

MEMORANDUM**I.4. Approve 2020/2021 Appropriation Act for General and Special Revenue Funds
Mr. Sederlund**

RECOMMENDED MOTION: “That the following resolution be adopted by the Board of Education to approve the General Fund, Food Service Fund, Community Services Childcare Fund, Macomb International Academy Fund, and Student/School Activity Fund budgets for the 2020/2021 fiscal year. Further request that the reading of the resolution be waived.”

RESOLVED, that this resolution shall be the General Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2020/2021 to provide for the expenditure of the appropriation; and to provide for the disposition of income received by Chippewa Valley Schools.

BE IT FURTHER RESOLVED that the total revenues and fund balance estimated to be available for appropriations in the General Fund of the Chippewa Valley Schools for the fiscal year 2020/2021 be adopted as follows:

Revenue	
Local	\$28,066,776
State	126,583,579
Federal	7,061,342
Transfers & Others	1,108,715
Total Revenue	\$162,820,412
Estimated Fund Balance July 1, 2020	\$20,949,222
Total Available to Appropriate	\$183,769,634

BE IT FURTHER RESOLVED, that \$166,103,838 of the total available to appropriate in the General Fund is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures	
Instruction	
Basic Programs	\$81,814,095
Added Needs	21,447,950
Adult and Continuing Education	178,222

Support Services	
Pupil	16,501,536
Instructional Staff	6,923,417
General Administration	855,199
School Administration	10,290,500
Business	2,290,750
Operations & Maintenance	12,193,044
Transportation	5,131,338
Central	4,004,509
Other Support (Athletics, CTE)	2,389,534
Community Services	1,001,586
Outgoing Transfers & Other	1,082,158
Total Appropriated	\$166,103,838

Estimated Fund Balance June 30, 2021 \$17,665,796

BE IT FURTHER RESOLVED, that the revenue from the millage levy of 18.000 mills on non-homestead and non-qualified agricultural property be certified and be used towards the District's 2020/2021 operating expenditures. As provided by in the Act related to the Michigan Business Tax, Personal Industrial Property is exempt from the 18 mills and Personal Commercial Property is exempt from 12 of the 18 mills.

RESOLVED, that this resolution shall be the Food Service Appropriation Act of Chippewa Valley Schools for fiscal year 2020/2021 to provide for the expenditure of the appropriation; and to provide for the disposition of income received by Chippewa Valley Schools.

BE IT FURTHER RESOLVED that the total revenues and fund balance estimated to be available for appropriations in the Food Service Fund of the Chippewa Valley Schools for the fiscal year 2020/2021 be adopted as follows:

Revenue	
Local	\$2,166,100
State	130,850
Federal	2,170,000
Transfers & Other	0
Total Revenue	\$4,466,950

Estimated Fund Balance July 1, 2020 \$724,183

Total Available to Appropriate \$5,191,133

BE IT FURTHER RESOLVED, that \$4,659,720 of the total available to appropriate in the Food Service Fund is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures	
Wages	\$1,359,785
Employee Benefits	854,935
Food Purchases	1,806,000
Other	389,000
Outgoing Transfers	250,000
Total Appropriated	\$4,659,720
Estimated Fund Balance June 30, 2021	\$531,413

RESOLVED, that this resolution shall be the Community Services Childcare Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2020/2021 to provide for the expenditure of the appropriation; and to provide for the disposition of income received by Chippewa Valley Schools.

BE IT FURTHER RESOLVED that the total revenues and fund balance estimated to be available for appropriations in the Community Services Childcare Fund of the Chippewa Valley Schools for the fiscal year 2020/2021 be adopted as follows:

Revenue	
Local	\$1,249,000
State	0
Federal	0
Transfers & Other	0
Total Revenue	\$1,249,000
Estimated Fund Balance July 1, 2020	\$0
Total Available to Appropriate	\$1,249,000

BE IT FURTHER RESOLVED that \$1,249,000 of the total available to appropriate in the Community Services Childcare Fund is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures	
Childcare	\$1,249,000
Total Appropriated	1,249,000
Estimated Fund Balance June 30, 2021	\$0

RESOLVED, that this resolution shall be the International Academy of Macomb Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2020/2021 to provide for the expenditure of the appropriation; and to provide for the disposition of income received by Chippewa Valley Schools.

