

# Waterford School District Financial Overview

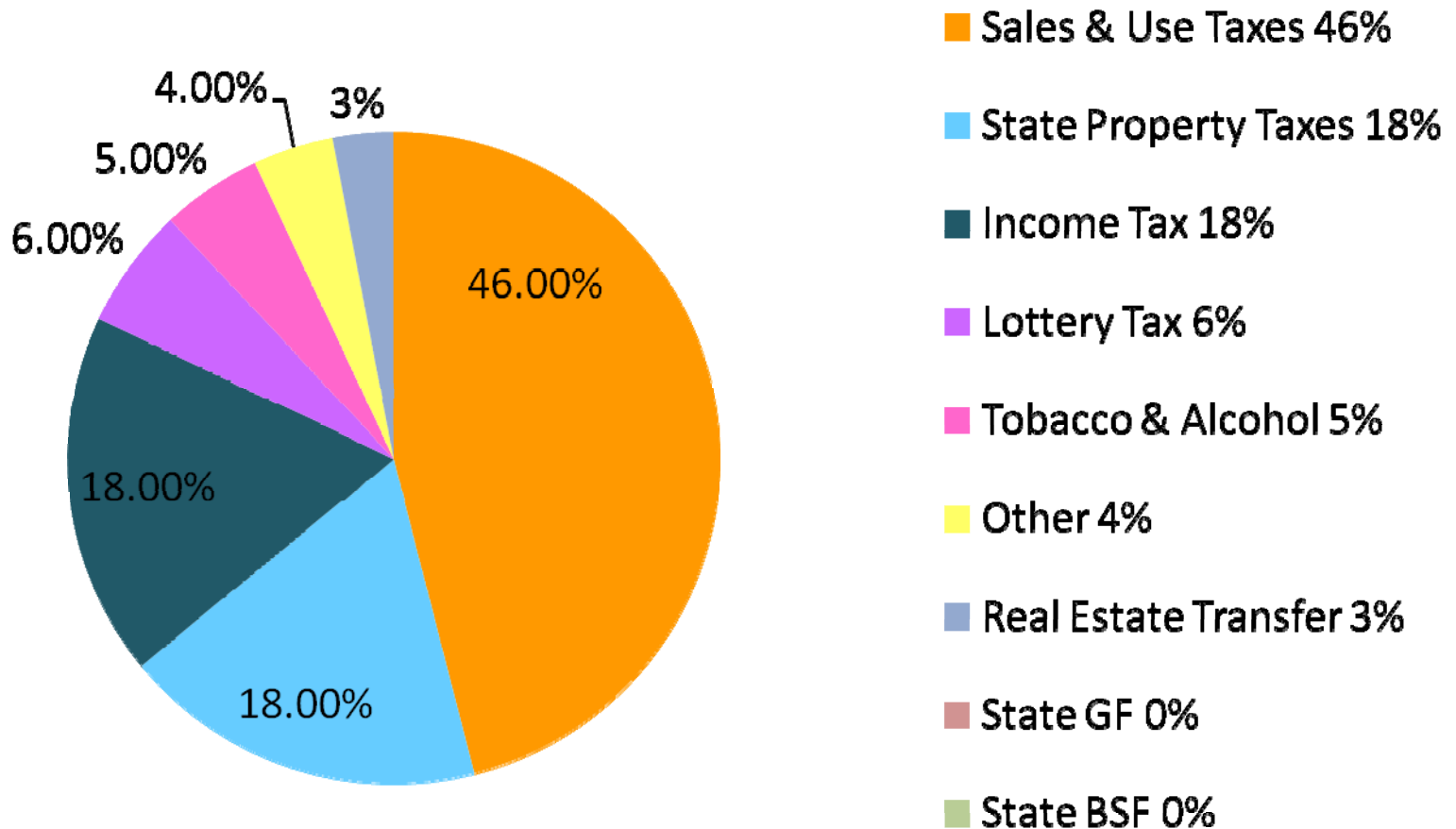
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Waterford School District Facility Utilization Study  
Parameter Development Team  
October 12, 2009

