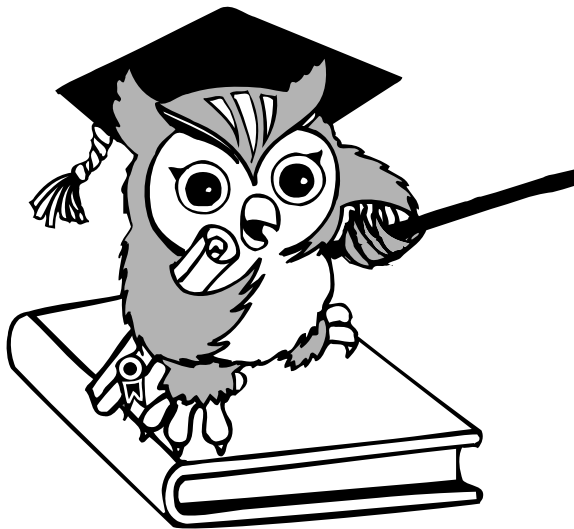


**ANN ARBOR PUBLIC SCHOOLS
FY 2003/04 Revised Budget**

Understanding the School Budget

**A User Friendly Version
Prepared for
the Community and Staff**



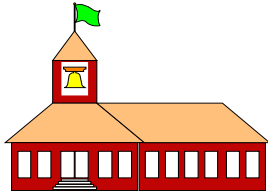
One Focus, One Agenda: Academic Success for All Students

Published by
Planning & Business Services
January 2004 Revised 2/10/04

GENERAL INFORMATION ABOUT THE ANN ARBOR PUBLIC SCHOOLS

The Ann Arbor Board of Education currently consists of nine members elected at large for three year overlapping terms, however, the community recently voted to reduce the Board from nine to seven members. At the conclusion of the transition period, the Board members will serve for four year overlapping terms.

BOARD OF EDUCATION



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Bob Galardi Deputy Superintendent for Administrative Services
Sara Aeschbach Director of Community Services
Liz Margolis Director of Communications

MISSION STATEMENT

The Ann Arbor Public Schools, working with families and the community, will educate and empower every student to succeed in a changing environment as a responsible participant in a democratic society.

OTHER INFORMATION:

Ann Arbor Public Schools covers a 125 square mile area. Within its boundaries, the district maintains 3,109,715 square feet of space, houses 16,724 students (headcount enrollment as of September 2003) and pays on an average 3,000 full and part-time employees at 38 sites. Facilities include 32 schools, over 60 athletic fields, 127 school buses and three administrative and other office buildings.

For copies of this document, please contact..... Ann Arbor Public Schools
Planning and Business Services
2555 S. State Street
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(734) 994-2250

Or, visit the AAPS web site:..... www.aaps.k12.mi.us

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INTRODUCTION

The Ann Arbor Public Schools User Friendly Budget was developed to present and explain financial and other district data in a clear and understandable format. Over the past seven years, it has proven to be a useful document for the community and staff by aiding their understanding of a complex subject. Our goal each year is to continue refining this document to enhance readability and expand on the information presented, thus maintaining its value as a useful reference guide.

New for this year is a section summarizing the current year Budget Priorities, a History and Background Information Regarding the Fund Equity and a section entitled “Making Connections for Students” which discusses the High School initiative focused primarily on ninth grade students. Also, a separate page has been added to break out the cost for the preschool program.

As background information, prior to Proposal A school district funding was based on the relative stability of local property taxes. Since Proposal A, funding has been based on state-wide income and sales taxes - a much less stable foundation. Along with the changes resulting from Proposal A, several other factors have added to the funding problems and uncertainty for local districts. Today, Michigan’s districts face a new fiscal reality, the key elements of which include:

The State Economy: We received notification from the Governor’s office that the state aid payment will be prorated beginning in December 2003. This is the second year the state is under funding the foundation allowance. For the Ann Arbor District, this proration equals a reduction of \$74/per pupil or \$1.2 million. The district is fortunate to have an adequate fund equity to help smooth these unanticipated budget reductions. However, we need to be mindful of the long term consequence a reduction in our foundation allowance will have on future revenue.

Enrollment Issues: Under formula based funding, only two factors determine overall funding- the foundation allowance and student population. We need to consider the impact of the recent decline in student enrollment. A loss of 100 students could cost the district almost \$1,000,000, and may not significantly lower operating costs.