BE IT FURTHER RESOLVED that the total revenues and fund balance estimated to be available for appropriations in the International Academy of Macomb Fund of the Chippewa Valley Schools for the fiscal year 2020/2021 be adopted as follows:

Revenue	
Local	\$0
State	0
Federal	0
Incoming Transfers & Fund Modifications	\$4,084,699
Total Revenue	\$4,084,699
Estimated Fund Balance July 1, 2020	\$721,270
Total Available to Appropriate	\$4,805,969

BE IT FURTHER RESOLVED that \$4,186,088 of the total available to appropriate in the International Academy of Macomb Fund is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures	
Basic Instruction	\$290,450
Support Services	276,400
Payments to Other Schools	2,760,523
Fund Modifications	858,715
Total Appropriated	\$4,186,088
Estimated Fund Balance June 30, 2021	\$619,881

RESOLVED, that this resolution shall be the Student/School Activity Fund Appropriation Act of Chippewa Valley Schools for fiscal year 2020/2021 to provide for the expenditure of the appropriation; and to provide for the disposition of income received by Chippewa Valley Schools.

BE IT FURTHER RESOLVED that the total revenues and fund balance estimated to be available for appropriations in the International Student/School Activity Fund of the Chippewa Valley Schools for the fiscal year 2020/2021 be adopted as follows:

Revenue	
Revenue	\$5,300,000
Total Revenue	\$5,300,000
Estimated Fund Balance July 1, 2020	\$2,130,000
Total Available to Appropriate	\$7,430,000

BE IT FURTHER RESOLVED that \$5,300,000 of the total available to appropriate in the Student/School Activity Fund is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures	
Expenditures	\$5,300,000
Total Appropriated	\$5,300,000
Estimated Fund Balance June 30, 2021	\$2,130,000

BE IT FURTHER RESOLVED, that no Board of Education member or employee of the school district shall expend any funds or obligate the expenditure of any funds except pursuant to appropriations made by the Board of Education and in keeping with the budgetary policy statement hitherto adopted by the Board. Changes in the amount appropriated by the Board shall require approval by the Board.

BE IT FURTHER RESOLVED, that the Superintendent and his designee are hereby charged with general supervision of the execution of the budget adopted by the Board and shall hold the department heads responsible for performance of their responsibilities within the amount appropriated by the Board of Education and in keeping with the budgetary policy statement hitherto adopted by the Board.

BE IT FURTHER RESOLVED, that 8.64 mills be certified for levy on all property in the district for the purpose of retiring principal and interest on the voted debt of the district.

This appropriation act resolution is to take effect on July 1, 2020.

RATIONALE: The Uniform Budgeting and Accounting Act requires that governmental units including school districts adopt a budget prior to the start of the fiscal year. The 2020-21 budgets for the General Fund, Food Service Fund, Community Services Childcare Fund, Macomb International Academy Fund and the Student/School Activity Fund have been prepared by the administration.

The revenue budget for the General Fund has been developed using major factors including:

- Assumes revenue and expenditures associated with a traditional school day setting
- A decreased enrollment projection of 276.06 pupil FTEs
- Anticipated School Aid reduction of \$650 per pupil, continuation of assumption utilized for the 2019/2020 2nd Amended Budget (\$7,461 per pupil)
- Includes MISD Enhancement Millage revenue estimate of \$440 per pupil
- CARES Act funding of about \$1 million
- Review and adjustments of other revenue sources as necessary

The expenditure budget for the General Fund has been developed using major factors including:

- Assumes no cost increases for labor agreements beyond 19-20 school year,
- Retirement rate is increased from 27.50% to 28.21%,
- Impact of increased health insurance rates and increased hard cap limit under PA 152 for health insurance benefits and cash in lieu of health,
- Review and adjustments of other expenditure items as appropriate.

