

**GWINN AREA COMMUNITY SCHOOLS
BOARD OF EDUCATION
2011**

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MISSION STATEMENT

As a partnership, our mission is to provide a positive learning environment and the best educational opportunities for all students to progress to their fullest potential as responsible, productive citizens.

Each year every school district is confronted with the task of achieving numerous educational objectives within available financial resources. The accomplishment of this task is more probable if the district prepares a documented plan of action outlining the financial resources to be utilized to achieve specific objectives. The process of developing a budget has other managerial advantages:

- Costs relative to importance of programs and activities are periodically re-evaluated for present and future educational advantages.
- Internal operations are systematically re-examined for efficiency and economy so that improvements might be made.
- Data concerning specific areas of responsibility are made readily available for evaluative purposes.

The Uniform Budgeting and Accounting Act, Act 621 of Public Acts of 1978 mandates the formulation and establishment of a uniform chart of accounts and reports for school districts. The purpose of the Act is to provide the structure necessary for a close relationship between the administration and local school board with regard to the establishment of budgets and appropriations. The Gwinn Area Community Schools General Fund Budget has in the past and continues to meet these guidelines. The budget and other financial reports contain comparative figures and year-end financial information.

The 2010-2011 amended General Fund budget is presented in addition to the proposed 2011-2012 General Fund budget. Additional material is provided as a resource and to assist in analyzing budget material.

Both the amended 2010-2011 budget and the 2010-2011 budgets represent a financial outline for providing the *best possible educational plan for students* with available funds. It has been developed after discussion with Board Members, administrators and union leadership. Goals which were adopted by the Board of Education serve as the guideline for budget development and it represents in monetary terms thousands of hours of student instruction, transportation, custodial services, building maintenance and other items, which together make a successful school program.

The budget is built on, *assumptions* including, but not limited to, enrollment, State Aid, and taxable values on non-principal residences. It will be brought to the Board of Education for revision on a periodic basis.

Expenditure Function Definitions

Instruction - Activities dealing directly with the teaching of pupils or the interaction between teacher and pupils. Teaching may be provided for pupils in a school classroom, in another location such as in a home or hospital, and other learning situations such as those involving co-curricular activities. It may also be provided through some other approved medium such as television, radio, telephone, and correspondence. Included here are the activities of classroom aides, teacher assistants, supplies and machines that directly aid in the instructional process. Include the work of group and class sponsors and chaperons at student activities. Include activities associated with instructional field trips.

- **Basic Programs** - Instructional activities, including enrichment, designed primarily to prepare pupils for activities as citizens, family members, and workers, as contrasted with programs designed to improve or overcome physical, mental, social and/or emotional handicaps. Includes Pre-School, Elementary, Middle School, and High School.
- **Added Needs**- Instructional classroom activities designed for pupils' added needs that include Special Education, Compensatory Education (Title 1), and Career and Technical Education.

Support Services - Services which provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction and to a lesser degree, community services. Supporting Services exist as adjuncts for the fulfillment of the objectives of instruction.

- **Pupil** - Consists of those activities that are designed to assess and improve the well being of pupils and to supplement the teaching process such as Guidance, Psychologist, Speech, Social Worker and Noon-Hour Supervisors.
- **Instructional Staff** - Consist of activities associated with assisting the instructional staff with the content and process of providing learning experiences for pupils. Included is the Title IIA Professional Development grant, Library and Special Education Supervision
- **General Administration** - Consists of those activities concerned with establishing policy, operating schools and the school system, and providing the essential facilities and services for the staff and pupils. Also included are community relations (district wide activities and programs designed to improve school/community relations.) Includes the Board of Education and Superintendent.
- **School Administration** – Consists of those activities concerned with overall administrative responsibility for a single school.
- **Fiscal Services** – Activities concerned with purchasing, paying, transporting, exchanging and maintaining goods and services for the school district.
- **Operation & Maintenance**– Activities concerned with keeping the physical plant open, clean, and ready for daily use. They include operating the heating, lighting, and ventilation systems, and repairing facilities/equipment. Also included are operating building leases, property and liability insurance, janitorial and ground maintenance costs.
- **Transportation** – Activities concerned with the conveyance of pupils to and from school, as provided by state law. It includes trips between home and school or trips to school activities. All other direct costs related to pupil transportation should be included under this function, i.e., physical exams, uniforms, school bus driver licenses, awards, bus monitors, etc.
- **Central** - Activities other than general administration that support each of the other instructional and supporting service programs. Includes Technology and Pupil Accounting
- **Other** - Activities of any supporting service or classification of services, general in nature, which cannot be classified in the preceding service areas. This includes re-sale stores at each elementary and athletics.