# State School Funding

- Public school funding is tied directly to the health of the State's economy
- The continued economic downturn has resulted in repeated school aid revenue shortfalls for funding public education
- State funds are also tied directly to the priorities of Legislators and the Governor

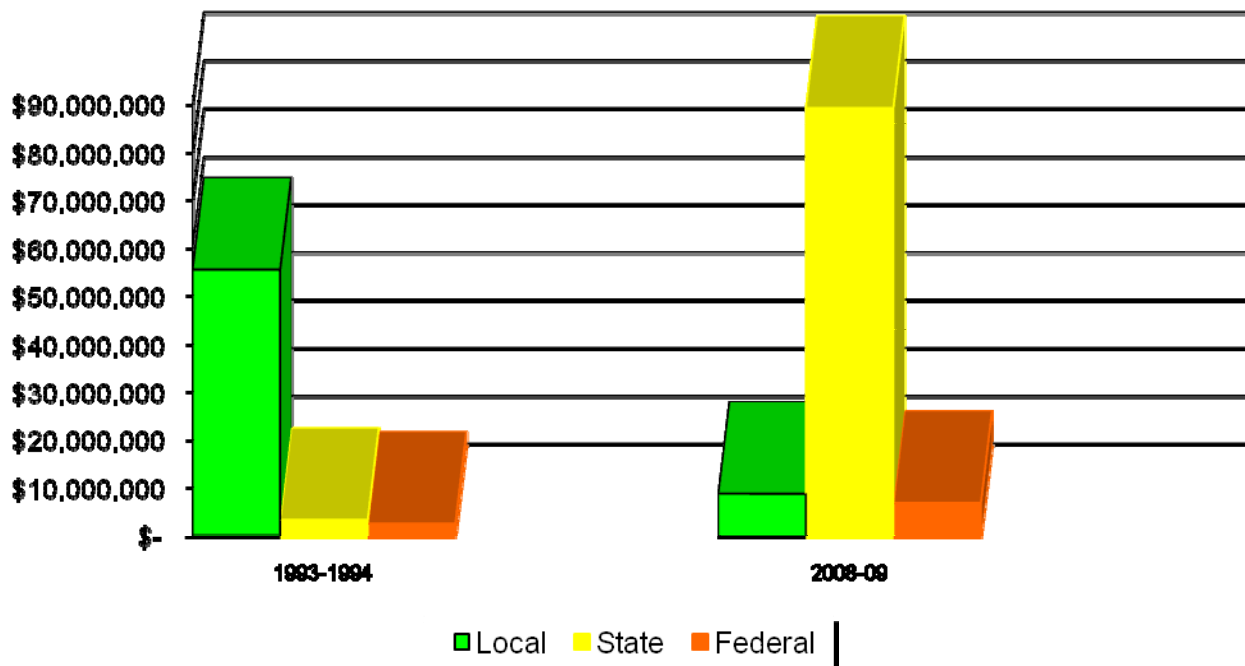
# State School Funding Sources of Revenues



