instructional modules that can be accessed through any internet-enabled computer. Delivery is flexible: during school, before/after school, in-class/pull-out, summer school, at home, computer lab, and a host of other settings. Lessons use real-world experiences and authentic situations to teach essential skills. i-Ready has developed their materials to support students and teachers, by providing professional development, explicit instruction, a gradual release approach, and engaging online resources to differentiate instruction and teach prerequisite skills that are required for mastery in foundational and fundamental skills at each grade level. i-Ready monitors progress and tailors instruction for each student, class, grade, and school in addition to providing progress monitoring for the district to measure student achievement.

Opportunities for growth surround the need for teachers to deliver lessons to a diverse population with varying needs and remedial practices to assist students in achieving standard mastery. i-Ready provides a platform for teachers to provide individual students skill remediation in reading and mathematics for grades K-8 based on individual student performance on the diagnostic assessments and monthly progress monitoring tasks. Remediation occurs through skill building lessons that align to standards and provide students the opportunity to eliminate any deficits.

The blended learning opportunities provided through i-Ready allow students to build their foundational skills which transfers into standards mastery. Broad access district-wide will provide teachers with rich information to diagnose student's strengths and weaknesses and intervene.

Previous Outcomes:

During the 17/18 school year, the district focused intently on addressing the needs of our K-3 learners in literacy. As a result, between the first i-Ready diagnostic assessment administered during the first 30 days of school and the mid-year assessment, we saw a reduction in the percent of students identified as Tier 3, which is more than one grade level below. In Grade 1, we saw a 14% reduction from 24% to 10%. In Grade 2, we saw a reduction of 16% from 56% to 40%. In Grade 3, we saw a district-wide reduction of 13% reduction from 62% to 49%. Following the Spring Administration of the diagnostic assessment, we expect to see measurable growth from baseline to the third and final administration of the diagnostic.

Expected Outcomes:

Through the intentional and guided use of the Diagnostic assessments, online learning path, professional development, and toolbox, schools will increase student academic achievement in reading and math. Through the use of the diagnostic in reading, students will increase student growth rates and close skill gaps as measured by fall and spring diagnostics. Students will achieve growth and proficiency targets as identified in the district's strategic plan.

Alignment to Strategic Plan:

Outstanding Achievement


Financial Impact:

Bid Process: RFP #18-0074 was issued on Demandstar and received 3 response(s). Based on evaluation of the proposal, Curriculum Associates was selected as the supplier providing diagnostic assessment, online learning, toolbox access, print materials, and professional development to support Tier 2 and Tier 3 instruction. They have the capability, experience, and competitive pricing to provide the services requested. This approval will include a 10% contingency.

Product:	Amount:
Districtwide K-8 i-Ready Diagnostic and Instruction Reading & Mathematics Licenses	\$1,060,885.00
i-Ready Diagnostic Professional Development (All sessions up to 6 hours)	\$508,500.00
Print i-Ready Math Materials	\$140,000.00
Ready Math K-8 Teacher Toolbox for i-Ready Site	\$282,540.00
Shipping/Tax/Other	\$8,400.00
Contingency	\$200,000
Total:	\$2,200,325.00

Contact for Item:

Name: Beth Gonzalez, Senior Executive Director Curriculum & Instruction

Phone: Phone: 313-873-4894 

Email: Beth.gonzalez@detroitk12.org

Supporting Documents/Attachments:**Price Quote**

File Attachments

K-8 Final iReady 5.16.18.pdf (1,752 KB)

14. Administrative Action Items

Subject	14.13 Contract Renewal for Learning Consultants, Inc.
Meeting	Jun 12, 2018 - Regular Board Meeting
Access	Public
Type	Action
Recommended Action	Motion to approve the contract renewal with Learning Consultants, Inc (LCI) for interactive technology device installation and data cabling services for the period of July 1, 2018 through June 30, 2019 in an amount not to exceed \$1,051,950.

Description and Background:

This action item was recommend for approval at the May 21, 2018 Finance Committee Meeting and the May 21, 2018 Academic Committee Meeting.

Learning Consultants, Inc. (LCI) has supported the District with data cabling and installation services since 1995. During the 2017-2018 school year, the vendor 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 also designed and installed computer labs using new equipment as well as District refurbished technology. After completion of a request for proposals 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. With the District's current focus on increasing technology access in schools, cabling and installation services has a significant role in ensuring buildings are properly equipped to support the new technology.

The 2018-2019 contract increase reflects the District's substantial expansion of the technology initiative. In addition to routine installations and cabling projects required annually throughout the District, this amount includes the installation of 548 SMART interactive television-size monitors in 21 schools.

Gap Analysis:

The District is actively 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 District's 1:1 technology initiative.

Previous Outcomes:

LCI has been working with the District since 1995. LCI technicians utilize 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.

technicians.

For the 2017-2018 school year, LCI has installed over 135 Smartboards & Smart Projectors, installed 230 new VOIP phones, Completed 9 site evaluations, moved and configured the phones and wireless for the Palmer Park move to Detroit International Academy for Young Women, repaired or moved over 100 smart boards, installed or repaired over 75 projectors. In addition, LCI repairs PA systems, clock systems, electronic signs, wireless access points and phone systems in our buildings. For the 2017-2018 school year, the District paid LCI \$925,000.00.

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 processes that will improve overall efficiency.

Alignment to Strategic Plan:

Transformative Culture

Financial Impact:

\$ 1,051,950.00 (General Fund)

This contract is a renewal for services that were competitively bid during the 2017-18 school year.

Contact for Item:

Name: Elizabeth Cutrona
Phone: 313-873-6205
Email: elizabeth.cutrona@detroitk12.org

Supporting Documents/Attachments:

Contract Renewal Document

File Attachments Learning Consultants Amd.pdf (92 KB)
--

14. Administrative Action Items

Subject	14.17 Contract Renewal for VisionPro, LLC
Meeting	Jun 12, 2018 - Regular Board Meeting
Access	Public
Type	Action
Recommended Action	Motion for consideration by the full board in accordance with the recommendation of the Superintendent to approve the renewal of the VisionPro, LLC contract.