Growing Health Care Costs: Equally in question are future healthcare costs in Michigan. Recent estimates suggest that healthcare costs for Michigan are expected to increase some 12% in 2004.¹ At the current rate of spending, we could see a budget impact of \$1.9 million.

State Retirement Rate: The state retirement contribution rate remains unchanged at 12.99% for the current fiscal year. The Office of Retirement Services is projecting a significant jump for FY 05/06.² An increase of 3% in the retirement rate could cost the Ann Arbor Public Schools an additional \$3 million.

What can we do to prepare the district to weather these future problems?

Exert control over our spending: It is important to keep in mind that the dominant force in our expenses is personnel costs, currently about 90% of the budget. We must exert careful control over any increases to prevent budget deficits. We can no longer afford to make long-term commitments for recurring expenses.

Improve Communication and Collaboration: We need to have our staff and community come to a general understanding of our new realities. We must all work together in optimizing our remaining resources and maintaining both the fiscal health and academic excellence of the district.

Increased Revenue/Attract New Students: As mentioned, with a growth in enrollment our overall funding increases. In addition, we are looking for other forms of revenue enhancement, such as property rental, sale of property, etc.

Reducing Expenditures: A good example is our transportation study which promises to significantly reduce costs.

Finally we need to continue to protect the financial integrity of the district by preserving a healthy fund equity. As we look to the future, we need to balance projected expenditures with anticipated revenues.

Ormeela D. Lapp
Deputy Superintendent for
Business Services

George V. Fornero
Superintendent

¹Sarah Kellogg and Geoff Larcom: "State to see 12% jump in medical costs for 2004," The Ann Arbor News, January 10, 2004, p.A1.

²"Don't Stop Thinking About Tomorrow," A presentation to the Michigan School Business Officials Finance Services Committee, by the Michigan Public School Employee Retirement System, Office of Retirement Services, October 17, 2003, Slide 40.

DISTRICT'S STRATEGIC PLAN

Mission

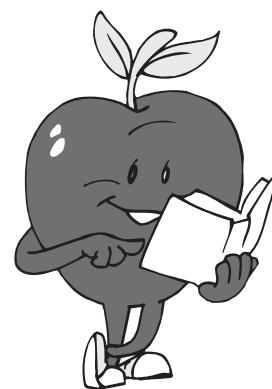
The Ann Arbor Public Schools, working with families and the community, will educate and empower every student to succeed in a changing environment as a responsible participant in a democratic society.

Ann Arbor Board of Education 2000

Core Values

The Ann Arbor Public Schools is committed to:

- ◆ Putting the needs of students first in all decisions and actions
- ◆ Having high expectations for all students and staff
- ◆ Meeting students' educational and social needs
- ◆ Valuing and treating students as individuals
- ◆ Serving students, families, and the community in a professional manner
- ◆ Facilitating open, inclusive communication within the school and with the greater community
- ◆ Encouraging and supporting students to become responsible, independent lifelong learners
- ◆ Maintaining a safe and orderly school environment
- ◆ Providing equitable access to opportunities and resources for students
- ◆ Practicing mutual respect among students, staff, parents, and community members
- ◆ Welcoming parents' involvement in the education of their children



Goals

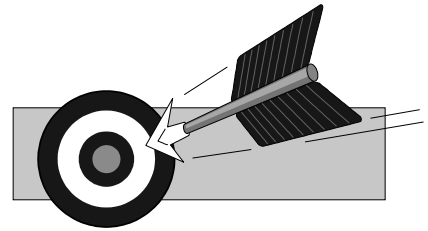
- ◆ Ensure achievement for all students
- ◆ Implement a system of district-wide accountability with appropriate consequences for employees, students and programs
- ◆ Provide effective educational programs and services to meet students' needs
- ◆ Attract, hire, retain, and support highly qualified and diverse staff
- ◆ Increase revenue and allocate resources to maximize student learning in the classroom

BUDGET GOALS AND OBJECTIVES

Prior to Proposal A, school district funding was based on the relative stability of local property taxes. Since Proposal A, funding has been based on statewide income and sales taxes, a much less stable foundation. Along with the changes resulting from Proposal A, several other factors have added to the funding problems and uncertainty for local districts. Some of the challenges facing the district are the recent downturn in the state's economy, growing health care costs and declining student enrollment. The following goals and objectives represent the guiding principles for addressing the challenges we face.