# School Funding Impact

## General Fund Revenues by Source

Waterford School District receives 85% of its revenues directly from the State

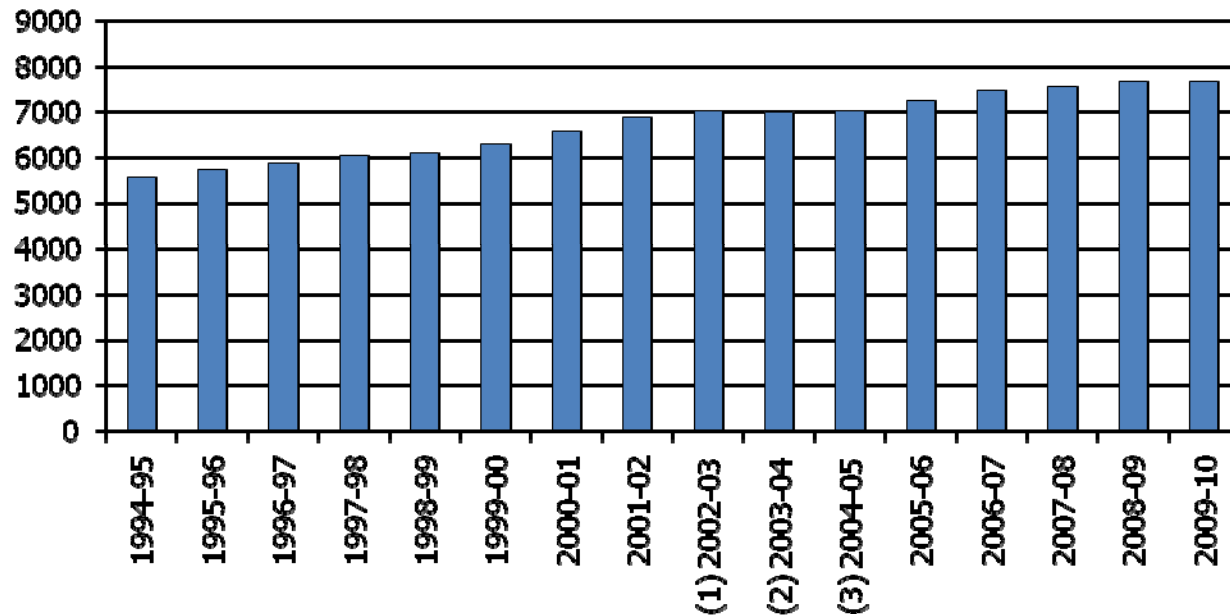


Change in funding of K-12 education in 1994/95 moved reliance on State for funding from approximately 5% in 1993/94 to 85% today

# School Funding Impact

- State funding sources:
  - Foundation Allowance – A set per student tuition multiplied by the number of students within the District
  - Categorical – Funds allocated to the district for specific programming
    - Examples:
      - At Risk
      - Court Placed
      - Michigan School Readiness

# School Funding Impact Foundation Allowance



- (1) Foundation amount of \$7,068 was reduced by \$48 in 02/03 due to State's budget concern, a reduction of \$565,000 to Waterford Schools
- (2) Foundation amount of \$7,068 was reduced by \$74 in 03/04 due to State's budget concern, a reduction of \$875,000 to Waterford Schools
- (3) Foundation amount of \$7,068, zero proration
- (4) Overall average 1994-2001 = 3.4% increase, 2002-present = 1.6% increase

# School Funding Impact Ranking by Foundation Allowance

DISTRICT	1994/95	2009/10
Bloomfield Hills	10,454	12,442
Birmingham	10,377	12,365
Southfield	9,459	11,447
Lamphere	8,937	10,925
Farmington	8,567	10,555
Troy	7,534	9,522
W. Bloomfield	7,386	9,374
Royal Oak	7,380	9,339
Novi	7,091	9,079
Walled Lake	6,953	8,925
<b>County Average</b>		<b>8,778</b>
Avondale	6,766	8,754
Clarenceville	6,575	8,563
Clawson	6,319	8,358
Rochester	6,306	8,347
Lake Orion	6,259	8,301

DISTRICT	1994/95	2009/10
Oak Park	6,186	8,263
Berkley	6,149	8,196
Ferndale	6,109	8,190
Hazel Park	5,734	7,875
<b>State Average</b>		<b>7,784</b>
<b>Waterford</b>	<b>5,567</b>	<b>7,645</b>
Oxford	5,458	7,555
Clarkston	5,446	7,550
Pontiac	5,384	7,490
Huron Valley	5,305	7,416
South Lyon	5,256	7,368
Madison Heights	5,227	7,341
Holly	5,069	7,314
Brandon	4,949	7,314
Waterford Schools is 20 <sup>th</sup> out of 28 Districts and below the county and state averages		

