

Part Four

Budget Revisions



General Fund

The General Fund accounts for the district's core operations:

- General education
- Special education (non-Center Programs)
- Preschool through 12th grade and beyond, including up to 26 years old for special education students.

Funding Sources

- The Foundation Allowance comprises close to 75% of the General Fund revenue. The formula is:

$$\text{Foundation Allowance per pupil} \times \text{Enrollment}$$

- Annually, through the State's budgeting process, a Foundation Allowance per pupil amount is established and not always known before July 1 when the district must have a budget in place.
- The Foundation Allowance is comprised of State and Local sources, including approved operating millages, capped at the State determined Foundation amount.
- In many years, increases in the Foundation Allowance per pupil is allocated using a "2x" formula where the lowest funded districts receive twice the increase of the highest funded districts, resulting in an overall lower cumulative increase since the enactment of Proposal A.
- Since the enactment of Proposal A, school districts have limited revenue raising ability.

General Fund Budgets - Fiscal Year 2020/2021

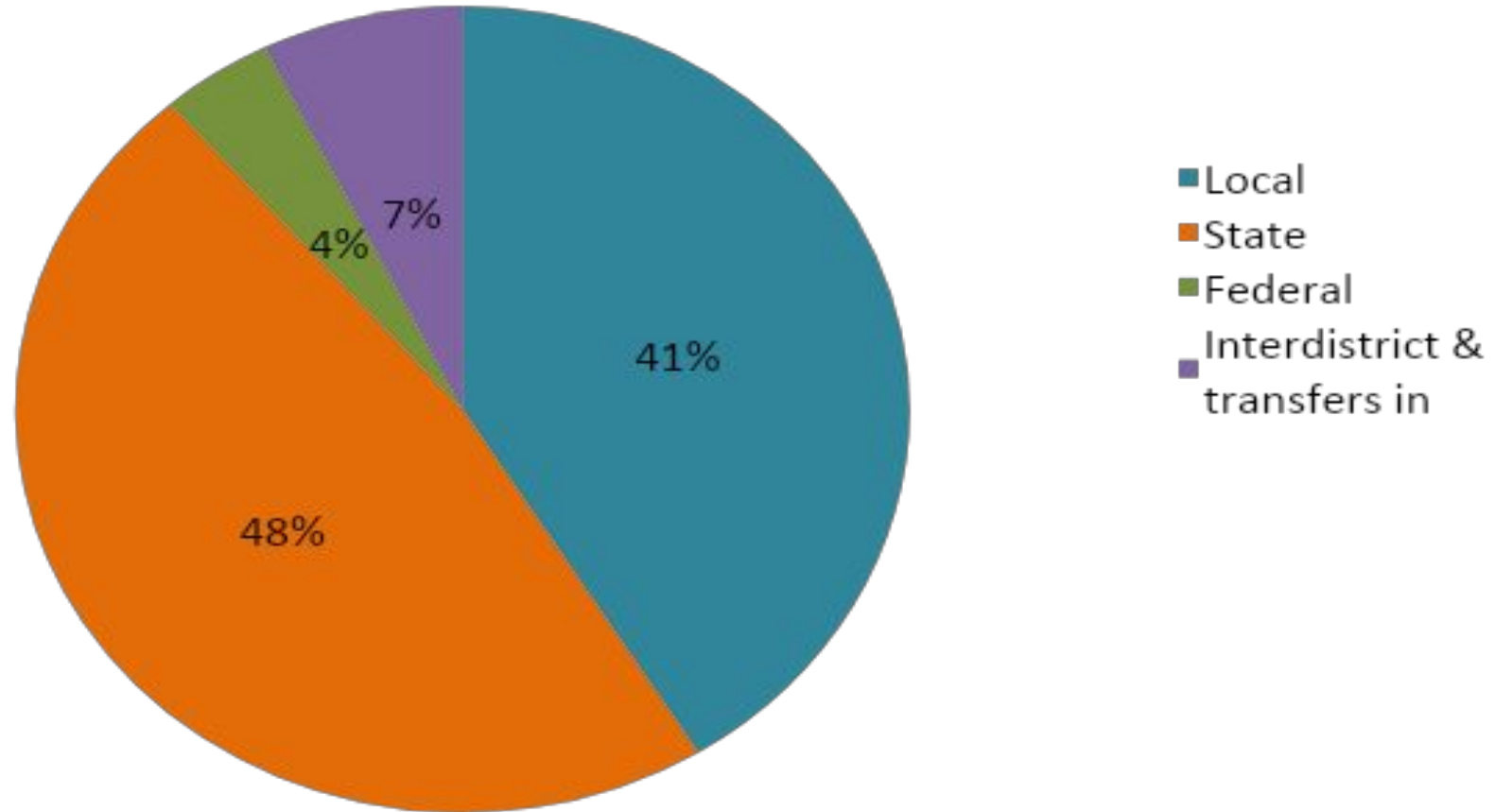
	Original Budget	December Budget
General Fund – Fund balance as of July 1, 2020 (audited)*	\$20,875,724	\$20,875,724
Revenues & Transfers In	91,205,879	95,733,937
Expenditures & Transfers Out	(93,289,914)	(95,482,925)
Revenue over (under) expenditures	(2,084,035)	251,012
General Fund – Fund balance as of June 30, 2021 (projected)	\$18,791,689	\$21,126,736
Fund balance as a percent of expenditures	20.1%	22.1%

