

# DPS Update – November 2018

# Overall Summary – DPS

- **Revenues and Expenditures**

- November tax receipts totaled ~\$8.3M for 13 Mills and ~\$.7M for 18 Mills
- DPSCD reimbursed DPS \$172,000 for P-Card transactions that were paid by DPS on behalf of DPSCD
  - P-Cards have been reassigned to DPSCD and bills to DPS will cease within the next 2 months as transaction cycles wind down

- **Cash Flow**

- The ending general fund cash balance for October was \$6.1M

# DPS Cash Forecast to Actuals Variance – November 2018

<i>\$ in thousands</i>	November Forecast	November Actuals	November Variance	Comment
<b>Cash Receipts</b>				
State Aid		\$ -	\$ -	
Property Tax (13 Mills)	9,291	8,334	(957)	Receipts were lower than forecast
Transfer from DPSCD	172	172	-	The reimbursement for P-Card transactions paid in the first quarter by DPS on behalf of DPSCD was received. The P-Card system has been fully transferred to DPSCD - reimbursements will wind down over the next two months
Draw from BONY	-	-	-	
Miscellaneous	14	20	6	
<b>Total Cash Receipts</b>	<b>9,478</b>	<b>8,526</b>	<b>(951)</b>	
<b>Cash Disbursements</b>				
Payroll Direct Deposit	-	-	-	
FICA	-	-	-	
Accounts Payable	-	-	-	
Pension (employer portion)	-	-	-	
Fringe Benefits	-	-	-	
Property Tax Transfer (1)	(9,291)	(7,878)	1,413	The transfer in December will be adjusted to match receipts
Transfer to DPSCD	-	-	-	
Other	(24)	(46)	(22)	Legacy TIP reimbursements were processed, transfers from the TIP reserve will be made to cover these costs
<b>Total Cash Disbursements</b>	<b>(9,315)</b>	<b>(7,924)</b>	<b>1,391</b>	
<b>Net Cash Flow</b>	<b>163</b>	<b>602</b>	<b>439</b>	
Beginning Cash Balance	5,581	5,581	-	
Net Cash Flow	163	602	439	
<b>Ending Cash Balance</b>	<b>\$ 5,743</b>	<b>\$ 6,183</b>	<b>\$ 439</b>	

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

# DPS FY 2019 Monthly Cash Flows

\$ in thousands

	2018						2019						FY 19 Total
	July Actual	August Actual	September Actual	October Actual	November Actual	December Forecast*	January Forecast	February Forecast	March Forecast	April Forecast	May Forecast	June Forecast	
<b>DPS General Fund (13 Mills)</b>													
<b>Beginning Cash Balance</b>	\$ 7,929	5,922	10,119	10,102	5,581	6,183	6,525	6,460	6,460	10,270	10,469	10,469	7,929
<b>Receipts</b>													
Property Tax Receipts	-	5,484	26,368	2,889	8,334	1,503	2,468	4,366	17,553	828	2,243	16,985	89,020
Transfers from BONY	\$ -	\$ 25,803	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,810	\$ 199	\$ -	\$ 2,170	31,982
Other Cash Receipts	465	62	30	4	192	10	-	-	-	-	-	-	763
<b>Disbursements</b>													
Property Tax Transfers	(2,369)	(5,484)	(26,387)	(2,869)	(7,878)	(1,137)	(2,468)	(4,366)	(17,553)	(828)	(2,243)	(16,985)	(90,567)
Reimbursement to DPSCD	-	(13,134)	-	-	-	-	-	-	-	-	-	(6,900)	(20,034)
Other Cash Disbursements <sup>1</sup>	(103)	(8,534)	(27)	(4,544)	(46)	(35)	(65)	-	-	-	-	-	(13,355)
<i>Net Cash Flow</i>	<i>(2,008)</i>	<i>4,197</i>	<i>(17)</i>	<i>(4,521)</i>	<i>602</i>	<i>342</i>	<i>(65)</i>	<i>0</i>	<i>3,810</i>	<i>199</i>	<i>(0)</i>	<i>(4,730)</i>	<i>(2,190)</i>
<b>Ending Cash Balance</b>	<b>5,922</b>	<b>10,119</b>	<b>10,102</b>	<b>5,581</b>	<b>6,183</b>	<b>6,525</b>	<b>6,460</b>	<b>6,460</b>	<b>10,270</b>	<b>10,469</b>	<b>10,469</b>	<b>5,739</b>	<b>5,739</b>
<b>DPS Scheduled Bond Repayments (13 Mills)</b>													
Beginning Property Tax Balance	22,577	24,946	30,430	56,817	16,672	24,550	25,687	28,155	32,520	50,074	150,217	11,346	22,577
Property Tax Transfers	2,369	5,484	26,387	2,869	7,878	1,137	2,468	4,366	17,553	828	2,243	16,985	90,567
Draw from SLRF to meet Obligations	-	-	-	-	-	-	-	-	-	99,316	-	-	99,316
Scheduled Bond Debt Payments	-	-	-	(43,014)	-	-	-	-	-	-	(141,114)	-	(184,128)
Ending Property Tax Balance	24,946	30,430	56,817	16,672	24,550	25,687	28,155	32,520	50,074	150,217	11,346	28,331	28,331
<b>DPS Debt Fund (18 Mills - BONY)</b>													
<b>Beginning Cash Balance</b>	\$ 28,775	28,799	8,618	31,113	19,445	20,176	21,328	27,800	35,128	28,601	6,491	14,004	28,775
<b>Receipts</b>													
Cash Receipts	24	5,622	23,477	3,335	731	1,152	6,472	7,328	266	469	7,513	15,903	72,292
<b>Disbursements</b>													
Transfers to DPS General Fund <sup>2</sup>	-	(25,803)	-	-	-	-	-	-	(3,810)	(199)	-	(2,220)	(32,032)
Scheduled EL/Bond Payments	-	-	(983)	(15,003)	-	-	-	-	(2,983)	(22,380)	-	-	(41,348)
<i>Net Cash Flow</i>	<i>24</i>	<i>(20,181)</i>	<i>22,495</i>	<i>(11,668)</i>	<i>731</i>	<i>1,152</i>	<i>6,472</i>	<i>7,328</i>	<i>(6,527)</i>	<i>(22,110)</i>	<i>7,513</i>	<i>13,683</i>	<i>(1,088)</i>
<b>Ending Cash Balance</b>	<b>28,799</b>	<b>8,618</b>	<b>31,113</b>	<b>19,445</b>	<b>20,176</b>	<b>21,328</b>	<b>27,800</b>	<b>35,128</b>	<b>28,601</b>	<b>6,491</b>	<b>14,004</b>	<b>27,687</b>	<b>27,687</b>
<b>DPS Summary Cash Position</b>													
General Fund (13 Mills)	5,922	10,119	10,102	5,581	6,183	6,525	6,460	6,460	10,270	10,469	10,469	5,739	5,739
DPS Debt Fund (18 Mills)	28,799	8,618	31,113	19,445	20,176	21,328	27,800	35,128	28,601	6,491	14,004	27,687	27,687
<b>Ending Cash Position</b>	<b>\$ 34,721</b>	<b>\$ 18,737</b>	<b>\$ 41,214</b>	<b>\$ 25,026</b>	<b>\$ 26,359</b>	<b>\$ 27,853</b>	<b>\$ 34,260</b>	<b>\$ 41,588</b>	<b>\$ 38,872</b>	<b>\$ 16,961</b>	<b>\$ 24,474</b>	<b>\$ 33,426</b>	<b>\$ 33,426</b>

\*Forecast includes actuals through December 7, 2018

(1) The \$8M payment in August was the last settlement payment to Sodexo; The \$4.5M payment in October is a reimbursement to Wayne County for 2014/2015 overpayment of Act 18 Funds

(2) Represents the scheduled reimbursement, as agreed by the Department of Treasury, for transition costs related to establishing the new District