GOALS

- ▶ Redefine the way we do business.
- ▶ Reduce or eliminate programs or services.
- ▶ Examine alternative delivery systems.
- ▶ Reallocate resources to support emerging needs.



OBJECTIVES



- √ Achieve balanced operating budget.
- √ Build reserve fund to minimum requirement (1/6th of the General Fund operating budget).
- √ Develop a three-year rolling budget process.
- √ Engage broad community in setting priorities for programs and services.
- √ Become as efficient as possible.

Budget Priorities 2003/2004

The Ann Arbor Public Schools Board of Education is committed to the following budget priorities:

◆ **Student Achievement**

The focus on student achievement will be in every classroom.

◆ **High School Initiative**

- ◆ **Ninth Grade Connection** - creating smaller learning environments for all ninth graders to build that crucial connection during the first year of high school.

◆ **Early Childhood Program**

- ◆ **Full Day Kindergarten** - Initiate total Full-Day Kindergarten programs in one elementary school (Bryant) Expand Full-Day Kindergarten to an additional building (Abbot). Monitor enrollment and assess the progress of all students in the Full-Day program.
- ◆ **Extended Day Option** (tuition based) - Expand the tuition based Kindergarten program to elementary schools in the district with adequate space and enrollment.
- ◆ **Early 4/5 Program** - Investigate programs that would address appropriate learning environments for the early learner.
- ◆ **Pre School Program** - Assess current program and recommend future initiatives.

◆ **Middle School Literacy Program**

Every teacher must be a reading teacher. Literacy is paramount to the learning and comprehension of every subject taught in the district.

◆ **Technology**

- ◆ **Curriculum Integration** - Technology will become an integral part of all curriculums taught in the district.
- ◆ **Courses** - Technology courses will be expanded to reflect the growing and changing realm of technology.

◆ **Marketing/Communications**

Marketing Plan - A marketing plan will be developed that will address the goal of increasing enrollment from the current base of 84 percent to at least 86 percent by 2006. This will include a base line satisfaction survey of parents/guardians across the district as well as promotion, community relations and communication efforts to achieve the goal.

• **Customer Relations**

Every initiative and goal of the district must have a positive effect on our customers - the student and parent/guardian.

• **Accountability/Rewards**

All employees of the district will be held accountable to the district's mission, core values and strategic goals. In addition, a system of rewards will be developed to recognize those employees who have demonstrated remarkable accomplishments.

• **Risk Management**

1. **Compliance**
2. **Employment**
3. **Facilities/Equipment**

In conjunction with our cost-containment initiative the district will evaluate and monitor behaviors that place the organization at risk, especially in terms of compliance and employment issues along with facilities and equipment maintenance.

• **Facility Plan (Educational Master Plan)**

We will develop a comprehensive, long-range plan that addresses our facility needs. This plan will look at current and projected needs in the areas of facilities, enrollment and instructional programs.

• **Long Range Bonding/Millage Plan**

A comprehensive bonding and millage plan will be developed that addresses future financial needs of the district. This plan will consider the expiration of current long-term bonds, proposed county-wide assessments, Headlee restrictions along with district long term facility, enrollment and programmatic needs.

- **Cost Containment**

- Legal Services
- Benefits
- Compliance

The district will continue to explore cost containment avenues, especially in the areas of legal services, employee benefits and legal compliance issues.

- **Staffing Efficiencies**

We will continue to staff our buildings, programs and divisions at an efficient, fiscally responsible level.

- **Outsourcing**

The district will continue to explore outsourcing opportunities. We will evaluate the effectiveness of contracting service delivery models outside of the organization

- **Revenue Enhancement**

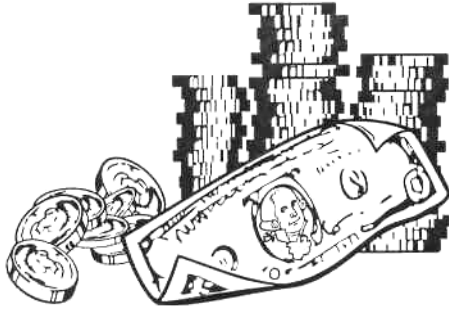
- **Market Share - Increase student market share from 84% to 86% by 2006**
- **Private Giving - Investigate to increase amount of funding from private sources**
- **Schools of Choice - Institute School of Choice program at Stone School for 2003/2004 school year.**
- **Grant Writing - Work with the Ann Arbor Education Foundation to hire a full-time grant writer with the goal of increasing alternative funding options for the district.**

