

BOARD OF EDUCATION BUDGET WORKSHOP

MINUTES – April 28, 2014

A workshop meeting of the Board of Education of the Midland Public Schools, Midland, Michigan, was held at the Midland Public Schools Administration Center, 600 E. Carpenter Street, Midland, Michigan, on Monday, April 28, 2013, beginning at 3:00 p.m. in accordance with the requirements of the Revised School Code, MCL 380.1 et seq. effective July 1, 1996, and the policies established in How Midland Schools Work.

CALL TO ORDER: ROLL CALL

Board members present: President Wasserman,
 Vice President Brandstadt,
 Treasurer Kaminski,
 Member McFarland,
 Member Singer

Board members absent: Member Baker,
 Secretary Gorton

Central staff present: Superintendent Sharrow,
 Assistant Superintendent Verlinde,
 Associate Superintendent Cline,
 Associate Superintendent Cooper

Visitors present: 4 staff, citizens and guests

President Wasserman called the meeting to order at 3:00 p.m.

BOARD DISCUSSION AND PRIORITIZATION FOR 2014-15 GENERAL FUND BUDGET

- 2.1 Mrs. Cline looked at the 2012-13 Bulletin 1014, which ranked the 813 Michigan public school districts by selected financial data. In addition, Mrs. Cline reviewed historical pupil counts, population trends and foundation allowances.
- 2.2 Budgeted Revenues
2013-14: \$76,211,439 (original); \$77,981,558 (revised)
2014-15: Executive (\$8,254): \$63,169,828; House (\$8,227): \$62,963,572;
 Senate (\$8,321): \$63,681,648
2014-15: Total General Fund Revenue: Executive 74,868,212; House 74,264,722;
 Senate: 75,413,635
- 2.3 Budgeted Expenditures
2013-14: \$82,258,480 (original); \$82,469,367 (revised)
2014-15: Executive \$80,325,488; House \$80,325,488; Senate \$80,858,474
2014-15 (98%): Executive \$77,514,096; House \$77,514,096; Senate \$78,028,428
- 2.4 2014-15 Employee Group Changes and Salary/Wage Changes
- All new teachers will be hired at Level 1: Step 1 no matter their prior teaching experience
 - Teachers salary schedule will be reduced by 2%
 - No salary or wage scale changes for other employee groups
 - Step and merit increases will go forward according to the current contract
 - -20.0 FTE teachers through attrition, many of which will not be filled
 - -3.0 FTE for administrators
 - -3.0 to 4.0 FTE each for OP/AA group through attrition

- 2.5 2014-15 Class Size Assumptions and Drivers were discussed
 - MPS projected blended count enrollment for budget planning is 7,639 down 151 students (3.1%).

- 2.6 Benefit changes as follows
 - 10.9% estimated increase in medical expenses from 2013-14

- 2.7 Other Budget Changes
 - 5% reduction in all supply budgets
 - Administration will continue to work on reducing expenditures
 - Uptick in Midland property values is helping revenues

- 2.8 Use of Fund Balance
 - Anticipated Spendable Fund Balance 6/30/14: \$8,299,176
 - Depending on Executive, House, Senate budget scenario adopted:
 - Anticipated Shortfall: \$5.4 to \$6.0 million
 - Anticipated spendable fund balance 6/30/15: \$5.0 to \$5.6 million (6.3 to 7.0% of Expenses)

- 2.9 Next Steps – the 2014-15 budget will be presented officially on
 - June 9, 2014 – Budget Hearing
 - June 23, 2014 – Budget Adoption

Board members discussed future implications of budget workshop information presented as well as future operating millages and the corresponding filing and election dates.

3. **ADJOURNMENT**

The meeting was adjourned at 4:44 p.m.

Vice President _____
Angela Brandstadt

Treasurer _____
John Kaminski

Approved by the Board on:

C. Young 12-May-2014