

Bloomfield Hills Schools Board of Education

Public Hearing

2021/22 Original Budget

2021 Tax Rates

& 2020/21 Final Budget Revisions

**2021 Property Tax
Millage Rates &
2021/22 General Fund
Original Budget
Recommendation**

2021 Property Tax Millage Rate Summary

Tax Base	Purpose	# of Mills
Non-Primary Residence Exemption Property (Non-PRE)	General Operating	18.0000
Primary Residence Exemption Property (PRE)	General Operating	6.3028*
Commercial Personal Property	General Operating	12.3028*
All Classifications of Property	Debt Service & Sinking Fund	2.7500 0.7036

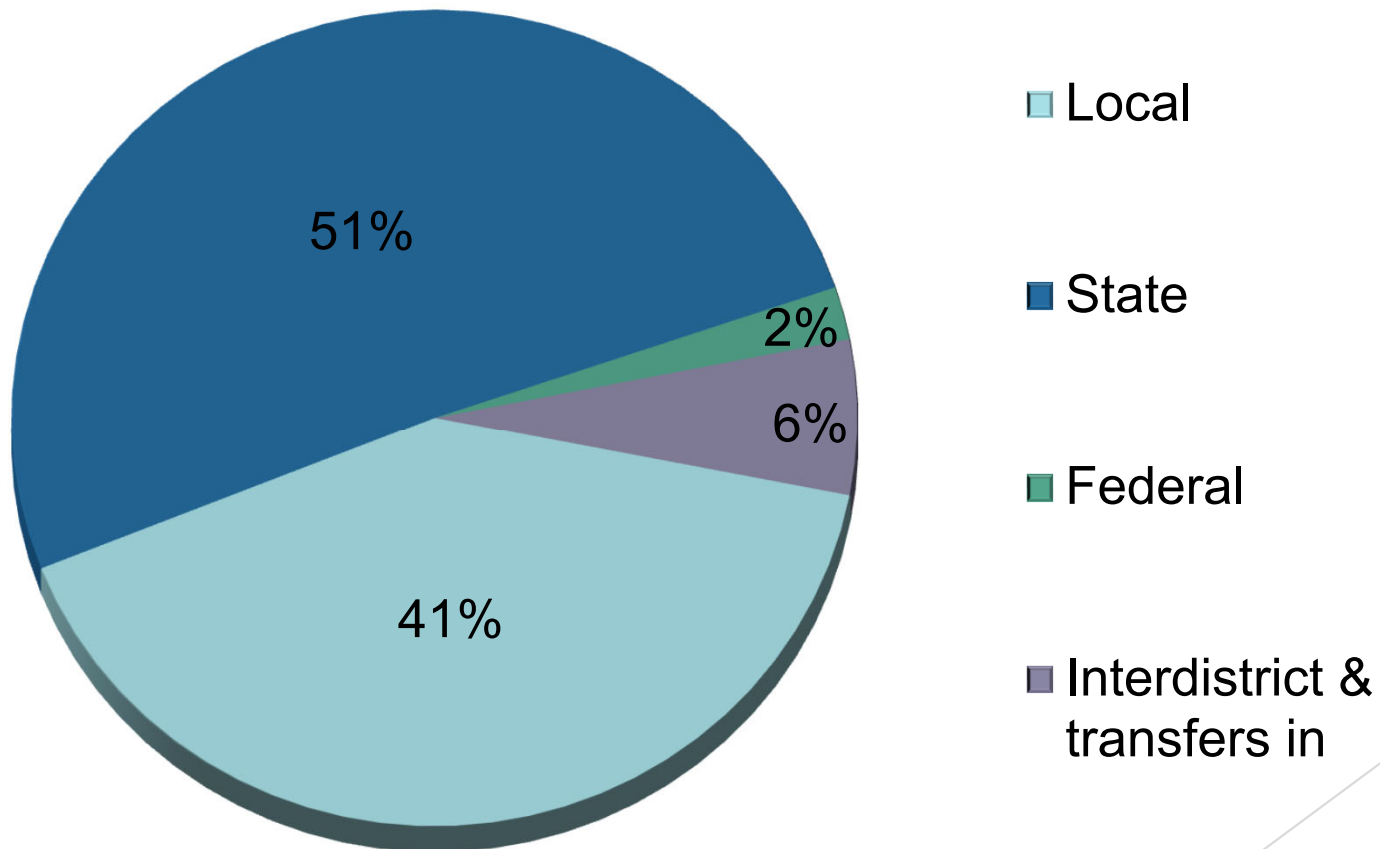
**These rates are preliminary based on the latest expected enrollment and taxable value. 50% will be levied on July 1st. Another review is performed in September using the latest enrollment and taxable value data at that time. The final rate less the levy on July 1st is levied on December 1st.*