Description and Background:

This action item was recommend for approval at the May 21, 2018 Finance Committee Meeting.

The Department of Technology is seeking approval of a one-year contract renewal with VisionPro, LLC (“VisionPro”) to provide professional staffing for Information Technology (IT) related short and long-term positions that will provide services for the period July 1, 2018 through June 30, 2019.

VisionPro has supported the district with staff augmentation services since 2008. During the 2017-2018 school year, the vendor provided 51 contracted staff members to support the District’s enterprise resource planning software and databases, field services, the Help Desk, technology training, and web development.

During the 2018-2019 school year, the District seeks to in-source IT staffing, phasing out its heavy reliance on contracted staff. The District plans to take a phased approach as it transitions from primarily part time staff to primarily full-time district employees. To ensure a well-executed transition, the District will post roles in phases, beginning first with leadership roles and select staff positions for the beginning of the contract year (July 1, 2018).

By the fall 2018, as these leaders become more established in their positions, the District will begin building out the teams with full time staff, and in some cases, limited contracted services, aligned to the core priorities the Department. Given this transition, the District will require less staff augmentation for core IT services, and therefore, plans to expend fewer dollars on the VisionPro contract than in past years. This reduction will be greater during the 2019-20 school year, as the transition continues.

Gap Analysis:

Though the overall budget for technology services in Detroit Public Schools Community District is in line with large urban school districts lauded for their technology infrastructure and integration, such as Denver and Houston, it is an outlier in terms of budget allocation. During the 2017-18 School Year, the District spent approximately 51 percent of its annual technology budget on contracted staffing services; salaries and benefits accounted for about 5 percent. By contrast, districts recognized for excellence in IT allocate between 60 and 70 percent of their IT budgets to salaries and benefits. This indicates that the district is spending the right amount on technology services but needs to invest those dollars to employ the people necessary to carry this work out well

Over the past decade, the District has largely ceded day to day management of its technology operations to contracted employees. Today, approximately 40 contractors fill roles that, in most IT divisions, are salaried positions, and nearly 70 contractors fill hourly or seasonal roles. By embracing this level of outsourcing, the District has exposed itself to risk and created management inefficiencies, two key areas for improvement with the in-sourcing strategy.

Given the scope of contractors' responsibilities in the District, it is important that the transition include time rigorous and fair hiring processes for contractors to transition work effectively to hired staff. Therefore, this contract amount represents a full year of staffing services for needed Field Service and Enterprise Resource contractors, six months of service for web development and training contractors, and seasonal services as well as a 10% contingency.

Previous Outcomes:

2017-2018 VisionPro, LLC employees cost to the district is for 51 employees was \$5,500,000.

Expected Outcomes:

The District will augment IT staffing with up to 50 contractors, with varying engagement lengths, from VisionPro for the 2018-19 school year. The District will aim to in-source at least 40% of positions by the end of the 2018-19 school year. The district will continue with the same level of service required to support a high-volume of IT needs across the District and central office.

Alignment to Strategic Plan:

Responsible Stewardship

Financial Impact:

\$ 4,500,000.00 General Fund

This contract is a renewal for services that were competitively bid during the 2017-18 school year.

Contact for Item:

Name: Elizabeth Cutrona
Phone: 313-873-6205
Email: elizabeth.cutrona@detroitk12.org

Supporting Documents/Attachments:

Contract Renewal Document

14. Administrative Action Items

Subject	14.19 Contract Renewal for Lochbridge, LLC.
Meeting	Jun 12, 2018 - Regular Board Meeting
Access	Public
Type	Action
Recommended Action	Motion for consideration by the full board in accordance with the recommendation of the Superintendent to approve the contract renewal for Lochbridge, LLC.

Description and Background:

This action item was recommend for approval at the May 21, 2018 Finance Committee Meeting.

Lochbridge, LLC (“Lochbridge”) has supported the district with staff augmentation services since 2008. During the 2017-2018 school year, the vendor provided 27 contracted staff members to support the District’s central data hub, as well as training and development services and the District’s call center and field services. This work included managing network operations, providing monitoring, management and maintenance service to support the technology infrastructure at all District schools, administrative offices, DPS PD command center, and District offsite warehouse and administrative locations.

During the 2018-2019 school year, the District seeks to in-source IT staffing, phasing out its heavy reliance on contracted staff. The District plans to take a phased approach as it transitions from primarily part time staff to primarily full-time district employees. To ensure a well-executed transition, the District will post roles in phases, beginning first with leadership roles and select staff positions for the beginning of the contract year (July 1, 2018). By the fall 2018, as these leaders become more established in their positions, the District will begin building out the teams with full time staff, and in some cases, limited contracted services, aligned to the core priorities the Department. Given this transition, the District will require less staff augmentation for core IT services, and therefore, plans to expend fewer dollars on staffing augmentation than in past years. This reduction will be greater during the 2019-20 school year, as the transition continues.

Gap Analysis:

Though the overall budget for technology services in Detroit Public Schools Community District is in line with large urban school districts lauded for their technology infrastructure and integration, such as Denver and Houston, it is an outlier in terms of budget allocation. During the 2017-18 School Year, the District spent approximately 51 percent of its annual technology budget on contracted staffing services; salaries and benefits accounted for about 5 percent. By contrast, districts recognized for excellence in IT allocate between 60 and 70 percent of their IT budgets to salaries and benefits. This indicates that, while the District is spending the right amount on technology services, it needs to invest those dollars to employ the people necessary to carry this work out well.

Over the past decade, the District has largely ceded day to day management of its technology operations to contracted employees. Today, approximately 40 contractors fill roles that, in most IT

operations to contracted employees. Today, approximately 70 contractors fill roles that, in most divisions, are salaried positions, and nearly 70 contractors fill hourly or seasonal roles. By embracing this level of outsourcing, the District has exposed itself to risk and created management inefficiencies, two key areas for improvement with the in-sourcing strategy.

Given the scope of contractors' responsibilities in the District, it is important that the transition include time rigorous and fair hiring processes, continued analysis of conversions in non-managerial positions, and contractors to transition work effectively to hired staff. Therefore, this contract amount represents a full year of staffing services for call center and field service contractors, six months of service for needed Data Center and training contractors, and a five percent contingency.

