

**WEST IRON COUNTY  
PUBLIC SCHOOLS  
Iron River, Michigan 49935**

**2010-2011  
PROPOSED  
BUDGET**

**May 17, 2010**

# BOARD OF EDUCATION

## **Roy Polich, President**

Term expires 2014  
P.O. Box 7  
Iron River, MI 49935

## **Eric Malmquist, Vice President**

Term Expires 2011  
249 Gibbs City Road  
Iron River, MI 49935

## **Rob Possanza, Jr., Treasurer**

Term Expires 2010  
330 Lincoln Avenue  
Iron River, MI 49935

## **Beth Vezzetti, Secretary**

Term Expires 2011  
884 Pentoga Trail  
Crystal Falls, MI 49920

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Term Expires 2012  
P.O. Box 406  
Iron River, MI 49935

## **Faye Atanasoff, Trustee**

Term Expires 2013  
170 Sunset Shores Road  
Iron River, MI 49935

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Term Expires 2013  
704 W. Genesee Street  
Iron River, MI 49935

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### **Ken Nelson**

Term Expires 2014  
53 N. 7<sup>th</sup> Avenue  
Iron River, MI 49935

### **Chris Thomson**

Interim Superintendent

### **Rick Kent**

Consultant

### **Amber Laturi**

Business Manager

## ADMINISTRATIVE OFFICES

601 Garfield Avenue  
Iron River, MI 49935  
(906) 265-9218



# WEST IRON COUNTY PUBLIC SCHOOLS

601 Garfield Avenue  
Iron River, Michigan 49935



CHRISTOPHER THOMSON  
Acting Superintendent

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## MEMORANDUM

TO: West Iron County Board of Education

FROM: Rick Kent, Amber Laturi, Chris Thomson

DATE: May 17, 2010

SUBJECT: Proposed 2010-2011 Budget

We are pleased to present the proposed 2010-2011 budget for your consideration. This is the 17<sup>th</sup> budget prepared under the historic school finance legislation of 1993. We believe it is useful to review several background points affecting the budget and operation of the District.

- As a result of the 1993 legislative action, the District is funded on a per-pupil basis with all other districts in the State. Consequently, the average number of students enrolled in the District in September and the previous February, and the allocation per pupil funding by the State becomes a critical number subject to estimation during the budget development process.
- Also critical to the proper funding of public education is the health of the State economy and the consideration of the State budget. Currently both are under incredible duress with the State in a serious recession and the budget in unprecedented crisis. Only the infusion of Federal Stabilization funds has delayed an impending very serious school funding reduction.
- The budget reflects a balanced budget and adheres to the Board and administration goal to begin to restore the financial position of the District.
- This balanced budget also shows a modest fund balance that is an indication of the short-term improving financial condition of the District. At the same time, it is important to note that a sizeable portion of the fund balance is a result of the one-time infusion of Federal Stimulus/Stabilization funds and, therefore, every effort should be made not to spend this money on on-going expenses. Also, it is important to note that the State's fiscal crisis will likely continue in 2010-2011 and much caution in spending and considerable planning needs to take place this next year.

Through this budget, the Board and administration are underscoring the philosophy of expending the majority of funding on instruction. This philosophy is in direct alignment with the District's overall mission of student success.

Pc: West Iron County Staff

**WEST IRON COUNTY PUBLIC SCHOOLS  
2010-2011 GENERAL FUND  
PROPOSED BUDGET INFORMATION**

**ASSUMPTIONS:**

- Blended pupil count 884 with 3-year blend – a decrease of 61 students from 2009-10.
- State Aid per student - \$7,041.00. Decrease of \$110.00 from 2009-10.
- Retirement is 19.41% up from 16.94%\*
- Wage increase projected for Support Staff of 0% plus steps
- Wage increase for administration – 0%
- Wage increase for teachers – cost neutral
- Health benefits projected to increase 10.9%
- Stabilization Funding of \$96,189 for 2010-11
- Lay-off of 2-2/7 teachers
- Reduction of 2-1/4 Support Staff positions
- \*Recent passage of state retirement incentive package could impact the retirement rate and also the number of employees retiring prior to the beginning of the 2010-11 school year.