General Fund Budget

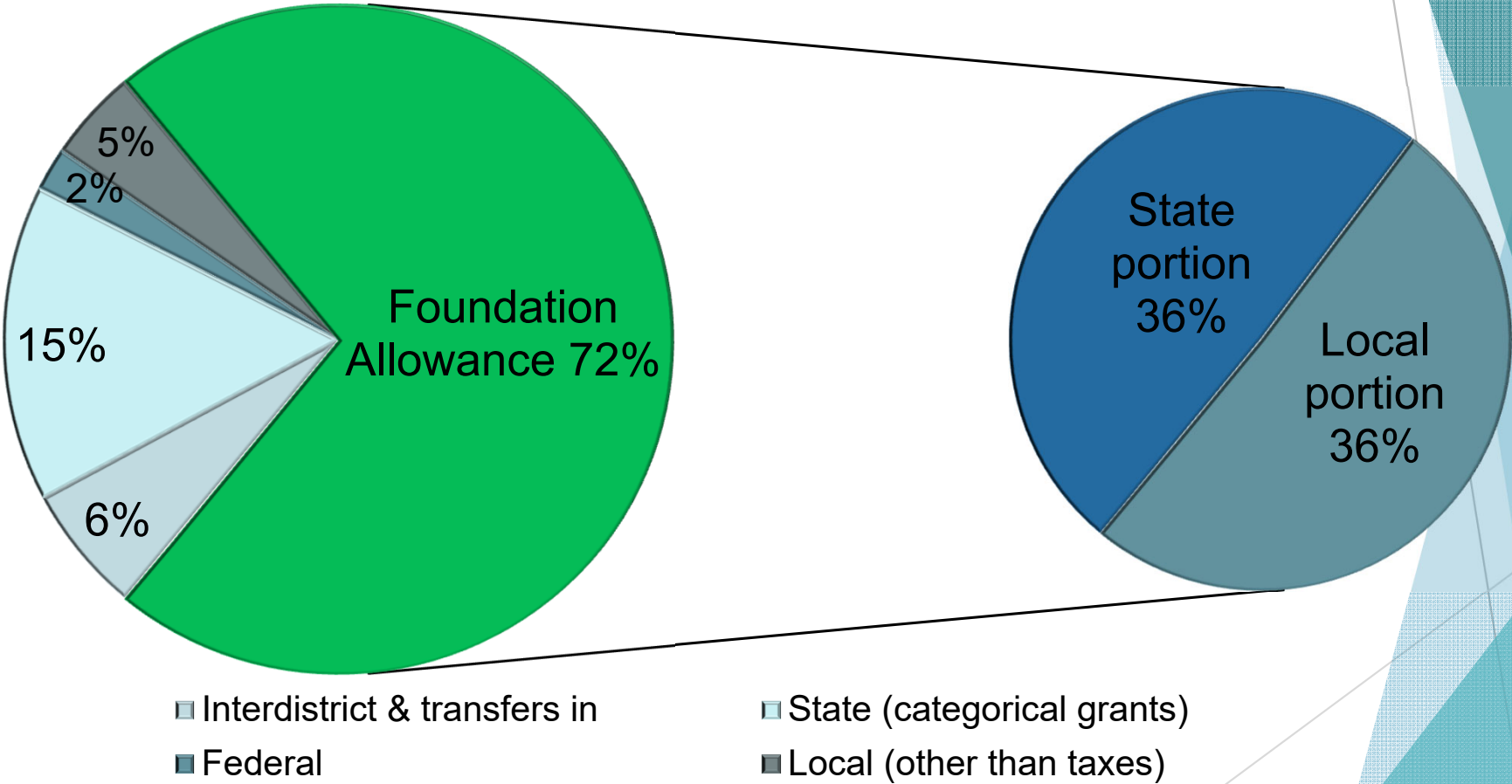
	2020/21 Final Budget	2021/22 Original Budget
General Fund – Fund balance, beginning of the year	\$20,875,724	\$23,577,127
Revenues & Transfers In	99,086,881	94,513,420
Expenditures & Transfers Out	(96,385,478)	(97,114,857)
Revenue over (under) expenditures*	2,701,403	(2,601,437)
General Fund – Fund balance, end of year	\$23,577,127	\$20,975,690
Fund balance as a percent of expenditures	24.5%	21.6%

*About \$2 million of funding received during 2020/21 will be used toward expenditures in 2021/22.

Fiscal Year 2021/22 - General Fund Revenue by Source



Fiscal Year 2021/22 - General Fund Revenue by Source



The Foundation Allowance is funded both locally, through non-homestead and hold harmless operating taxes, and by the State School Aid Fund. Approximately \$68 million, or 69% of total revenue represents the per pupil Foundation Allowance funding.

General Fund Revenue Changes

Description	Increase (Decrease)
2020/21 Total Revenue, Final Budget Projection	\$ 99,086,881
Local revenue, returning to normal with preschool, facility/field rentals and a slight anticipated increase in investment income	775,000
State funding projected increase totaling \$200 per pupil from foundation allowance/categorical sections, offset by projected decline in calculated membership FTEs (full time equivalent) from the Super Blend calculation <i>Note: While the number of students is projected to increase from this year, the budget is based upon state calculations for membership that drive Foundation Allowance funding amounts.</i>	461,436
Public Act 18 revenue decrease by the one-time additional distribution during 2020-21	(207,261)
State Funding decrease for ESSER II Equalization one-time funding	(2,004,423)

General Fund Revenue Changes, continued

Description	Increase (Decrease)
Federal funding decreases of one-time funding:	
• Coronavirus Aid, Relief, and Economic Security (CARES) Act	(1,944,075)
• Coronavirus Relief Fund (CRF)	(68,431)
• Elementary and Secondary School Emergency Relief (ESSER) I	(111,145)
• ESSER II *	(207,298)
• Preschool grants	(126,900)
• CARES through Oakland County	(759,577)
• Federal Emergency Management Act (FEMA)	(281,855)
Other adjustments, net	(98,932)
Net revenue decrease, almost 5%	(4,573,461)
2021/22 Total Revenue, Original Budget Projection	\$ 94,513,420

* The remaining portion of ESSER II and the full ESSER III allocation, about \$1.3 million in total, is not yet appropriated (House Bill 4421); therefore, not included in the FY22 revenue.