Community Services - Community Services consist of those activities that are not directly related to providing education for pupils in a school system. These include services provided by the school system for the community as a whole or some segment of the community and can include activities such as community recreation programs, civic activities, public libraries, programs of custody and care of children, and community welfare activities. In our case it includes the Driver's Ed program and Parent Involvement and Education grant.

Fund Modifications – Transfers to other funds such as Athletic, Food Service and Capital Projects

2010-2011 GENERAL FUND REVISION

Following are the significant revisions included in the proposed amendment of the 2009-2010 General Fund Budget:

REVENUE

- Increased special education payments (**\$40,000**) from MARESA due to decreased services taken by district
- Grant revenue updated to anticipated expenditures (no impact on fund balance)

EXPENDITURES

- Reduced grant expenditures from allocated to anticipated to provide for carryover (no impact on fund balance)
- Reduced heating (**\$27,000**) due to change in buying method which allowed for a sale of inventory and reduced meter charges

2011-2012 GENERAL FUND BASIS

Following are the assumptions used to build the 2011-2012 General Fund Budget:

REVENUE ASSUMPTIONS

- Per pupil reduced to \$ 6,846. This is \$ 470 less per pupil than in 08-09
- September 2011 EST. count of 1224; 11-12 blended count of 1,223.30; 3-year average count of 1,255.33. ***3-year average count is used for state aid*** which allows us to claim 32 more fte.
- Method of calculating the blended count changed from 25% to 10% of February count and from 75% to 90% of September count. This resulted in minimal impact.
- Over \$600,000 less state aid due to declining enrollment and reduced per- pupil funding
- One time revenue of \$114,018 to offset MSPERS rate
- Loss of ARRA Stabilization, ARRA Flowthrough, ARRA Title I and Edujobs funding totaling over \$750,000

EXPENDITURES

- Increased teacher salaries 2 steps per contract
- Increased retirement rate 18.39% from 20.66% to 24.46% (difference of 3.8 percentage points/20.66 = 18.39% increase)

- Increased insurance premiums 10%
- Reduced grant expenditures including some personnel decreases, due to loss of revenue
- Savings from personnel changes – over \$150,000
 - Increasing amount charged for district social worker to At Risk grant
 - Teacher resigned, replaced at BA/0
 - MS/Special Ed./Pupil Accounting secretary retired. Special Ed. and Pupil Accounting duties distributed to other employees and MS secretary placed at part-time
 - 2 support positions retired, replaced through 3rd party contract
 - Reduction of 1 Special Ed. aide

GWINN AREA COMMUNITY SCHOOL

GENERAL FUND

Motion by _____ support by _____, to adopt the amended GENERAL FUND appropriation for the 2010-2011 fiscal year and approve in the amounts and for the purposes set forth for 2011-2012:

	2009-2010 Actual	2010-2011 Budget As Amended February 2011	2010-2011 Budget As Amended June 2011	2011-2012 Proposed
REVENUE				
Local	\$1,807,946	\$1,670,742	\$1,738,131	\$1,679,287
State	\$8,073,367	\$8,215,441	\$8,195,787	\$7,724,471
Federal	\$1,244,724	\$1,425,757	\$1,379,314	\$615,356
Other	\$610,613	\$507,454	\$548,102	\$543,656
Fund Modifications	\$62,423	\$61,000	\$45,000	\$45,000
Total Revenue	\$11,799,073	\$11,880,395	\$11,906,334	\$10,607,770
EXPENDITURES				
Instruction:				
Basic Programs	\$5,370,131	\$5,598,661	\$5,604,950	\$5,952,450
Added Needs	\$2,174,888	\$2,177,849	\$2,139,017	\$2,144,034
Total Instruction	\$7,545,020	\$7,776,510	\$7,743,967	\$8,096,484
Support Services:				
Pupil	\$373,404	\$388,490	\$388,525	\$381,723
Instructional Staff	\$206,568	\$225,976	\$210,718	\$224,998
General Administration	\$322,557	\$330,380	\$324,505	\$277,228
School Administration	\$794,823	\$747,040	\$737,682	\$732,954
Fiscal Services	\$181,418	\$203,245	\$203,245	\$185,541
Operation & Maintenance	\$1,067,458	\$964,534	\$933,947	\$922,261
Transportation	\$679,046	\$594,466	\$623,863	\$605,673
Central	\$214,114	\$230,462	\$252,157	\$257,700
Other	\$797	\$82,783	\$321,644	\$317,563
Total Support Services	\$3,840,184	\$3,767,376	\$3,996,286	\$3,905,641
Community Services	\$75,860	\$30,091	\$20,277	\$10,338
Other				
Fund Modifications	\$369,451	\$421,153	\$193,708	\$343,660
Total Expenditures	\$11,830,515	\$11,995,130	\$11,954,238	\$12,356,123
6/30/09 Fund Balance	\$2,226,606			
Revenue Exceeds Expenditures	(\$31,442)			
6/30/10 Fund Balance	\$2,195,164	\$2,195,164	\$2,195,164	
Revenue Exceeds Expenditures		(\$114,735)	(\$47,904)	
6/30/11 Projected Fund Balance		\$2,080,429	\$2,147,260	\$2,147,260
Revenue Exceeds Expenditures				(\$1,748,353)
6/30/12 Projected Fund Balance				\$398,907

