



UTICA COMMUNITY SCHOOLS

Board of Education Meeting 2019-2020 General Fund Budget

June 10, 2019



Our Strategic Direction

Utica's strategic direction is focused on helping every student achieve their educational goals.



Our Vision

All children have the right to a rigorous, high-quality education which meets their individual needs.

UCS will respect, encourage and empower each and every student to acquire the necessary knowledge, skills and attitudes to be successful, contributing members of a diverse community and global society.



Our Mission

We are committed to exemplary teaching and learning in order for our students to be prepared for success in the 21st Century.

We will achieve this commitment by engaging the entire community to focus on each child's achievement, with the expectation that every student will pursue some type of post-high school educational endeavor.



Key Strategic Areas

- **Providing academic excellence**
- **Preparing positive digital citizens**
- **Promoting innovation**
- **Ensuring accountability**



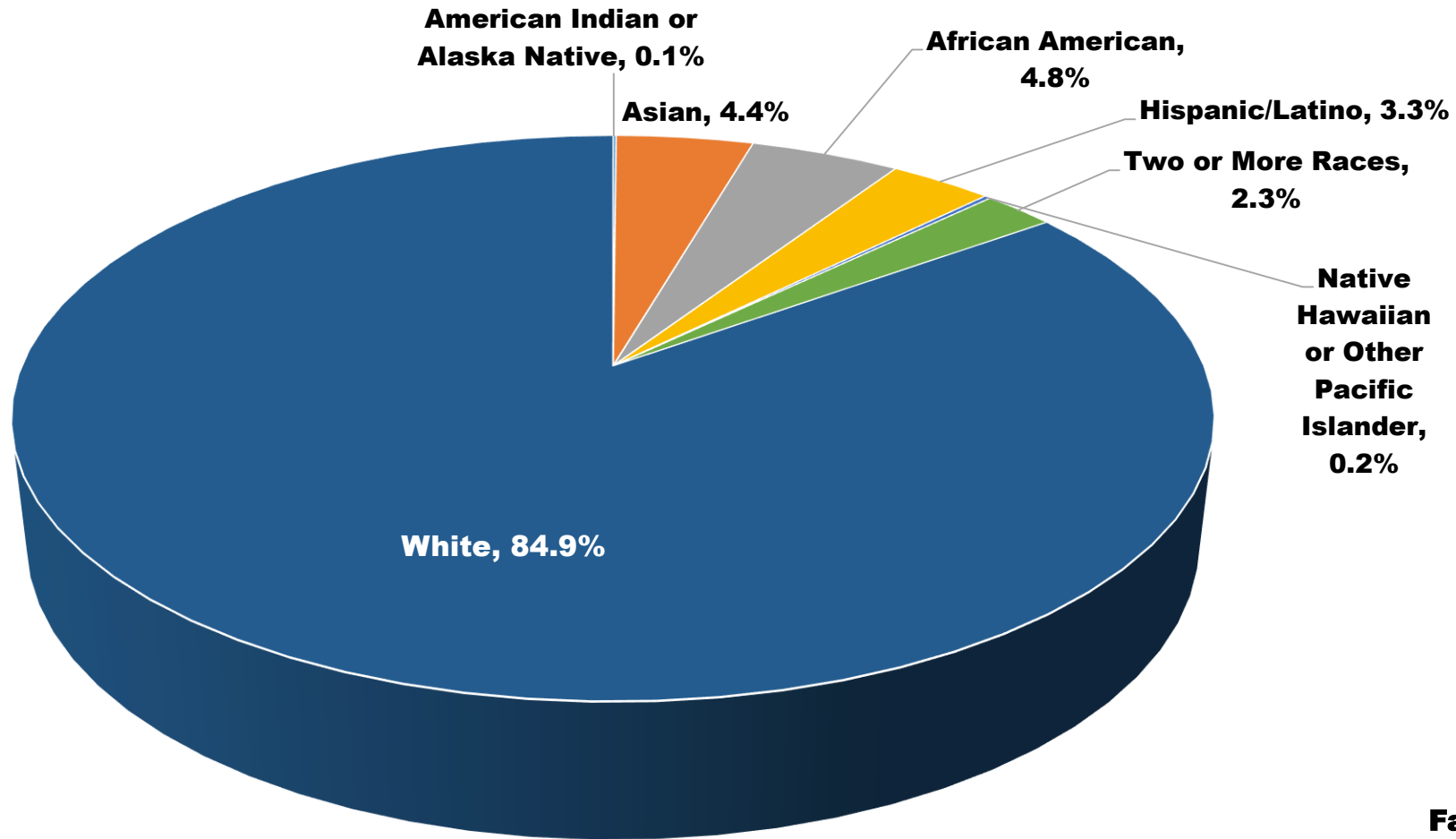
Demographics

- **Second largest district in Michigan**
 - **26,765 students***
 - **40 buildings**
 - **25 Elementaries**
 - **7 Junior Highs**
 - **4 Senior Highs**
 - **4 District Support Buildings Including Specialty Programs and Alternative Learning Center**