# School Funding Impact

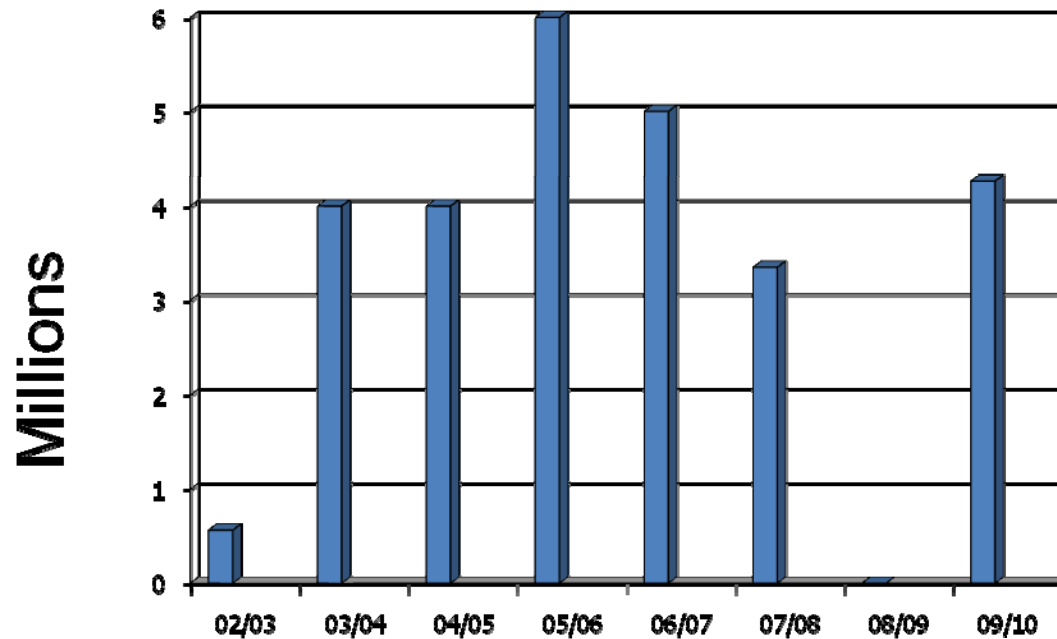
## Differences in Foundation Allowance:

- **If** the District's Foundation Allowance was at the State Average Foundation the District would currently receive an additional \$1,600,000 in funding
- **If** the District's Foundation Allowance was at the Oakland County Average Foundation the District would currently receive an additional \$12,900,000 in funding

# Reduction History

**From 2002-03 to 2009-10 The District has made over \$27.2 million in budget adjustments**

# Waterford School District Budget Reductions



State revenue constraints coupled with increases in salaries, health care, retirement, and utilities have resulted in reductions in expenditures to maintain a balanced budget

Total budget adjustments of \$27,200,000 over past eight years

# Waterford School District Staffing Reductions Since 2002-03

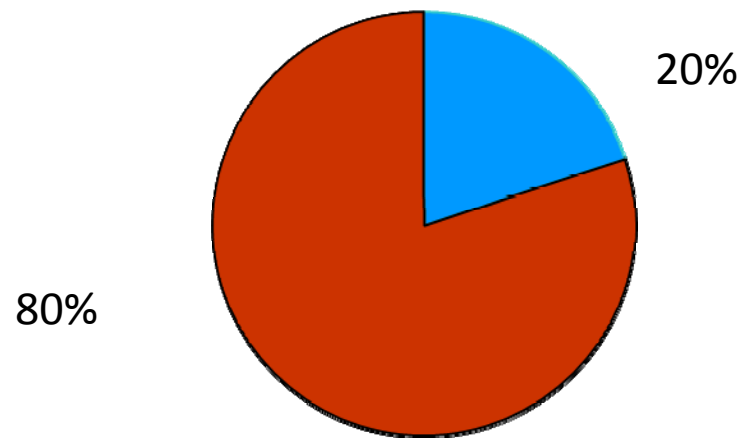
<u>Groups</u>	<u>2002-03</u>	<u>2009-10</u>	<u>Net</u>	<u>% Reduction</u>
			<u>Reduction</u>	
Administrators	84.50	58.00	(26.50) *	-31.36%
Secretaries	99.00	74.00	(25.00)	-25.25%
Maintenance/Operations	119.00	94.60	(24.40)	-20.50%
Transportation	88.00	75.00	(13.00)	-14.77%
Gen Ed Classroom Teachers	509.35	475.11	(34.24)	-6.72%
Sp Ed Classroom Teachers	155.21	154.30	(0.91)	-0.59%
	1,055.06	931.01	(124.05)	-11.76%

Note: Additional Staff reductions in Classroom Assistants, Building Assistants, Part-time Staff, Temporary Staff, and reduction of Staff hours