Budget Timeline Fiscal Year 2003/04

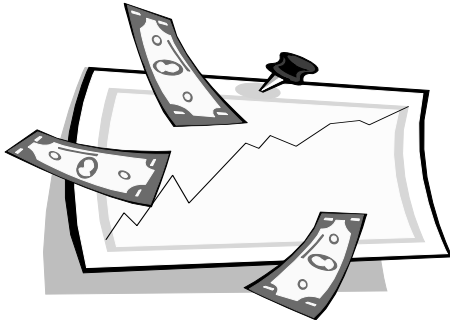
- Revenue Projection (Demographers' Projection and Estimated Foundation Allowance)
(BOE Finance Committee) March 14, 2003
- Budget Priorities FY 2003/04
(BOE Finance Committee) April 4, 2003
- Projected Expenditure Plan
(Budget Increases/Decreases & Initiatives)
(BOE Finance Committee) May 2, 2003
May 9, 2003
May 16, 2003
- *Briefing on Budget Resolution and notice calling for a Public Hearing May 14, 2003
- Review Budget Priorities with Board of Education
- *Approval on the Budget Resolution and notice calling for a Public Hearing May 28, 2003
- First Briefing of the 3-Yr. Rolling Budget Plan June 4, 2003
- *Publish notice for a Public Hearing
(At least 6 days prior to the date of hearing) June 5, 2003
- *Public Hearing on the Proposed Budget
(Compliance w/Truth in Budgeting Act) June 11, 2003
- *Briefing of Millage Resolution
- *Adoption of Millage Resolution June 18, 2003
- *Approval of the General Appropriation Act

*Legally required

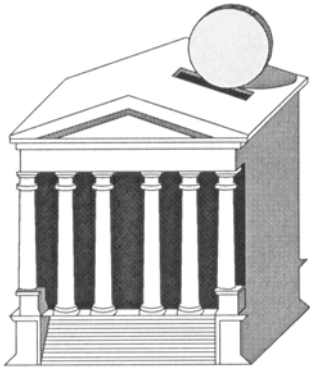
KEY COMPONENTS OF THE BUDGET



REVENUE (Income)
How We Generate Money



EXPENDITURES
How We Allocate Resources



FUND EQUITY (Cash Reserve)
Why Do We Need A Reserve?

The following sections discuss the district's sources of revenue, categories of expenditure, and the fund equity (reserves).

ASSUMPTIONS USED TO FORMULATE THE BUDGET

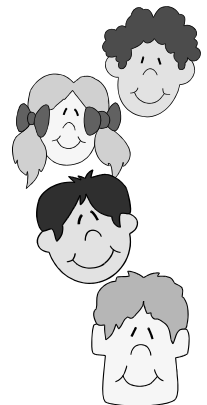
How are revenue and expenditures projected?

There are many unpredictable factors affecting the projection of revenue and expenditures. It is, therefore, important that we develop and utilize budget assumptions based on data available at the time the budget is being formulated and adopted. Continuous monitoring of the revenue and expenditures throughout the year is vital to maintain a balanced budget and prevent deficit.

Revenue Assumptions:

Following Proposal A, forecasting revenue has concentrated on estimating student population growth since the funding formula is so highly based on the “Blended Count” of students. This formula funding accounts for roughly 90% of the general fund revenue.

- Revenue is calculated using the district's student enrollment (pupil membership). The pupil membership is determined by taking a blended count of the September membership during the school year and the preceding February pupil membership. The estimated blended count is then multiplied by an amount defined by the state.
- Interest income calculated based on expected balances and prevailing rates over the next fiscal year.
- Other local sources based on historical and other information available from Washtenaw Intermediate School District.



Expenditure Assumptions:

- Step increases are calculated for each eligible employee, plus negotiated base salary increases. *Many employees qualify for "step increases," which are paid every year until the eligible employee reaches the highest step on the salary scale for that bargaining unit.*
- Fringe benefits calculated based on a three-year average rate increase, current trends and staffing. Retirement based on rate available at the time of budget preparation.
- Utilities are estimated based on prior year usage and rates projected by utility companies and the Michigan Public Service Commission.