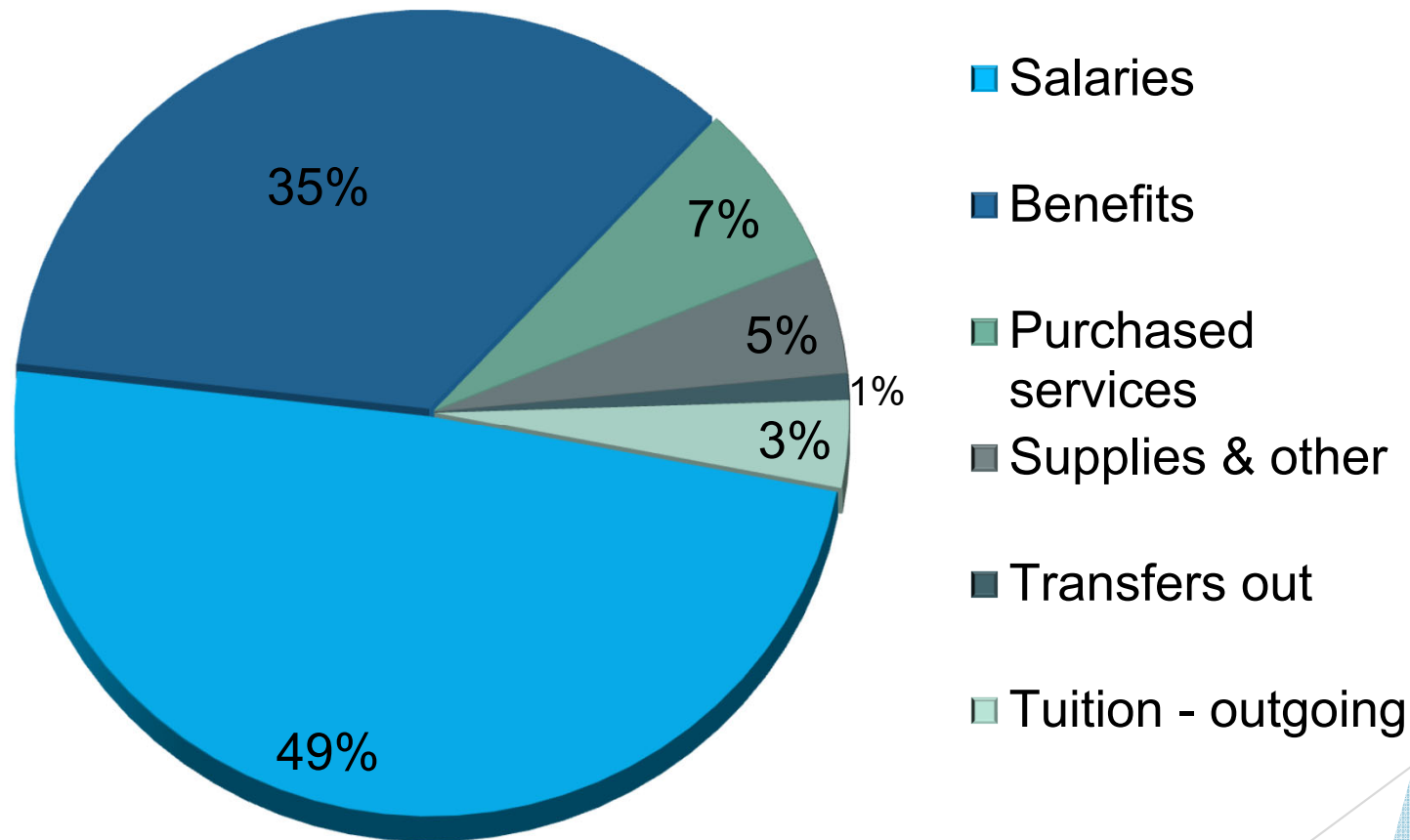
General Fund Revenue Assumptions

2021/22 Original Budget

Many unknown variables exist for the original budget, including the following key considerations that are in process:

- Enrollment
 - Using a slightly higher than average of the fall 2019 & fall 2020 counts to estimate fall 2021 full time equivalents (FTEs)
 - No indication of a “super blend” for next year, so back to a typical 90% of current fall and 10% of prior year winter
 - Projection is a blended membership of 5460 FTEs
 - Compared to this year’s “super blend” of 5511, the projection is a decrease of 51 FTEs for funding purposes; however, the projection is an increase over the typical calculation that would have been 5380 without the “super blend”
- Foundation Allowance & Categorical Funding increase of about \$200 per pupil
 - Cautiously optimistic - - - and more details pending the State’s budget talks, including the ESSER III equalization to \$1,093 per student, part of budget consensus discussions - - - and to be determined
- Local revenue – estimating increases from this year with some ‘return to normal’, but cautiously optimistic
- Federal & state revenue – only appropriated monies are included in the budget. The remaining ESSER II & full ESSER III monies are not included. The proposed ESSER III equalization monies are not included.

Fiscal Year 2021/22 - General Fund Expenditures by Object



The largest cost is staffing, totaling about \$81 million, which comprises around 84% of total General Fund expenditures.

General Fund Expenditures Changes

Description	Increase (Decrease)
2020/21 Total Expenditures, Final Budget Projection	\$ 96,385,478
<p>Staffing:</p> <ul style="list-style-type: none"> Collective bargaining agreement estimated costs, including salaries/wages, related FICA/retirement, and health benefit costs <i>(breakdown not provided since details are pending ratification and board approval)</i> Costs associated with the alignment of resources to strategies: <ul style="list-style-type: none"> Increase Social Work Support for All Sites Special Education: <ul style="list-style-type: none"> Additional instructional coaches Added classrooms to expand continuum of services Increase support around elementary literacy & math K-3 Staff classes with a focus on maximizing student / teacher interactions and prioritizing individual student needs due to loss of learning from the pandemic. Summer 2021 Programming: K-8 Summer Academy & 9-12 offerings Addition of District Registered Nurse Reduction in severance, stipend and other wages, much of which was associated with needs during a pandemic year, including elimination of the Director of Health & Wellness role. 	<p>2,444,000</p> <p>(806,000)</p>

General Fund Expenditures Changes

Description

Increase
(Decrease)

Purchased services:

- Reduction in contracted services, primarily due to the significant custodial services necessary during 2020/21
- Return to normal costs:
 - Professional development, which is expected to include more in person learning with associated registration/travel costs were applicable:
 - Special Education - Continued professional learning and coaching support for executive functioning
 - K-12 Literacy
 - Summer Professional Learning focused on Assessment Driven Small Group Reading Instruction and Book Clubs
 - Kindergarten Readiness Assessment (KRA) - MDE certification requirement for all Kindergarten and related support staff.
 - Copier usage

(200,000)

120,000

105,000

Transfers out – Reduction of \$1.2 million for the federal funding received and transferred to the Capital Equipment Fund for necessary tech devices, offset by \$250,000, restoring the typical annual transfer to the Capital Equipment Fund

(950,000)

General Fund – Budget Changes Since Midyear

Description	Increase (Decrease)
<p>Supply costs decreased overall given the significant COVID/PPE supplies purchased during FY21. The decrease is offset by added costs in anticipation of returning to an in-person school year.</p> <ul style="list-style-type: none"> Decrease in supplies, primarily related to PPE and COVID needs Increase in utilities (gas, electric, water) Increase in transportation related supplies including fuel, gas, oil & grease Costs associated with the alignment of resources to strategies: <ul style="list-style-type: none"> K-12 Literacy: Literature Book Adoption, Learning Community Libraries & K-2 Phonics materials K-12 Social Studies: Middle School Resource Adoptions, AP Psychology Resource Adoptions 	<p>(600,000)</p> <p>250,000</p> <p>250,000</p> <p>113,800</p>
Other adjustments	2,579
Net expenditures increase, less than 1%	729,379
2021/22 Total Expenditures, Original Budget Projection	\$ 97,114,857

Special Revenue Funds - Original Budget

Fiscal Year 2021/22

Special Revenue Funds – Fund balance as of July 1, 2021 (projected)		\$ 7,587,076
Revenues & Transfers In	21,019,237	
Expenditures & Transfers Out	(20,709,994)	
Revenue over (under) expenditures		309,243
Special Revenue Funds – Fund balance as of June 30, 2022 (projected)		\$ 7,896,319

Special Revenue Funds include: Center Programs, International Academy, Recreation/Community Services Food Services, Hills Activities, Co-Curricular Endowment

Board of Education Policy 5002

Budget Planning and Adoption

– 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.