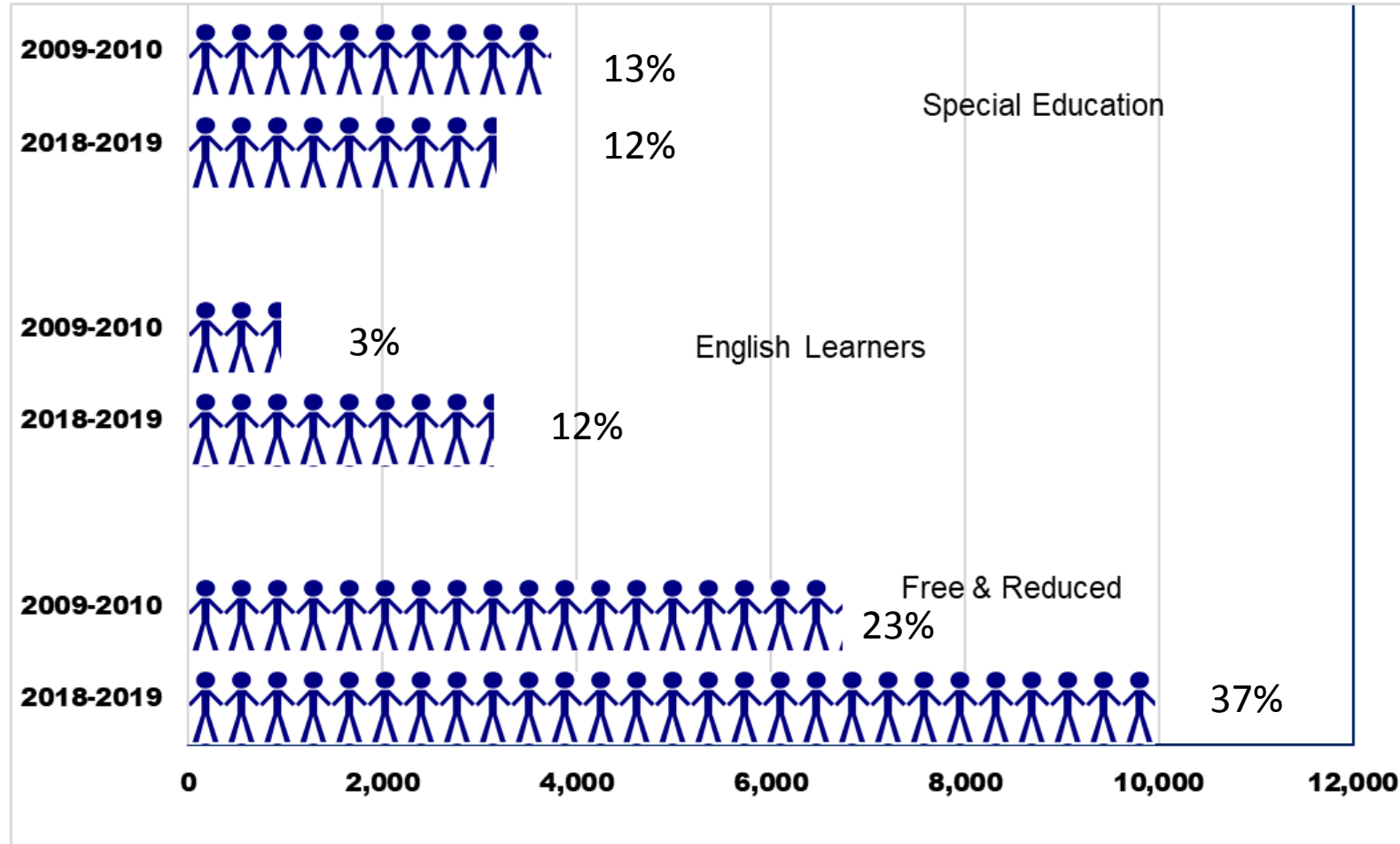
Demographics



Fall Count October 3, 2018



Who are our students?