In summary, we have projected revenues of \$162,820,412 and projected expenditures of \$166,103,838 for a budgeted operating deficit of (\$3,283,426) and a decrease to the fund balance.

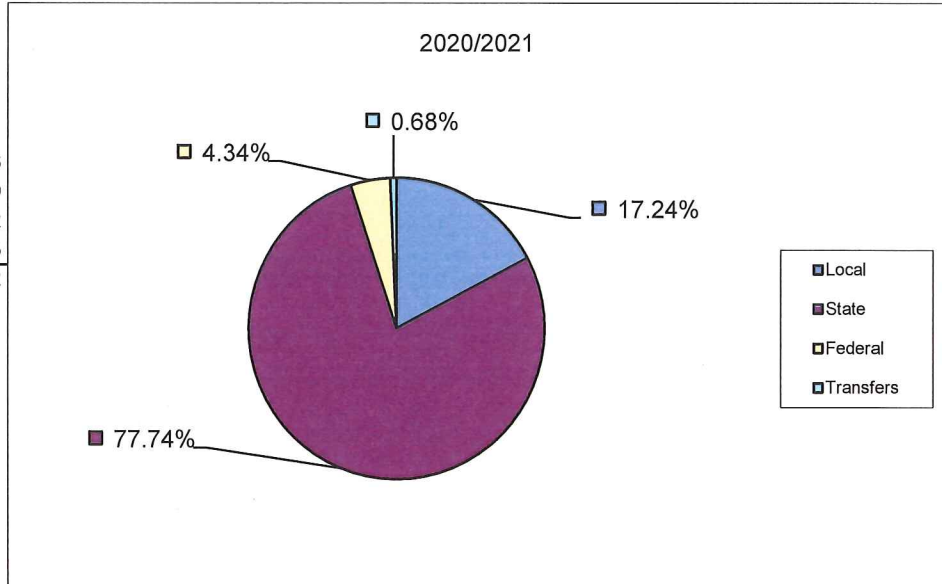
CHIPPEWA VALLEYS SCHOOLS
2020-2021 ORIGINAL
GENERAL FUND BUDGET