GENERAL INFORMATION REGARDING SCHOOL ALLOCATIONS

As a basic guideline, costs for elementary, middle and high school programs are based on the various programs offered by each level. The high school structure, with its wide range of course offerings, translates into smaller pupil/teacher ratios for elective classes and, therefore, greater costs. At the middle school level, the interdisciplinary team approach and exploratory strands also translate into higher per pupil cost. The elementary level presently has the lowest per pupil expenditures because of grade-level configurations and limited special class offerings.

Following are allocation formulas and staffing guidelines which will help readers understand how funds are allocated to schools from general fund and other special funds.

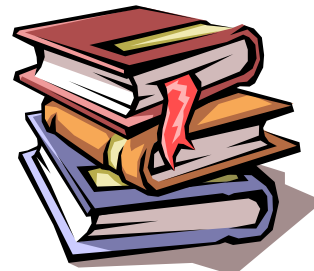
PER CAPITA ALLOCATION FOR INSTRUCTIONAL & OTHER SCHOOL SUPPLIES

The per capita amount listed below represents just a very small fraction of the total cost of educating our students. A significant portion of the budget goes to staffing, other support costs, and central services.

School building discretionary funds are allocated by per capita formula. Each year school budgets are adjusted in the fall for enrollment increases/decreases based on an established formula. These funds are used to purchase needed instructional and office supplies, teacher workbooks, printing of materials, pay for field trips, repair and maintenance of office equipment, postage, etc.

The per capita amounts per level are:

Elementary	-	\$101.70/student
Middle	-	\$107.70/student
High School	-	\$117.60/student



Over and beyond the above monies, schools receive funds for their site based improvement plan; central funds are spent for textbook adoptions, at-risk, bilingual, able learner programs, and other school district initiatives. Schools also benefit from state, federal and private funds awarded to the school district, such as Title I funds, Individuals with Disabilities Educational Act (IDEA), Headstart and private sources such as the Ann Arbor Area Community Foundation and the Ann Arbor Educational Foundation.

Utilities, telephone, environmental services, transportation, repair and maintenance of buildings and grounds, and computer services (technical assistants and technical specialists assigned in schools) are all accounted for centrally. Salaries and benefits of contractual staff and substitute teacher pay are also accounted for in a central budget.

GENERAL INFO REGARDING SCHOOL ALLOCATIONS...continued

STAFFING GUIDELINES

The following represents contractual obligations -- the actual ratio may vary based on targets for class size reduction at the various levels.

• **Elementary Level:**

Administrator:

One elementary school principal per building.

Teacher:

Schools' staffing ratio and class size are often confused. For staffing ratio, the master agreement states:

At the elementary school the *ratios* of students to teachers shall not exceed:

Grades 1-2	Twenty-three students/one teacher
Grade 3	Twenty-five students/one teacher
Grades 4-5	Twenty-six students/one teacher

When maximum class size is exceeded, a formula is established to determine either class overage payment or the assignment of a teacher assistant.

Certified students: These are students who have been evaluated and recommended by the Individualized Education Program Committee to receive special services available in the school district such as: teacher consultant, speech and language, special education classes, social work services, etc. Whenever the number of certified students in a class is five or more, it could result in the assignment of a teacher assistant.

Media: There is one media specialist to every 650 students or a major fraction thereof. Media clerk time is a minimum of one half day per week.

Secretary:

Assignment of secretaries to elementary schools is determined by school enrollment. The ratios are as follows:

500 students	-	1 secretary
501-750 students	-	1 1/2 secretaries (1.50 FTE's)
751-over	-	2 secretaries

• **Secondary Level (Middle and High Schools):**

Administrator:

Middle Schools: One School Principal and One Assistant Principal
High Schools: One School Principal and Four Class Principals
One Athletic Director (Assistant Principal)

GENERAL INFO REGARDING SCHOOL ALLOCATIONS...continued

Alternative Schools:

Community High - One Dean
Clemente School - One Principal

Teacher:

Class Size:

Middle School - Class size limits shall be from 18 to 30 students (P.E. is up to 40/class except for swimming class which is limited to 35 students). Class sizes will be determined by the nature of the program and the learning stations available.

High Schools - Class size limits shall be 33, except as specified and where limits are determined by State reimbursement standards and in cases where learning stations or room size dictates otherwise (i.e., computer labs).

Counselor - Workload of secondary counselors- One counselor for every 300 students with a maximum of no more than 325.

Media - There is one media specialist to every 650 students or a major fraction thereof.