Previous Outcomes:

The 2017-2018 Lochbridge contract provided 27 contractors at the cost of 3,170,249.00.

Expected Outcomes:

The District will augment IT staffing with 25 contractors, with varying engagement lengths, from Lochbridge for the 2018-19 school year. The District aims to in-source at least 40% of positions by the end of the 2018-19 school year. The district will continue with the same level of service required to support a high-volume of IT needs across the district and central office.

Alignment to Strategic Plan:

Responsible Stewardship

Financial Impact:

\$2,065,000.00 General Fund

This is a renewal of a contract competitively bid during the 2017-18 school year.

Contact for Item:

Name: Elizabeth Cutrona
Phone: 313-873-6205
Email: elizabeth.cutrona@detroitk12.org

Supporting Documents/Attachments:

File Attachments Lochbridge Amdnt.pdf (221 KB)

14. Administrative Action Items

Subject	14.20 Approval of Purchase of Tierney Brothers Interactive Technology
Meeting	Jun 12, 2018 - Regular Board Meeting
Access	Public
Type	Action
Recommended Action	Motion to approve purchases of Epson and SMART brand interactive technology products from supplier Tierney Brothers, Inc., subject to the REMC Association of Michigan cooperative purchasing agreement.

Recommendation:

That the School Board approve the purchase of Epson and SMART brand interactive technology products from supplier Tierney Brothers, Inc., in an amount not-to-exceed \$3,754,811 for the period July 1, 2018 through June 30, 2019 subject to the Regional Educational Media Center (REMC) Association of Michigan cooperative purchasing agreement.

Description and Background:

This action item was recommend for approval at the June 4, 2018 Finance Committee Meeting.

Tierney Brothers has worked with the District for the past five years as the supplier for Epson brand interactive projectors, short throw projectors and printers, and SMART brand interactive boards and flat panels with and without carts.

The purchase of these interactive technology products is part of the District's One-to-One (1:1) Technology Initiative, aimed at enhancing learning opportunities for students. In addition to receiving a student laptop for every student in kindergarten through eighth grade, each participating school receives classroom technology enhancements that allow students to make full use of their devices, including interactive large-size monitors, expanded bandwidth, audio-visual carts and response controllers.

Based on the success of the pilot at Bagley, Cooke and Nolan during the 2017-2018 school year, the District plans to expand the program to 20 additional schools which will require the District to purchase 541 interactive flat panels and carts.

Gap Analysis:

The District is actively working toward ensuring a twenty-first century learning environment, rich in opportunity for all students to access relevant technology. The interactive technology provided by Tierney Brothers makes that possible and is in alignment with the District's goal of empowering students through technology access.

Previous Outcomes:

Tierney Brothers has worked with the District since 2013. The District paid Tierney Brothers \$537,000 for the 2017-2018 fiscal year, which included all interactive technology purchased for the launch of the District 1:1 Initiative.

The 1:1 technology initiative, piloted at Bagley, Cooke and Nolan during the 2017-2018 school year, reached more than 1,000 students in the District. The expanded program, funded via one-time Title I funding, will reach more than 15,000 students.

Expected Outcomes:

The District plans to expand the 1:1 initiative, and therefore deploy flat panels and TV carts, at the following schools:

School	# of Flat Panels	TV Carts
Pulaski	16	16
Munger Elementary/ Middle	36	36
Ronald Brown Academy	32	32
Academy of The Americas	31	31
John R. King Academy & Performing Arts	31	31
Mackenzie Elementary/ Middle	30	30
Davison Elementary School	28	28
Henderson Academy	28	28
Bow Elementary/ Middle	19	19
Gompers Elementary School	27	27
Vernor Elementary	10	10
Brenda Scott Elementary	26	26
Bates Academy	25	25
Foreign Language Immersion	24	24
Bunche Elementary School	24	24
Roberto Clemente Academy	24	24
Noble Elementary School	23	23
Burton International School	23	23
Edward (Duke) Ellington CMA	22	22
Edison Elementary	11	11
Mary McLeod Bethune Elementary/ Middle	21	21
Coleman A. Young Elementary School	15	15
Mason Academy	15	15
Total	541	541

Alignment to Strategic Plan:

Transformative Culture and Outstanding Achievement

Financial Impact:

Product	Quantity	Unit Cost	Total
Smart Flat Panel “65 Display	541	\$3818.00	\$2,065,538.00
Smart TV Cart	541	\$2792.00	\$1,510,472.00
Total			\$3,576,010

5% Contingency
Total

\$178,800
\$3,754,811

\$3,754,811 from Title I grant funds.

This purchase will be made through REMC Association of Michigan cooperative purchasing agreement.

Contact for Item:

Name: Elizabeth Cutrona, Senior Executive Director of Strategy

Phone: 313-873-6205

Email: elizabeth.cutrona@detroitk12.org

File Attachments

[Tierney Brothers REMC Cooperative Contract.pdf \(1,584 KB\)](#)

5% Contingency
Total

\$178,800
\$3,754,811

\$3,754,811 from Title I grant funds.

This purchase will be made through REMC Association of Michigan cooperative purchasing agreement.

Contact for Item:

Name: Elizabeth Cutrona, Senior Executive Director of Strategy

Phone: 313-873-6205

Email: elizabeth.cutrona@detroitk12.org

File Attachments

Tierney Brothers REMC Cooperative Contract.pdf (1,584 KB)

14. Administrative Action Items

Subject	14.21 Approval of Purchase of 1:1 Device Initiative Student Laptops
Meeting	Jun 12, 2018 - Regular Board Meeting
Access	Public
Type	Action
Recommended Action	Motion to approve the purchase of Dell student laptops and laptop carts.

Recommendation:

That the School Board approve the purchase of Dell student laptops and laptop carts at the cost of \$9,072,810.

Description and Background:

This action item was recommend for approval at the June 4, 2018 Finance Committee Meeting.

Technology is an integral piece of the modern classroom, and without high-quality devices that can support modern applications and web-based tools, students and teachers are at a disadvantage. Through an expansion of the One-to-One (1:1) Technology Initiative the District aims to ensure this kind of access.