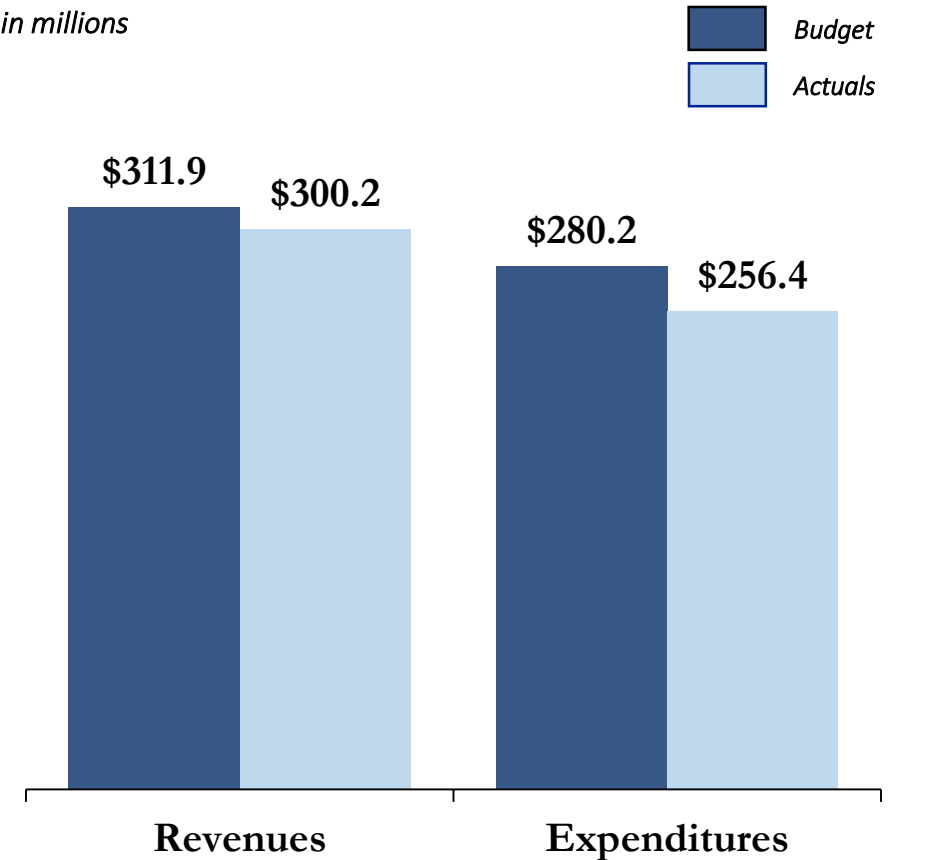
# DPSCD Update – November 2018

# Overall Summary – DPSCD Revenues and Expenditures

- Year-to-Date revenues through November were 4% below budget (\$11.7M)
  - Revenue from enhancement millage was lower than budgeted
  - Federal Revenue trails budget based on lower than expected costs for purchased services and personnel
- Year-to-Date expenses were 8% lower than budgeted
  - Primary drivers are lower purchased services and personnel costs
- Overall, District revenues exceed expenses by 5%

Budget vs. Actuals – Through November 2018

*\$ in millions*

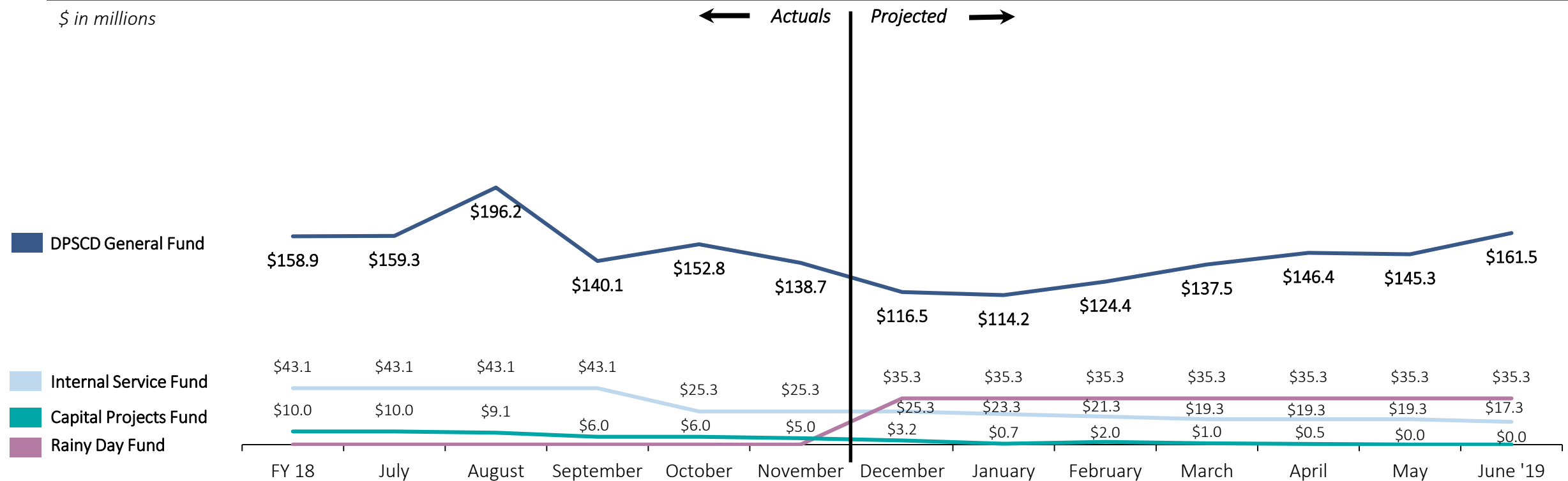


# DPSCD November 2018 Cash Flow Analysis

- DPSCD's General Fund ending balance was \$138.7M, the ISF ending balance was \$25.3M and the Capital Projects Fund ending balance was \$5.0M
  - State aid increased to reflect the higher Foundation Allowance – an increase of \$116 per student over initially budgeted figures
  - Accounts payable was higher than forecasted due to preparing the 2017-2018 Grant Final Expense Reports
  - Per Board Policy, \$35.3M is forecast to be transferred from the General Fund in December to establish the Rainy Day Fund
- The current General Fund balance is estimated to be equivalent to 10.5 weeks of average expenditures<sup>1</sup>.

## Actual & Projected Ending Cash Balance

\$ in millions



<sup>1</sup> Calculated by taking the General Fund balance as of November 30, 2018 and dividing it by the rolling average actual YTD expenditures per week (excludes the ISF and Capital Projects Fund balances as well as any extraordinary, one-time items)

# DPSCD Cash Forecast to Actuals – November 2018

<i>\$ in thousands</i>	November Forecast	November Actuals	November Variance	Comment
<b>Cash Receipts</b>				
State Aid	\$ 41,845	\$ 41,533	\$ (312)	
MPSERS (State Funded)	6,721	6,721	0	
Enhancement Millage	2,924	5,572	2,648	Receipts were previously tracking below forecast but are now trending to expected levels
Grants	6,598	8,587	1,989	Receipts were higher than forecast as Final Expense Reports were submitted - receipts are expected to increase in future periods
Transfer from DPS	-	0	0	
WCRESA	3,097	3,097	0	
Food Service Reimbursement	4,077	3,981	(96)	
Miscellaneous	1,106	1,261	155	
<b>Total Cash Receipts</b>	<b>66,368</b>	<b>70,753</b>	<b>4,385</b>	
<b>Cash Disbursements</b>				
MPSERS (Pass through)	\$ -	\$ -	\$ -	
Payroll Direct Deposit	(17,100)	(18,077)	(977)	Payroll (and all related accounts) running higher due to stronger than forecast hiring rates - future forecasts will be adjusted accordingly
Taxes	(8,528)	(9,001)	(473)	
FICA	(2,606)	(2,829)	(223)	
Accounts Payable	(16,069)	(28,565)	(12,496)	Higher than average expenses were processed as part of the Final Expense Report process
Pension (employee portion)	(2,996)	(3,196)	(200)	
Pension (employer portion)	(9,963)	(10,537)	(574)	
Health	(9,592)	(8,726)	866	Two months of payments were made with higher than expected credits from previous invoices
Fringe Benefits	(358)	(228)	130	
Food Service	(3,385)	(3,480)	(95)	
Transfer to DPS	(172)	(172)	(0)	
Other	(1,194)	(17)	1,177	Forecast assumed contingency
<b>Total Cash Disbursements</b>	<b>(71,963)</b>	<b>(84,829)</b>	<b>(12,866)</b>	
<b>Net Cash Flow</b>	<b>(5,595)</b>	<b>(14,076)</b>	<b>(8,481)</b>	
Beginning Cash Balance	152,833	152,833	-	
Net Cash Flow	(5,595)	(14,076)	(8,481)	
<b>Ending Cash Balance</b>	<b>\$ 147,238</b>	<b>\$ 138,757</b>	<b>\$ (8,481)</b>	



# Summary of Revenues and Expenditures

## Budget to Actual Comparison Current Month

## Budget to Actual Comparison YTD

### SUMMARY

#### Revenues

	Budget Month of Nov-FY19	Actual Month of Nov-FY19	Variance		Budget YTD Nov-FY19	Actual YTD Nov-FY19	Variance	
			\$	%			\$	%
Local sources	\$ 8,980,854	\$ 10,581,342	\$ 1,600,488	18%	\$ 23,599,133	\$ 23,673,238	\$ 74,105	0%
State sources	43,938,135	40,083,178	(3,854,957)	(9%)	220,983,759	216,786,285	(4,197,475)	(2%)
Federal sources	20,730,735	28,560,883	7,830,148	38%	67,350,232	59,735,107	(7,615,125)	(11%)

<b>Total revenues</b>	<b>73,649,724</b>	<b>79,225,403</b>	<b>5,575,679</b>	<b>8%</b>	<b>311,933,124</b>	<b>300,194,630</b>	<b>(11,738,494)</b>	<b>(4%)</b>
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#### Expenditures