Secretary:

Middle Schools - One general office secretary and one secretary for each grade.

High Schools - One finance secretary and a range of four to fourteen secretaries for Pioneer, Huron, and Community high schools. Pioneer and Huron high schools have one athletic department secretary each paid from the Athletic Fund. Clemente has one secretary.

• **Other School Support Staff:**

Teacher Clerical Assistant: (Elementary level only)

Such time shall not exceed 15 hours per year for each teacher FTE in the building.

Custodian:

Staffed by square footage of building - 25,000 to 27,000 square feet per FTE.

Food Service:

Cafeteria staffing is determined by 30 meals per labor hour based on average number of lunches served. (All cafeteria staff salaries, benefits, food supplies, maintenance of equipment, etc. are accounted for in the Food Service Fund.)

FREQUENTLY ASKED QUESTIONS ABOUT FUNDING FOR ANN ARBOR PUBLIC SCHOOLS

1. How did Proposal A change funding for public schools in Michigan?

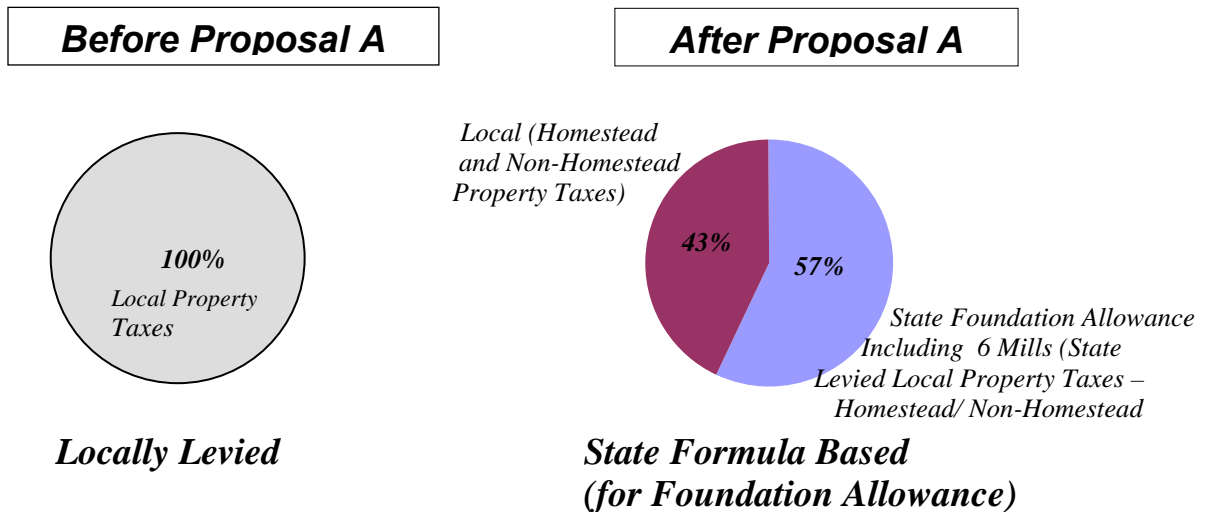
Proposal A was designed to provide tax relief to property owners while distributing public school funds more equitably in order to close the "revenue gap" among Michigan school districts. Under Proposal A, the state — rather than the local taxpayers — determines the amount of revenue available to public schools each year.

2. What percentage of our foundation revenue (per pupil funding) comes from the state?

Prior to Proposal A, general fund revenue for school operation was generated primarily from local millage approved by local taxpayers. Since Proposal A, total state sources account for approximately 57% of our foundation allowance revenue.

3. What has been the effect of Proposal A?

- Lower property taxes
- Shift funding from locally controlled and generated taxes to state funds (some of which, in turn, are recycled local property taxes)



4. *What impact has Proposal A had on public school revenue?*

For higher spending districts, growth in revenue has steadily trailed inflation since Proposal A and local districts are prevented from asking taxpayers for additional millage. As a result, districts like Ann Arbor have had to reduce spending and find ways to do business differently in order to keep pace with rising costs, caps on inflation, program commitments and emerging needs.

5. *Why don't we ask local taxpayers to approve additional operating millage?*

This is not possible following Proposal A. We cannot vote for additional operating funds beyond the hold harmless millage. We do retain the ability to approve bonds for capital projects. For example, the 1995 bond was approved by the voters specifically for construction, renovation and technology projects. These funds are not part of the operating budget.

