

**TRAVERSE CITY AREA PUBLIC SCHOOLS
BOARD OF EDUCATION**

**RESOLUTION FOR ADOPTION
June 24, 2019**

FOR ACTION:

TOPIC: 2019/2020 Preliminary Budgets for Traverse City Area Public Schools (Appropriations Act)

RECOMMENDATION:

It is recommended that the Board of Education adopt the resolution appropriating funds for the 2019/2020 fiscal year (Preliminary Budgets). The Uniform Budgeting and Accounting Act requires that the appropriations for the General Operations and Special Service Funds of the School District be approved by the Board of Education. The tentative budgets for these funds are attached. These budgets are only preliminary, to permit the beginning revenue disposition and expenditure appropriations until such time that the District has the necessary information to provide the final budget to the public and to the Board of Education.

Major revenue data is based upon the following:

Estimated Taxable Value (ad valorem)	5,208,470,319
Homestead Taxable Value	3,175,659,744
Non-Principal Residence Exemption Taxable Value	2,032,810,575*
Operating Millage Levy	
(Non-principal residence exemption only)	18 mills
Operating Local Property Tax Revenue (Non-principal residence exemption only)	36,590,590
Estimated State Aid (foundation allowance) Formula:	
Foundation Allowance per Pupil	8,051
Local Tax Support per Pupil (Est. Pupils: 9,860)	3,711
State Aid per Pupil (Est. Pupils: 9,860)	4,340

* Will be adjusted downward for Brownfield Development when numbers are available.

Emphasis is made that the data provided herein in no way indicates final revenue or expenditure levels; estimates are merely being provided to receive authorization to begin the 2019/2020 school year.

SOURCE PERSON: Christine Thomas-Hill, Associate Superintendent of Finance and Operations

ATTACHMENTS:

Resolution to Adopt 2019/2020 Preliminary Budgets
Three (3) year budget reporting required by the State of Michigan (refer to Tab 6)

**TRAVERSE CITY AREA PUBLIC SCHOOLS
BOARD OF EDUCATION**

**RESOLUTION TO ADOPT
2019/2020 PRELIMINARY BUDGETS**

RESOLVED, that this resolution shall be the general appropriations of the Traverse City Area Public Schools for the 2019/2020 fiscal year. A resolution to make appropriations, and to provide for the expenditure of the appropriations, and to provide for the disposition of all income received by the Traverse City Area Public Schools.

BE IT FURTHER RESOLVED, that 18 mills of ad valorem property taxes will be levied for the purposes of General Operations. The levy will be against the taxable value of non-principal residence exemption and non-qualified agricultural property, and

WHEREAS, the total revenues and un-appropriated fund balance estimated to be available for appropriations in the **General (Operating) Fund** of the Traverse City Area Public Schools for the fiscal year 2019/2020 are as follows:

Revenue

Local Sources	\$ 37,388,885
State Sources	58,484,388
Federal Sources	2,136,635
Incoming Transfers and Other Transactions	<u>2,424,166</u>
Total Revenue	\$ 100,434,074

Fund Balance (07/01/19 estimate)	7,283,227
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Total Available to

Appropriate ~ General Fund	\$ 107,717,301
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**TRAVERSE CITY AREA PUBLIC SCHOOLS
BOARD OF EDUCATION**

**RESOLUTION TO ADOPT
2019/2020 PRELIMINARY BUDGETS**

BE IT FURTHER RESOLVED, that \$101,927,265 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	\$ 51,054,534
Added Needs	<u>10,388,385</u>
Total Instruction	\$ 61,442,919

Support Services:

Pupil Services	\$ 4,047,057
Instructional Staff	5,410,120
General Administration	734,898
School Administration	7,195,272
Business Services	2,036,218
Operations & Maintenance	9,725,877
Pupil Transportation Services	5,792,483
Central Services	3,184,213
Other Support Services	<u>1,903,581</u>
Total Support Services	\$ 40,029,719