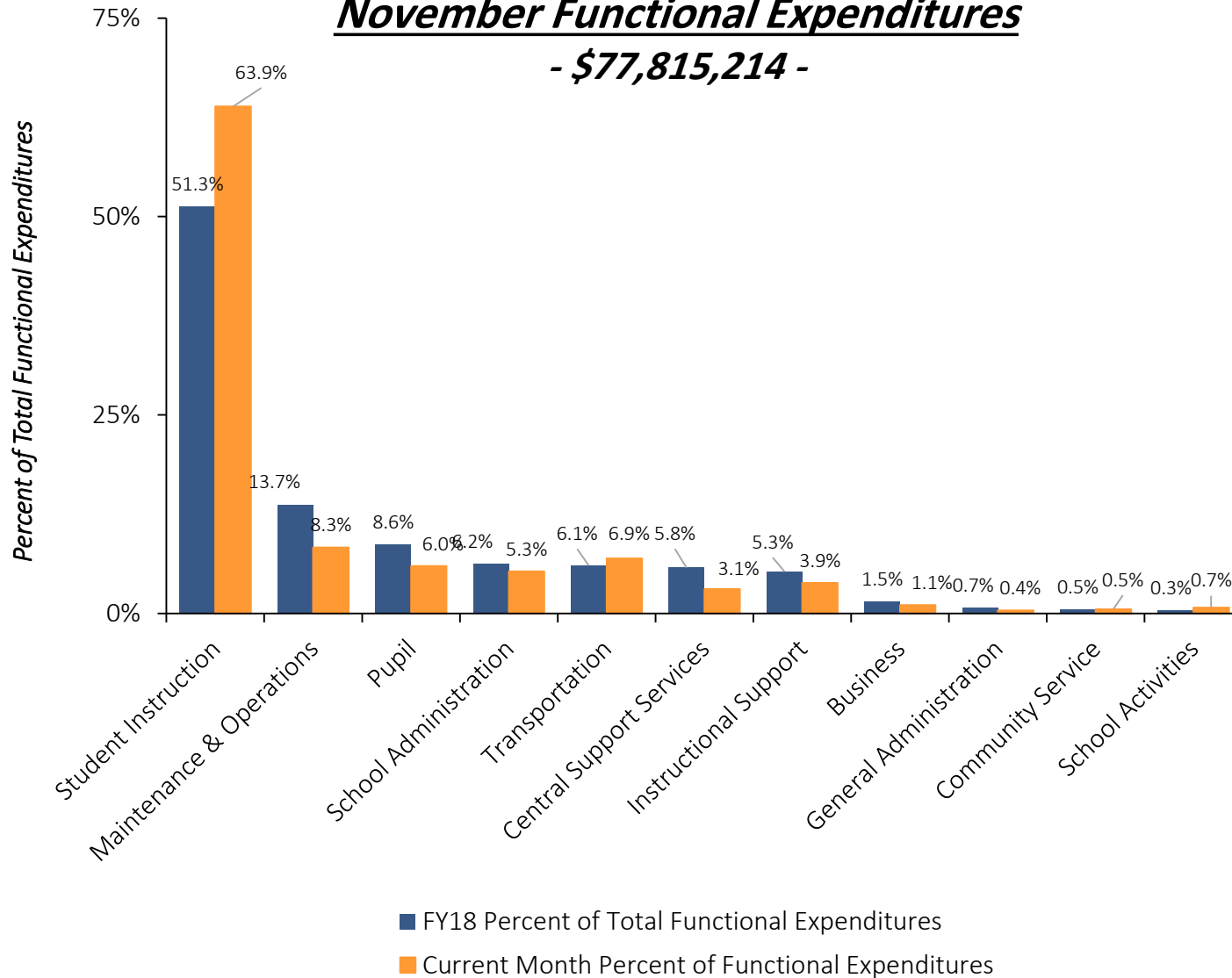
Salaries	32,515,443	32,261,944	(253,499)	(1%)	126,676,307	125,089,617	(1,586,690)	(1%)
Benefits	16,647,506	17,881,542	1,234,036	7%	62,669,408	60,780,246	(1,889,162)	(3%)
Purchased Services	13,369,121	11,790,056	(1,579,065)	(12%)	62,276,745	44,973,500	(17,303,245)	(28%)
Supplies & Textbooks	16,861,734	14,696,783	(2,164,951)	(13%)	19,970,704	17,806,685	(2,164,019)	(11%)
Equipment & Capital	329,865	133,176	(196,689)	(60%)	1,635,697	1,268,952	(366,745)	(22%)
Utilities	1,387,453	1,013,569	(373,884)	(27%)	6,937,264	6,523,194	(414,070)	(6%)

<b>Total expenditures</b>	<b>81,111,121</b>	<b>77,777,070</b>	<b>(3,334,051)</b>	<b>(4%)</b>	<b>280,166,125</b>	<b>256,442,194</b>	<b>(23,723,931)</b>	<b>(8%)</b>
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<b>Surplus (Deficit)</b>	<b>\$ (7,461,397)</b>	<b>\$ 1,448,333</b>	<b>\$ 8,909,730</b>	<b>12%</b>	<b>\$ 31,767,000</b>	<b>\$ 43,752,436</b>	<b>\$ 11,985,437</b>	<b>5%</b>
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# Expenditures by Function – November 2018

## November Functional Expenditures - \$77,815,214 -



### Notes:

- Student Instruction was higher than previous months due to expenditures related to the District's 1-1 Initiative.
- Transportation expenditures are slightly higher due to increased Cultural Passport Program fieldtrips.

# FY19 Budget Amendment No. 1



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

RICK SNYDER  
GOVERNOR

NICK A. KHOURI  
STATE TREASURER

**DETROIT FINANCIAL REVIEW COMMISSION**

**SCHOOL DISTRICT RESOLUTION 2019-1**

**APPROVING THE COMMUNITY DISTRICT'S FY 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 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 January 28, 2019, 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 January 2019 budget amendment requests, attached as **Exhibit A** to this Resolution but excluding any budget amendments a majority of Commission members present has agreed to exclude as noted in the minutes, are hereby approved.
2. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
3. This Resolution shall have immediate effect.

# FY 2019 Budget Amendment No. 1 Summary

## Budget Amendment No. 1 Takeaways

- The District continues to project a **balanced budget for FY 2019**. The end-of-year surplus is anticipated to be \$12.7M, a \$4.6M increase from the Adopted Budget.
- General Fund revenues increased by \$4.6M due to an increase in the budgeted Foundation Allowance of \$116 per student.
- Federal and State Grant revenue increased by \$14.0M due to increases in Title IV, School Improvement Grant and 31a At Risk Funds.
- The District is allocating the recurring contingency (\$17.8M) for strategic investments in curriculum and personnel related to our custodial and security pilots. The majority of funds are allocated as follows:
  - \$12.5M allocation for High School English and Math curriculum, K-8 Science instructional materials
  - \$1.0M allocation for additional K-8 Eureka math materials
  - \$1.0M allocation for Dual Enrollment programs in High Schools
  - \$1.1M allocation for staffing for the custodial pilot
  - \$1.5M allocation for additional security personnel and staffing for security pilot

# FY 2019 Budget Amendment No. 1

DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT  
GENERAL FUND  
BUDGET AMENDMENT # 1  
YEAR ENDING JUNE 30, 2019

	FY 2018 - Actual	FY 2019 Adopted Budget	FY 2019 Budget Amendment # 1	Variance
<b>Revenue:</b>				
Local sources	\$ 66,222,793	\$ 71,531,139	\$ 66,455,987	(5,075,152)
State sources	484,209,873	503,289,568	512,763,670	9,474,101
Federal sources	131,731,039	174,565,368	183,058,492	8,493,124
<b>Total Revenue</b>	<b>682,163,705</b>	<b>749,386,075</b>	<b>762,278,149</b>	<b>12,892,073</b>
<b>Expenditures:</b>				
Instruction	324,511,382	390,136,373	378,051,491	(12,084,882)
Support services				
Pupil services	52,567,856	78,354,488	91,306,167	12,951,679
Instructional staff support	31,296,933	32,899,337	45,723,042	12,823,706
General administration	4,549,474	6,078,685	5,688,261	(390,424)
School administration	39,221,706	52,476,876	48,188,781	(4,288,095)
Business office	10,206,870	11,073,394	10,218,789	(854,605)
Operations & maintenance	93,223,006	81,961,782	92,615,755	11,330,862
Transportation	34,896,150	36,749,795	36,975,486	225,690
Central support service	34,934,693	38,949,349	41,881,594	2,932,245
Other support service	3,660,090	2,413,014	2,729,881	316,867
<b>Total support services</b>	<b>304,556,778</b>	<b>340,956,720</b>	<b>375,327,756</b>	<b>35,047,925</b>
Community service	4,047,594	1,271,230	5,463,516	4,192,286
Facilities acquisitions and improvement	-	-	28,171	28,171
<b>Total Expenditures</b>	<b>633,115,754</b>	<b>732,364,323</b>	<b>758,870,934</b>	<b>27,183,500</b>

# FY 2019 Budget Amendment No. 1

DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT  
GENERAL FUND  
BUDGET AMENDMENT # 1  
YEAR ENDING JUNE 30, 2019

	FY 2018 - Actual	FY 2019 Adopted Budget	FY 2019 Budget Amendment # 1	Variance
<b>Other Financial Sources (Uses)</b>				
<b>Sources</b>				
Proceeds from sale of capital assets	-	-	368,575	368,575
Payments From Detroit Public Schools	-	6,900,000	6,900,000	-
Transfer from Food Service Fund	1,779,586	2,000,000	2,000,000	-
<b>Total Sources</b>	<b>1,779,586</b>	<b>8,900,000</b>	<b>9,268,575</b>	<b>368,575</b>
<b>Uses</b>				
Contingency	-	(17,831,299)	-	(17,831,299)
<b>Total Uses</b>	-	<b>(17,831,299)</b>	-	<b>(17,831,299)</b>
<b>Total Other Financial Sources (Uses)</b>	<b>1,779,586</b>	<b>(8,931,299)</b>	<b>9,268,575</b>	<b>18,199,874</b>
<b>Special Item</b>	<b>11,244,572</b>	-	-	-
<b>Excess (deficiency) of Revenue and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>62,072,109</b>	<b>8,090,453</b>	<b>12,675,790</b>	<b>4,585,335</b>
<b>Excess (deficiency) of Revenue and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>62,072,109</b>	<b>8,090,453</b>	<b>12,675,790</b>	<b>4,585,335</b>
<b>Fund Balance - Beginning</b>	<b>78,963,120</b>	<b>141,035,229</b>	<b>141,035,229</b>	
<b>Fund Balance - Ending</b>	<b>\$ 141,035,229</b>	<b>\$ 149,125,682</b>	<b>\$ 153,711,019</b>	