General Fund Forecast, Years Ending June 30th

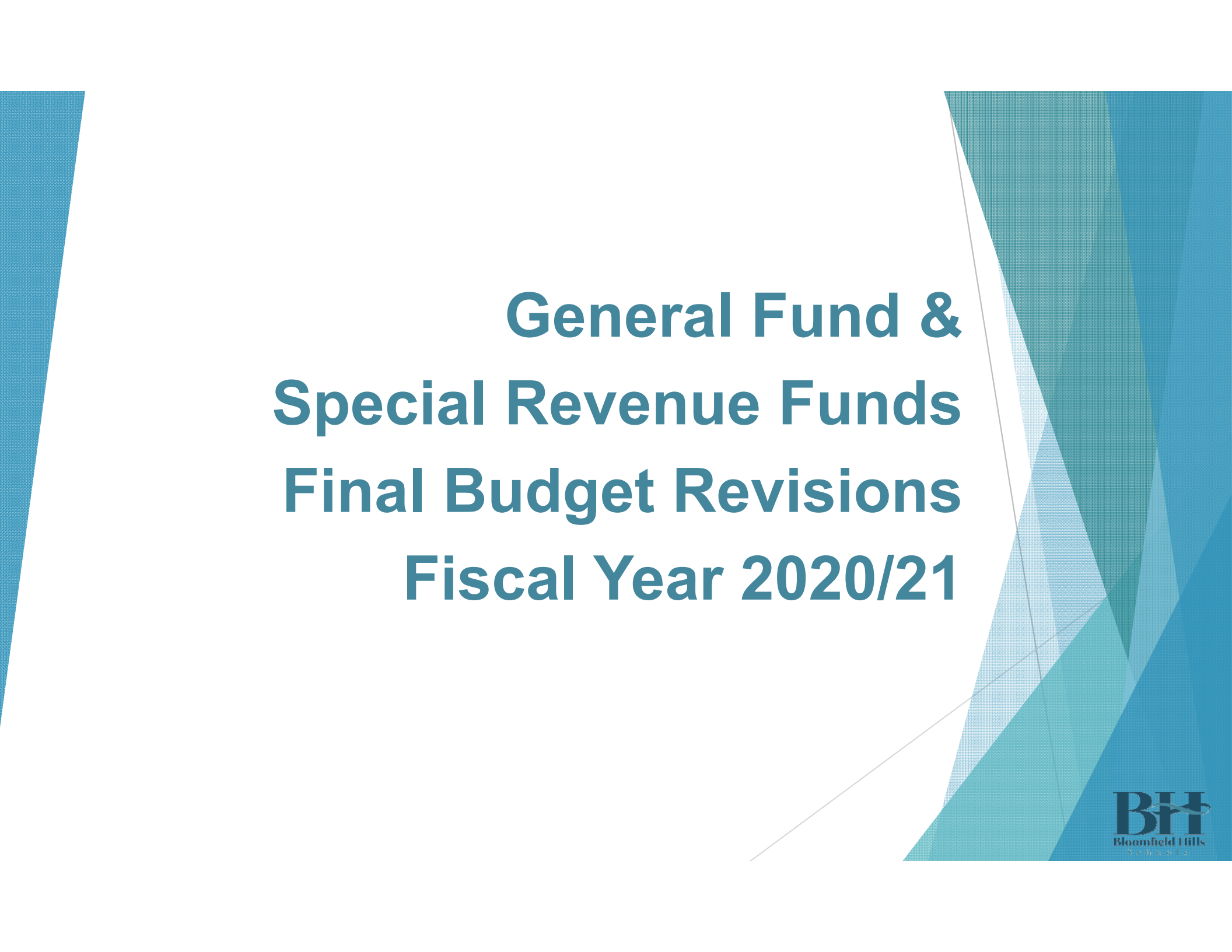
	PRIOR	CURRENT	FUTURE PROJECTIONS			
DESCRIPTION	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
FUND BALANCE JULY 1	\$ 20,399,860	\$ 20,875,724	\$ 23,577,127	\$ 20,975,691	\$ 19,100,414	\$ 17,364,533
REVENUES	\$ 92,828,645	\$ 99,088,180	\$ 94,513,421	\$ 96,282,178	\$ 97,073,898	\$ 97,866,330
EXPENDITURES	\$ 92,352,781	\$ 96,386,777	\$ 97,114,857	\$ 98,157,455	\$ 98,809,779	\$ 99,369,229
ANNUAL SURPLUS(DEFICIT)	\$475,864	\$2,701,403	(\$2,601,435)	(\$1,875,278)	(\$1,735,881)	(\$1,502,898)

2019-20 Audited

UNRESTRICTED FUND BALANCE	\$20,875,724	\$23,577,127	\$20,975,691	\$19,100,414	\$17,364,533	\$15,861,634
FUND BALANCE AS % OF GF EXPENSES	22.6%	24.5%	21.6%	19.5%	17.6%	16.0%

Revenue – The year over year revenue changes primarily consist of ongoing enrollment recovery conservation state funding increases.

Expenditures – Conservative increases in staffing costs beyond expiration dates of bargaining agreements and slight increases in non-staffing costs are built into the earlier years.