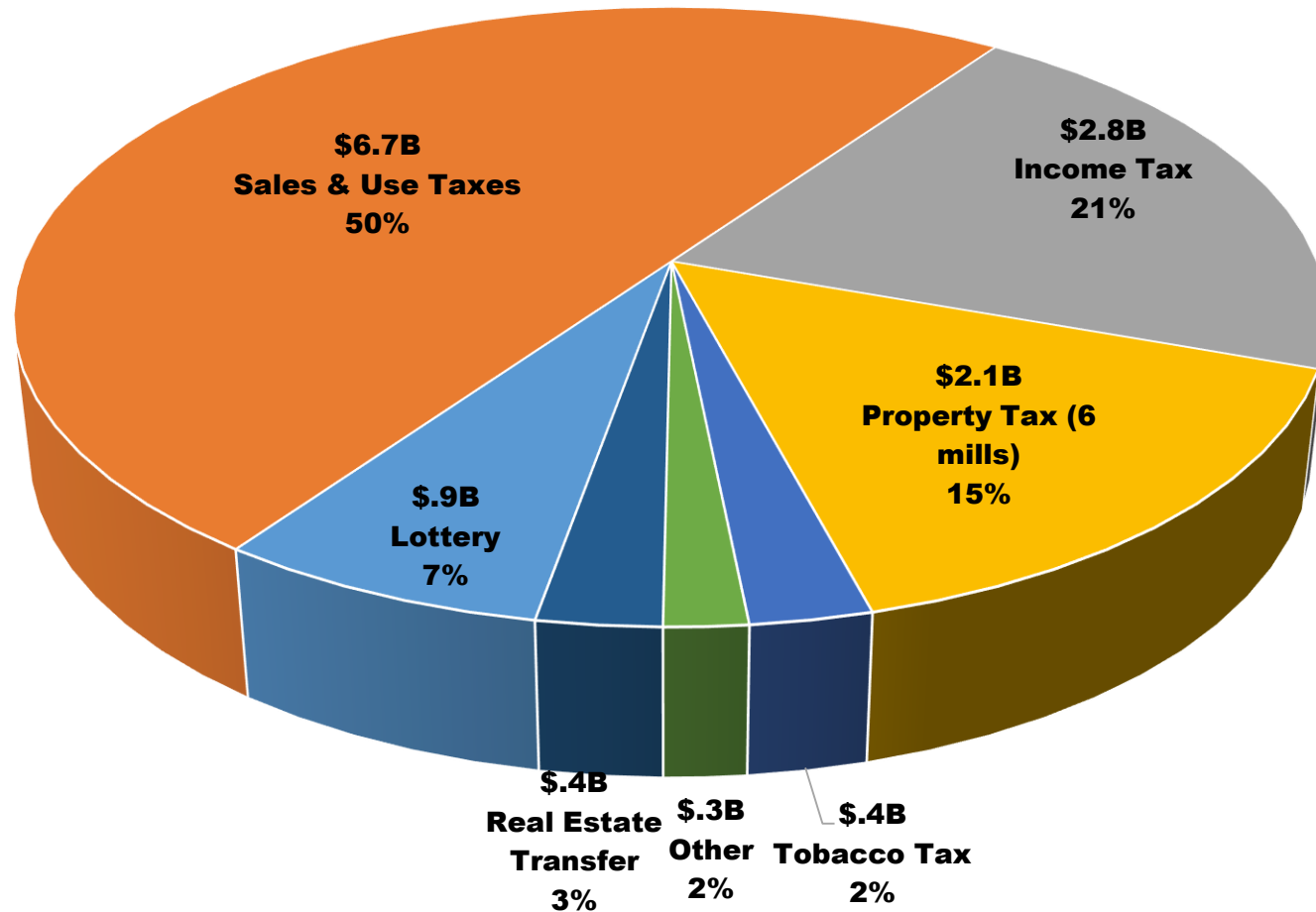


Results

- **Focus on student learning and achievement**
 - **Graduation rate is 93%, 12 points higher than state average**
 - **SAT average of 1049 outpaces the state average and is the highest in Macomb County**
 - **Attendance rate is 95%**



How are Michigan Public Schools Funded?



**Total
\$13.6B**

**Source: House Fiscal Agency
State Aid FY 2018-2019**



How is School Aid Allocated?

- **Student enrollment**
- **Foundation Allowance (dollars per pupil)**
 - **Determined by legislature**

Enrollment x Foundation Allowance

$$26,765 \times \$8,270 = \$221.3M$$

Foundation Allowance is 78% of Revenue



Minimum Foundation Districts Compared to UCS

Change in Foundation Allowance Since \$470/pupil Statewide Reduction

	<u>Reduction</u> <u>2011-2012</u>	<u>Change</u> <u>Through</u> <u>2018-2019</u>	<u>Difference</u>
Minimum Foundation Districts	(\$470)	\$1,025	\$555
UCS	(\$470)	\$682	\$212
			\$343