# FY 2019 BA No. 1 - Staffing Comparison

Category (FTE)	FY 2019 ADOPTED BUDGET		FY 2019 PROPOSED BUDGET AMENDMENT NO. 1		FY 2019 PROPOSED BUDGET AMENDMENT No. 1 INCREASE (DECREASE) FROM FY 2019 ADOPTED BUDGET	
	FTE	Salaries and Benefits	FTE	Salaries and Benefits	FTE	Variance
Officials/Administrators/Managers	201	\$ 28,037,619	282	\$ 31,309,573	81	\$ 3,271,954
Principals	103	17,550,298	103	17,713,682	-	163,384
Assistant Principals	110	12,905,873	128	14,811,941	18	1,906,068
Classroom Teachers	3,076	283,335,848	2,877	247,730,796	(199)	(35,605,052)
Other Classroom Teachers	81	6,699,917	94	7,654,493	13	954,576
Guidance	240	20,941,332	185	14,415,936	(55)	(6,525,396)
Psychological	40	3,607,366	35	3,028,613	(5)	(578,753)
Consultants/Supervisors of Instruction	42	4,359,112	255	12,457,805	213	8,098,693
Other Professional Staff	474	43,635,793	660	55,404,708	186	11,768,915
Teacher Aides	1,136	40,836,214	1,295	44,049,159	159	3,212,945
Technicians	-	-	5	213,852	5	213,852
Clerical/Secretarial Staff	308	17,164,925	333	17,340,773	25	175,848
Service Workers	301	10,828,840	337	11,492,281	36	663,441
Skilled Crafts	10	605,380	11	621,391	1	16,011
<b>Totals (1-18)</b>	<b>6,122</b>	<b>\$ 490,508,517</b>	<b>6,600</b>	<b>\$ 478,245,003</b>	<b>478</b>	<b>\$ (12,263,514)</b>
Part-Time	164	1,377,201	266	2,107,296	102	730,095
Substitutes/Instructional	-	2,602,958	-	2,602,958	-	-
Substitutes/Non Instructional	6	122,970	8	262,423	2	139,453
<b>Totals (Part-Time and Subs)</b>	<b>170</b>	<b>\$ 4,103,129</b>	<b>274</b>	<b>\$ 4,972,677</b>	<b>104</b>	<b>\$ 869,548</b>
Other positions	13	8,525,741	33	9,514,836	20	989,095
<b>Total</b>	<b>6,305</b>	<b>\$ 503,137,387</b>	<b>6,907</b>	<b>\$ 492,732,516</b>	<b>602</b>	<b>\$ (10,404,871)</b>

- The above table represents the General Fund only (Food Service is excluded).
- School based personnel wages will increase 3.5% and Central office personnel wages will increase 3% second semester.
- Other positions refer to additional miscellaneous positions outside of the FTE categories (e.g., after school, summer school, etc.).
- The budgets for vacancies impacting the general fund are reduced by half for Budget Amendment # 1.

# Contract Requests



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

RICK SNYDER  
GOVERNOR

NICK A. KHOURI  
STATE TREASURER

**DETROIT FINANCIAL REVIEW COMMISSION**

**SCHOOL DISTRICT RESOLUTION 2019-2**

**APPROVING THE COMMUNITY DISTRICT'S JANUARY 2019  
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 January 28, 2019, 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 January 2019 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	Operations	19-0105-C	<p><b>Contract Amount:</b> \$1,020,000  <b>Contract Period:</b> January 28, 2019 – June 30, 2019  <b>Source:</b> General Funds  <b>Purpose:</b> Demolition of the former Duke Ellington Conservatory of Music and Arts  <b>Contractor:</b> Dore &amp; Associates Contracting, Inc.  <b>Location:</b> 900 Harry S. Truman Pkwy. Bay City, MI 48706</p>	New	Yes	Yes	<p>School Board 01.15.2019</p> <p>Anticipated Approval</p> <p>FRC 01.28.2019</p>	<p>RFP 19-0105 was issued on DemandStar on October 15, 2018. The District received four (4) responses. Based on the proposal evaluations, Dore &amp; Associates was selected as the supplier based on prior experience, references, and most competitive pricing. The District is reserving a 25% contingency of \$204,000 for any unforeseen circumstances that may arise during the demolition process</p> <table border="0"> <thead> <tr> <th><u>Respondent</u></th> <th><u>Est. Cost</u></th> </tr> </thead> <tbody> <tr> <td>Adamo Demolition</td> <td>\$1,072,075</td> </tr> <tr> <td>North Am. Dismantling</td> <td>\$934,000</td> </tr> <tr> <td>Homrich</td> <td>\$1,164,000</td> </tr> <tr> <td>Dore &amp; Associates</td> <td>\$816,000</td> </tr> </tbody> </table>	<u>Respondent</u>	<u>Est. Cost</u>	Adamo Demolition	\$1,072,075	North Am. Dismantling	\$934,000	Homrich	\$1,164,000	Dore & Associates	\$816,000
<u>Respondent</u>	<u>Est. Cost</u>																	
Adamo Demolition	\$1,072,075																	
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Dore & Associates	\$816,000																	

# 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						
2	Finance	17-0019-C	<p><b>Contract Amount:</b> \$1,666,254  <b>Contract Period:</b> January 28, 2019 – December 31, 2019  <b>Source:</b> General Funds  <b>Purpose:</b> To provide brokerage services and insurance coverage for the District  <b>Contractor:</b> AON Risk Services  <b>Location:</b> 3000 Town Center, Suite 3000 Southfield, MI 48075</p>	Renewal	Yes	Yes	<p>School Board 01.15.2019</p> <p>Anticipated Approval</p> <p>FRC 01.28.2019</p>	<p>An RFP was conducted in late 2017, however was subsequently cancelled when the respondents’ costs were higher than the incumbent. The decision was made to renew the incumbent’s contract. The cost for brokerage services is listed below. The balance being requested is to pay for insurance premiums.</p> <p>Insurance policies held by the District are:</p> <ul style="list-style-type: none"> <li>• Commercial Property</li> <li>• Excess Workers’ Comp and Employer’s Liability</li> <li>• Auto Liability</li> <li>• Student Travel</li> <li>• Underground Storage Tank</li> <li>• Surety Bond</li> <li>• Aircraft Hull and Liability</li> <li>• Student Catastrophic Athletic Accident</li> <li>• School Board Legal Liability Employment Practices</li> <li>• Police Professional Liability</li> <li>• Commercial General Liability</li> </ul> <table> <thead> <tr> <th><u>Respondent</u></th> <th><u>Est. Cost</u></th> </tr> </thead> <tbody> <tr> <td>AON</td> <td>\$54,642</td> </tr> <tr> <td>Lambent</td> <td>\$60,000</td> </tr> </tbody> </table>	<u>Respondent</u>	<u>Est. Cost</u>	AON	\$54,642	Lambent	\$60,000
<u>Respondent</u>	<u>Est. Cost</u>													
AON	\$54,642													
Lambent	\$60,000													



### Agenda Item Details

Meeting	Jan 15, 2019 - Regular Board Meeting
Category	14. Administrative Action Items
Subject	14.01 Approval of Contact with Dore & Associates for Demolition of the Former Duke Ellington Conservatory for Music and Arts
Access	Public
Type	Action
Recommended Action	Motion to approve a contract with Dore & Associates to demolish the former Duke Ellington Conservatory of Music and Arts for the period January 22, 2019 through June 30, 2019 in an amount not-to-exceed \$1,020,000.

### Public Content

#### Recommendation:

That the School Board approve a contract with Dore & Associates to demolish the former Duke Ellington Conservatory of Music and Arts located at 8030 E. Outer Drive for the period January 22, 2019 through June 30, 2019 in an amount not-to-exceed \$1,020,000.

#### Description and Background:

This Action Item was recommended for approval by the Finance Sub-Committee on January 7, 2019.

In August 2013, the former Rosa Parks Middle School, renamed the Duke Ellington Conservatory for Music and Arts, closed and consolidated with Charles Beckham Academy.

In December 2013, the District entered a lease agreement with Pastor Alonzo Bell of Redeem Missionary Baptist Church. In 2016, while the building was being occupied by the church there was a fire which destroyed the facility. The church made only two lease payments to the District during this time and allowed their general liability insurance to lapse, therefore the cost of demolition falls to the District.

The 82,954 square ft. structure has remained closed and abandoned since the fire in 2016 and has sustained considerable vandalism and scrapping. There have been numerous complaints from its neighbors and the City of Detroit has cited the District for nuisance, abatement and hazardous conditions. The District cannot board up the building due to the excessive fire damage.

Dore & Associates Contracting, Inc. is a Michigan-based national demolition, abatement, and remediation contracting firm that has completed over 50,000 projects since its beginnings in 1958. Dore is a family owned and operated company. Founder and present chairman, Arthur P. Dore was a founding member of the National Demolition Association. Dore & Associates consistently ranks in the *Engineering News Report* top 20 specialty contractors in the nation for demolition and asbestos abatement services.