General Fund & Special Revenue Funds Final Budget Revisions Fiscal Year 2020/21

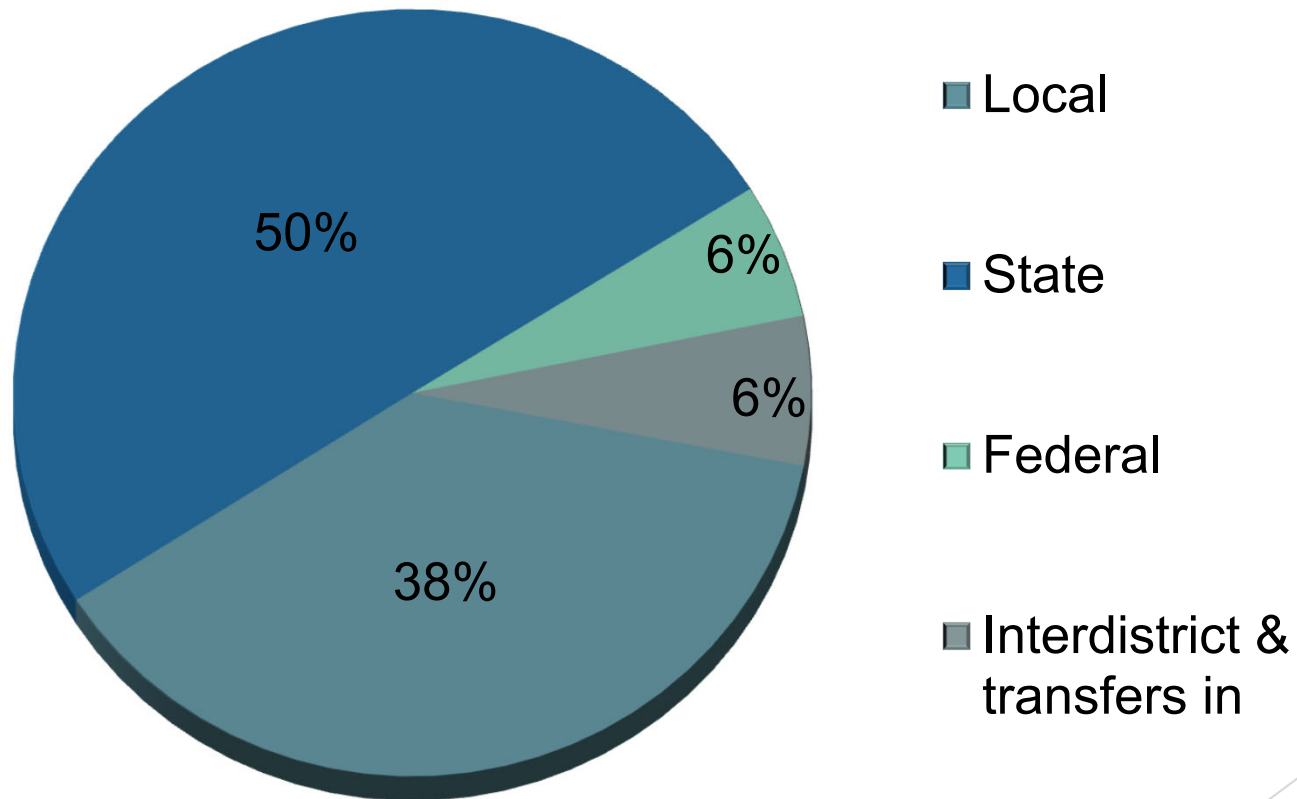
General Fund Budget Projections

Fiscal Year 2020/21

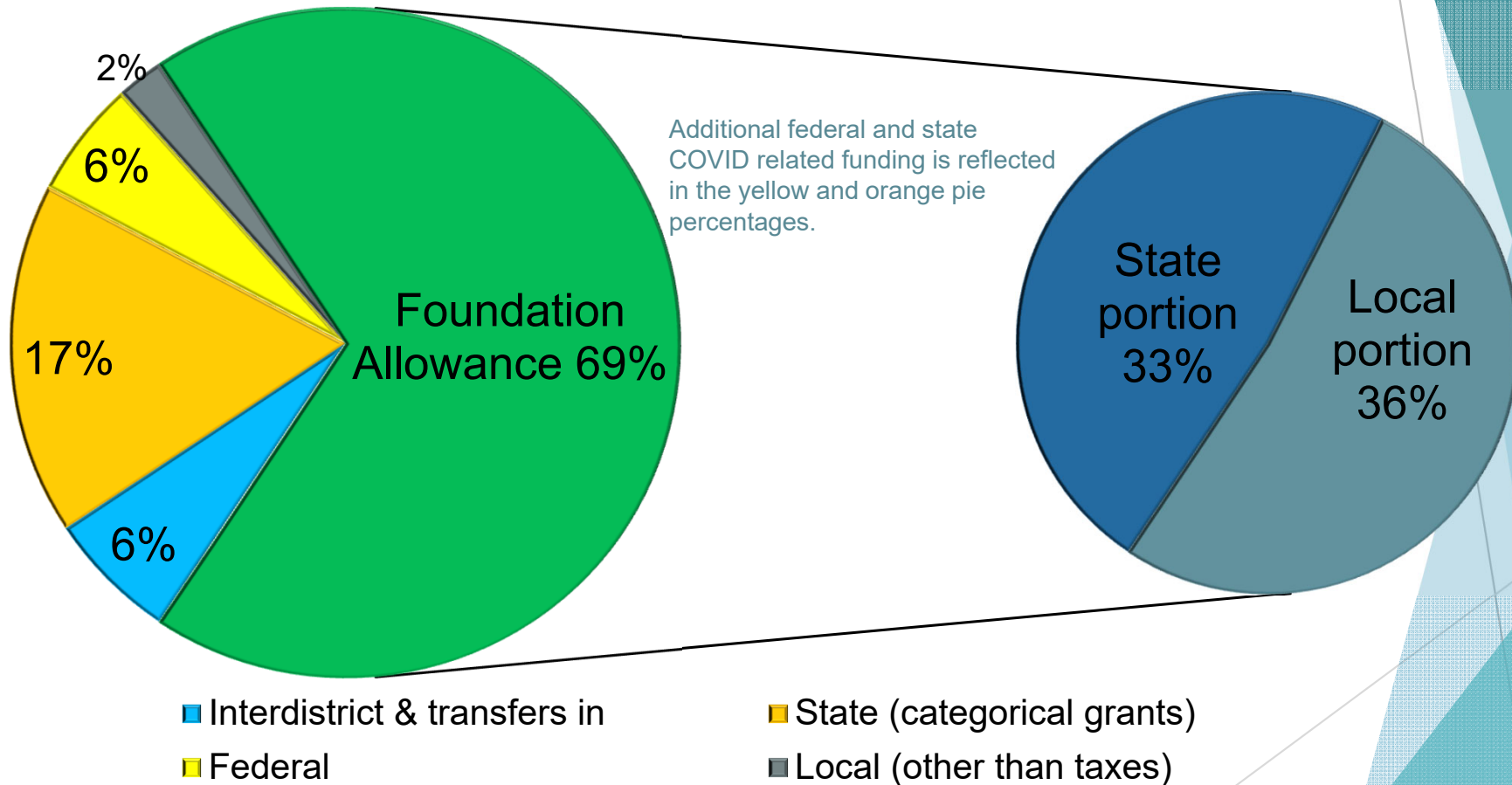
	Original Budget *	Midyear Budget	Final Budget
General Fund – Fund balance, beginning of year (audited)	\$20,875,724	\$20,875,724	\$20,875,724
Revenues & Transfers In	91,205,879	96,332,341	99,086,881
Expenditures & Transfers Out	(93,289,914)	(96,099,961)	(96,385,478)
Revenue over (under) expenditures	(2,084,035)	232,380	2,701,403
General Fund – Fund balance, end of year (projected)	\$18,791,689	\$21,108,104	\$23,577,127
Fund balance as a percent of expenditures	20.1%	22.0%	24.5%

* Significant state funding uncertainty existed one year ago when the original budget was required to be adopted by July 1, 2020 and the State budget projected a significant shortfall. Per pupil funding reductions were expected with no certainty about additional funding to help.