**\$9.2M
Annually**

NOTE: Cumulative effect through FY 2018 \$59.8M less in revenue

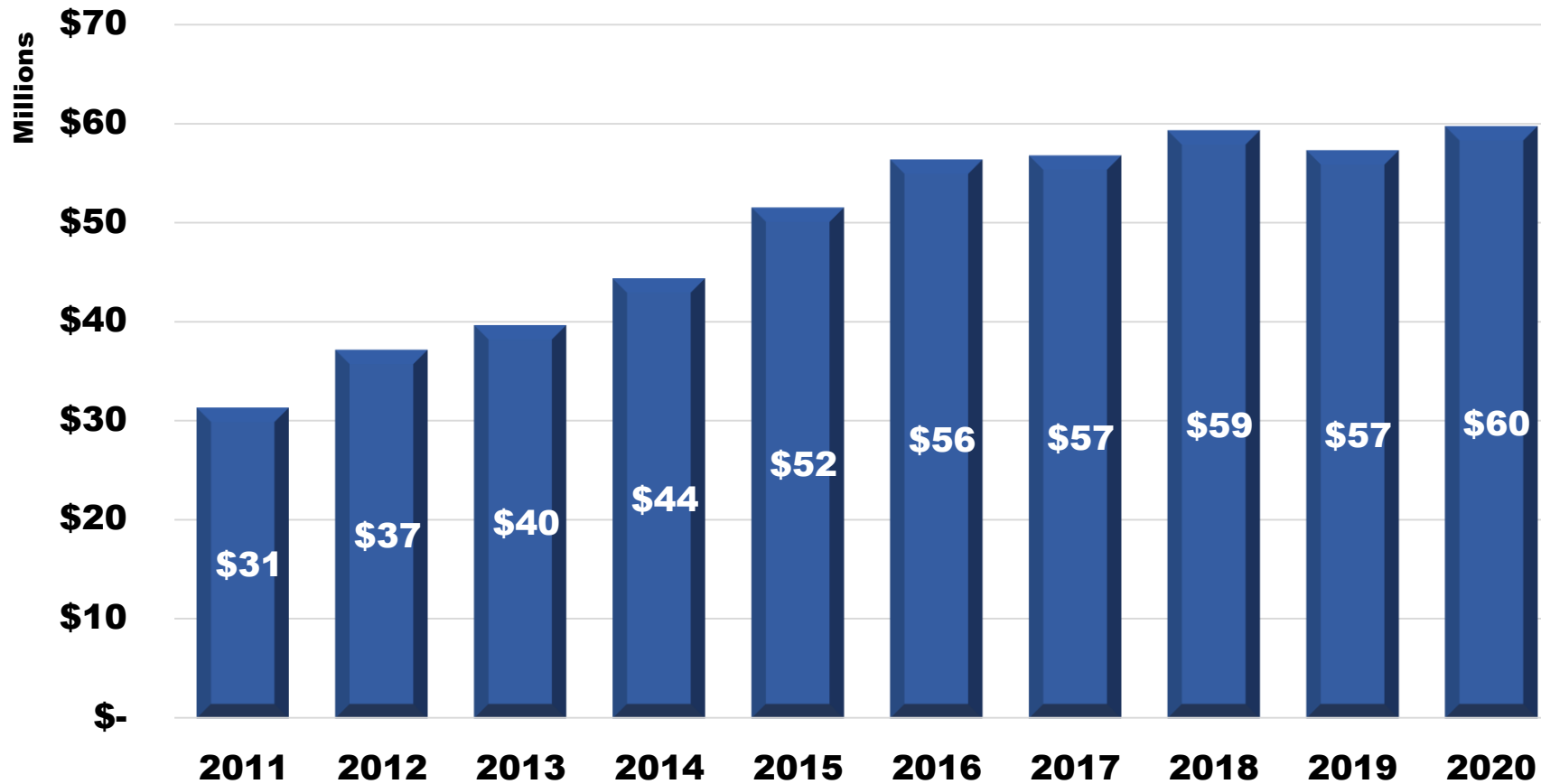


What are the Key Budget Assumptions?

	2018-2019	2019-2020	Change
Student Enrollment	26,931	26,765	(166)
Foundation Allowance	\$8,020	\$8,270	\$250
Property Tax Revenue Loss - Headlee	(\$1.1M)	(\$1.4M)	(\$0.3M)
Base Retirement Rate	26.18%	27.50%	1.32%



Retirement Cost History



Retirement costs 21¢ of every \$1



2019-2020 Budget Proposals

	Governor's		Senate		House	
Changes in State Operating Revenue	Per Pupil	Total	Per Pupil	Total	Per Pupil	Total
Foundation Allowance	\$ 162	\$ 2.7M*	\$ 250	\$ 5.0M*	\$ 167	\$ 2.9M*
Special Education		1.5M		0.4M		--
High School Support		--		(0.2M)		(0.2M)
UCS State Operating Increase		\$ 4.2M		\$ 5.2M		\$2.7M

*Adjusted for enrollment decline



2019-2020 Budget Proposals

	Governor's	Senate	House
Changes in State Restricted Revenue	Total	Total	Total
At Risk	\$ 2.3M	\$ 1.0M	\$ --
Career Technical Ed.	1.7M	--	0.20M
Computer Adaptive Testing	(0.25M)	0.25M	0.25M
UCS State Restricted Increase	\$ 3.75M	\$ 1.25M	\$ 0.45M
TOTAL CHANGE IN STATE REVENUE	\$ 7.95M	\$ 6.45M	\$ 3.15M