\* This number includes 12 contracted third party Administrators (PCMI)

# Results

## General Fund 2008-2009



### Instruction

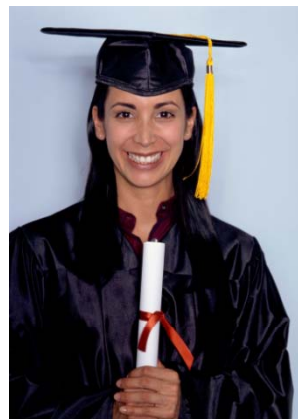
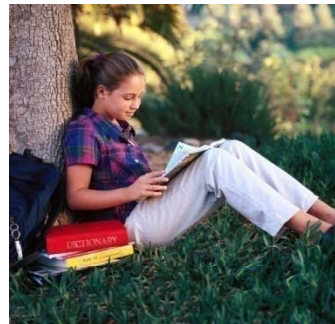
- Basic Programs
- Added needs
- Adult Ed
- Pupil services
- Instructional Services
- School Administration
- Federal Programs
- Athletics
- Associated Employee Benefits

### Support

- General Administration
- Utilities
- Operations & Maintenance
- Transportation
- Finance and Budget
- Computer Services
- Community Relations
- Human Resources
- Associated Employee Benefits

**Per Student Revenues and Expenditures  
Waterford School District  
2008-09 School Year**

Student Foundation Grant = <b>\$7,645</b>	<b>81.25%</b>
Federal Programs = <b>\$793</b>	<b>8.43%</b>
State Categoricals: At Risk, Declining Enrollment, Voc Ed, Preschool Enrichment, Court Placed, Special Ed = <b>\$279</b>	<b>2.96%</b>
Oakland Schools: PA-18, School Safety, Equity, Voc Ed Millage = <b>\$408</b>	<b>4.33%</b>
Investments, Fees and Other Local Revenue = <b>\$202</b>	<b>2.15%</b>
Oakland County Court Placed Children's Village = <b>\$82</b>	<b>.88%</b>
<b>TOTAL REVENUE - \$9,409</b>	



Pre K-12 = <b>\$7,610</b>	<b>79.99%</b>
Maintenance, Operations and Property Insurance = <b>\$683</b>	<b>7.18%</b>
Utilities = <b>\$266</b>	<b>2.79%</b>
Other Central Office – Fiscal Serv., Computer Serv., HR = <b>\$303</b>	<b>3.18%</b>
Transportation Services = <b>\$276</b>	<b>2.90%</b>
Auxiliary Services- Print, Mail, Security, Facility Rental & Replacement Furniture = <b>\$197</b>	<b>2.07%</b>
Central Office Support Services = <b>\$176</b>	<b>1.85%</b>
Civic = <b>\$3</b>	<b>.04%</b>
<b>TOTAL EXPENSES - \$9,514</b>	

Note: Difference of \$104 per student between revenue and expenditures is the result of budgeted use of designated funds.

# Accomplishment Highlights

- 2003 – 2010: Increased Fund Balance from 5.0% to 6.6%
- 1994: \$35 Million Bond Authorization
- 1997-2003: \$7 Million Waterford Township High School Site Development
- 1997: \$3.9 Million Durant Settlement
- 1999: \$60 Million Bond Authorization
- 2003: \$100 Million Bond Authorization
- 2006: 10 year reauthorization of Headlee Millage
- 2007: Energy Bond Sale of \$12 million
- 2009: A+ Bond rating from Standard & Poor's
- 2009: Kingsley Montgomery School (KMS) building renovation grant for \$12 million

# 2009-2010 Original Budget

## Results

- Protected Instructional Programs
- Maintain Class Size
- No teacher lay-offs
- Budget is balanced
- Fund balance 6.6% of expenditures
  - Used to provide a temporary one time only safety net in the event of an unanticipated shortfall
  - Helps to reduce cash flow borrowing required each year, thereby reducing interest expense
  - Yeo & Yeo (external Auditor) recommends a minimum of 10% with the goal to eliminate short-term borrowing
  - Assist in off setting 2010-2011 State Foundation Shortfall