Community Services \$ 119,952

Outgoing Transfers and Other Transactions \$ 334,675

Total Appropriated ~ General Fund \$101,927,265

**TRAVERSE CITY AREA PUBLIC SCHOOLS
BOARD OF EDUCATION**

**RESOLUTION TO ADOPT
2019/2020 PRELIMINARY BUDGETS**

BE IT FURTHER RESOLVED, the total projected revenues and expenditures for the *Special Revenue Fund - Food Services* of the Traverse City Area Public Schools for the fiscal year 2019/2020 are as follows:

Revenue

Local Sources *	\$ 2,154,334
State Sources	302,841
Federal Sources	2,329,325
Incoming Transfers/Others	10,000
Total Revenue	\$ 4,796,500

Expenditures

Salaries	\$ 1,318,059
Benefits	766,491
Purchased Services	129,723
Supplies & Other Expenses	2,292,227
Capital Outlay	30,000
Operating Transfer	<u>260,000</u>
Total Expenditures	\$ 4,796,500

Excess of Revenues Over/(Under) Expenditures	\$ 0
Beginning Fund Balance (07/01/19 estimate)	\$ 598,023
Ending Fund Balance (06/30/20 estimate)	\$ 598,023

* The Local Revenue reflects a
\$0.10 increase to elementary school lunch
\$0.05 increase to middle school lunch
\$0.25 increase to high school lunch

**TRAVERSE CITY AREA PUBLIC SCHOOLS
BOARD OF EDUCATION**

**RESOLUTION TO ADOPT
2019/2020 PRELIMINARY BUDGETS**

BE IT FURTHER RESOLVED, the total projected revenues and expenditures for the *Special Revenue Fund - Community Services* of the Traverse City Area Public Schools for the fiscal year 2019/2020 are as follows:

Revenue

Local Sources	\$ 3,309,680
Federal Sources	135,000
Intermediate Sources	0
Operating Transfers In	<u>229,000</u>
Total Revenue	\$ 3,538,680

Expenditures

Salaries	\$ 1,565,907
Benefits	1,272,794
Purchased Services	198,264
Supplies and Other Expenses	392,731
Capital Outlay	8,984
Transfers to General Fund and Other	<u>100,000</u>
Total Expenditures	\$ 3,538,680

Excess of Revenues Over/(Under) Expenditures (\$ 0)

Beginning Fund Balance (07/01/19 estimate) \$ 188,962

Ending Fund Balance (06/30/20 estimate) \$ 188,962

**TRAVERSE CITY AREA PUBLIC SCHOOLS
BOARD OF EDUCATION**

**RESOLUTION TO ADOPT
2019/2020 PRELIMINARY BUDGETS**

BE IT FURTHER RESOLVED, the total projected revenues and expenditures for the *Special Revenue Fund – Student/School Activity* of the Traverse City Area Public Schools for the fiscal year 2019/2020 are as follows:

Revenue

Local Sources	\$ <u>2,500,000</u>
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Total Revenue	\$ 2,500,000
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Expenditures

Supplies and Other Expenses	\$ <u>2,500,000</u>
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Total Expenditures	\$ 2,500,000
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Excess of Revenues Over/(Under) Expenditures	\$ 0
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Beginning Fund Balance (07/01/19 estimate)	\$ 0
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Ending Fund Balance (06/30/20 estimate)	\$ 0
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This is a new fund for fiscal year 2019/2020 related to the implementation of GASB #84 and the accounting change for student activity funds.

**TRAVERSE CITY AREA PUBLIC SCHOOLS
BOARD OF EDUCATION**

**RESOLUTION TO ADOPT
2019/2020 PRELIMINARY BUDGETS**

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

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

This Appropriations Resolution is to take effect on July 1, 2019.

AYES: *Anderson, Ellery, Forton, Kelly, Klegman, Leonhardt*

NAYS: *None*

Resolution adopted.



Pamela G. Forton, Secretary
Board of Education
Traverse City Area Public Schools

The undersigned duly qualified and acting Secretary of the Board of Education of Traverse City Area Public Schools, Traverse City, Michigan, hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Board of Education, Traverse City, Michigan at its study session meeting held on June 24, 2019, the original of which is part of the Board's minutes, and further certifies that notice of the meetings was given to the public under the Open Meetings Act, 1976 PA267, as amended.