	2018-19 Audited <u>Actual</u>	2019-20 2nd Amended <u>Budget</u> June 1, 2020	2020-21 Original <u>Budget</u> June 15, 2020	2020-21 Original 2019-20 2nd Amended <u>Difference</u>
Revenue				
Local (1)	\$ 24,089,131	\$ 19,900,902	\$ 28,066,776	\$ 8,165,874
State	\$ 133,965,950	\$ 127,321,659	\$ 126,583,579	\$ (738,080)
Federal	\$ 5,189,709	\$ 6,417,308	\$ 7,061,342	\$ 644,034
Incoming Transfers & Other	\$ 1,185,623	\$ 1,108,715	\$ 1,108,715	\$ -
Total Revenue	\$ 164,430,413	\$ 154,748,584	\$ 162,820,412	\$ 8,071,828
Expenditures				
Basic Programs	\$ 81,389,727	\$ 81,313,931	\$ 81,814,095	\$ 500,164
Added Needs	\$ 18,784,438	\$ 21,088,894	\$ 21,447,950	\$ 359,056
Adult & Community Ed	\$ 176,862	\$ 147,618	\$ 178,222	\$ 30,604
Total Instructional	\$ 100,351,027	\$ 102,550,443	\$ 103,440,267	\$ 889,824
Pupil Services	\$ 15,928,258	\$ 16,318,173	\$ 16,501,536	\$ 183,363
Instructional Staff Services	\$ 5,566,243	\$ 6,795,791	\$ 6,923,417	\$ 127,626
General Administration	\$ 799,346	\$ 837,676	\$ 855,199	\$ 17,523
School Administration	\$ 9,908,537	\$ 10,190,263	\$ 10,290,500	\$ 100,237
Business Administration	\$ 2,321,741	\$ 2,251,735	\$ 2,290,750	\$ 39,015
Operations & Maintenance	\$ 11,338,714	\$ 11,291,435	\$ 12,193,044	\$ 901,609
Transportation	\$ 4,728,457	\$ 4,881,603	\$ 5,131,338	\$ 249,735
Other Central Services	\$ 3,880,453	\$ 3,950,140	\$ 4,004,509	\$ 54,369
Other Support (Portion Athletics, CTE)	\$ 2,320,002	\$ 2,307,334	\$ 2,389,534	\$ 82,200
Total Supporting Services	\$ 56,791,751	\$ 58,824,150	\$ 60,579,827	\$ 1,755,677
Total Community Services	\$ 902,397	\$ 1,012,596	\$ 1,001,586	\$ (11,010)
Outgoing Transfers & Other	\$ 5,155,517	\$ 1,119,158	\$ 1,082,158	\$ (37,000)
Total Expenditures	\$ 163,200,692	\$ 163,506,347	\$ 166,103,838	\$ 2,597,491
Total Revenues Over/<Under>	\$ 1,229,721	\$ (8,757,763)	\$ (3,283,426)	\$ 5,474,337
Beginning Fund Equity	\$ 28,477,264	\$ 29,706,985	\$ 20,949,222	
Ending Fund Equity	\$ 29,706,985	\$ 20,949,222	\$ 17,665,796	

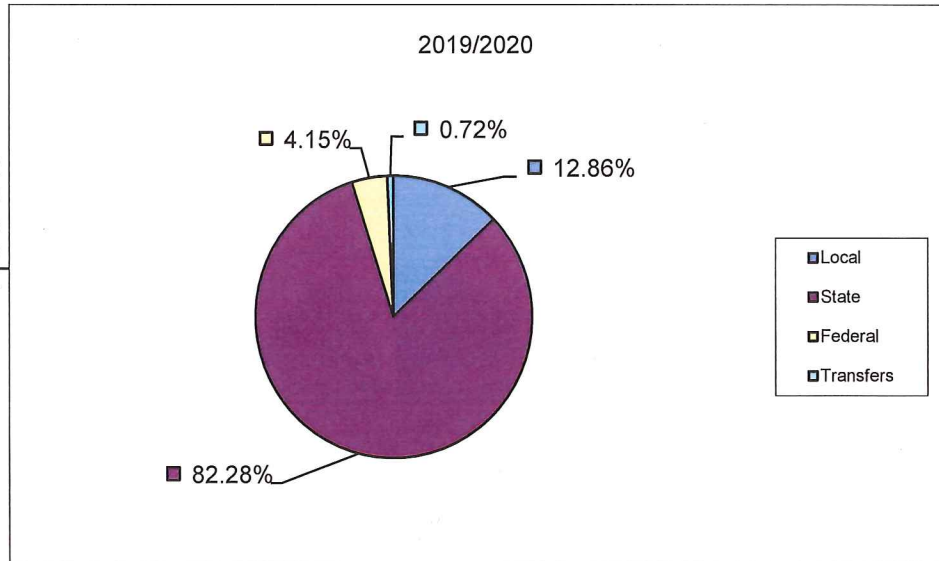
(1) Includes 18.00 Mill Non-Homestead Property Tax Levy for operational purposes.