Fiscal Year 2020/21 - General Fund Revenue by Source

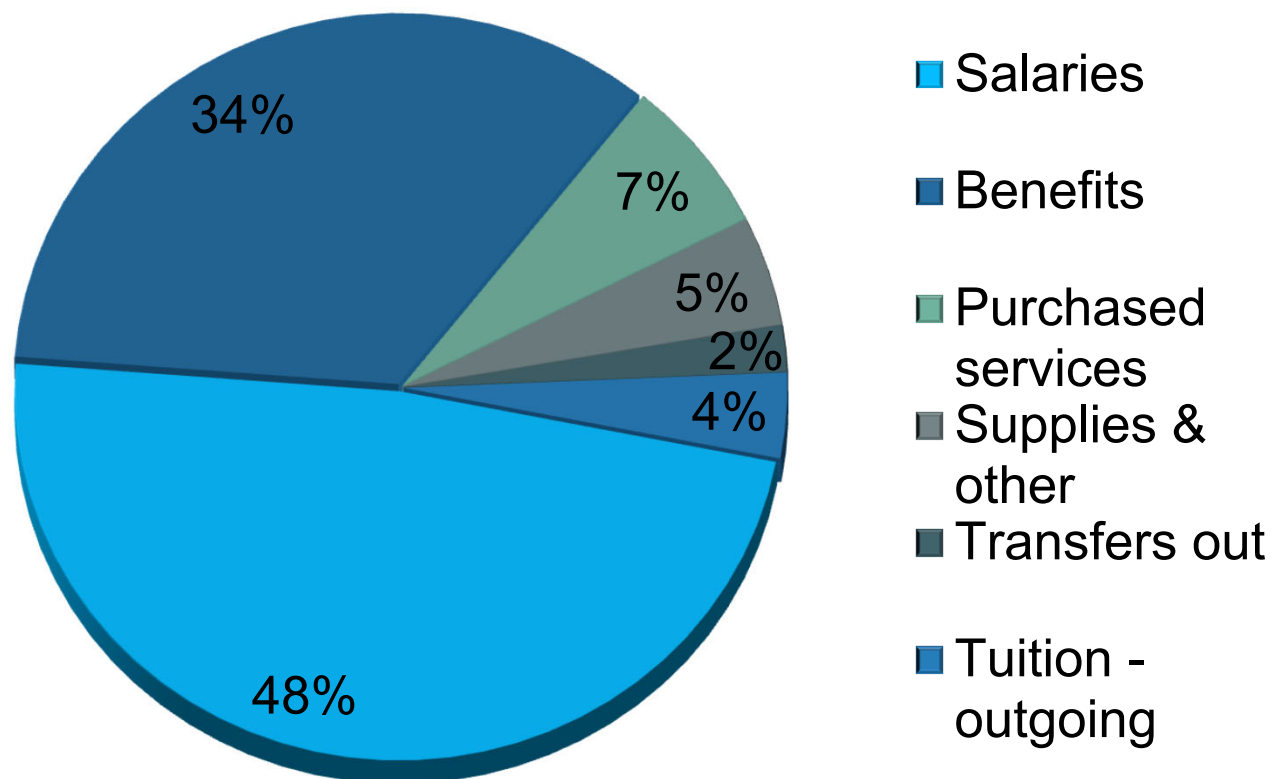


Fiscal Year 2020/21 - General Fund Revenue by Source



The Foundation Allowance is funded both locally, through non-homestead and hold harmless operating taxes, and by the State School Aid Fund. Approximately \$68 million, or 69% of total revenue represents the per pupil Foundation Allowance funding.

Fiscal Year 2020/21 - General Fund Expenditures by Object



Our largest cost is our staff totaling about \$80 million, which comprises around 82% of our total General Fund expenditures.

General Fund – Budget Changes Since Midyear

Description	Impact on Fund Balance Better (Worse)
Midyear Budget – Revenue over (under) Expenditures	232,380
State Section 11r(4) ESSER Equalization to \$450 per pupil, primarily allocated toward 2021-2022 costs related to added social/emotional support staffing, continued Bloomfield Virtual option for families desiring a remote option, district nurse and summer programming costs not covered by the Public Act 3 funding for summer programming	2,004,162
Federal ESSER II, primarily covering necessary COVID related tech purchases*	475,455
Transfer to the Capital Equipment Fund to cover COVID related tech purchases*	(440,423)

* On June 25, 2020, the Board of Education approved spending up to \$1.2 million for technology needs, funded by Center Program reserves, and offset by any state/federal funding that may be provided in the future. Two sources of money, the Oakland County CARES and ESSER II, offset the full approved amount that was utilized.

General Fund – Budget Changes Since Midyear

Description	Impact on Fund Balance Better (Worse)
Federal Emergency Management Agency (FEMA), additional funding of PPE costs already included in the midyear budget	100,000
Reduction in costs related to less transportation and building utilization: utilities (gas, electric, water), fuel, gas, oil & grease	401,848
Contracted services, primarily custodial needs	(186,114)
Other adjustments – Net	114,095
Preliminary Final Budget – Revenue over (under) Expenditures	\$ 2,701,403

Special Revenue Funds – Final Budget Fiscal Year 2020/21

Special Revenue Funds – Fund balance as of July 1, 2020		\$ 7,289,634
Revenues & Transfers In	19,118,507	
Expenditures & Transfers Out	(18,821,065)	
Revenue over (under) expenditures		297,442
Special Revenue Funds – Projected fund balance as of June 30, 2021		\$ 7,587,076

Special Revenue Funds include: Center Programs, International Academy, Recreation/Community Services, Food Services, Co-Curricular Endowment and Hills Activities.