General Fund – December Key Revisions

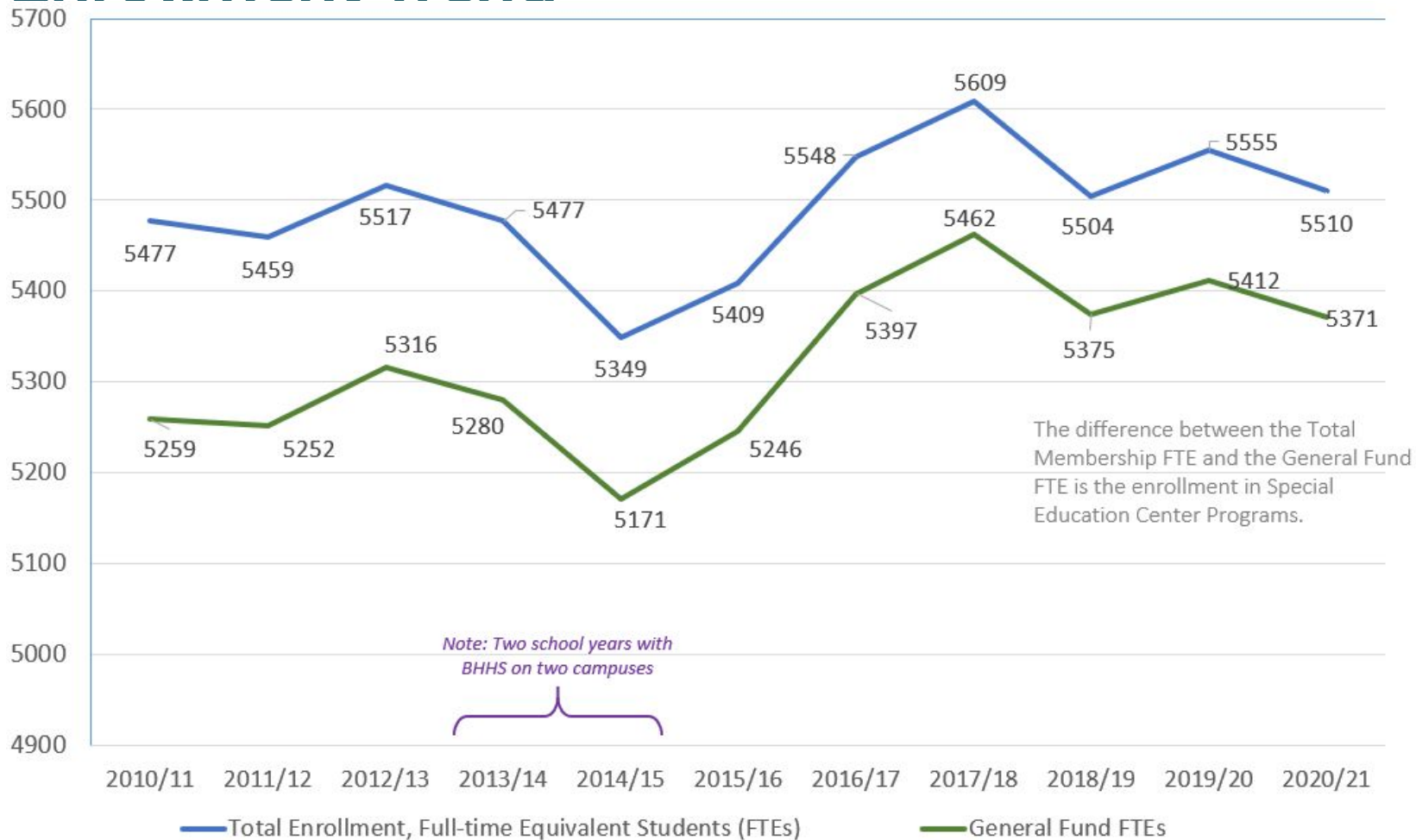
Description	Impact on Fund Balance Better (Worse)
Original Budget – Revenue over (under) Expenditures	(\$ 2,084,035)
Revenue adjustments	4,528,058
✓ Foundation Allowance Revenue (a blend of local & state revenue) - The State budget was signed on September 30 with no change to the foundation allowance per pupil, which improves the budget originally projecting a reduction and offset by the new “super blend” pupil count decrease of 45 full time equivalent (FTE) pupils.	
✓ Local revenues decreased, including childcare, facility rentals, and bus charters.	
✓ Federal revenue changes are primarily due to increased COVID related funds.	
✓ Interdistrict revenue primarily relates to Public Act 18* distributions.	
Expenditure adjustments	(2,193,011)
✓ Staffing, most of which is related to COVID costs such as Bloomfield Virtual net increase	
✓ Purchased services & supplies primarily due to COVID, including PPE, software, licenses, etc.	
✓ The outgoing tuition is for the increased IA Okma tuition (part of the budget recommendations on the agenda)	
✓ The transfer out is the Oakland County CARES allocation, funding tech device needs. The Capital Equipment Fund is where tech device procurement is recorded and managed. This amount offsets the June Board approved \$1.2 million of Center Program Fund monies toward tech needs due to COVID.	
Original Budget – Revenue over (under) Expenditures	\$ 251,012