The 1:1 Technology Initiative provides an enhanced learning opportunity for students. Schools participating in this initiative receive access to laptops for every student in grades kindergarten through eight, as well as classroom technology enhancements, including interactive large-size monitors, expanded bandwidth, AV carts that allow secure charging and storage, and response controllers. The Dell 3189 laptop provides each student with personalized learning experiences and electronic access to independent reading books, digital curriculum tools to support acceleration and remediation, online literacy and mathematics assessments, and supplemental learning experiences.

The 1:1 initiative, piloted in Bagley, Cooke and Nolan during the 2017-2018 school year using MDE funds from the Additional Time Grant (Early Literacy) and the Assessment Reimbursement Grant, reached more than one thousand students in the District with this technology. Because of the success of this pilot initiative, the District seeks to expand the 1:1 pilot using Title I Grant Funds to outfit additional schools with technology for the 2018-2019 school year.

Gap Analysis:

For every one updated student device in the District, there are 6.22 students. This device ratio exceeds standards even from the late nineties, when the President's Committee of Advisors on Science and Technology recommended four to five students per device, and is well above current ratios nationally. In fact, as of the 2016 calendar year, EdWeek reported that more than half of American students and teachers had access to one-to-one computing in their schools. The purchase of new devices will narrow this digital divide for students.

Previous Outcomes:

In addition to dramatically improving the device ratio in selected schools, the 1:1 Initiative has increased student access to and participation in online tools to support their learning. For example, of the 1,093 K-8 students enrolled in the three pilot schools from February 26, 2018 and March 25, 2018, a key period of preparation for high-stakes testing, 94 percent of students used reading online via the iReady platform. This usage is 10 percentage points higher than District participation overall in Reading tools even while including an additional five grade levels of participating students (other schools only use iReady in grades K-3). This level of participation is only possible when students have access to devices.

Expected Outcomes:

The expansion of the 1:1 Initiative will provide laptops to approximately 15,780 students across the following schools, accompanied by laptop carts that will allow for secure storage and charging of these devices.

Schools	# of Student Laptops	# of Laptop Carts
Pulaski	483	17
Munger Elem/Mid	1068	36
Ronald Brown Academy	947	32
Academy of The Americas	922	31
John R. King Acad & Perf Arts	915	31
Mackenzie Elem/Middle	908	31
Davison Elementary School	846	29
Henderson Academy	842	28
Bow	572	19
Gompers Elementary School	815	27
Vernor	294	10
Brenda Scott Elementary	769	27
Bates Academy	757	25
Foreign Language Immersion	725	24
Bunche Elementary School	720	24
Roberto Clemente Academy	718	24
Noble Elementary School	698	24
Burton International School	691	23
Edward (Duke) Ellington CMA	670	23
Edison	347	12
Mason	456	15
Bethune	640	21
Young	453	15

Total	16256	585
-------	-------	-----

Financial Impact:

\$9,072,810 from one-time, Title I grant funds. This purchase will be made through the state's MiDeal Dell buying cooperative purchasing agreement.

Contact for Item:

Name: Elizabeth Cutrona, Senior Executive Director of Strategy & Information Technology

Phone: (313) 873-6205

Email: elizabeth.cutrona@detroitk12.org

File Attachments

MiDeal Dell Coopeative Contract.pdf (1,216 KB)

14. Administrative Action Items

Subject	14.22 Approval of Purchase of Dell Educator and Administrator Laptops
Meeting	Jun 12, 2018 - Regular Board Meeting
Access	Public
Type	Action
Recommended Action	Motion to approve the purchase of Dell teacher and staff laptops through use of the MiDeal Dell cooperative purchasing agreement.

Recommendation:

That the School Board approve the purchase of Dell teacher and staff laptops at the cost of \$3,411,278 through a cooperative purchasing agreement.

Description and Background:

This action item was recommend for approval at the June 4, 2018 Finance Committee Meeting.

Technology is an integral piece of the modern classroom and without high-quality devices that can support modern applications and web-based tools, students, teachers and staff are at a disadvantage. As the investment in more advanced technological systems, equipment and online tools has been made across the District, teachers and staff laptops must be comparable, compatible and high performing. Laptop processing speed, memory, battery life and mobility are key components to ensure high levels of productivity and performance.

The Dell 5580 laptop provides each teacher with a robust, lightweight device with faster processing to support electronic access to online assessments, digital curriculum tools, collaboration and productivity tools. Additionally, teachers will be able to use the Dell 5580 to connect to existing technology, as well as new technology such as the Epson Interactive and Smartboard technologies through its VGA and USB-C port options.

In addition, the District will purchase the Dell 7390 laptop with mobile adapter for District administrators, including school-based and central office personnel. The Dell 7390 has the advanced specifications needed to support administrators' day-to-day work from accessing online resources to utilizing the full capabilities of Office 365 and other District systems. These devices will allow staff to take advantage of the District's broadband wireless access, and mitigate connectivity and mobility challenges many educators have reported with current devices. The addition of the mobile adapter will allow staff the option to connect to any device, anywhere. Both devices weigh no more than five pounds providing better mobility than the District's current laptop offering to teachers and staff.

The District is committed to teachers and staff having the tools to be effective in their roles. One major frustration teachers cite as a barrier to their performance is the lack of reliable, functional technology. By providing new laptops, the District will be making an investment in the culture, morale, performance and development of current and future teachers and staff. The focus on new technology for students, teachers and staff can also be used as a recruitment tool.

Gap Analysis:

The average age of teacher and staff laptops in the District is 4.4 years old. For over 60% of these

The average age of teacher and staff laptops in the District is 4.4 years old. For over 60% of these devices, their minimum specifications for speed, memory and hard drive space is comparable to devices deployed in 2007. As technology has advanced in the District, teacher and staff devices have not been upgraded. Aged computers on any network will function slower than a newer device on the same network as the device can only function to the capacity of its specifications. The purchase of new devices will empower staff to increase their use of District resources and tools, in addition to impacting the District's culture.