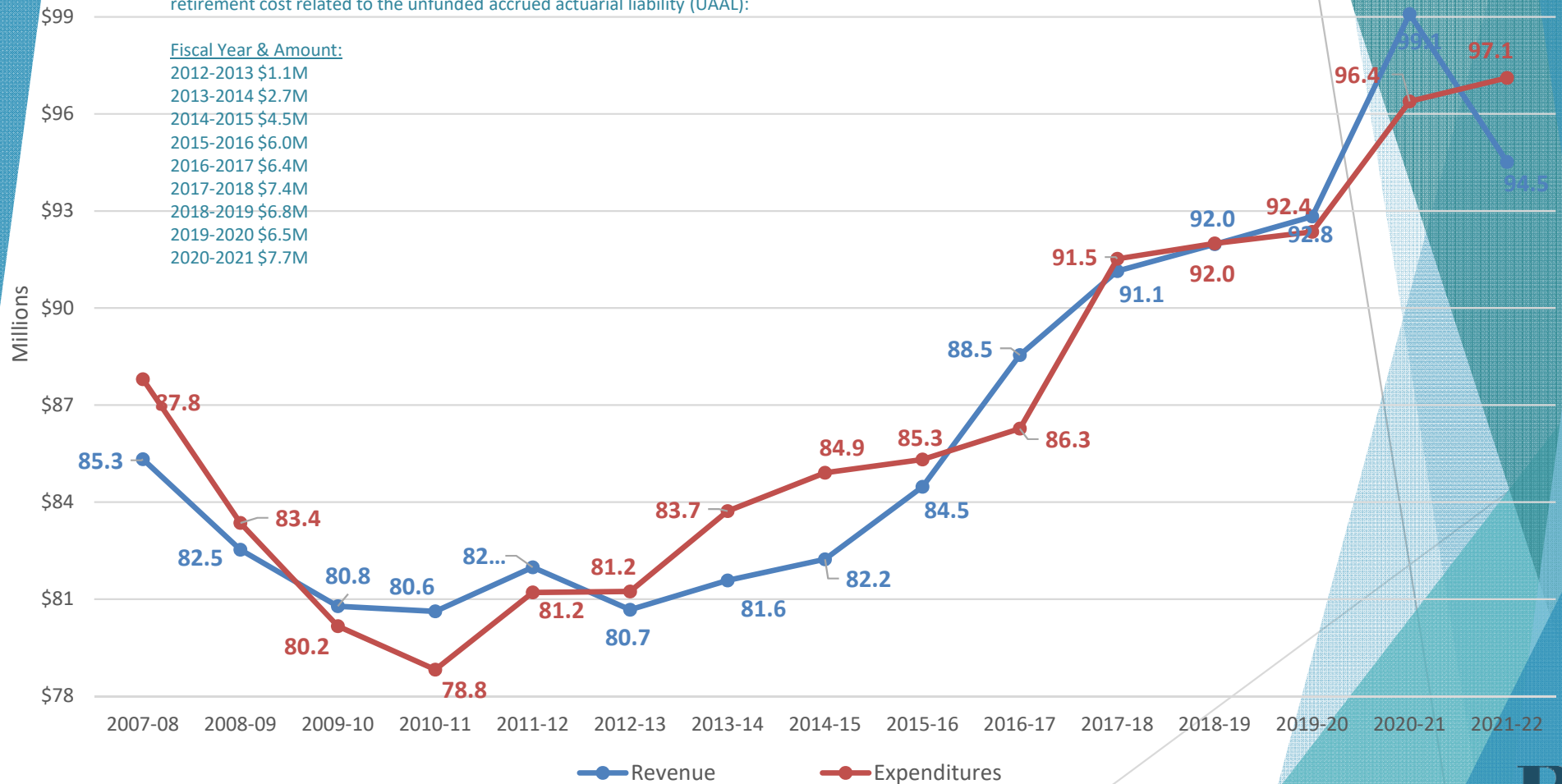
General Fund History & Trends

Revenue / Expenditures by Fiscal Year

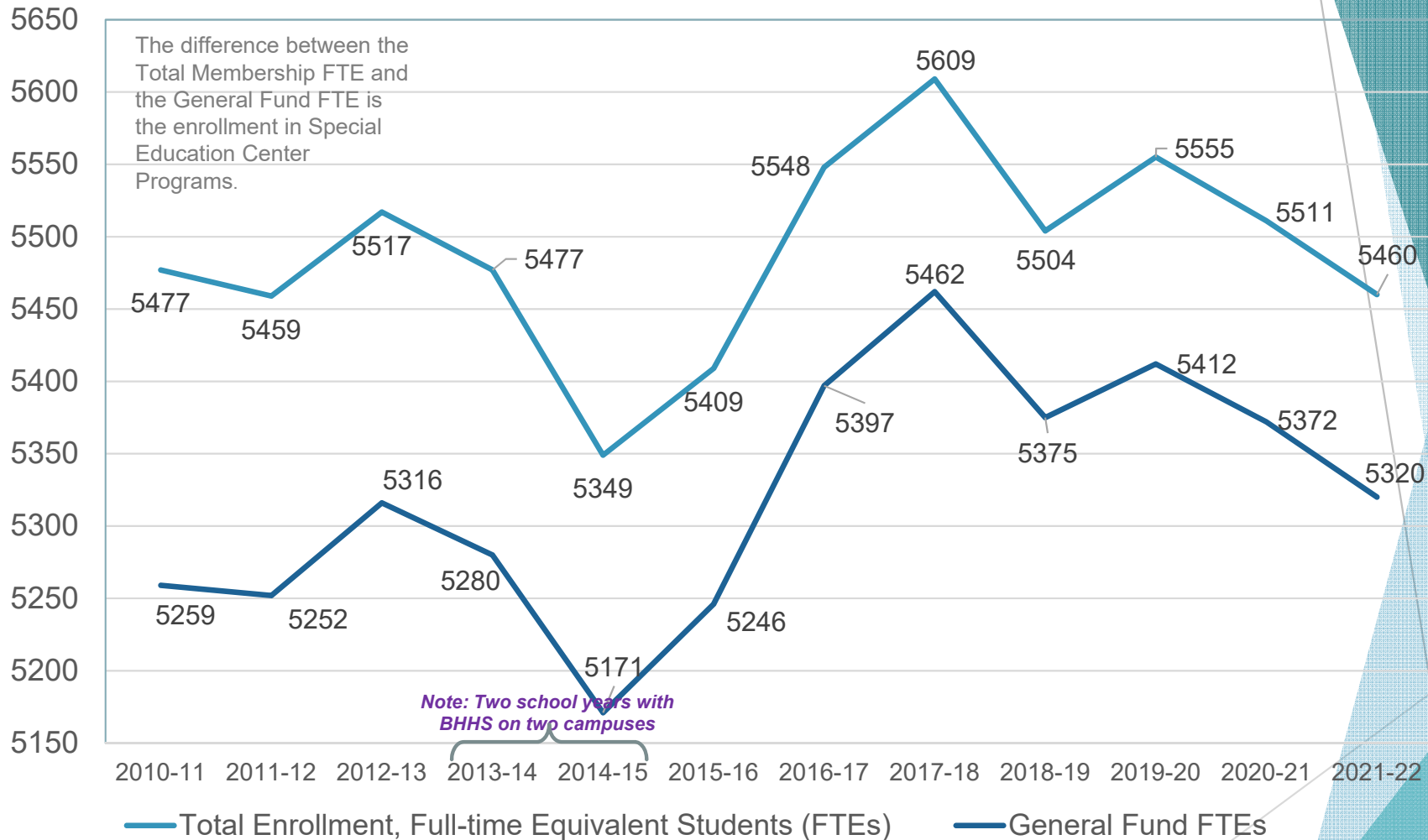
Beginning 2012-13, Revenue and Expenditures include the State funding and corresponding retirement cost related to the unfunded accrued actuarial liability (UAAL):

Fiscal Year & Amount:

2012-2013 \$1.1M
 2013-2014 \$2.7M
 2014-2015 \$4.5M
 2015-2016 \$6.0M
 2016-2017 \$6.4M
 2017-2018 \$7.4M
 2018-2019 \$6.8M
 2019-2020 \$6.5M
 2020-2021 \$7.7M