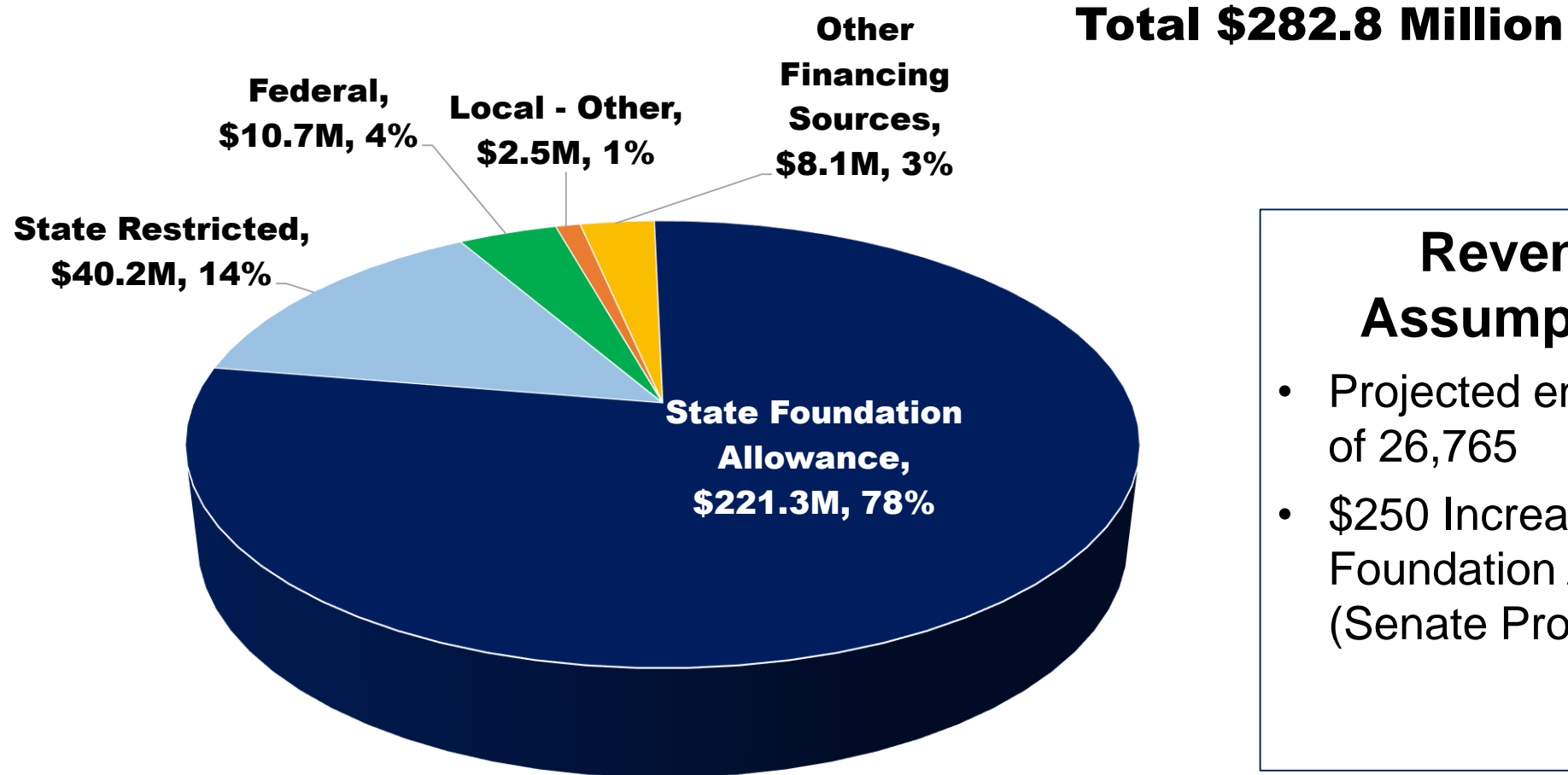


General Fund FY 2019-2020 Proposed Budget

	2018-2019 BA II	2019-2020 Proposed
Revenue	\$ 278.6M	\$ 282.8M
Expenditures	<u>(277.8)M</u>	<u>(282.6)M</u>
Revenue over Expenditures	\$ 0.8M	\$ 0.2M
Beginning Fund Balance	<u>22.7M</u>	<u>23.5M</u>
Estimated Ending Fund Balance	<u>\$ 23.5M</u>	<u>\$ 23.7M</u> 8.4%