**Chippewa Valley Schools
Revenue Comparison**

	Original	
	2020/2021	
Local	\$	28,066,776
State	\$	126,583,579
Federal	\$	7,061,342
Transfers	\$	1,108,715
	\$	<u>162,820,412</u>

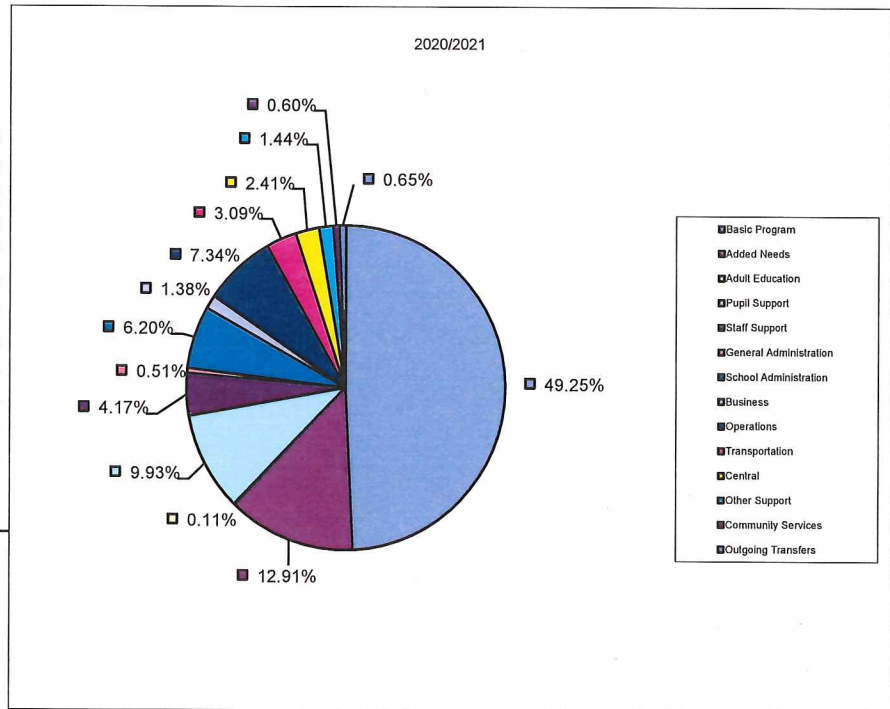


	Final	
	Amended	
	2019/2020	
Local	\$	19,900,902
State	\$	127,321,659
Federal	\$	6,417,308
Transfers	\$	1,108,715
	\$	<u>154,748,584</u>