Previous Outcomes:

The District has 3,067 teacher and staff laptops of varying manufacturers, ages and technical specifications in circulation. Technical support is provided for all District devices, however as devices age, support options become limited over time. The age of a device also affects the end user's ability to access information expediently. Even on the fastest network, the performance and speed of information access rests within the technical specifications and capacity of the laptop itself.

Expected Outcomes:

The District will purchase and deploy 3,040 teacher and counselor laptops and 745 administrator laptops with projection adapters to refresh technology across the network. This number includes all budgeted positions and a ten percent contingency.

Financial Impact:

Device	Qty.	Price Per Unit	Total Cost
Dell 5580 (Teacher Laptops - Title 1 Funds)	3040	\$825.00	\$2,508,000.00
Dell 7390 (Administrator Laptops - General Fund)	745	\$1173.00	\$873,885.00
Administrator Laptop Adapter	745		\$29,392.65

\$3,411,278 General Funds and Title I Funds

Contact for Item:

Name: Elizabeth Cutrona, Senior Executive Director of Strategy & Information Technology

Phone: (313) 873-6205

Email: elizabeth.cutrona@detroitk12.org

14. Administrative Action Items

Subject	14.24 Approval of Contracts with A Quality Staffing dba Elite Medical Staffing and Delta – T Group Detroit, Inc.
Meeting	Jun 12, 2018 - Regular Board Meeting
Access	Public
Type	Action
Recommended Action	Motion to approve contracts for nursing services with A Quality Staffing dba Elite Medical Staffing and Delta – T Group Detroit, Inc. for nursing services.

Recommendation:

That the School Board grant authority to negotiate contracts with A Quality Staffing dba Elite Medical Staffing and Delta – T Group Detroit, Inc. to provide nursing and medical assistant services in schools and during student transport in an amount not-to-exceed \$4,374,045.

Description and Background:

This action item was recommend for approval at the June 4, 2018 Finance Committee Meeting.

The District contracts with vendors to supplement the medical services being provided to students. Throughout the year, the District receives medical orders from physicians regarding care of students with medical conditions. The District currently employs 18 Registered Nurses who provide services as required by students' Individualized Education Plans (IEP) and/or 504 plans:

- Eight are assigned to individual center-based school programs;
- One is assigned to service the Early Intervention Diagnostic Center; and
- Nine are assigned as Outreach Nurses who cover the remaining schools on an as needed basis, through direct provision of services as well as training and oversight of contracted medical and non-medical staff.

In addition to the District nursing staff, 38 general education schools were staffed through contractors with medical personnel to administer physician ordered routine nursing care. In the 2017-2018 fiscal year, there were 401 students with IEPs and 504 plans which included nursing services and an additional 246 students were on nursing caseloads in the center-based programs. In addition, nursing staff provides emergency care for acute illness and injuries during the school day and Outreach Nurses attend meetings related to establishment and development of care plans. In total, the

District is expected to utilize 51 contracted nursing staff members to address the medical needs of the students during the school day and 38 to assist with transportation of medically fragile students.

Gap Analysis:

Contracted nursing services are needed as a supplement to District nursing staff to provide medication management and meet the school health services needs of our students. The department seeks to fill vacant positions, which have been posted throughout the current school year, to reduce the support needed through contracted services; however, recruiting has proven challenging, primarily due to current compensation structure.

Previous Outcomes:

All District schools received legally required nursing services. In addition, the District's six center-based schools, where eight of the District's employed RNs are placed, were staffed at appropriate levels to meet the physician ordered skilled nursing care needs of their students. Students with medical needs or classified as medically fragile were able to participate in school field trips because sufficient nursing staff was available to travel with students.

Expected Outcomes:

Contracted nursing staff will utilize nursing principles to administer medications, provide direct care to students with various medical conditions in the school setting and perform basic preventative and therapeutic nursing procedures as ordered by the physician and/or delegated by the District's RN, ensuring District students receive safe and appropriate required services.

Alignment to Strategic Plan:

Whole Child Commitment

Financial Impact:

Vendor	Fiscal Year	Not-to-Exceed (NTE) Amount
Delta	2018-2019	\$2,341,560
Elite Medical Staffing	2018-2019	\$2,032,485

The District issued Request for Proposal #19-0002 to obtain suppliers that could provide personal and skilled nursing services to students assigned by District personnel, in accordance with physician orders and established plans of care. Fourteen suppliers responded:

- ATC (Around the Clock) Healthcare Services, LLC
- Aequor Healthcare
- Career Staff Unlimited, LLC (A Genesis Healthcare Company)
- Delta-T Group Detroit, Inc.
- EDU Healthcare, LLC
- EPN Enterprises, Inc. dba 24/7 MedStaff
- Quality Staffing, LLC dba Elite Medical Staffing
- Soliant Health, Inc.
- Southern Home Care Services, Inc dba Rescare Homecare
- Sunbelt Staffing, LLC
- Supplemental Healthcare dba SHC Services Inc.
- RCM Technologies (USA) Inc. dba RCM Health Care Services
- Vibrus Group LLC
- Worldwide Travel Staffing

The evaluation committee reviewed each of the 14 proposals based upon criteria which encompassed supplier background, experience, capability, and cost. The team selected two suppliers, A Quality

Staffing dba Elite Medical Staffing and Delta – T Group Detroit, Inc., who based on their proposal strongly fit the needs of the District.

Contact for Item:

Name: Iranetta Wright, Deputy Superintendent
Phone: 313-873-6893
Email: iranetta.wright@detroitk12.org

Supporting Documents/Attachments:

Contracts

File Attachments 19-0034 Delta-T Group Detroit Inc.pdf (263 KB) 19-0002 Elite Nursing Services Contract.pdf (264 KB)
--

14. Administrative Action Items

Subject	14.25 Approval of Contract with EBS Healthcare
Meeting	Jun 12, 2018 - Regular Board Meeting
Access	Public
Type	Action
Recommended Action	Motion to approve contract with EBS Healthcare to provide skilled Speech-Language Pathologists, Speech-Language Impaired, Occupational Therapists, Physical Therapists, Psychologists and Social Workers.