Pamela G. Forton, Secretary
Board of Education
Traverse City Area Public Schools

**Traverse City Area Public Schools
General Fund Budget
For the Fiscal Years Ending June 30**

Revenue	2016-2017 Actual	2017-2018 Actual	2018-2019 Amended	2019-2020 Original
Local Unrestricted	35,479,959	35,653,942	37,493,658	37,388,885
State Unrestricted	42,543,207	43,799,451	45,505,139	47,955,712
State Restricted	9,676,213	11,974,931	11,235,022	10,528,676
Federal Restricted	2,060,213	1,741,882	2,754,194	2,136,635
Incoming Transfers/Other	2,987,845	5,825,177	3,105,217	2,424,166
Total Revenues	92,747,437	98,995,383	100,093,230	100,434,074

Expenditures				
Instruction				
Basic Instruction	48,283,164	49,358,243	49,557,445	51,054,534
Added Needs	9,179,693	8,884,368	10,545,779	10,388,385
Total Instruction	57,462,857	58,242,611	60,103,224	61,442,919
Support				
Pupil	3,455,660	3,630,196	4,213,421	4,047,057
Instructional Staff	4,173,283	4,753,741	5,454,450	5,410,120
General Administration	582,946	806,689	734,993	734,898
School Administration	6,515,286	6,924,413	7,033,960	7,195,272
Business Services	1,456,066	1,793,490	1,992,901	2,036,218
Operations and Maintenance	9,183,569	9,487,265	9,624,149	9,725,877
Pupil Transportation	5,567,794	5,342,191	5,743,689	5,792,483
Central Services	2,880,693	2,952,881	3,428,107	3,184,213
Other Support Services	2,123,148	1,859,990	1,935,504	1,903,581
Total Support Services	35,938,445	37,550,856	40,161,174	40,029,719
Community Services	95,433	82,836	314,525	119,952
Other Uses - Outgoing Transfers & Other	193,617	169,889	333,544	334,675
Total Expenditures	93,690,352	96,046,192	100,912,467	101,927,265
Excess Revenue/(Expenditures)	(942,915)	2,949,191	(819,237)	(1,493,191)
Fund Balance - July 1	6,096,188	5,153,273	8,102,464	7,283,227
Fund Balance - June 30	5,153,273	8,102,464	7,283,227	5,790,036
Less Non-Spendable and Assigned	5,011,283	5,123,259	1,641,603	1,641,603
Unassigned Fund Balance	141,990	2,979,205	5,641,624	4,148,433

Fund Equity Non-Spendable and Assigned				
Non-Spendable for Inventories	70,227	58,957	50,000	50,000
Non-Spendable for Prepaid	1,139,190	1,429,606	100,000	100,000
Assigned for Building Carryover	656,345	705,078	591,603	591,603
Assigned for Department Carryover	200,305	59,000	0	0
Assigned for Building Staff Carryover	0	372,191	0	0
Assigned for Severance Pay	1,324,301	1,234,130	900,000	900,000
Assigned for subsequent year expenditures	1,620,915	1,264,297	0	0
Total Fund Equity Non-Spendable and Assigned	5,011,283	5,123,259	1,641,603	1,641,603

NOTE: The numbers listed here represent estimates to establish the beginning funding levels.
Subsequent budgets will more accurately reflect the direction of the General Fund.

**Traverse City Area Public Schools
Foundation Allowance Analysis
June 30, 2019**

Calculation of Projected FTE Students			2020	2019
February Student Count (actual 2019)	9,661	10%	966	980
October Student Count (estimate 2019)	9,882	90%	8,894	8,853
Total Fiscal year FTE			9,860	9,833

Total Foundation Allowance Calculation		2020	2019
Total Fiscal year FTE		9,860	9,833
Foundation Amount per Student		8,051	7,871
Total Foundation Allowance		79,382,860	77,395,543

State and Local Portion of Foundation		Current Year	Prior Year
non-Principal Residence Exemption		2,032,810,575	1,947,862,307
18 mills			
Local Portion of Foundation		36,590,590	35,061,522
State Portion of Foundation		42,792,270	42,334,021