6. *Why do we assess the maximum allowable millage?*

The foundation allowance is funded from a combination of state aid and local property tax revenue. In order to receive the full foundation allowance, we must levy local school operating millage on non-homestead property of 18 mills. The Ann Arbor Public Schools has been assessing the maximum amount since FY 94-95. The district has also been assessing additional millages known as hold harmless or supplemental millages to fund the foundation guarantee.

7. *What do we mean by foundation allowance?*

Since the passage of Proposal A, Ann Arbor Public Schools receives approximately 90% of its operating funds from the State through a per-pupil funding termed the foundation allowance. The foundation allowance has two parts: guaranteed and discretionary.

The guaranteed foundation allowance for AAPS is \$7,734 which is the amount AAPS received the first year Proposal A became effective. It represents the amount the State must pay AAPS.

The discretionary payment is the additional per pupil revenue above the \$7,734.

For Fiscal Year 2003/04, AAPS expects to receive \$9,234 per pupil (subject to proration). This per pupil allocation is then multiplied by a blended count of the number of students to determine the state foundation funding for the current year. (The weighted average is calculated from a blend of the February and September counts in the same calendar year, a sum of 20% of the February count and 80% of the September count.)

8. What are the sources used to make up the School Aid Fund?

<u>SOURCE</u>	<u>AMOUNT USED</u>
Sales Tax	60% of proceeds at a 4% tax rate and 100% of revenue from the additional 2% tax rate, which is 73.3% of total sales tax revenue.
Use Tax	All revenue from the 2% tax rate increase.
State Education Property Tax	All revenue from statewide 6-mill property tax.
Real Estate Transfer Tax	All revenue from 0.75% tax.
Income Tax	23.0% of gross collections before refunds at a tax rate of 4.4%.
Cigarette Tax	63.4% of proceeds from the 75 cents per pack tax.
Other Tobacco Products	94% of the tax (16% of the wholesale price) on cigars, non-cigarette smoking tobacco, and smokeless tobacco.
Lottery	Net Revenue.
Industrial and Commercial	The school district share goes to the School Aid
Facilities Tax	Fund except for the amount (if any) attributable to "hold harmless" millage levied by the school district.
Commercial Forest	The school district share goes to the School Aid Fund except for the amount (if any) attributable to "hold harmless" millage levied by the school district.
Liquor Excise Tax	Revenue from 4% excise tax.
Other Specific Taxes	The local school district portion of other specific taxes such as Iron Ore, Enterprise Zone, etc., now goes to the School Aid Fund.
Source: <u>The 1997 Statistical Report</u> , published by the Senate Fiscal Agency.	

9. *What has our student growth been over the past ten years?*

AAPS Student Count 10-Year History

	Spring FTE (Feb. FTE)	Fall FTE (Sept. FTE)	Fall/Spring Difference	Blend Ratio	Blended FTE *	Adjusted Blend (20/80)	Annual Increase		Fall Head Count
FY95	14,689	15,076	387	50/50	14,883	14,999	—	%	15,130
FY96	15,035	15,233	198	50/50	15,134	15,193	1.30	%	15,368
FY97	15,088	15,568	480	50/50	15,328	15,472	1.83	%	15,680
FY98	15,320	15,802	482	40/60	15,609	15,706	1.51	%	15,874
FY99	15,817	16,276	459	40/60	16,092	16,184	3.05	%	16,330
FY00	16,112	16,435	323	25/75	16,354	16,370	1.15	%	16,530
FY01	16,336	16,539	203	20/80	16,498	16,498	0.78	%	16,637
FY02	16,354	16,705	351	20/80	16,635	16,635	0.83	%	16,797
FY03	16,623	16,680	57	20/80	16,669	16,669	0.20	%	16,743
FY04	16,522	16,664	142	20/80	16,636	16,636	(0.20)	%	16,724

*Based on audited count – figures may change pending final state aid status report adjustments.

Though it is important to analyze the fall headcount at the various levels (Elementary, Middle School, High School) the funding is based on the district-wide blended FTE count.