Recommendation:

That the School Board approve contract with EBS Healthcare to provide skilled Speech-Language Pathologists, Speech-Language Impaired, Occupational Therapists, Physical Therapists, Psychologists and Social Workers for the district's students for the period from July 1, 2018 through June 30, 2019 in an amount not to exceed \$10,655,757.

Description and Background:

This action item was recommend for approval at the June 4, 2018 Finance Committee Meeting.

The Office of Specialized Students Services (OSSS) assesses students to determine eligibility for special education and provides diagnoses of potential special education eligibility and make recommendations of appropriate treatment program/services/objectives/goals. The department also interprets and explains assessment findings clearly to parents, guardians, school staff, and other Individualized Educational Plan Team members. In addition, the department develops and modifies therapy goals and objectives, materials and activities to meet student needs. The District is responsible for providing services to 106 district schools, 14 private parochial schools located in Wayne County, 71 non-public head-start centers and for Child Find Referrals for 2017-2018. For the 2017-2018 school year, the District obtained access to 21 occupational therapists, 11 physical therapists, and 42 speech/language pathologists (SLPs) from contracted vendors.

Gap Analysis:

The district is federally mandated to provide programs and services to eligible students. Child Find requires that those suspected of having special education eligibility be identified, evaluated and provide special education and related services. Contracted OSSS staff services are needed as a supplement to district staff to meet the needs of our students. Shortages across all special education disciplines exist causing a need for contracted services.

During the current fiscal year, the District employed six vendors to provide these services. The District is actively working to streamline its contracted services in order to ensure cost and quality controls and reduce the administrative burden and opportunity for error associated with managing multiple vendors. For the upcoming year, EBS Healthcare is prepared to provide all needed services. By using a single vendor the District obtained better pricing, more available staff and single, accountable contract counter-party. EBS was among the providers engaged in the

prior fiscal year and the District was pleased with services provided. In addition, EBS is a non profit organization and provided a robust plan to fill vacancies in their bid.

Previous Outcomes:

Staff Needed	2017-2018 Outcomes		
	Caseload	Services*	Assessments
Speech Language Pathologists (SLP)	104	312	64
SLP for EIDC	63	63	120
School Social Workers (SSW)	180	540	675
Occupational Therapists	405	344	135

* Services are provided on a per hour basis and include small groups, meeting with students, and other required activities.

Expected Outcomes:

For the 2018-2019 fiscal year, the District will need the following contracted services to support and meet our overall operational needs: 25 occupational therapists, 7 physical therapists, 45 SLPs, 40 social workers and 25 psychologists.

The department expects to be able to provide federally mandated Child Find and specialized student services to all students suspected or in need of such services with the support of EBS Healthcare. The bulk of the projected increase in contracted costs is due to the addition of contracted psychologists and school social workers along with a tiered increase of hourly rates over the life of our current contracts.

Staff Need	Projected 2018-2019		
	Caseload	Services	Assessments
Speech Language Pathologists (SLP)	104	312	64
SLP for EIDC	63	63	120
School Social Workers (SSW)	180	540	630
Psychologists	n/a	n/a	200
Psychologists for EIDC	n/a	n/a	78
Occupational Therapists (OT)	1125	344	400
Physical Therapist (PT)	315	284	115

* Items in italics represent services previously provided by a different provider that will now be provided by EBS.

Financial Impact:

[illegible]

	Speech & Language CCC	Speech and Language CFY*	Speech and Language Teacher*	Psych	Social Worker	OT	PT
EBS Cost per hour	57.7	56.85	56.85	68.85	56.85	57.85	59.85
Work Days	180	180	180	180	180	180	180
Hour per day	7	7	7	7	7	7	7
Yearly Cost per position	\$ 72,702.00	\$ 71,631.00	\$ 71,631.00	\$ 86,751.00	\$ 71,631.00	\$ 72,891.00	\$ 75,411.00
Number of Est Positions	45	N/A	N/A	25	40	25	7
TOTAL COST	\$ 3,271,590.00	No cost at this time	No cost at this time	\$ 2,168,775.00	\$ 2,865,240.00	\$ 1,822,275.00	\$ 527,877.00

* Although none of these professionals are expected to be used at this time, the contract provides the price-structure should a need arise.

Funding Source: Special Education - Grant Funds

Bid Process: The District issued Request for Proposal #19-0004 to obtain suppliers to provide Social Work, Speech-Language Pathology, Physical Therapy, Occupational Therapy and Physiological services to students assigned by District personnel, in accordance with physician orders and the established plan of care.

Eleven proposals were received:

- BMR Health Services
- Career Staff Unlimited, LLC (A Genesis Healthcare Company)
- Chitter Chatter, PC
- Cumberland Therapy Services, LLC
- Delta-T Group Detroit, Inc.
- Educational Based Services (EBS)
- Invo Health Care
- Soliant Health, Inc.
- Sunbelt Staffing, LLC
- Supplemental Healthcare dba SHC Services Inc.
- Therapy Staff, LLC

The evaluation committee reviewed 11 supplier proposals based upon criteria which encompassed supplier background, experience, capability, and cost. The team selected EBS Healthcare who, based on their proposal, strongly fit the needs of the District.

Contact for Item:

Iranetta Wright

Office (313) 873-6893

Email: Iranetta.wright@detroitk12.org

Supporting Documents/Attachments:

Substantially Final Draft Contract

File Attachments

19-0004 Specialized Student Services Contract EBS.pdf (261 KB)

14. Administrative Action Items

Subject	14.26 Approval of Deaf Community Advocacy Network Contract Renewal
Meeting	Jun 12, 2018 - Regular Board Meeting
Access	Public
Type	Action
Recommended Action	Motion to approve a one-year contract renewal with Deaf Community Advocacy Network, Inc. for the provision of sign language interpreter services.

Recommendation:

That the School Board approve a one-year contract renewal with Deaf Community Advocacy Network, Inc. ("DeafCan"), for the provision of sign language interpreter services for the period July 1, 2018 – June 30, 2019 at a cost of \$46.16 per hour, for an estimated total cost of \$2,200,054.

Description and Background:

This action item was recommend for approval at the June 4, 2018 Finance Committee Meeting.

