

Livonia Public Schools

Finance Office

Date: October 9, 2019

To: Andrea Oquist, Superintendent

From: Alison Smith, Director of Finance

Re: 2019-20 General Fund Budget Amendment #1

As you know, the school district is required to adopt a budget before July 1st for the coming school year. As additional information becomes available, it has become the practice to update the Board in October on items that will have an impact on the current year's budget. This year in particular, there is much to discuss with the Board as an approved state aid budget was not in place prior to the time we needed to adopt a budget for the 2019-20 school year.

I am pleased to report that our per pupil foundation allowance increase (\$120 per pupil) was slightly higher than what was included in our adopted budget. I'm also pleased to report that our enrollment numbers are coming in more favorable than what we had originally anticipated. Although we continue to see a decline in our enrollment, this year's decline is less than what we have seen in the last few years. I anticipate the net effect of these two items will be an additional \$769,000 for the General Fund.

We also recently learned that the state will increase the Special Education expenditure reimbursement by 2% for the 2019-20 school year. This equates to an increased reimbursement of roughly \$350,000 to our General Fund. Taxable values across Wayne County have also increased more than what was projected by Wayne RESA this past spring, resulting in what we believe will be an additional \$400,000 in Wayne County Enhancement Millage revenue this school year.

In light of this additional revenue, we would like to continue discussions with the Board on additional expenditures the district can consider to address immediate needs across our district that, if approved, will have a positive impact on both our students and staff.

In light of these rather significant developments, as a part of the financial update, I would like to propose bringing a formal budget amendment recommendation to the Board for their consideration. This amendment will not involve going into the same level of detail I normally provide for a formal budget amendment (i.e. reviewing all 3,500 line items of our General Fund budget, but we will update the

beginning fund balances for all of our funds as well as update the various accounts impacted by the items discussed in this memo.

We would like to discuss the 2019-20 Budget Amendment at the October 14, 2019 Finance Committee meeting. Please include this item on the agenda. Thank you.

AS/kp