#### Gap Analysis:

If the District were to not approve the demolition the former Duke Ellington Conservatory of Music and Art at this time, the District would be subject to fines and citations levied by the City of Detroit and complaints from neighbors. The District has already been cited by the City of Detroit, Building, Safety, Engineering and Environmental Affairs for "Dangerous Building Conditions" and threat of demolition.

#### Previous Outcomes:

In 2010 the District undertook its most recent large-scale demolition project and demolished the following properties at cost:

District Wide Demolition 2010	Angell Primary	Detroit City High	Ferry Elementary	FLICS / Sherrard	Newberry Elementary	Owen Elementary	Sanders Elementary	Scripps Elementary	Woodward Elementary
Building Size (in Sq.Ft.)	7,300	42,972	51,200	141,417	50,438	55,277	56,299	44,538	38,256
Air Monitoring/Soil Testing Costs	\$4,452	\$25,100	\$29,192	\$66,264	\$29,600	\$25,100	\$25,100	\$25,100	\$25,100
Abatement Costs	\$6,750	\$93,500	\$65,000	\$324,000	\$69,000	\$85,000	\$136,000	\$145,675	\$137,000
Demolition Costs	\$22,675	\$128,150	\$244,100	\$436,861	\$244,600	\$127,740	\$192,900	\$134,468	\$167,442
Total	\$33,877	\$246,750	\$338,292	\$827,125	\$343,200	\$237,840	\$354,000	\$305,243	\$329,542

#### Expected Outcomes:

The property will be demolished and the site will be transformed into a green space at the completion of the project. This parcel will be held for future land use consideration. Demolition of the dangerous structure will avoid any further citations and future penalties by the City of Detroit. The work will also reaffirm the District's commitment to being responsible stewards to the community it serves.

Dore & Associates will demolish the property for \$816,000. ATC Group, which currently serves as the District's environmental consulting firm will provide project oversight during the demolition process. The District is reserving a 25% contingency or \$204,000 for any unforeseen circumstances that may arise during the demolition process.

#### Alignment to Strategic Plan:

Responsible Stewardship

**Financial Impact:**

General Funds - \$1,020,000 (inclusive of a 25% contingency of \$204,000)

*Bid Process:* RFP 19-0105 was issued on DemandStar and received four (4) responses that included Adamo Demolition, North American Dismantling Corporation, Homrich and Dore & Associates. Based on evaluation of the proposal, Dore & Associates was selected as the supplier providing based on prior experience references and most competitive pricing.

**Contact for Item:**

Name: Machion Jackson, Assistant Superintendent of Operations

Phone: 313-873-6532

Email: machion.jackson@detroitk12.org

[Contract - Signed.pdf \(1,049 KB\)](#)

**Administrative Content**

[Adamo RFP Response.pdf \(4,173 KB\)](#)

[Dore RFP Response.pdf \(21,517 KB\)](#)

[Homrich RFP Response.pdf \(40,948 KB\)](#)

[NADC RFP Response.pdf \(30,326 KB\)](#)

[Cost Comparison.pdf \(56 KB\)](#)

**Executive Content**



**Agenda Item Details**

Meeting	Jan 15, 2019 - Regular Board Meeting
Category	14. Administrative Action Items
Subject	14.03 Approval of Contract for AON Insurance Brokerage Services
Access	Public
Type	Action
Recommended Action	Motion to approve a contract with AON Risk Services Central Inc. for the period January 15, 2019 through December 31, 2019 in an amount not-to-exceed \$1,666,254.

**Public Content****Recommendation:**

That the School Board approve a contract with AON Risk Services Central Inc. (AON) to procure insurance coverages and services for the period January 15, 2019 through December 31, 2019, with an expected payment of approximately \$55,000 in brokerage fees and a total cost for the portfolio of insurance, paid to various companies in the form of premiums, an additional \$1,611,000, for a total amount not to exceed \$1,666,254.

**Description and Background:**

This Action Item was recommended for approval by the Finance Sub-Committee on January 7, 2019.

The District works with a broker, AON, to annually procure commercial property, liability, causality, excess workers compensation, and other insurance coverage.

The District conducted an RFP in 2016 and selected AON, the lowest bidder, to provide brokerage services. The broker procures insurance policies requested by the District for a fixed fee. Previously, the District would purchase insurance from various brokers. This resulted in the District paying commissions on each policy. Working with one broker, the District now pays a fixed fee for all insurance placements.

Below is a list of current policies which have been procured for the District within the past year.

INSURANCE POLICIES IN-FORCE JANUARY 2019 - DECEMBER 2019 THROUGH AON RISK MANAGEMENT SERVICES					
Insurance Policy Coverage	Insurance Company	Description	Premium	Limits	Deductible/SIR
Commercial Property Insurance	Lexington Insurance Company	Coverage protects the physical assets of the District building, contacts, valuable papers & records. Coverage is provided on an all risk basis, including Earthquake and Flood, subject to exclusions	\$420,457	\$250,000,000 Limit	\$1,000,000 Deductible
Excess Workers' Compensation and Employer's Liability	State National Insurance Company, Inc	Excess Insurance coverage against catastrophic occurrences for Self-insured loss exposures	\$141,541	\$1,000,000 Employers Liability limit. Workers' Compensation limit statutory	\$2,000,000 Self Insured Retention
Automobile Liability Insurance	National Union Fire Insurance Company	Liability coverage for DPSCD owned vehicles	\$190,056	\$1,000,000 combined single limit. \$40,000 Garage Keepers Liability limit	First Dollar
Student Travel Insurance	AIG - National Union Fire Insurance Company of	Covers participating students and adult supervisors to & from DPSCD sponsored and supervised field trips - out of state & international only	\$5,100.00	\$25,000 limit	\$50 Deductible

	Pittsburgh, PA				
Underground Storage Tank Liability Insurance	ACE American Insurance Company	For Eastside & Westside Hub/Bus Terminal Third-Party Liability, Corrective Action and Cleanup Policy	\$3,102	\$1,000,000 limit	\$25,000 Deductible
Surety Bond	The Hartford	For DPSCD Police Department - campus police	\$388	\$25,000 limit	N/A
Aircraft Hull & Liability Insurance	Catlin Insurance Company	Liability coverage for DPSCD owned aircrafts at Davis Aerospace	\$30,000	\$2,000,000 limit	\$2,500 Deductible
Student Catastrophic Athletic Accident Insurance	Gerber Life Insurance Company	Covers students involved in interscholastic activities, including athletics sport, and non-sport extracurricular activities	\$28,852	\$5,000,000 limit	\$25,000 Deductible
School Board Legal Liability Employment Practices Liability	Illinois National Insurance Company	Provides coverage for Management Professional Liability for DPSCD	\$137,760	\$1,000,000 limit	\$500,000
Police Professional Liability Insurance	Lexington Insurance Company	Provides liability coverage for police officers and Department while performing their professional duties	\$360,628	\$5,000,000 limit	\$500,000
Commercial General Liability	Lexington Insurance Company	Provides coverage for Liability claims for bodily injury, property damage, and personal injury	\$293,728	\$5,000,000 limit	\$500,000 Deductible

**Gap Analysis:**

If the District does not procure insurance coverage, then the District general operating fund and surplus would be liable for coverage of any claims.

**Previous Outcomes:**

Since the 2017-2018, the District has been fully insured in all coverage areas. Previously the District had self-insured for many coverage areas, which means it managed payment of claims for “gap coverage” areas out of the general operating budget.

**Expected Outcomes:**

Through a bid process, AON will identify the insurance companies to provide the continuing coverage for the areas outlined previously. This coverage will limit the District’s exposure in the event of a catastrophic incident.

**Alignment to Strategic Plan:**

Responsible Stewardship

**Financial Impact:**

Insurance Fees: \$1,611,612

Brokerage Fees: \$54,642

Total including contingency (NTE): \$1,666,254, General Funds

Bid Process: RFP 17-0019 was issued on Demandstar and received 2 responses. Based on evaluation of the proposal, AON was selected as the insurance broker. They have the capability and experience, as well as the most competitive pricing, to provide the services requested.

**Contact for Item:**

Name: Jeremy Vidito  
 Phone: (313) 873 - 6194  
 Email: jeremy.vidito@detroitk12.org

**Supporting Documents/Attachments:**

<https://www.boarddocs.com/mi/detroit/Board.nsf/Private?open&login>

AON - Amendment.pdf (261 KB)

AON - Base Contract.pdf (12,990 KB)

AON - Renewal.pdf (266 KB)

**Administrative Content**

AON - RFP Response.pdf (20,893 KB)

Lambent - RFP Response.pdf (1,212 KB)

**Executive Content**

# Out-of-State Travel Requests



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

RICK SNYDER  
GOVERNOR

NICK A. KHOURI  
STATE TREASURER

**DETROIT FINANCIAL REVIEW COMMISSION**

**SCHOOL DISTRICT RESOLUTION 2019-3**

**APPROVING THE COMMUNITY DISTRICT'S JANUARY 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 January 28, 2019, 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 January 28, 2019 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 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/ Chaperones	Participants	Funding Source	Total Est. Cost	Approved by:
1	National Chess Tournaments	Schaumburg, IL Grapevine, TX Nashville, TN	(HS.) 3/13/19 – 3/17/19 (Jr.) 4/25/19 -4/29/19 (Elem.) 5/8/18 - 5/12/19	Curriculum and Instruction	0	126	33	159	Title IV	\$157,286	Academic Sub Committee approved 01.07.2019 Finance Sub Committee approved 01.07.2019 Board Approved 01.15.2019



**Agenda Item Details**

Meeting	Jan 15, 2019 - Regular Board Meeting
Category	14. Administrative Action Items
Subject	14.05 Approval of Out-of-State Travel for Elementary, Jr. High and High School Chess Tournaments
Access	Public
Type	Action
Recommended Action	Motion to approve out of state travel for 167 students, coaches, and chaperones to Elementary, Jr. High, and High School National Chess Tournaments in the grant funded amount of \$157,286.