FY 2019-2020 Revenue by Source



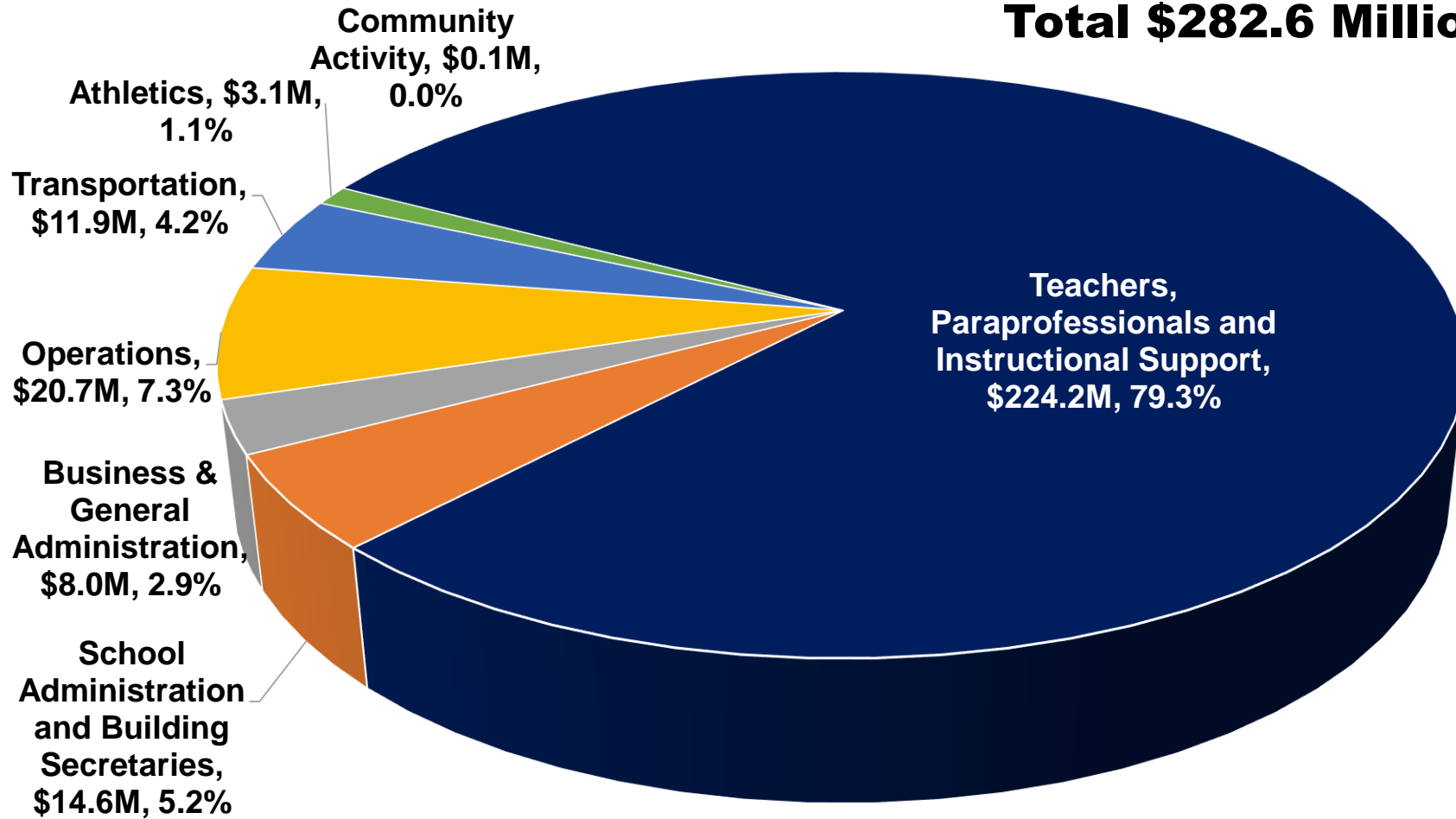
Revenue Assumptions

- Projected enrollment of 26,765
- \$250 Increase to Foundation Allowance (Senate Proposal)