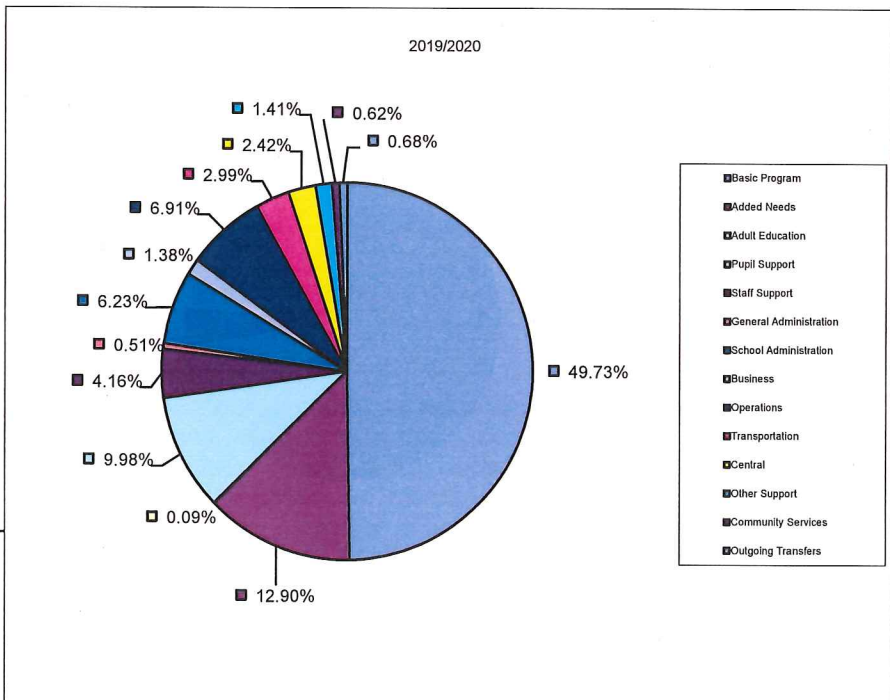


Chippewa Valley Schools Expenditure Comparison by Function

	Original 2020/2021
Basic Program	\$ 81,814,095
Added Needs	\$ 21,447,950
Adult Education	\$ 178,222
Pupil Support	\$ 16,501,536
Staff Support	\$ 6,923,417
General Administration	\$ 855,199
School Administration	\$ 10,290,500
Business	\$ 2,290,750
Operations	\$ 12,193,044
Transportation	\$ 5,131,338
Central	\$ 4,004,509
Other Support	\$ 2,389,534
Community Services	\$ 1,001,586
Outgoing Transfers	\$ 1,082,158
Total	\$ 166,103,838



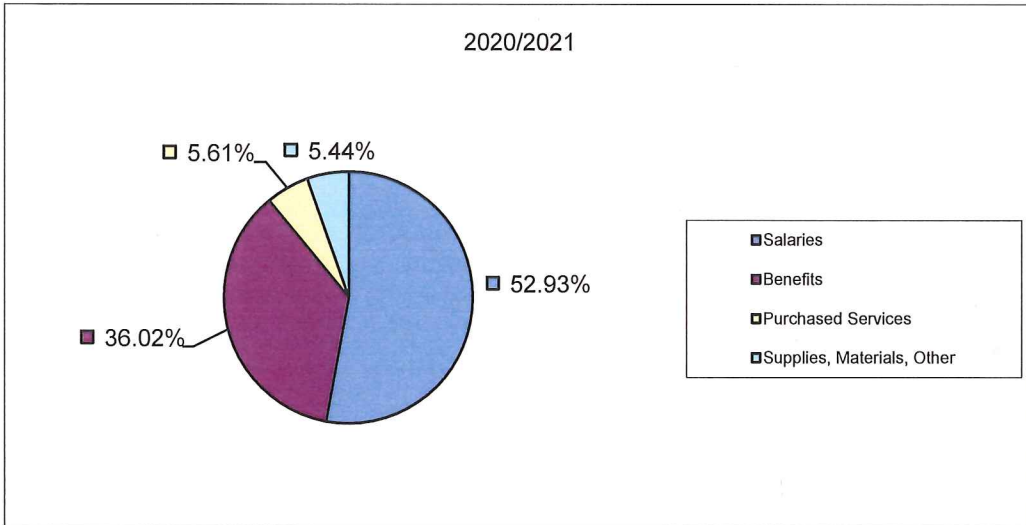
	Final Amended 2019/2020
Basic Program	\$ 81,313,931
Added Needs	\$ 21,088,894
Adult Education	\$ 147,618
Pupil Support	\$ 16,318,173
Staff Support	\$ 6,795,791
General Administration	\$ 837,676
School Administration	\$ 10,190,263
Business	\$ 2,251,735
Operations	\$ 11,291,435
Transportation	\$ 4,881,603
Central	\$ 3,950,140
Other Support	\$ 2,307,334
Community Services	\$ 1,012,596
Outgoing Transfers	\$ 1,119,158
Total	\$ 163,506,347