**WEST IRON COUNTY PUBLIC SCHOOLS  
GENERAL FUND  
PROPOSED BUDGET  
MAY 2010**

	<b><u>2010-11 PROPOSED BUDGET</u></b>
ESTIMATED FUND BALANCE, JUNE 30, 2010	\$ 624,263
REVENUES, GENERAL	\$ 7,819,276
EXPENDITURES, GENERAL	<u>\$ 7,848,156</u>
ESTIMATED CHANGE IN FUND BALANCE	\$ (28,880)
TOTAL ESTIMATED FUND BALANCE, JUNE 30, 2011	<u>\$ 595,383</u>
FUND BALANCE AS A PERCENT OF TOTAL EXPENDITURES	<u>7.6%</u>

**RESOLUTION FOR ADOPTION BY THE BOARD  
OF EDUCATION OF WEST IRON COUNTY PUBLIC SCHOOLS  
2010-11 BUDGETS**

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RESOLVED, that this resolution shall be the general appropriation of the West Iron County Public Schools for the fiscal year 2010-2011; a resolution to make appropriations; and to provide for the disposition of all income received by West Iron County Public Schools.

BE IT FURTHER RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriation in the GENERAL FUND of West Iron County Public Schools, for fiscal year 2010-2011 is as follows:

BE IT FURTHER RESOLVED, that, to support the District's proposed budget for fiscal year 2010-2011, the West Iron County Public Schools shall levy its authorized millage rate of (17.7827)of ad valorem property taxes on all property (excluding principal residence property and other property exempt by law) in order to generate the local revenue prescribed below; and that such millage, together with the district's other revenues, shall be used to support the expenditures prescribe below.

**REVENUES**

Local	\$ 2,507,205
State	4,162,645
Federal	955,026
Incoming Transfers and Other Transactions	<u>194,400</u>
 TOTAL REVENUES	 \$ 7,819,276
 Fund Balance, July 1, 2010	 <u>624,263</u>
 TOTAL AVAILABLE TO APPROPRIATE GENERAL FUND	 <u><u>\$ 8,443,539</u></u>

BE IT FURTHER RESOLVED, that \$7,848,156 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	\$ 3,492,291
Added Needs	1,631,234
Adult / Continuing	-

**SUPPORT SERVICES:**

Pupil	180,899
Instructional Staff	151,711
General Administration	255,485
School Administration	347,616
Business	271,267
Operating Building Services	876,500
Pupil Transportation	486,982
Pupil Activities	-
Community Services	-
Outgoing Transfers & Other Transactions	<u>154,171</u>

**TOTAL APPROPRIATED** **\$ 7,848,156**

**SPECIAL REVENUE FUNDS**

BE IT FURTHER RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriation in the SPECIAL REVENUE FUNDS of West Iron County Public Schools, for the fiscal year 2010-11 is as follows:

**REVENUES**

Local	\$ 201,242
State	39,000
Federal	239,900
Other Financing Sources (Operating Transfers In)	<u>85,852</u>
<b>TOTAL REVENUE</b>	<b>\$ 565,994</b>
Fund Balance, July 1, 2010	<u>-</u>
<b>TOTAL AVAILABLE TO APPROPRIATE</b>	<b>\$ 565,994</b>
<b>SPECIAL REVENUE FUNDS</b>	

BE IT FURTHER RESOLVED, that \$565,994 of the total available to appropriate in the SPECIAL REVENUE FUNDS is hereby appropriated in the amounts and for the purposes set forth below:

**EXPENDITURES:**

Athletic Fund	\$ 186,270
Food Service Fund	379,724
Other Financing Uses (Transfers Out)	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<b><u><u>\$ 565,994</u></u></b>

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 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 is hereby charged with general supervision of the execution of the budgets adopted by the Board and shall hold the Principals, Directors, Supervisors, and Department Heads accountable for the 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.

This appropriation resolution is to take effect July 1, 2010.

**WEST IRON COUNTY PUBLIC SCHOOLS  
2010-11 GENERAL FUND BUDGET  
MAY 2010**

**GENERAL FUND  
REVENUES**

The general appropriations act shall set forth the total number of mills of ad valorem property taxes to be levied and the purposes for which that millage is to be levied as follows:

For the year ended June 30, the School District levied 18.000 operating mills (non-homestead only). The State portion of the foundation is provided primarily by a State education property tax millage of 6.00 mills (on both homestead and non-homestead property) and an allocated portion of the State sales and other taxes.

**State / Local Revenue:**

Base foundation grant of \$7,041 x 933.01 students = \$6,569,323.