*PA18 allocations are initially released by Oakland Schools in the spring for the following year based upon a conservative estimate of tax collections and a goal to retain a 5% fund balance in the Special Education Fund. The allocation is distributed to County districts based upon the last annual special education cost report, which lags a year behind the tax collections. Additional distributions are considered once the financial audit is complete, considering various factors, including the 5% fund balance goal.

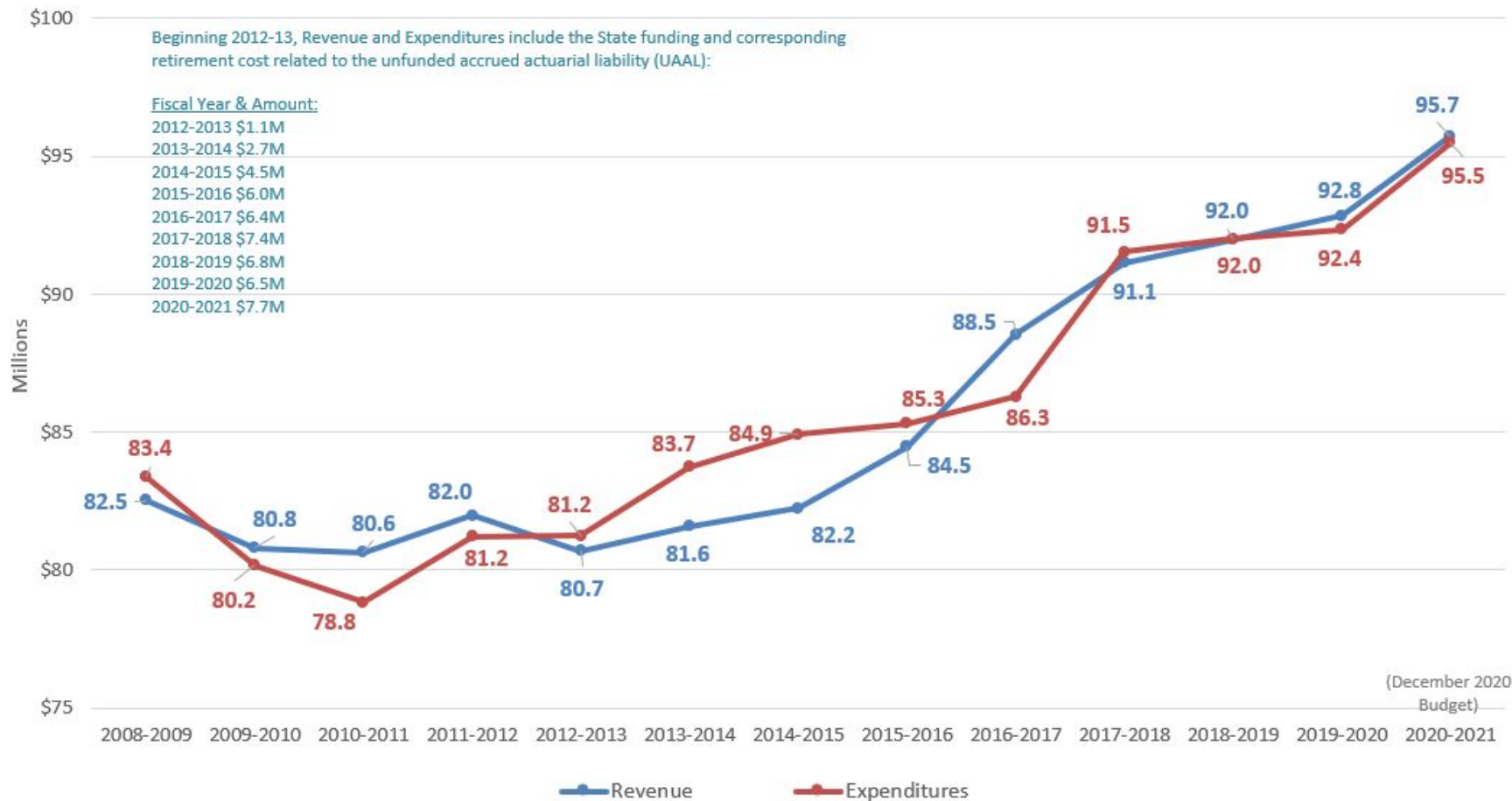
Fiscal Year 2020/2021 - General Fund Revenue Sources



Enrollment Trend



Revenue / Expenditures by Fiscal Year



Cumulative Foundation Allowance Changes Compared to the Consumer Price Index Since 1994/95