DeafCan has provided sign language interpreter services to the District since January, 2017. The responsibilities include facilitating communication between deaf and hard of hearing students and their hearing peers, teachers and others involved in the students' education through the act of interpretation from spoken and written English to sign language for students and from Sign Language to voice for teachers and peers. Services are provided in and out of the classroom, at workshops and other trainings, board meetings and any other location as mandated by state and federal law.

The DeafCan contract provides for annual renewals through 2020. During the term of the agreement and the renewal periods, rates can be renegotiated up to a fixed hourly dollar amount.

Gap Analysis:

The District is required to provide interpreter services to deaf and hard of hearing stakeholders as required by the Americans with Disabilities Act (ADA) and the Individuals with Disabilities Education Act (IDEA). The District does not have sufficient staff to meet these needs despite continued recruitment efforts. After a review of publicly available certification records, the pool of appropriately certified interpreters is limited statewide. Therefore, the District needs to continue the utilization of the requested service.

Previous Outcomes:

The use of DeafCan has offered deaf and hard of hearing students a facilitation of communication with their hearing peers, teachers and others involved in the students' education through the provision of qualified interpreters. Likewise stakeholders have access to interpreter services to the extent required by the ADA and IDEA.

Financial Impact:

\$75,000 (General Fund)

\$ 1,945,184 (Grant Funds - Specialized Student Services)

Alignment to Strategic Plan:

Whole Child Committee

Expected Outcomes:

Through the provision of qualified interpreters, stakeholders will have opportunities to fully access and participate in all District activities and meetings.

Supporting Documents/Attachments:

Contract/Renewal Document

File Attachments

DeafCan Contract.pdf (1,095 KB)

Deaf CAN 16-0446-C Amendment 2.pdf (328 KB)

14. Administrative Action Items

Subject	14.27 Approval of Contracts with Royal Roofing and Quality Roofing for Roof Replacements
Meeting	Jun 12, 2018 - Regular Board Meeting
Access	Public
Type	Action
Recommended Action	Motion to approve a contract with (i) Quality Roofing for replacement of the roofs at Ann Arbor Trail, A.L. Holmes and Henderson and (ii) Royal Roofing for replacement of roofs at Dixon, Garvey and Noble.

Recommendation:

That the School Board grant authority to negotiate contracts with (i) Quality Roofing for replacement of the roofs at Ann Arbor Trail, Dixon, A.L. Holmes and Henderson in an amount not-to-exceed \$3,422,175; and (ii) Royal Roofing for replacement of roofs at Garvey and Noble in an amount not-to-exceed \$2,809,315. Each amount is inclusive of a 25% contingency.

Description and Background:

This action item was recommend for approval at the June 4, 2018 Finance Committee Meeting.

Royal Roofing is a local, Michigan business that opened its doors in 1951, and has over 200 employees. Royal Roofing has worked with the District previously installing over 40 roofs district-wide as part of the 1994 and 2009 Bond Programs. As recent as 2016 when the city of Detroit conducted property maintenance inspection of schools, Royal Roofing offered its assistance in the repair of roofs at no cost to the District. In connection with this action item, Royal Roofing will be tasked with installation of replacement roofs at Garvey and Noble. Royal Roofing will complete the replacement of Garvey on or before the start of the school year in September and Noble will be completed in mid-October. Roof replacements at Garvey and Noble will be completed on or before the second week in October 2018.

Royal Roofing offers a one-year warranty on its workmanship on every new roof installation; it is certified and authorized to repair every roof system it offers by that manufacturer. Therefore, if unforeseen water intrusion occurs the District can be assured the roof is repaired correctly.

The second vendor, Quality Roofing, is a full-service roofing and sheet metal commercial contractor. Quality Roofing also has a standard one-year workmanship warranty. Under both contracts, the manufacturer of the roofing materials offers a 20-year factory warranty on materials. In 2016 and 2017, Quality Roofing installed new roofing at Edison, Dossin and Vernor. This contract will allow Quality Roofing to install new roofs at Ann Arbor Trail, A.L. Holmes and Dixon. All projects with the exception of Dixon are scheduled to be completed on or before September 4, 2018

Finally, both contractors offer managed proactive, preventative maintenance programs that guard against leaks and increase the life expectancy of the roofs. Although not included in the current contract amount, the District is considering whether purchase of such programs is feasible

contract amount, the District is considering whether purchase of such programs is feasible.

Gap Analysis:

Without these contracts, the schools would suffer further damage due to leaks in the roof, portions of the building would still be challenging and/or dangerous for student use, and resources would need to be expended for continual, patch-repairs as a consequence of the roof leaks. Currently, the damaged roofs are interrupting the learning environment.

Previous Outcomes:

N/A

Expected Outcomes:

The District would initiate roof replacements and repairs at other schools using the unit pricing in the contracts proposed by the vendors noted above. In addition, the District would immediately implement a roofing maintenance plan to protect these roofs once replaced that is aligned to the manufacturer's warranty parameters.

Alignment to Strategic Plan:

Responsible Stewardship

Financial Impact:

Royal Roofing			
Schools	Garvey	Noble	Total
Total SF	135,600	143,605	279,205
Proposed Cost	\$1,380,726.00	\$866,726.00	\$2,247,452.00
25% Contingency			\$561,863.00
Total NTE			\$2,809,315.00

Quality Roofing					
Schools	Ann Arbor Tr	Dixon	Henderson	Holmes	Total
Total SF	43,343	93,258	135,600	102,217	237,817
Proposed Cost	\$439,475.00	\$883,013.00	\$980,265.00	\$434,987.00	\$2,737,740.00
25% Contingency					\$684,435.00
Total NTE					\$3,422,175.00

Note: Four of the roof replacements are scheduled to be completed on or before September 4, 2018. Dixon and Noble are slated to be completed by the second week in

October 2018.

Bid Process: On May 10, 2018, the District issued a Request for Proposals (RFP 19-0015) for roof replacement and repair of six schools: Ann Arbor Trail Magnet School, Dixon Elementary Learning Academy, Marcus Garvey Academy, Noble Elementary-Middle School and A.L. Holmes Academy of Blended Learning. DemandStar noticed 576 qualified and registered firms; the District received four qualified responses. Based on evaluation of the proposal, Royal Roofing and Quality Roofing were selected as the suppliers due to pricing and ability to meet the District's project timeline.