**Traverse City Area Public Schools
General Fund Budget - Unrestricted Revenues
For the Fiscal Years Ending June 30**

Revenue	2018-2019 Amended	2019-2020 Original
Local Unrestricted	37,265,059	37,388,885
State Unrestricted	45,505,139	47,955,712
State Restricted	6,380,199	6,484,199
Federal Restricted	20,000	20,000
Incoming Transfers/Other	2,935,074	2,334,166
Total Revenues	92,105,471	94,182,962

Expenditures		
Instruction		
Basic Instruction	48,581,306	50,237,340
Added Needs	7,071,527	7,662,164
Total Instruction	55,652,833	57,899,504
Support		
Pupil	2,852,546	2,846,214
Instructional Staff	4,038,984	4,263,874
General Administration	734,993	734,898
School Administration	7,033,960	7,195,272
Business Services	1,992,901	2,036,218
Operations and Maintenance	9,623,302	9,725,877
Pupil Transportation	5,665,744	5,724,011
Central Services	3,288,503	3,184,063
Student Support Services	1,837,773	1,823,581
Total Support Services	37,068,706	37,534,008
Community Services	0	0
Other Uses - Outgoing Transfers & Other	203,169	242,641
Total Expenditures	92,924,708	95,676,153
Excess Revenue/(Expenditures)	(819,237)	(1,493,191)
Fund Balance - July 1	8,102,464	7,283,227
Fund Balance - June 30	7,283,227	5,790,036
Less Non-Spendable and Assigned	1,641,603	1,641,603
Unassigned Fund Balance	5,641,624	4,148,433

Fund Equity Non-Spendable and Assigned		
Non-Spendable for Inventories	50,000	50,000
Non-Spendable for Prepays	100,000	100,000
Assigned for Building Carryover	591,603	591,603
Assigned for Department Carryover	0	0
Assigned for Building Staff Carryover	0	0
Assigned for Severance Pay	900,000	900,000
Total Fund Equity Non-Spendable and Assigned	1,641,603	1,641,603

**Traverse City Area Public Schools
General Fund Budget - Restricted Local
For the Fiscal Years Ending June 30**

Revenue	2018-2019 Amended	2019-2020 Original
Local Unrestricted	228,599	0
State Unrestricted		
State Restricted		
Federal Restricted		
Incoming Transfers/Other	170,143	90,000
Total Revenues	398,742	90,000

Expenditures		
Instruction		
Basic Instruction	37,013	0
Added Needs	136,119	89,625
Total Instruction	173,132	89,625
Support		
Pupil	9,200	0
Instructional Staff	18,947	0
General Administration	0	0
School Administration	0	0
Business Services	0	0
Operations and Maintenance	847	0
Pupil Transportation	637	0
Central Services	0	0
Student Support Services	17,731	0
Total Support Services	47,362	0
Community Services	161,997	0
Other Uses - Outgoing Transfers & Other	16,251	375
Total Expenditures	398,742	90,000
Excess Revenue/(Expenditures)	0	0
Fund Balance - July 1	0	0
Fund Balance - June 30	0	0
Less Non-Spendable and Assigned	0	0
Unassigned Fund Balance	0	0

**Traverse City Area Public Schools
General Fund Budget - Restricted State Funds
For the Fiscal Years Ending June 30**

Revenue	2018-2019 Amended	2019-2020 Original
Local Unrestricted		
State Unrestricted		
State Restricted	4,854,823	4,044,477
Federal Restricted		
Incoming Transfers/Other		
Total Revenues	4,854,823	4,044,477