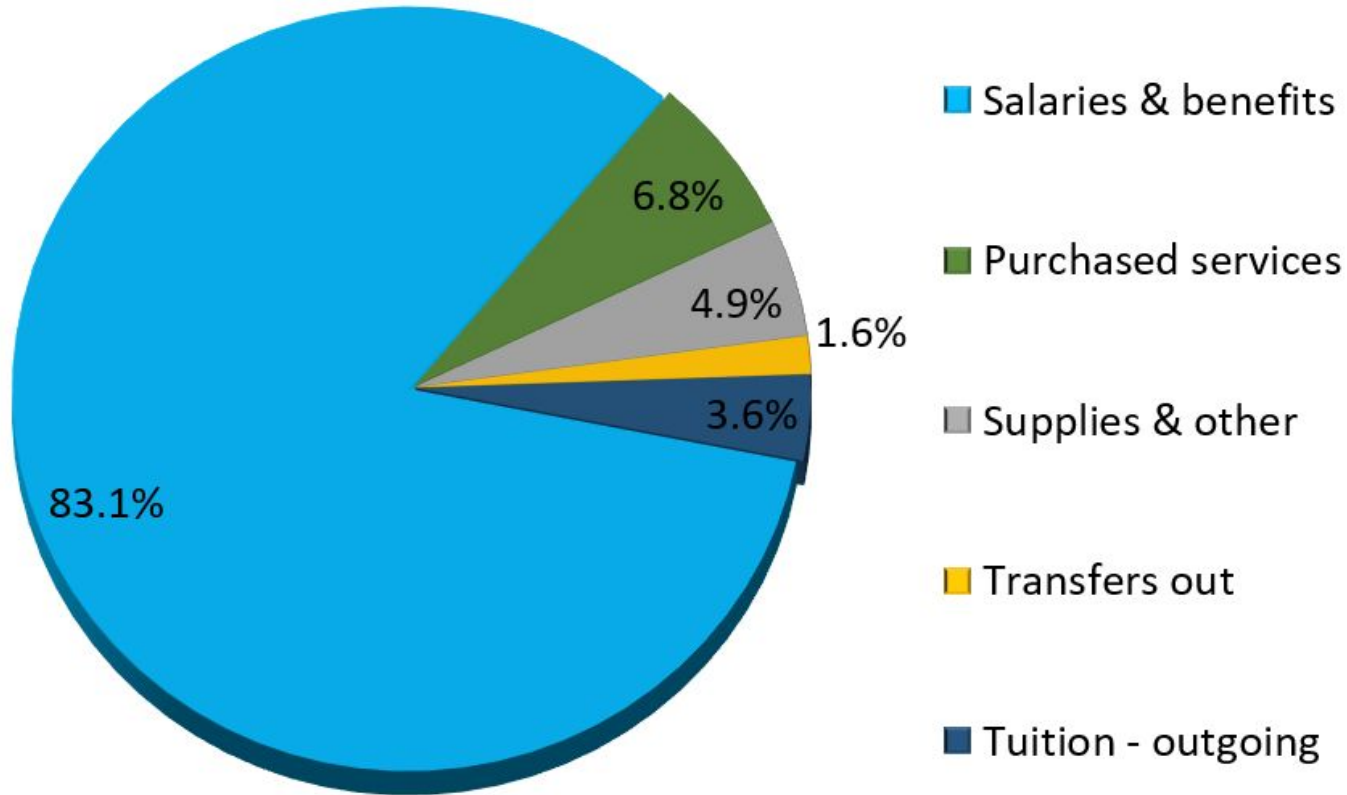
	Fiscal Yrs:												
Foundation allowance history	1994/95	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Minimum foundation	\$ 4,200	\$ 7,316	\$ 7,162	\$ 7,146	\$ 6,846	\$ 6,966	\$ 7,026	\$ 7,126	\$ 7,391	\$ 7,511	\$ 7,631	\$ 7,871	\$ 8,111
Increase (decrease)		112	(154)	(16)	(300)	120	60	100	265	120	120	240	240
Percent change		1.55%	-2.10%	-0.22%	-4.20%	1.75%	0.86%	1.42%	3.72%	1.62%	1.60%	3.15%	3.05%
Minimum Cumulative % Change		74%	71%	70%	63%	66%	67%	70%	76%	79%	82%	87%	93%
Basic foundation allowance	\$ 5,000	As Proposal A narrowed the funding gap, 3 levels of foundation allowance became 2 levels in 2008, the "Minimum" & "State Max"											
Maximum foundation	\$ 6,500	\$ 8,489	\$ 8,335	\$ 8,319	\$ 8,019	\$ 8,019	\$ 8,049	\$ 8,099	\$ 8,169	\$ 8,229	\$ 8,289	\$ 8,409	\$ 8,529
Increase (decrease)		56	(154)	(16)	(300)	-	30	50	70	60	60	120	120