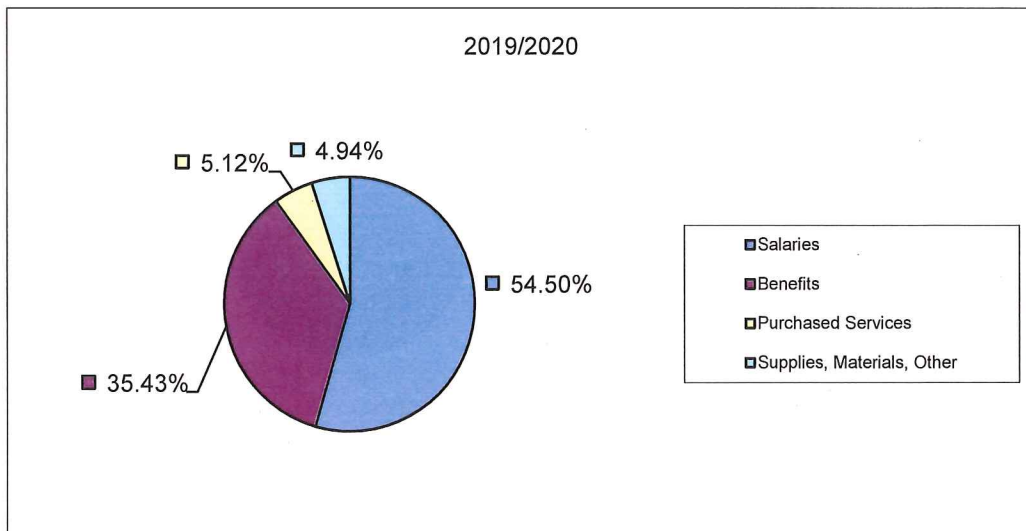
Note: Other Support Includes Athletics and CTE

**Chippewa Valley Schools
Expenditure Comparison by Object**

	Original
	2020/2021
Salaries	\$ 87,925,116
Benefits	\$ 59,823,970
Purchased Services	\$ 9,315,809
Supplies, Materials, Other	\$ 9,038,943
	<u>\$ 166,103,838</u>



	Final Amended
	2019/2020
Salaries	\$ 89,115,332
Benefits	\$ 57,935,431
Purchased Services	\$ 8,376,853
Supplies, Materials, Other	\$ 8,078,731
	<u>\$ 163,506,347</u>



CHIPPEWA VALLEY SCHOOLS
 2020-2021 ORIGINAL
 SPECIAL REVENUE FUND
 FOOD SERVICES BUDGET

	2018-19 Audited Actual	2019-2020 2nd Amended Budget June 1, 2020	2020-21 Original Budget June 15, 2020	2020-21 Original 2019-20 2nd Amended Difference
Revenue				
Local	\$ 2,167,203	\$ 1,473,600	\$ 2,166,100	\$ 692,500
State	\$ 139,029	\$ 130,850	\$ 130,850	\$ -
Federal	\$ 2,116,183	\$ 1,961,000	\$ 2,170,000	\$ 209,000
Incoming Transfers & Other	\$ -			
Total Revenue	\$ 4,422,415	\$ 3,565,450	\$ 4,466,950	\$ 901,500
Expenditures				
Wages	\$ 1,265,139	\$ 1,385,881	\$ 1,359,785	\$ (26,096)
Employee Benefits	\$ 726,842	\$ 818,800	\$ 854,935	\$ 36,135
Food Purchases	\$ 1,773,498	\$ 1,511,000	\$ 1,806,000	\$ 295,000
Other	\$ 287,240	\$ 308,000	\$ 389,000	\$ 81,000
Capital Outlay	\$ 54,523	\$ 92,600	\$ -	\$ (92,600)
Outgoing Transfers	\$ 220,000	\$ 250,000	\$ 250,000	\$ -
Total Food Service	\$ 4,327,242	\$ 4,366,281	\$ 4,659,720	\$ 293,439
Total Revenues Over/<Under> Expenditures	\$ 95,173	\$ (800,831)	\$ (192,770)	\$ 608,061
Beginning Fund Equity	\$ 1,429,841	\$ 1,525,014	\$ 724,183	
Ending Fund Equity	\$ 1,525,014	\$ 724,183	\$ 531,413	

CHIPPEWA VALLEY SCHOOLS
 2020-2021 ORIGINAL
 SPECIAL REVENUE FUND COMMUNITY
 SERVICES CHILDCARE BUDGET
 (FORMERLY BUILDING ACTIVITIES)