**Public Content**

**Recommendation:**

That the School Board approve out of state travel for 167 students, coaches, and chaperones to Elementary, Jr. High, and High School National Chess Tournaments in the grant funded amount of \$157,286.

**Description and Background:**

This Action Item was recommended for approval by the Finance and Academic Sub-Committees on January 7, 2019.

The following represents the travel request for approval. The District will cover event registration fees, lodging and two meals (breakfast and dinner):

Trip Details	Estimated Cost
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Trip Details	Estimated Cost
<p>Event: National Elementary Chess Tournament</p> <p>Location: Schaumburg, IL; Grapevine, TX and Nashville, TN</p> <p>Dates:            (HS.) 3/13/9 – 3/17/19            (Jr.) 4/25/19 -4/29/19            (Elem.) 5/8/18 - 5/12/19</p> <p>Department: Office of Mathematics</p> <p>Participants: 18 Coaches, 15 chaperones, 126 student-competitors from Cass Tech, Renaissance, Ben Carson, Chrysler, Bates Academy, Munger (2 Jr. High Teams still waiting to qualify) <b>Note:</b> Bates has qualified for 2 Nationals (Elementary &amp; Jr. High)</p> <p>Funding Source: Title IV</p>	<p>Registration: \$9,320            Transportation: \$45,700            Lodging: \$79,766 (4 nights)            Food: \$22,500 (Breakfast &amp; Dinner)</p> <p><b>Total: \$157,286</b></p>

### Gap Analysis:

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

### Previous Outcomes:

Students who participate in chess engage in critical thinking and learn skills integral to their academic experience. Students network and engage within highly-competitive, head-to-head, chess matches with other students from around the country. In the 2017/2018 academic year, the district paid for 1 national tournament to Ohio with 10 Coaches, 5 chaperones, and 64 students for a total cost of \$55,195. The District will now more than double the total number of participants and increase the grade levels reached.

### Expected Outcomes:

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

### Alignment to Strategic Plan:


## Whole Child Commitment

### **Financial Impact:**

\$157,286 funded through Title IV funds.

### **Contact for Item:**

Name: Beth Gonzalez, Assistant Superintendent of Curriculum & Instruction

Phone: (313) 873-4894 

Email: [beth.gonzalez@detroitk12.org](mailto:beth.gonzalez@detroitk12.org)

### **Administrative Content**

### **Executive Content**

# **Supplemental Reports – DPSCD Detailed Schedules FY19 Budget Amendment #1 Schedules**

# 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	
	Actual	Actual	Actual	Actual	Actual	Forecast*	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
<b>Cash Receipts</b>													
State Aid	\$ 39,713	\$ 39,854	\$ -	\$ 39,999	\$ 41,533	\$ 41,148	\$ 41,148	\$ 41,148	\$ 41,148	\$ 41,148	\$ 41,148	\$ 41,148	\$ 449,139
MPSERS (State Funded)	2,983	2,986	-	-	6,721	3,361	3,361	3,361	3,361	3,361	3,361	3,361	36,214
Enhancement Millage	-	-	-	2,986	5,572	762	1,549	2,229	2,831	979	1,136	-	18,044
Grants	5,380	29,612	4,226	5,585	8,587	23,736	15,185	15,185	15,185	15,185	16,673	15,185	169,725
Transfer from DPS	-	13,134	-	7	0	0	-	-	-	-	-	6,900	20,041
WCRESA	-	486	2,055	3,540	3,097	3,097	3,097	3,097	3,097	3,097	3,097	3,097	30,858
Food Service Reimbursement	-	1	30	47	3,981	2,438	4,051	3,241	3,241	3,241	4,051	3,241	27,564
Miscellaneous	1,200	1,381	1,200	17,679	1,261	797	3,092	2,941	2,941	941	1,092	2,941	37,465
<b>Total Cash Receipts</b>	<b>49,276</b>	<b>87,453</b>	<b>7,512</b>	<b>69,843</b>	<b>70,753</b>	<b>75,339</b>	<b>71,484</b>	<b>71,202</b>	<b>71,804</b>	<b>67,952</b>	<b>70,559</b>	<b>75,873</b>	<b>789,050</b>
<b>Cash Disbursements</b>													
MPSERS (Pass through)	\$ (2,983)	\$ (2,983)	\$ (2,986)	\$ -	\$ -	\$ (6,721)	\$ (3,361)	\$ (3,361)	\$ (3,361)	\$ (3,361)	\$ (3,361)	\$ (3,361)	\$ (35,836)
Payroll Direct Deposit	(14,239)	(16,180)	(30,834)	(17,583)	(18,077)	(19,703)	(25,136)	(16,757)	(16,757)	(16,757)	(16,757)	(16,757)	(225,540)
Taxes	(4,860)	(4,345)	(7,714)	(6,431)	(9,001)	(5,640)	(5,678)	(5,678)	(5,678)	(5,678)	(8,517)	(5,678)	(74,901)
FICA	(1,457)	(1,657)	(4,662)	(1,948)	(2,829)	(2,171)	(1,660)	(1,660)	(1,660)	(1,660)	(2,490)	(1,660)	(25,512)
Accounts Payable <sup>1</sup>	(10,430)	(14,104)	(11,522)	(15,876)	(28,584)	(9,253)	(18,751)	(12,417)	(13,152)	(13,642)	(17,209)	(14,167)	(179,105)
Pension (employee portion)	(1,836)	(1,382)	(1,331)	(1,923)	(3,196)	(1,972)	(1,976)	(1,976)	(1,976)	(1,976)	(2,963)	(1,976)	(24,483)
Pension (employer portion)	(5,927)	(4,475)	(4,145)	(6,354)	(10,537)	(6,550)	(6,573)	(6,573)	(6,573)	(6,573)	(9,860)	(6,573)	(80,713)
Health	(2,403)	(5,138)	(40)	(5,659)	(8,726)	(5,113)	(5,100)	(5,100)	(5,100)	(5,100)	(5,100)	(5,100)	(57,678)
Fringe Benefits	(322)	(208)	(172)	(236)	(228)	(311)	(706)	(471)	(471)	(471)	(471)	(471)	(4,538)
Food Service	(4,435)	(115)	(172)	(1,063)	(3,480)	(4,071)	(2,923)	(2,339)	(2,339)	(2,339)	(2,923)	(2,339)	(28,538)
Transfer to DPS	-	-	-	-	(172)	-	-	-	-	-	-	-	(172)
Other <sup>2</sup>	-	-	(36)	(22)	(17)	(36,100)	(1,962)	(4,627)	(1,570)	(1,570)	(1,962)	(1,570)	(49,434)
<b>Total Cash Disbursements</b>	<b>(48,892)</b>	<b>(50,588)</b>	<b>(63,615)</b>	<b>(57,096)</b>	<b>(84,848)</b>	<b>(97,605)</b>	<b>(73,825)</b>	<b>(60,958)</b>	<b>(58,636)</b>	<b>(59,126)</b>	<b>(71,613)</b>	<b>(59,651)</b>	<b>(786,451)</b>
<b>Net Cash Flow</b>	<b>384</b>	<b>36,865</b>	<b>(56,103)</b>	<b>12,747</b>	<b>(14,095)</b>	<b>(22,265)</b>	<b>(2,341)</b>	<b>10,245</b>	<b>13,168</b>	<b>8,826</b>	<b>(1,054)</b>	<b>16,223</b>	<b>2,599</b>
Beginning Cash Balance	158,940	159,324	196,189	140,086	152,833	138,738	116,473	114,132	124,376	137,545	146,371	145,317	158,940
Net Cash Flow	384	36,865	(56,103)	12,747	(14,095)	(22,265)	(2,341)	10,245	13,168	8,826	(1,054)	16,223	2,599
<b>Ending Cash Balance</b>	<b>\$ 159,324</b>	<b>\$ 196,189</b>	<b>\$ 140,086</b>	<b>\$ 152,833</b>	<b>\$ 138,738</b>	<b>\$ 116,473</b>	<b>\$ 114,132</b>	<b>\$ 124,376</b>	<b>\$ 137,545</b>	<b>\$ 146,371</b>	<b>\$ 145,317</b>	<b>\$ 161,539</b>	<b>\$ 161,539</b>

\*Forecast includes actuals through December 7, 2018

1) October Accounts Payables includes an adjustment reconciling for previous Capital Projects payments that are now reported in the Capital Projects schedule

2) Includes a transfer to establish the Rainy Day Fund (\$35.3M) in December and a transfer to the Capital Projects Fund in February for the Water Hydration Station project