Contact for Item:

Name: Felicia Venable
Phone: 313-873-6532
Email: felicia.venable@detroitk12.org

Supporting Documents/Attachments:

To Come. The parties had no exceptions to the form of Contract as presented in the RFP.

File Attachments

19-0015 Roof Replacements Quality Roofing Contract (1).pdf (823 KB)
19-0033 Roof Replacements Royal Roofing Contract (1).pdf (822 KB)

14. Administrative Action Items

Subject	14.28 Approval of Contract Renewal with U.S. Foods for the Storage, Distribution and Warehousing of Food
Meeting	Jun 12, 2018 - Regular Board Meeting
Access	Public
Type	Action
Recommended Action	Motion to approve a one-year contract renewal with U.S. Foods for the storage, distribution and warehousing of food.

Recommendation:

That the School Board approve a one-year contract renewal with U.S. Foods for the storage, distribution and warehousing of food in an amount not-to-exceed (NTE) \$26,000,000 for fiscal year 2018-2019.

Description and Background:

This action item was recommend for approval at the June 4, 2018 Finance Committee Meeting.

U.S. Foods is responsible for receiving, handling, storing and distributing fruits and vegetables, perishables, self-stable and serve-ready foods used in the food service program. U.S. Foods also provides distribution of commercial food and food service, related supply items and distribution and warehousing of USDA program food as well as food related supply items used in the District food service program.

On November 15, 2015, the District entered into the current U.S. Foods contract. The initial contract period continued through June 30, 2016 in the NTE amount of \$19 million. The contract contemplated three, one-year options for renewal for a total four your contract NTE amount of \$120,000,000. The renewal for July 1, 2018 through June 30, 2019 is the last renewal option. The contract will remain under the NTE projected total and will be rebid early in the 2018-2019 school year for a possible new vendor for fiscal year 2019-2020.

Gap Analysis:

The District requires an appropriate provider to safely process and store food items and provide needed supplies.

Previous Outcomes:

The contract has been successfully implemented to date with no significant disruption or concern with services provides. Below is the historical amounts spent on this contract:

- 2015-2016 \$20,400,000
- 2016-2017 \$21,500,000
- 2017-2018 \$18,192,154 (as of March 30, 2018)

Expected Outcomes:

Continued safe storage and processing of food items within budget.

Alignment to Strategic Plan:

Responsible Stewardship

Financial Impact:

Bid Process: RFP 15-0220-C for Food Storage, Distribution and Warehousing was issued on DemandStar and 89 companies were notified of the bid opportunity. The District received three responses; U.S. Foods, Sun Valley and Van Eerden. Based on evaluation of the proposal, U.S. Foods was selected as the supplier considering its experience, capability and cost.

Contact for Item:

Name: Felicia Venable
Phone: 313-873-6532
Email: felicia.venable@detroitk12.org

Supporting Documents/Attachments:

Contract Renewal

File Attachments US Foods Executed Contract 11-23-15.pdf (3,052 KB) 15-0220-C Modification 003 US Foods.pdf (74 KB)

14. Administrative Action Items

Subject	14.29 Approval of Contract with Progressive Distribution Systems for Warehouse Management
Meeting	Jun 12, 2018 - Regular Board Meeting
Access	Public
Type	Action
Recommended Action	Motion to approve contract with Progressive Distribution Systems to provide labor, equipment, transportation and supplies for the management of the District's warehouse.

Recommendation:

That the School Board approve contract with Progressive Distribution Systems to provide labor, equipment, transportation and supplies for the management of the District's warehouse in an amount not-to-exceed (NTE) \$765,470.

Description and Background:

This action item was recommend for approval at the June 4, 2018 Finance Committee Meeting.

In February 2018, the Board approved an amended contract with Progressive Distribution Centers, Inc. to manage the warehouse located at 1425 E. Warren Avenue for the period of March 1, 2018 through June 30, 2018 with two (2) one-year options for renewal. The contract amount was for \$220,767.

In April 2018, in accordance with the District's commitment to the Board, the District issued a new request for proposals (RFP). One contractor responded and the dollar value of this contractor was 46% more than the contract renewal amount of the incumbent. Therefore, the recommendation is to renew the existing contract with Progressive Distribution Centers, Inc.

Gap Analysis:

The District initiated the outsourcing of warehouse management in 2007. The first contractor to perform this service was MPS Group. In 2013-2014, the District issued a new RFP for professional warehouse management and Progressive Distribution Systems was awarded a contract. At that time, the District owned two warehouse facilities, one of which was sold in 2015. By sourcing this function to Progressive, the District is afforded a savings of approximately \$250,000 annually in direct labor costs, in addition to saving realized without the expense of maintenance on a fleet and fuel. In addition, by awarding the contract to Progressive Distribution, the District is afforded flexibility in managing labor based on demand and suspends services during the times the District is closed.

Previous Outcomes:

Fiscal Year	Expenditures
--------------------	---------------------

July 2015 – June 2016	\$ 588,283.19
July 2016 – June 2017	\$696,520.17
July 2017 – February 2018	\$670,961.72
March – May 2018	\$201,143.01

Expected Outcomes:

Progressive will play an integral role in the acceptance of the newly adopted curriculum during summer 2018. The District will use this year to monitor the performance of the contract and make recommendation to self-perform these services.

Alignment to Strategic Plan:

Responsible Stewardship

Financial Impact:

Bid Process: RFP 18-0078 was issued on DemandStar and received one response. Based on evaluation of the previous proposal, Progressive Distribution System is being recommended for a one year renewal as the supplier due to its pricing being significantly lower, previous experience, and customer satisfaction with services.

Contact for Item:

Name: Felicia Venable

Phone: 313-873-6532

Email: felicia.venable@detroitk12.org

Supporting Documents/Attachments:

Contract

File Attachments
18-0036 Warehousing - Progressive Distribution.pdf (126 KB)