Expenditures		
Instruction		
Basic Instruction	933,176	817,194
Added Needs	2,034,333	1,759,829
Total Instruction	2,967,509	2,577,023
Support		
Pupil	1,252,372	1,133,504
Instructional Staff	405,050	204,293
General Administration	0	0
School Administration	0	0
Business Services	0	0
Operations and Maintenance	0	0
Pupil Transportation	41,816	38,472
Central Services	94,378	0
Student Support Services	80,000	80,000
Total Support Services	1,873,616	1,456,269
Community Services	1,757	1,185
Other Uses - Outgoing Transfers & Other	11,941	10,000
Total Expenditures	4,854,823	4,044,477
Excess Revenue/(Expenditures)	0	0
Fund Balance - July 1	0	0
Fund Balance - June 30	0	0
Less Reserves and Designations	0	0
Unreserved Fund Balance	0	0

**Traverse City Area Public Schools
General Fund Budget - Federal Funds
For the Fiscal Years Ending June 30**

Revenue	2018-2019 Amended	2019-2020 Original
Local Unrestricted		
State Unrestricted		
State Restricted		
Federal Restricted	2,734,194	2,116,635
Incoming Transfers/Other		
Total Revenues	2,734,194	2,116,635

Expenditures		
Instruction		
Basic Instruction	5,950	0
Added Needs	1,303,800	876,767
Total Instruction	1,309,750	876,767
Support		
Pupil	99,303	67,339
Instructional Staff	991,469	941,953
General Administration	0	0
School Administration	0	0
Business Services	0	0
Operations and Maintenance	0	0
Pupil Transportation	35,492	30,000
Central Services	45,226	150
Student Support Services	0	0
Total Support Services	1,171,490	1,039,442
Community Services	150,771	118,767
Other Uses - Outgoing Transfers & Other	102,183	81,659
Total Expenditures	2,734,194	2,116,635
Excess Revenue/(Expenditures)	0	0
Fund Balance - July 1	0	0
Fund Balance - June 30	0	0
Less Non-Spendable and Assigned	0	0
Unassigned Fund Balance	0	0

Traverse City Public Schools
School Service Fund - Food Services Program
For the Fiscal Years Ending June 30

Revenue	2016-2017 Actual	2017-2018 Actual	2018-2019 Amended	2019-2020 Original
Local	2,336,497	2,156,294	2,076,235	2,154,334
State	345,657	295,957	302,841	302,841
Federal	2,263,202	2,090,214	2,242,574	2,329,325
Incoming Transfers and Other	10,009	10,009	10,000	10,000
Total Revenues	4,955,365	4,552,474	4,631,650	4,796,500

Expenditures				
Salaries and Wages	1,431,627	1,289,313	1,253,349	1,318,059
Employee Benefits	815,865	722,098	720,570	766,491
Purchased Services	145,584	148,575	129,723	129,723
Supplies and Other	2,405,771	2,119,641	2,207,720	2,292,227
Capital Outlay	71,877	179,693	91,788	30,000
Operating Transfer	0	220,000	260,000	260,000
Total Expenditures	4,870,724	4,679,320	4,663,150	4,796,500

Revenues Over/(Under) Expenditures	84,641	(126,846)	(31,500)	0
Beginning Fund Balance July 1	671,728	756,369	629,523	598,023
Ending Fund Balance June 30	756,369	629,523	598,023	598,023

NOTE: The numbers listed here represent estimates to establish the beginning funding levels. A subsequent final budget will more accurately reflect the direction of the programs listed. The Local Revenue reflects a \$.10 increase to elementary lunch, a \$.05 increase to middle school lunch, and a \$.25 increase to high school lunch.

**Traverse City Area Public Schools
School Service Fund - Community Services
For the Fiscal Years Ending June 30**

Revenue	2016-2017 Actual	2017-2018 Actual	2018-2019 Amended	2019-2020 Original
Local	3,111,957	3,147,617	3,177,507	3,309,680
Federal	130,457	135,000	135,000	0
Intermediate School District	0	0	0	0
Incoming Transfers/Other	119,812	125,502	226,000	229,000
Total Revenues	3,362,226	3,408,119	3,538,507	3,538,680