# DPSCD Internal Service, Capital Projects and Rainy Day Funds

	July Actual	August Actual	September Actual	October Actual	November Actual	December Forecast*	January Forecast	February Forecast	March Forecast	April Forecast	May Forecast	June Forecast	FY 19 Total
<b>General Fund Cash Balance</b>	\$ 159,324	\$ 196,189	\$ 140,086	\$ 152,833	\$ 138,757	\$ 116,491	\$ 114,150	\$ 124,395	\$ 137,548	\$ 146,371	\$ 145,317	\$ 161,539	\$ 161,539
<b>Internal Service Fund and Fiduciary Account</b>													
<b>Beginning Balance</b>	\$ 43,108	\$ 43,108	\$ 43,108	\$ 43,108	\$ 25,342	\$ 25,342	\$ 25,342	\$ 23,342	\$ 21,342	\$ 19,342	\$ 19,342	\$ 19,342	\$ 43,108
(+) Liability Balance Transfer from DPS	-	-	-	-	-	-	-	-	-	-	-	-	-
(-) TIP, Legal, And Workers' Compensation Claims	-	-	-	(17,766)	-	-	(2,000)	(2,000)	(2,000)	-	-	(2,000)	(25,766)
<b>Ending Internal Service Fund Balance</b>	<b>43,108</b>	<b>43,108</b>	<b>43,108</b>	<b>25,342</b>	<b>25,342</b>	<b>25,342</b>	<b>23,342</b>	<b>21,342</b>	<b>19,342</b>	<b>19,342</b>	<b>19,342</b>	<b>17,342</b>	<b>17,342</b>
<b>Total General Fund and ISF Balance</b>	<b>\$ 202,432</b>	<b>\$ 239,297</b>	<b>\$ 183,194</b>	<b>\$ 178,174</b>	<b>\$ 164,098</b>	<b>\$ 141,833</b>	<b>\$ 137,492</b>	<b>\$ 145,736</b>	<b>\$ 156,890</b>	<b>\$ 165,712</b>	<b>\$ 164,658</b>	<b>\$ 178,881</b>	<b>\$ 178,881</b>
<b>Capital Projects Fund</b>													
<b>Beginning Balance</b>	\$ 10,025	\$ 10,025	\$ 9,139	\$ 6,049	\$ 5,983	\$ 4,964	\$ 3,214	\$ 714	\$ 2,021	\$ 1,021	\$ 500	\$ (0)	\$ 10,025
(+) Transfers in <sup>1</sup>	-	-	-	-	-	-	-	3,057	-	-	-	-	3,057
(-) Payments for completed projects	-	(886)	(3,090)	(66)	(1,019)	(1,750)	(2,500)	(1,750)	(1,000)	(521)	(500)	-	(13,082)
<b>Ending Balance</b>	<b>10,025</b>	<b>9,139</b>	<b>6,049</b>	<b>5,983</b>	<b>4,964</b>	<b>3,214</b>	<b>714</b>	<b>2,021</b>	<b>1,021</b>	<b>500</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>
<b>Rainy Day Fund</b>													
<b>Beginning Balance</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,300	\$ 35,300	\$ 35,300	\$ 35,300	\$ 35,300	\$ 35,300	\$ -
(+) Transfers in	-	-	-	-	-	35,300	-	-	-	-	-	-	35,300
(-) Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Ending Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,300</b>	<b>35,300</b>	<b>35,300</b>	<b>35,300</b>	<b>35,300</b>	<b>35,300</b>	<b>35,300</b>	<b>35,300</b>
<b>Total General Fund, ISF, Capital Projects and Rainy Day Fund Balance</b>	<b>\$ 212,457</b>	<b>\$ 248,435</b>	<b>\$ 189,242</b>	<b>\$ 184,157</b>	<b>\$ 169,062</b>	<b>\$ 180,347</b>	<b>\$ 173,506</b>	<b>\$ 183,058</b>	<b>\$ 193,211</b>	<b>\$ 201,512</b>	<b>\$ 199,958</b>	<b>\$ 214,181</b>	<b>\$ 214,181</b>

\*Forecast includes actuals through December 7, 2018

1) Includes a transfer in February for the Water Hydration Station project

# Expenditures by Function – November 2018

	Budget to Actual Comparison Current Month				Budget to Actual Comparison YTD				
	Budget	Actual	Variance		Budget	Actual	Variance		
	Month of Nov-FY19	Month of Nov-FY19	\$	%	YTD Nov-FY19	YTD Nov-FY19	\$	%	
<b>FUNCTION LEVEL EXPENDITURES</b>									
<b>INSTRUCTION</b>									
Elementary Programs	\$ 14,640,372	\$ 14,442,448	\$ (197,924)	(1%)	47,065,781	\$ 44,228,067	\$ (2,837,714)	(6%)	
Middle School Programs	1,518,951	1,174,165	(344,786)	(23%)	4,558,182	3,959,648	(598,534)	(13%)	
High School & Summer Programs	6,140,997	5,113,782	(1,027,215)	(17%)	20,080,319	18,617,440	(1,462,879)	(7%)	
Special Education	7,525,974	7,371,901	(154,073)	(2%)	23,902,324	23,064,539	(837,785)	(4%)	
Compensatory Education	20,132,475	21,178,109	1,045,634	5%	30,886,220	35,993,572	5,107,352	17%	
Career and Technical Education	445,839	274,225	(171,614)	(38%)	1,344,183	825,099	(519,084)	(39%)	
Adult/Continuing Education	162,832	140,205	(22,627)	(14%)	574,382	420,162	(154,220)	(27%)	
<b>Total Instruction</b>	<b>50,567,440</b>	<b>49,694,835</b>	<b>(872,605)</b>	<b>(2%)</b>	<b>128,411,391</b>	<b>127,108,527</b>	<b>(1,302,864)</b>	<b>(1%)</b>	
Pupil	7,285,599	4,637,028	(2,648,571)	(36%)	25,864,030	18,690,827	(7,173,203)	(28%)	
Instructional Support	3,350,829	2,998,953	(351,876)	(11%)	12,817,477	15,006,532	2,189,055	17%	
General Administration	586,556	291,241	(295,315)	(50%)	2,473,908	1,825,272	(648,636)	(26%)	
School Administration	4,662,950	4,119,000	(543,950)	(12%)	21,511,567	18,310,026	(3,201,541)	(15%)	
Business	923,530	819,673	(103,857)	(11%)	4,629,959	4,309,025	(320,934)	(7%)	
Maintenance & Operations	6,836,400	6,478,641	(357,759)	(5%)	34,116,967	27,181,939	(6,935,028)	(20%)	
Transportation	3,004,728	5,387,166	2,382,438	79%	15,166,059	11,659,707	(3,506,352)	(23%)	
Central Support Services	3,551,113	2,397,592	(1,153,521)	(32%)	33,791,502	28,407,421	(5,384,081)	(16%)	
School Activities	207,561	572,147	364,586	176%	960,085	2,836,640	1,876,555	195%	
<b>Total Supporting Services</b>	<b>30,409,266</b>	<b>27,701,441</b>	<b>(2,707,825)</b>	<b>(9%)</b>	<b>151,331,554</b>	<b>128,227,389</b>	<b>(23,104,165)</b>	<b>(15%)</b>	
Community Service	<b>134,416</b>	<b>418,938</b>	<b>284,522</b>	<b>212%</b>	<b>423,180</b>	<b>1,144,422</b>	<b>721,242</b>	<b>170%</b>	
<b>TOTAL EXPENDITURES</b>	<b>\$ 81,111,122</b>	<b>\$ 77,815,214</b>	<b>(3,295,908)</b>	<b>(4%)</b>	<b>\$ 280,166,125</b>	<b>\$ 256,480,338</b>	<b>\$ (23,685,787)</b>	<b>(8%)</b>	

# **FY19 Budget Amendment No. 1**

## ***- Object Level Schedule***

# FY 2019 Budget Amendment No. 1 – Comparison by Object

Expenditures	FY 2019 Adopted Budget	FY 2019 PRELIMINARY Budget Amendment # 1	Increase (Decrease) over FY 2019 Adopted - Budget Amendment # 1
Salaries	322,979,452	311,440,470	(11,538,982)
Benefits	188,009,812	181,292,046	(6,717,766)
Purchased Services	159,008,596	183,677,304	24,668,708
Supplies	12,442,614	31,102,291	18,659,677
Equipment & Capital	3,944,754	3,001,586	(943,168)
Utilities	16,649,432	18,841,750	2,192,318
Contingency/Restricted			
General Purpose Fund	17,831,299	-	(17,831,299)
Section 51C	367,871	367,871	-
Title I/Grants Restricted	28,443,786	29,147,616	703,830
<b>Total Expenditures</b>	<b>749,677,616</b>	<b>758,870,934</b>	<b>9,193,318</b>