Percent change		0.66%	-1.81%	-0.19%	-3.61%	0.00%	0.37%	0.62%	0.86%	0.73%	0.73%	1.45%	1.43%
Maximum Cumulative % Change		31%	28%	28%	23%	23%	24%	25%	26%	27%	28%	29%	31%
Bloomfield Hills Schools	\$ 10,454	\$ 12,443	\$ 12,170	\$ 12,154	\$ 11,854	\$ 11,854	\$ 11,884	\$ 11,934	\$ 12,004	\$ 12,064	\$ 12,124	\$ 12,244	\$ 12,364
Increase (decrease)		56	(273)	(16)	(300)	-	30	50	70	60	60	120	120
Percent change		0.45%	-2.19%	-0.13%	-2.47%	0.00%	0.25%	0.42%	0.59%	0.50%	0.50%	0.99%	0.98%
Bloomfield Hills Schools Cumulative % Change		19%	16%	16%	13%	13%	14%	14%	15%	15%	16%	17%	18%
GDP* Price Deflator, State & Local Gov't Purchases	56.6	92.0	94.0	97.1	99.3	102.5	105.2	105.7	105.5	107.6	111.7	114.6	115.9
Percent change		0.18%	2.14%	3.34%	2.21%	3.29%	2.63%	0.47%	-0.18%	1.97%	3.85%	2.52%	1.20%
Cumulative % Change		63%	66%	72%	75%	81%	86%	87%	87%	90%	98%	102%	105%