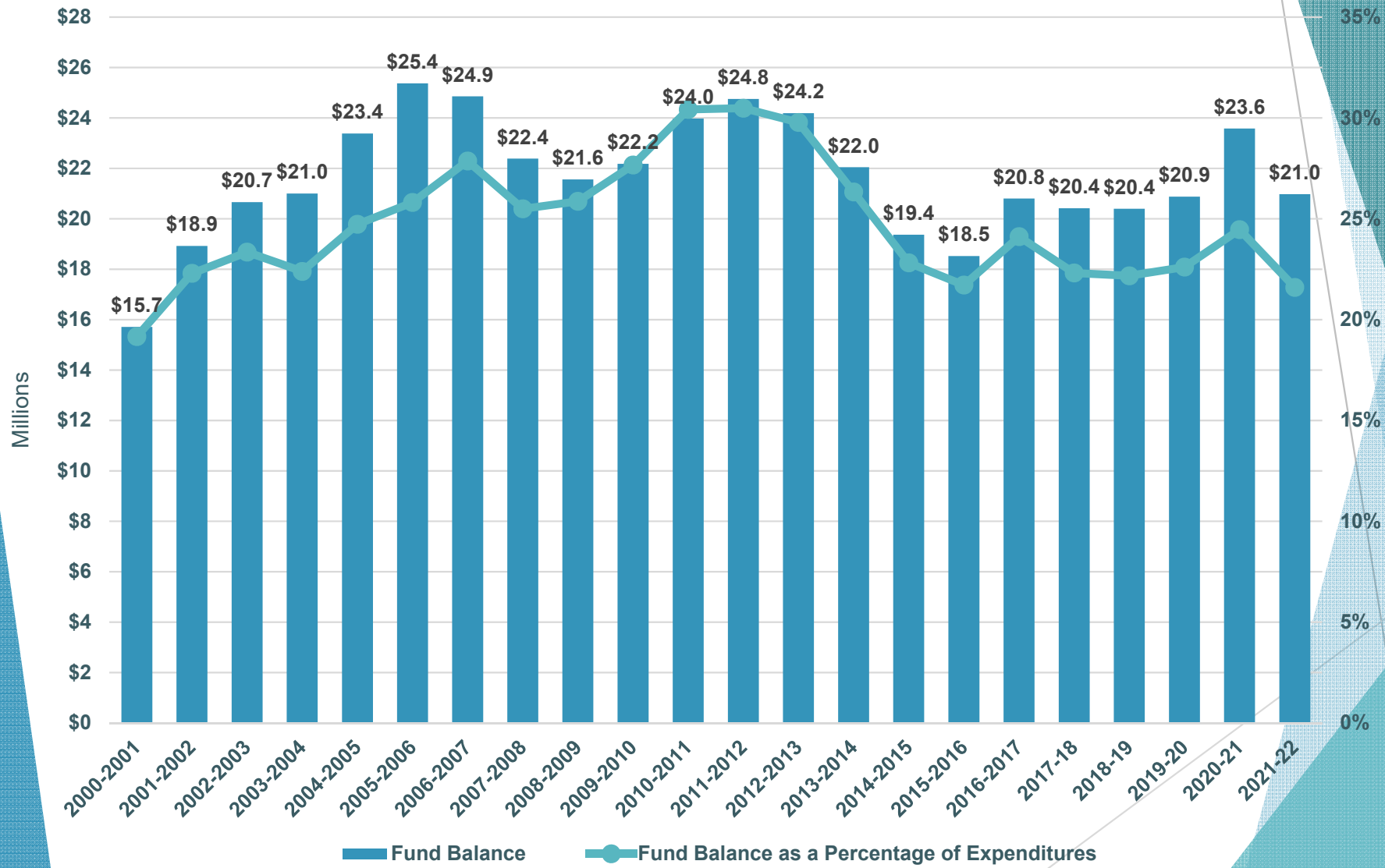
Enrollment Trends



The 2020-21 enrollment reflects the State's super blend calculation, which is a higher FTE than the typical calculation that would have been about 5380 FTEs. The projected 5460 FTEs for 2021-22 is an increase over 2020-21.

Enrollment shown is based on each year's State Membership Blend formula, typically 90% of the current school year's fall FTEs and 10% of the prior school year's winter FTEs. During 2020/21, the State used a "super blend," weighting the prior year's membership by 75% and the current year by 25%, recognizing the significant enrollment decline experienced during the pandemic. The 2021/22 is expected to go back to 90% of the 2021 fall FTEs and 10% of the 2021 winter FTEs.

Fund Balance by Fiscal Year & Percent



Cumulative Foundation Allowance Changes Compared to 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	2020/21
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	\$ 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%	0.00%
Minimum Cumulative % Change		74%	71%	70%	63%	66%	67%	70%	76%	79%	82%	87%	93%	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	\$ 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%	0.00%
Maximum Cumulative % Change		31%	28%	28%	23%	23%	24%	25%	26%	27%	28%	29%	31%	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	\$ 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%	0.00%
Bloomfield Hills Schools Cumulative % Change		19%	16%	16%	13%	13%	14%	14%	15%	15%	16%	17%	18%	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	116.3	117.6
Percent change		0.18%	2.14%	3.34%	2.21%	3.29%	2.63%	0.47%	-0.18%	1.97%	3.85%	2.52%	1.56%	1.10%
Cumulative % Change		63%	66%	72%	75%	81%	86%	87%	87%	90%	98%	102%	106%	108%

From fiscal years 1995 through 2021, the School District had an average annual growth in per pupil revenue of .70 percent compared with the Gross Domestic Product Deflator for State and Local Government purchases of 4.06 percent during the same 25 year period under Proposal A.

Please visit bloomfield.org for more information



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

Year	Data Status	Indicator Score	Enrollments	Foundation Allowances	Revenues	Expenditures	Fund Balances	Taxable Values
2021	Amended Budget	0	5,510	\$12,364	\$96,332,341	\$96,099,961	\$21,108,104	\$3,977,488,738
2020	Historic	0	5,555	\$12,364	\$92,828,642	\$92,352,780	\$20,875,722	\$3,834,046,000
2019	Historic	0	5,505	\$12,244	\$91,972,626	\$91,994,886	\$20,399,860	\$3,657,510,341
2018	Historic	0	5,609	\$12,124	\$91,140,256	\$91,520,770	\$20,422,121	\$3,500,217,336
2017	Historic	1	5,548	\$12,016	\$88,546,335	\$86,269,729	\$20,802,671	\$3,395,011,111
2016	Historic	2	5,409	\$12,004	\$84,447,225	\$85,292,854	\$18,526,060	\$3,293,211,111
2015	Historic	2	5,349	\$11,934	\$82,232,047	\$84,906,750	\$19,371,688	\$3,171,411,111



Budget and Salary / Compensation Transparency Reporting

- + 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

- [ASBO Award for 2020](#)
- [ASBO Award for 2019](#)
- [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 February 26, 2021](#)
- [December Budget Revisions- December 17, 2020](#)
- [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