**Federal Revenue:**

Federal revenues are budgeted at 2010-11 levels. All grants will be adjusted as the new grants are approved. The majority of Federal funds are in the Title I program.

**Other Financing Sources:**

Revenue from the Dickinson / Iron Intermediate School District is budgeted at \$222,840.

**ALL PROPERTY EXCLUDING PRINCIPAL RESIDENCE AND PROPERTY EXEMPT BY LAW MILLS** – A school district may levy with voter approval up to 18 mills or the number of local school operating mills levied in 1993, whichever is less, on all property excluding principal residence and property exempt by law only. These funds are retained by the local school district to fund a portion of the foundation allowance.

**FOUNDATION GRANT** – The foundation allowance is a per pupil revenue amount that a district may receive. It is calculated for each district based on a formula in the School Aid Act. In general, the starting point is the amount of eligible base revenue that a district received per pupil in the 1993-94 school year. The base amount is adjusted each year according to an index of per pupil revenue growth (or decline) in the State School Aid Fund. This foundation allowance is multiplied by the blended pupil count to total the foundation grant.

**EXPENDITURES**

**Instruction:** This area includes all classroom expenses K-12, including added needs.

**Supporting Services**

**Pupil Support:** These specialized support services include; truancy, absenteeism, guidance, health, psychological, speech pathology, social work, and visual aid services.

**Instructional Staff Support:** These specialized support services include improvement of instruction, educational media services, educational television, technology assisted instruction, supervision, and direction of instructional staff, and academic student assessment.

**General Administration:** This area includes expenses budgeted for the executive administration wages and supplies, and also the Board of Education expenses.

**School Administration:** Principals' and school secretaries' wages and items needed for the building administration (supplies and maintenance of equipment) are budgeted in this area.

**Business Services:** Activities concerned with purchasing, paying, transporting, exchanging and maintaining goods and services for the school district are included here.

**Operations and Maintenance:** Activities concerned with keeping the physical plant open, clean, and ready for daily use. Also, activities concerned with maintaining order and safety in the school building, on the grounds, and in the vicinity of the schools at all times.

**Transportation:** Activities concerned with the conveyance of pupils to and from school as provided by state law.

**Financing Uses:** Payments to other districts and transfers out which reflect the direct district subsidy for the Athletic and Food Service programs are included in this area.

### **SPECIAL REVENUE FUNDS**

**ATHLETIC PROGRAM** – The school district will continue to offer activities for boys and girls at the secondary level.

**FOOD SERVICE PROGRAM** – The school district will continue to offer breakfast and lunch to all students utilizing school district staff.

### **DEBT RETIREMENT FUND**

The debt millage levy will be for debt retirement funds. These funds will cover the bond principal and interest payments for 2010-11.

### **CAPITAL PROJECTS FUND**

The sinking fund millage levy for the 2010-2011 year will be used for the construction or repair of school buildings and all other purposes authorized by law.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT  
GENERAL FUND - DETAIL  
PROPOSED BUDGET - MAY 2010**

	<b>2010-11 PROPOSED BUDGET</b>
<b><u>REVENUES</u></b>	
Local Sources	\$ 2,507,205
State Sources	4,162,645
Federal Sources	955,026
<b>TOTAL GENERAL REVENUE</b>	<b>\$ 7,624,876</b>
Incoming Transfers & Other Transactions	194,400
<b>TOTAL REVENUE, TRANSFERS IN &amp; OTHER</b>	<b>\$ 7,819,276</b>
<b><u>EXPENDITURES</u></b>	
<b>INSTRUCTION EXPENSE</b>	
Basic Programs	\$ 3,492,291
Added Needs	1,631,234
Adult / Continuing	-
Sub-Total	\$ 5,123,525
<b>SUPPORT SERVICES</b>	
Pupil	180,899
Instructional Staff	151,711
General Administration	255,485
School Administration	347,616
Business	271,267
Operating Building Services	876,500
Pupil Transportation	486,982
Pupil Activities	-
Sub-Total	\$ 2,570,460
Community Services	-
Outgoing Transfers & Other Transactions	154,171
<b>TOTAL APPROPRIATED</b>	<b>\$ 7,848,156</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(28,880)</b>
<b>FUND BALANCE, JULY 1</b>	<b>624,263</b>
<b>FUND BALANCE, JUNE 30</b>	<b>\$ 595,383</b>