From fiscal years 1995 through 2020, the District had an average annual growth in per pupil revenue of .73 percent compared with the Gross Domestic Product Deflator for State and Local Government purchases of 4.20 percent during the same 25 year period under Proposal A.

While Proposal A to narrowed the funding gap between districts with the lowest per pupil revenue and the highest per pupil revenue, funding growth for Bloomfield Hills Schools does not keep pace with inflation and diminishes purchasing power.

*Gross Domestic Product (GDP) is a measure of inflation in the U.S. Economy, measuring the prices of all goods and services purchased by state and local governments. (<https://fred.stlouisfed.org>)

Fiscal Year 2020/2021 - General Fund Expenditures by Object



Our largest cost is our staff totaling about \$79.3 million, which comprises around 83.1% of our total General Fund expenditures.

Board of Education Policy 5002

Budget Planning and Adoption

The Board is required to adopt a balanced budget prior to July 1 of each year, to be in place for the ensuing school year. The budget is a formalized statement of anticipated revenues, expenditures of the District, and fund balance and includes all district fund categories that are used to carry-out the District's educational goals and objectives, as required by law. If a five-year forecast provided to the Board shows that the General Fund fund balance would go below 20% of projected expenditures in any year, the matter will be brought to the attention of the Board for discussion at the next scheduled Board meeting or at a special meeting convened sooner. The Board will not approve an annual operating budget that is based on a five-year forecast showing that the General Fund fund balance would go below 15% of projected expenditures in any year, unless the Board contemporaneously passes a separate motion permitting same for that year.

The Superintendent is responsible for preparing the budget and its timely presentation to the Board. Following adoption by the Board, the Superintendent will regularly inform the Board of actual or anticipated variances that may occur during budget implementation and recommend any action that may be required to be taken by the Board.

**Special Revenue Fund:
International Academy – Okma
Campus**

International Academy – Okma Campus

Fiscal Year 2020/21

	Original Budget	December Budget
Fund balance as of July 1, 2020 (audited)	\$ 72,461	\$ 72,461
Revenues	5,832,044	6,237,023
Expenditures	(5,745,073)	(5,968,823)
Revenue over (under) expenditures	86,971	268,200
Fund balance as of June 30, 2021 (projected)	\$ 159,432	\$ 340,661
Fund balance as a percent of expenditures	2.8%	5.7%

International Academy – Okma Campus

Description	Impact on Fund Balance Better (Worse)
Original Budget – Revenue over (under) Expenditures	\$ 86,971
Revenue <ul style="list-style-type: none">Tuition increased (based on the foundation allowance that was originally projected to have a significant decrease)15 more students than originally projected	404,979
Staffing costs, net Note: The campus is staffed by many of the participating districts. Compensation is based on the home district's bargaining agreement.	(199,370)
Enrichment activity, zero net impact: <ul style="list-style-type: none">Revenue increased \$46,328Expenditures increased \$46,328	-
Supplies and other costs, net	(24,380)
December Budget – Revenue over (under) Expenditures	\$ 268,200

Please visit bloomfield.org for more information



Click the transparency icon on the home page
or visit the Finance web pages under
Departments