FY 2019-2020 Expenditures by Function

Total \$282.6 Million



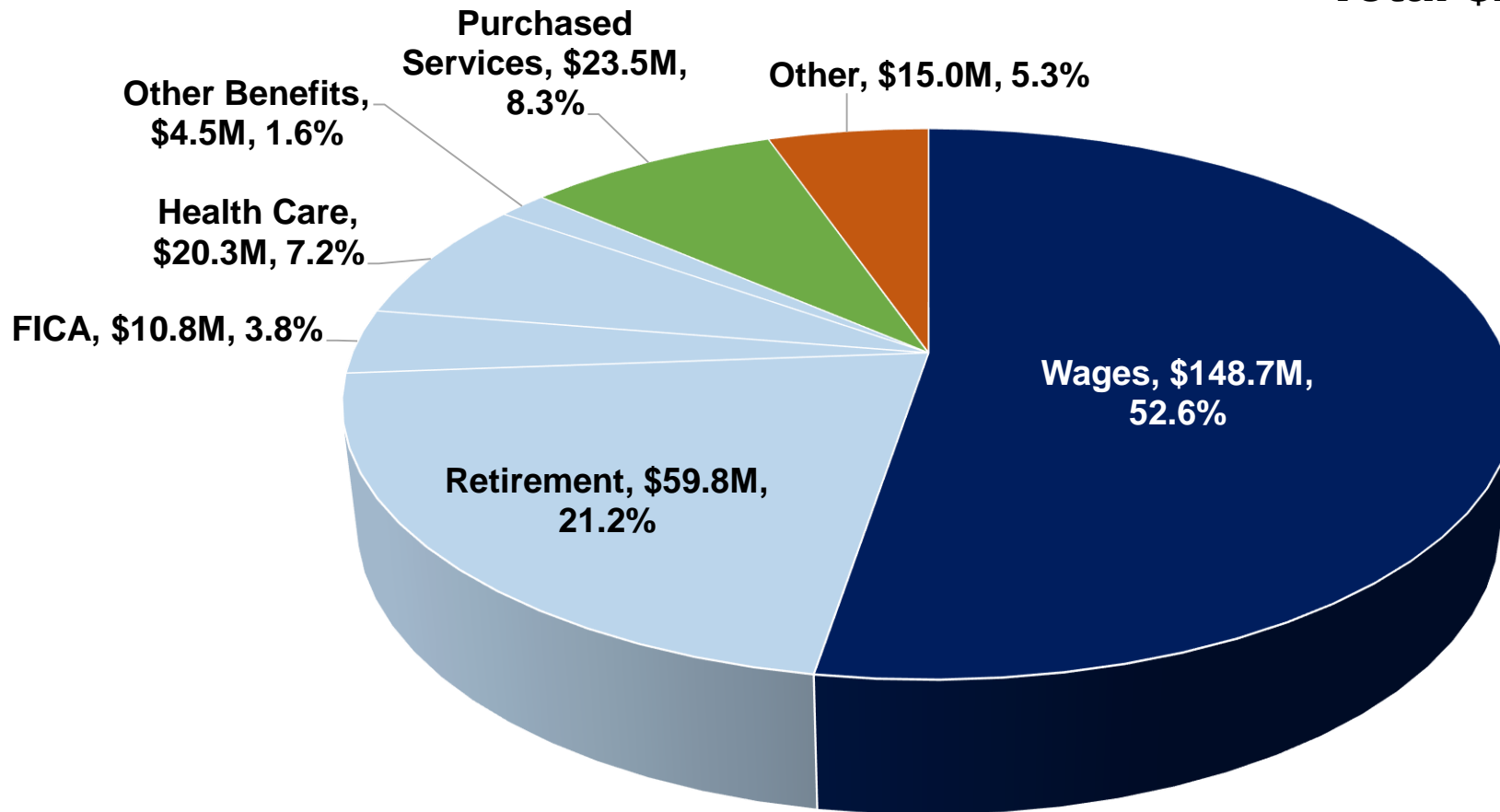
Expenditure Assumptions

- Salary, wages and benefits per Collective Bargaining Agreements
- Non-personnel budgets are based on projected costs and inflationary increases
- Retirement costs



FY 2019-2020 Expenditures by Object

Total \$282.6 Million



Wages, Health Care, Retirement and other benefits account for 86.4% of Total Expenditures



General Fund FY 2019-2020 Proposed Budget

	2019-2020 Proposed	
Revenue	\$ 282.8M	
Expenditures	<u>(282.6)M</u>	
Revenue over Expenditures	\$ 0.2M	
Estimated Beginning Fund Balance	<u>23.5M</u>	
Estimated Ending Fund Balance	<u>\$ 23.7M</u>	8.4%



Summary

- **2019-2020 Proposed Budget maintains current academic program and student support services**
- **Structurally balanced budget**
- **Fund equity approaching target of 10% of expenditures**
- **Legislature has not yet finalized school aid**