Expenditures				
Salaries and Wages	1,665,588	1,599,509	1,600,251	1,565,907
Employee Benefits	1,245,641	1,217,216	1,252,160	1,272,794
Purchased Services	221,377	212,234	231,524	198,264
Supplies and Other	319,609	279,677	361,290	392,731
Capital Outlay	26,955	10,045	9,324	8,984
Transfer to General Fund and Other	140,178	226,497	118,958	100,000
Total Expenditures	3,619,348	3,545,178	3,573,507	3,538,680
Revenue Over/(Under) Expenditures	(257,122)	(137,059)	(35,000)	0
Beginning Fund Balance July 1	618,143	361,021	223,962	188,962
Ending Fund Balance June 30	361,021	223,962	188,962	188,962

NOTE: The TCAPS School Service Fund - Community Services is made up of three components: Childcare Programs, LEAP (Learning Enrichment and Athletic Program) and Restricted Federal Funds. A separate breakout of each of these components is included on the pages that follow. The numbers listed here represent estimates to establish the beginning funding levels. A subsequent final budget will more accurately reflect the direction of the programs listed.

Traverse City Area Public Schools
School Service Fund - Community Services - Childcare Programs
For the Fiscal Years Ending June 30

Revenue	2018-2019 Amended	2019-2020 Original
Local	2,787,507	2,914,680
Federal		
Intermediate School District		
Incoming Transfers/Other	56,000	49,000
Total Revenues	2,843,507	2,963,680

Expenditures		
Salaries and Wages	1,369,728	1,391,312
Employee Benefits	1,109,322	1,151,549
Purchased Services	87,857	89,769
Supplies and Other	196,709	230,390
Capital Outlay	1,000	660
Transfer to General Fund and Other	113,891	100,000
Total Expenditures	2,878,507	2,963,680
Revenue Over/(Under) Expenditures	(35,000)	0
Beginning Fund Balance July 1	175,393	140,393
Ending Fund Balance June 30	140,393	140,393

Traverse City Area Public Schools
School Service Fund - Community Services - Learning, Enrichment, and Athletic Program
For the Fiscal Years Ending June 30

Revenue	2018-2019 Amended	2019-2020 Original
Local	390,000	395,000
Federal		
Intermediate School District		
Incoming Transfers/Other	170,000	180,000
Total Revenues	560,000	575,000

Expenditures		
Salaries and Wages	175,786	174,595
Employee Benefits	111,540	121,245
Purchased Services	108,495	108,495
Supplies and Other	155,855	162,341
Capital Outlay	8,324	8,324
Transfer to General Fund and Other	0	
Total Expenditures	560,000	575,000
Revenue Over/(Under) Expenditures	0	0
Beginning Fund Balance July 1	48,569	48,569
Ending Fund Balance June 30	48,569	48,569

Traverse City Area Public Schools School Service Fund - Community Services - Restricted Federal Funds For the Fiscal Years Ending June 30
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Revenue	2018-2019 Amended	2019-2020 Original
Local		
Federal	135,000	0
Intermediate School District		
Incoming Transfers/Other		
Total Revenues	135,000	0

Expenditures		
Salaries and Wages	54,737	0
Employee Benefits	31,298	0
Purchased Services	35,172	0
Supplies and Other	8,726	0
Capital Outlay	0	0
Transfer to General Fund and Other	5,067	0
Total Expenditures	135,000	0
Revenue Over/(Under) Expenditures	0	0
Beginning Fund Balance July 1	0	0
Ending Fund Balance June 30	0	0

Traverse City Public Schools
School Service Fund - Student/School Activity Fund
For the Fiscal Years Ending June 30

Revenue	2016-2017 Actual	2017-2018 Actual	2018-2019 Amended	2019-2020 Original
Local				2,500,000
State				
Federal				
Incoming Transfers and Other				
Total Revenues	0	0	0	2,500,000

Expenditures				
Salaries and Wages				
Employee Benefits				
Purchased Services				
Supplies and Other				2,500,000
Capital Outlay				
Operating Transfer				
Total Expenditures	0	0	0	2,500,000

Revenues Over/(Under) Expenditures	0	0	0	0
Beginning Fund Balance July 1	0	0	0	0
Ending Fund Balance June 30	0	0	0	0

NOTE: This is a new fund for fiscal year 2019/2020 related to the implementation of GASB #84 and the accounting change for student activity funds.