*Note: The amended budget
brings the score to "0", lowest*

Year	Data Status	Indicator Score	Enrollments	Foundation Allowances	Revenues	Expenditures	Fund Balances	Taxable
2021	Budget	1	5555	\$12,364	\$91,205,879	\$93,289,914	\$18,791,690	\$3,91
2020	Audited	0	5555	\$12,364	\$92,828,645	\$92,352,781	\$20,875,724	\$3,81
2019	Historic	0	5505	\$12,244	\$91,972,626	\$91,994,886	\$20,399,860	\$3,61
2018	Historic	0	5609	\$12,124	\$91,140,256	\$91,520,770	\$20,422,121	\$3,51
2017	Historic	1	5548	\$12,016	\$88,546,335	\$86,269,729	\$20,802,671	\$3,31
2016	Historic	2	5409	\$12,004	\$84,447,225	\$85,292,854	\$18,526,060	\$3,21
2015	Historic	2	5349	\$11,934	\$82,232,047	\$84,906,750	\$19,371,688	\$3,11



Low Risk

High Risk

- + Fiscal Year 2020-2021 Board Approved Budget
- + Fiscal Year 2019-2020 Board Approved Budget
- + Fiscal Year 2018-2019 Board Approved Budget
- + Fiscal Year 2017-2018 Board Approved Budget
- + Fiscal Year 2016-2017 Board Approved Budget
- + Fiscal Year 2015-2016 Board Approved Budget
- + Fiscal Year 2014-2015 Board Approved Budget
- + Personnel Expenditures
- + Current Operating Expenditures
- + Current Bargaining Agreements
- + Employer Sponsored Health Care Plans
- + Audited Financial Statements
- + Medical Benefit Plan Bids

- + Procurement Policy
- + Expense Reimbursement Policy
- + Accounts Payable Check Register
- + Employee Compensation Information
- + District Paid Association Dues
- + District Paid Lobbying Costs
- + Approved Deficit Elimination Plan
- + District Credit Card Information
- + District Paid Out-of-State Travel Information
- + COVID-19 Information
- + Other Budget Documents
- + FOIA Procedures & Guidelines
- + MI School Data
- + Educator Evaluation Systems Postings and Assurances

Messages and Awards

- [ASBO Award for 2018](#)
- [ASBO Award for 2017](#)
- [ASBO Award for 2016](#)
- [ASBO Award for 2015](#)
- [Winter 2015, A Message from Dr. Rob Glass](#)
- [ASBO Award for 2014](#)

Budget Updates

- [Midyear Budget Update January 30, 2020](#)
- [Midyear Budget Update February 21, 2019](#)
- [Midyear Budget Update February 15, 2018](#)
- [Midyear Budget Update February 16, 2017](#)
- [Final Budget Update June 2, 2016](#)
- [Midyear Budget Update February 18, 2016](#)
- [Midyear Budget & Forecast Preview February 16, 2014](#)
- [Midyear Budget Progress December 19, 2013](#)
- [Midyear Budget Update February 7, 2013](#)

School Finance Information

Budget & Finances

Bloomfield Hills Schools Budget

Plante Moran Financial Audits

- [2020 Financial Audit by Plante Moran](#)
- [2019 Financial Audit by Plante Moran](#)
- [2018 Financial Audit by Plante Moran](#)
- [2017 Financial Audit by Plante Moran](#)
- [2016 Financial Audit by Plante Moran](#)

Public Hearings

- [Budget Public Hearing June 25, 2020 - slides](#)
- [Budget Public Hearing June 6, 2019 - video](#)
- [Budget Public Hearing June 6, 2019 - slides](#)
- [Budget Public Hearing June 21, 2018 - video](#)
- [Budget Public Hearing June 21, 2018 - slides](#)
- [Budget Public Hearing June 15, 2017 - video](#)
- [Budget Public Hearing June 15, 2017 - slides](#)
- [Budget Public Hearing June 29, 2016 - video](#)
- [Budget Public Hearing June 29, 2016 - slides](#)
- [Budget Public Hearing June 4, 2015 - slides](#)
- [Budget Public Hearing June 19, 2014 - slide](#)
- [Budget Public Hearing June 20, 2013 - slides](#)
- [Budget Public Hearing June 21, 2012 - slides](#)

Budget Balancing Actions

- + Fiscal Year 2020-21
- + Fiscal Year 2019-20
- + Fiscal Year 2018-19
- + Fiscal Year 2017-18
- + Fiscal Year 2016-17
- + Fiscal Year 2015-16
- + Fiscal Year 2014-15



END OF SECTION

DISCUSSION