# **FY19 Budget Amendment No. 1**

## ***- Personnel Details***

# FY 2019 BA No. 1 - Staffing Comparison

Category (FTE)	Budget					
	Filled		Vacant		Total	
	FTE	Salaries and Benefits	FTE	Salaries and Benefits	FTE	Salaries and Benefits
Officials/Administrators/Managers	195	\$ 25,376,365	87	\$ 5,933,208	282	\$ 31,309,573
Principals	103	17,713,682	-	-	103	17,713,682
Assistant Principals	125	14,636,012	3	175,929	128	14,811,941
Classroom Teachers	2,700	238,616,856	177	9,113,940	2,877	247,730,796
Other Classroom Teachers	90	7,208,707	4	445,786	94	7,654,493
Guidance	126	11,166,008	59	3,249,928	185	14,415,936
Psychological	30	2,773,100	5	255,513	35	3,028,613
Consultants/Supervisors of Instruction	220	10,768,633	35	1,689,172	255	12,457,805
Other Professional Staff	522	46,695,374	138	8,709,334	660	55,404,708
Teacher Aides	995	35,994,326	300	8,054,833	1,295	44,049,159
Technicians	5	213,852	-	-	5	213,852
Clerical/Secretarial Staff	261	14,793,042	72	2,547,731	333	17,340,773
Service Workers	315	10,966,397	22	525,884	337	11,492,281
Skilled Crafts	10	593,609	1	27,782	11	621,391
<b>Totals (1-18)</b>	<b>5,697</b>	<b>\$ 437,515,963</b>	<b>903</b>	<b>\$ 40,729,040</b>	<b>6,600</b>	<b>\$ 478,245,003</b>
Part-Time	193	1,525,760	73	581,536	266	2,107,296
Substitutes/Instructional	-	2,602,958	-	-	-	2,602,958
Substitutes/Non Instructional	3	75,807	5	186,616	8	262,423
<b>Totals (Part-Time and Subs)</b>	<b>196</b>	<b>\$ 4,204,525</b>	<b>78</b>	<b>\$ 768,152</b>	<b>274</b>	<b>\$ 4,972,677</b>
Other positions	9	6,233,187	24	3,281,649	33	9,514,836
<b>Total</b>	<b>5,902</b>	<b>\$ 447,953,675</b>	<b>1,005</b>	<b>\$ 44,778,841</b>	<b>6,907</b>	<b>\$ 492,732,516</b>

- The above table represents the General Fund only (Food Service is excluded).
- School based personnel wages will increase 3.5% and Central office personnel wages will increase 3% second semester.
- Other positions refer to additional miscellaneous positions outside of the FTE categories (e.g., after school, summer school, etc.).
- The budgets for vacancies impacting the general fund are reduced by half for Budget Amendment # 1.

# FY 2019 BA No. 1 - General Fund vs Grant Fund Vacancies

Category (FTE)	Budget					
	Vacancies Impacting General Fund		Grant Funded Vacancies		Grand Total	
	FTE	Salaries and Benefits	FTE	Salaries and Benefits	FTE	Salaries and Benefits
Officials/Administrators/Managers	65	\$ 3,665,741	22	\$ 2,267,467	87	\$ 5,933,208
Principals	-	-	-	-	-	-
Assistant Principals	3	175,929	-	-	3	175,929
Classroom Teachers	107	4,260,692	70	4,853,248	177	9,113,940
Other Classroom Teachers	2	293,468	2	152,318	4	445,786
Guidance	44	1,918,109	15	1,331,819	59	3,249,928
Psychological	5	216,629	-	38,884	5	255,513
Consultants/Supervisors of Instruction	23	495,982	12	1,193,190	35	1,689,172
Other Professional Staff	67	2,510,228	71	6,199,106	138	8,709,334
Teacher Aides	111	1,888,509	189	6,166,324	300	8,054,833
Technicians	-	-	-	-	-	-
Clerical/Secretarial Staff	52	1,257,732	20	1,289,999	72	2,547,731
Service Workers	21	489,234	1	36,650	22	525,884
Skilled Crafts	1	27,782	-	-	1	27,782
<b>Totals (1-18)</b>	<b>501</b>	<b>\$ 17,200,035</b>	<b>402</b>	<b>\$ 23,529,005</b>	<b>903</b>	<b>\$ 40,729,040</b>
Part-Time	-	-	73	581,536	73	581,536
Substitutes/Instructional	-	-	-	-	-	-
Substitutes/Non Instructional	1	37,440	4	149,176	5	186,616
<b>Totals (Part-Time and Subs)</b>	<b>1</b>	<b>\$ 37,440</b>	<b>77</b>	<b>\$ 730,712</b>	<b>78</b>	<b>\$ 768,152</b>
Other positions	23	2,167,406	1	1,114,243	24	3,281,649
<b>Total</b>	<b>525</b>	<b>\$ 19,404,881</b>	<b>480</b>	<b>\$ 25,373,960</b>	<b>1,005</b>	<b>\$ 44,778,841</b>

- The above table represents the General Fund only (Food Service is excluded).
- Assumes positions will be filled at a similar rate as FY 2019 Adopted Budget
- Vacancies Impacting the General Fund: Fund 11 General Purpose (100%), Fund 16 Special Education (50%), Fund 19 Consolidated (70%)
- Other positions refer to additional miscellaneous positions outside of the FTE categories (e.g., after school, summer school, etc.)
- The budgets for vacancies impacting the general fund are reduced by half for Budget Amendment # 1.

# **FY19 Budget Amendment No. 1**

## ***- Purchased Services and Supplies Details***

# FY 2019 BA No. 1 – Purchased Services

			FY 2019 Proposed Budget Amendment No. 1 Increase (Decrease) over FY 2019 Adopted		Percent of Purchased Services	
	FY 2019 Adopted Budget	FY 2019 Proposed Budget Amendment No. 1	Dollar Change (\$)	Percent Change (%)	FY 2019 Adopted Budget	FY 2019 Proposed Budget Amendment No. 1
<b>Purchased Services</b>						
Facilities	\$ 51,684,193	\$ 53,617,205	\$ 1,933,012	3.7%	32.5%	29.2%
Professional and Technical Services	38,352,991	59,251,888	20,898,897	54.5%	24.1%	32.3%
Client/Pupil Transportation	33,738,028	33,482,510	(255,518)	(0.8%)	21.2%	18.2%
Technology	17,657,345	13,641,212	(4,016,133)	(22.7%)	11.1%	7.4%
Other Purchased Services	5,883,471	6,178,686	295,215	5.0%	3.7%	3.4%
DPSCD Police	5,278,746	6,204,249	925,503	17.5%	3.3%	3.4%
Communication	1,910,553	4,763,157	2,852,604	149.3%	1.2%	2.6%
Insurance and Bond Premiums	1,678,000	1,623,845	(54,155)	(3.2%)	1.1%	0.9%
Travel/Workshops-Staff	1,077,233	1,347,247	270,014	25.1%	0.7%	0.7%
Printing and Binding	519,858	830,934	311,076	59.8%	0.3%	0.5%
Miscellaneous Expenditures	482,245	787,342	305,097	63.3%	0.3%	0.4%
Advertisement	341,500	587,870	246,370	72.1%	0.2%	0.3%
Dues and Fees	239,040	658,638	419,598	175.5%	0.2%	0.4%
Repair and Maintenance Services	165,391	534,201	368,810	223.0%	0.1%	0.3%
Rentals	-	168,320	168,320	NA	0.0%	0.1%
<b>Total Purchased Services</b>	<b>\$ 159,008,594</b>	<b>\$ 183,677,304</b>	<b>\$ 24,668,710</b>	<b>15.5%</b>	<b>100.0%</b>	<b>100.0%</b>

# FY 2019 BA No. 1 – Purchased Services

## Purchased Services Budget Assumptions:

- **Facilities (\$1.9M increase)**
  - \$1.9M increase in contracted services for the Division of Operations related to building maintenance, snow removal and grounds.
- **Technology (\$4M decrease)**
  - \$4.2M decrease in contracted services for the Division of Technology related to transition to full time employment.
- **Communication (\$2.9M increase)**
  - \$2.9M increase in software licenses for Schools & Curriculum and Instruction.
- **Professional and Technical Services (\$20.9M increase)**
  - \$8.9M increase for schools instructional purchased services in Fund 19.
  - \$7.4M increase in Curriculum and Instruction in the Title IV budget for Instructional Services.
  - \$2.0M increase for Instructional services for Private Non-Public Schools from Title Budgets.
  - \$1.7M increase in Academic Programs for Instructional Services and Outside Consultants.
  - \$1M increase for Legal Services in the Office of the General Counsel.

# FY 2019 BA No. 1 – Supplies

Supplies	FY 2019		FY 2019 Proposed Budget Amendment No. 1 Increase (Decrease) over FY 2019 Adopted		Percent of Supplies	
	FY 2019 Adopted Budget	Proposed Budget Amendment No. 1	Dollar Change (\$)	Percent Change (%)	FY 2019 Adopted Budget	FY 2019 Proposed Budget Amendment No. 1
Educational Media and Text Books	\$ 271,000	\$ 17,712,735	\$ 17,441,735	6,436.1%	2.2%	56.5%
Other Supplies	1,590,547	6,434,161	4,843,614	304.5%	12.8%	20.5%
Resale Supplies and Materials	113,548	93,004	(20,544)	(18.1%)	0.9%	0.3%
Teaching/Testing Supplies and Materials	10,192,520	6,653,491	(3,539,029)	(34.7%)	81.9%	21.2%
Transportation Supplies	275,000	455,000	180,000	65.5%	2.2%	1.5%
<b>Total Supplies</b>	<b>\$ 12,442,615</b>	<b>\$ 31,348,391</b>	<b>\$ 18,905,776</b>	<b>151.9%</b>	<b>100.0%</b>	<b>100.0%</b>

- \$13.3m increase in Curriculum and Instruction primarily due to textbook adoptions and other instructional material purchases.
- \$3.7m increase in schools Title IA budgets. The adopted budget did not include a Title IA supply allocation for schools.
- \$1.0m increase in Operations supply budget due to general maintenance supplies.