	See 1 below 2018-19 Audited <u>Actual</u>	See 2 below 2019-20 2nd Amended <u>Budget</u> June 1, 2020	2021-21 Original <u>Budget</u> June 15, 2020	2020-21 Original 2019-20 2nd Amended <u>Difference</u>
Revenue				
Local	\$ 1,837,652	\$ 1,160,800	\$ 1,249,000	\$ 88,200
Incoming Transfers & Other	\$ -	\$ 40,000	\$ -	\$ (40,000)
Total Revenue	\$ 1,837,652	\$ 1,200,800	\$ 1,249,000	\$ 48,200
Expenditures				
Wages/Purchased Services/Supplies, Materials	\$ 1,863,219	\$ 1,200,800	\$ 1,249,000	\$ 48,200
Total Expenditures	\$ 1,863,219	\$ 1,200,800	\$ 1,249,000	\$ 48,200
Total Revenues Over/<Under> Expenditures	\$ (25,567)	\$ -	\$ -	\$ -
Beginning Fund Equity	\$ 464,421	\$ -	\$ -	
Ending Fund Equity	\$ 438,854	\$ -	\$ -	

Footnote 1 Includes both Childcare and District Building Activities (District Building Activities included in Student/School Activity Fund in 2019-20)

Footnote 2 Includes only Childcare

2020-2021 ORIGINAL
SPECIAL REVENUE FUND
MACOMB INTERNATIONAL ACADEMY BUDGET

	2018-19 Audited <u>Actual</u>	2019-20 1st Amended <u>Budget</u> January 13, 2020	2020-21 Original <u>Budget</u> June 15, 2020	2020-21 Original 2019-20 1st Amended <u>Difference</u>
Revenue				
Tuition Schools	\$ 3,257,379	\$ 3,118,720	\$ 3,118,720	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -
Fund Modifications	\$ 924,433	\$ 965,979	\$ 965,979	\$ -
	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 4,181,812	\$ 4,084,699	\$ 4,084,699	\$ -
Expenditures				
Instruction	\$ 361,855	\$ 290,450	\$ 290,450	\$ -
Support Services	\$ 276,766	\$ 276,400	\$ 276,400	\$ -
Payments to Other Schools	\$ 2,510,654	\$ 2,760,523	\$ 2,760,523	\$ -
Fund Modifications	\$ 965,623	\$ 858,715	\$ 858,715	\$ -
	\$ -	\$ -	\$ -	\$ -
Total Macomb International Academy	\$ 4,114,898	\$ 4,186,088	\$ 4,186,088	\$ -
Total Revenues Over/<Under> Expenditures	\$ 66,914	\$ (101,389)	\$ (101,389)	
Beginning Fund Equity	\$ 755,745	\$ 822,659	\$ 721,270	
Ending Fund Equity	\$ 822,659	\$ 721,270	\$ 619,881	

2019-2020 ORIGINAL SPECIAL
REVENUE FUND
STUDENT/SCHOOL ACTIVITY
BUDGET

	See 1 Below 2018-19 Audited <u>Actual</u>	See 2 Below 2019-20 Original <u>Budget</u> June 17, 2019	2020-21 Original <u>Budget</u> June 15, 2020	2020-21 Original 2019-20 Original <u>Difference</u>
Revenue				
Local		\$ 5,300,000	\$ 5,300,000	\$ -
Total Revenue		\$ 5,300,000	\$ 5,300,000	\$ -
Expenditures				
Wages/Purchased Services/Supplies, Materials		\$ 5,300,000	\$ 5,300,000	\$ -
Total Expenditures		\$ 5,300,000	\$ 5,300,000	\$ -
Total Revenues Over/<Under> Expenditures		\$ -	\$ -	
Beginning Fund Equity		\$ 2,130,000	\$ 2,130,000	
Ending Fund Equity		\$ 2,130,000	\$ 2,130,000	

Footnote 1 New Fund in 2019-20

Footnote 2 Includes what was previously district building activities and fiduciary accounts