Local Revenue includes the local tax levy of 18 mills on all non-principal residences and 6 mills on commercial personal property, less properties located in the Renaissance Zone in the Gwinn Area Community School District. Local tax revenue is designated to be used for general operating purposes.

		Mills			
Non-principal Residence Taxable Value	107,491,361	18	\$1,934,844		
Commercial Personal Property	11,732,100	6	\$70,393		
Less Renaissance Zone	-19,136,282	18	(\$344,453)		
Commercial Personal Property	-19136282	6	(\$114,818)		
			\$1,545,966		Local property tax paid directly to GACS

THE 2010-2011 BUDGET AMENDMENT IS TO TAKE IMMEDIATE EFFECT.
THE 2011-2012 BUDGET SHALL TAKE EFFECT JULY 1, 2010.

GWINN AREA COMMUNITY SCHOOLS

FOOD SERVICE FUND

BE IT FURTHER RESOLVED, that the FOOD SERVICE FUND appropriation be revised for the 2010-2011 fiscal year and approved in the amounts and for the purposes set forth for 2011-2012:

	2009-2010	2010-2011	2010-2011	2011-2012
	<u>Actual</u>	<u>Budget As Amended February 2011</u>	<u>Budget As Amended June 2011</u>	<u>Proposed</u>
REVENUE				
Local	\$161,265	\$149,800	\$144,560	\$144,560
State	\$37,757	\$21,853	\$28,047	\$28,048
Federal	\$436,539	\$446,956	\$432,826	\$432,826
Transfers & Other	\$254			\$0
Total Revenue	<u><u>\$635,815</u></u>	<u><u>\$618,609</u></u>	<u><u>\$605,433</u></u>	<u><u>\$605,434</u></u>
EXPENDITURES				
Salaries/Benefits	\$299,345	\$258,910	\$258,910	\$266,283
Contracted Services	\$7,231	\$7,667	\$7,667	\$7,667
Supplies & Equipment	\$241,814	\$332,659	\$291,179	\$296,179
Transfers & Other	\$45,000	\$45,000	\$45,000	\$45,000
Total Expenditures	<u><u>\$593,390</u></u>	<u><u>\$644,235</u></u>	<u><u>\$602,756</u></u>	<u><u>\$615,129</u></u>
6/30/09 Fund Balance	\$26,612			
Revenue Exceeds Expenditures	\$42,425			
6/30/10 Fund Balance	<u>\$69,037</u>	\$69,037	\$69,037	
Revenue Exceeds Expenditures		(\$25,626)	\$2,677	
6/30/11 Projected Fund Balance		<u>\$43,410</u>	<u>\$71,714</u>	\$71,714
Revenue Exceeds Expenditures				(\$9,695)
6/30/12 Projected Fund Balance				<u>\$62,019</u>
2011-2012 Basis				
Increased retirement rate				
\$5,000 increase in food				

THE 2010-2011 BUDGET AMENDMENT IS TO TAKE IMMEDIATE EFFECT.
 THE 2011-2012 BUDGET SHALL TAKE EFFECT JULY 1, 2011.

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 of Schools is hereby charged with general supervision of the execution of the budget adopted by the Board and shall hold the Budget Area Supervisors responsible for performance of their responsibilities within the amounts appropriated by the Board of Education and in keeping with the budgetary policy statement hitherto adopted by the Board.

The 2010-2011 budget amendment is to take immediate effect.

The 2011-2012 budget shall take effect July 1, 2011.