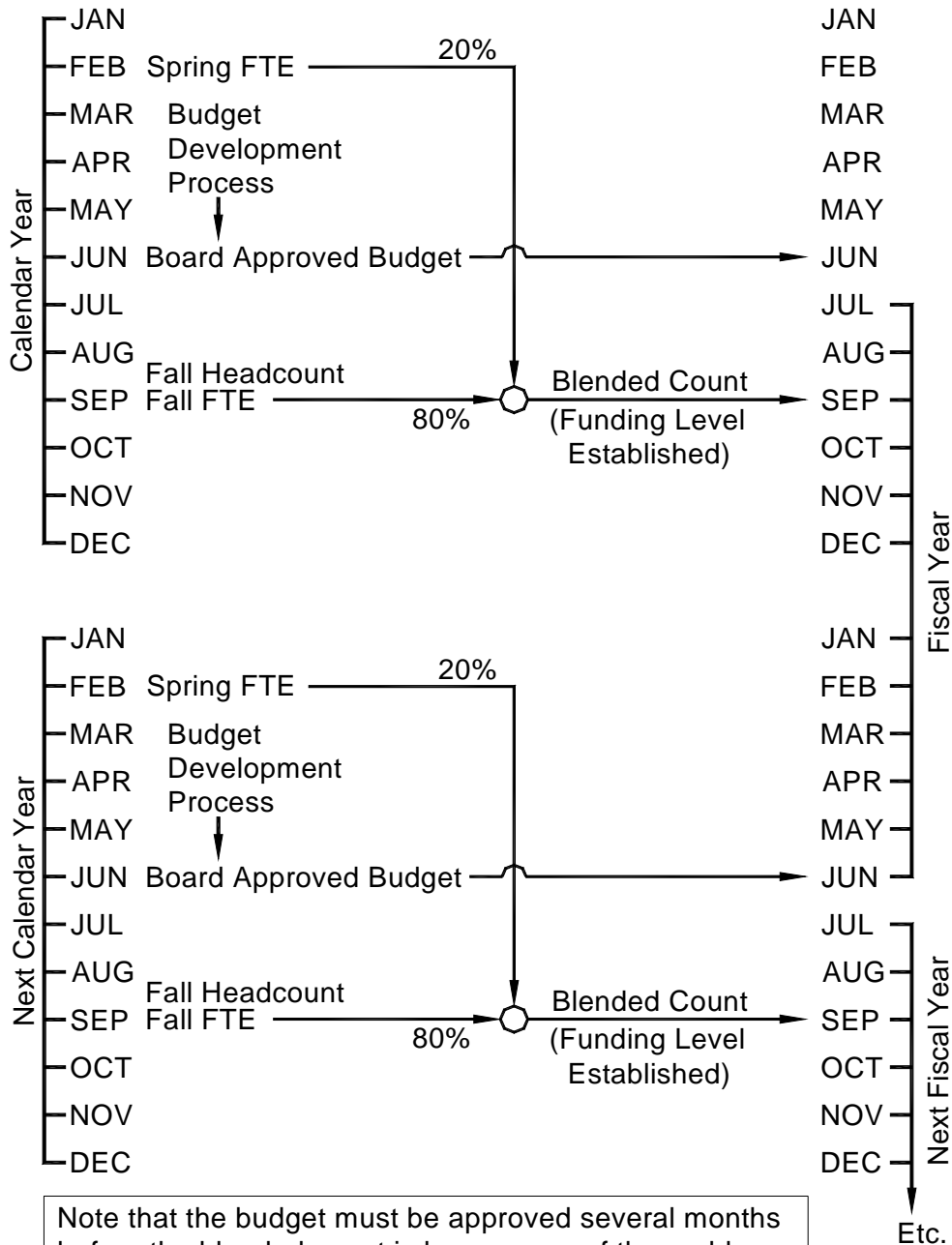
The chart above converts the Spring/Fall FTE count into a blended count which is used for calculating the district revenue. As shown in the chart, the blend ratio has changed over the years. For comparison purposes, all blended counts have been converted to the current 20/80 blend. This allows for a more useful comparison of the actual annual percent student increase, not distorted by the changing blend formula.

Over the past nine years, the growth in blended count has averaged about 1.2%. For the past three years, growth has slowed to an average of 0.3% and for the past two years has stayed flat. This would suggest that the trend is towards no growth.



10. How do we calculate the blended student count?

Ann Arbor Public Schools How Blended-Count-Based Formula Funding Works



Note that the budget must be approved several months before the blended count is known; one of the problems created by the new funding structure.

O.D. Lapp, 5/17/02

Comparison of District Enrollment Projections (Headcount)

Based on AAPS enrollment through September 2002

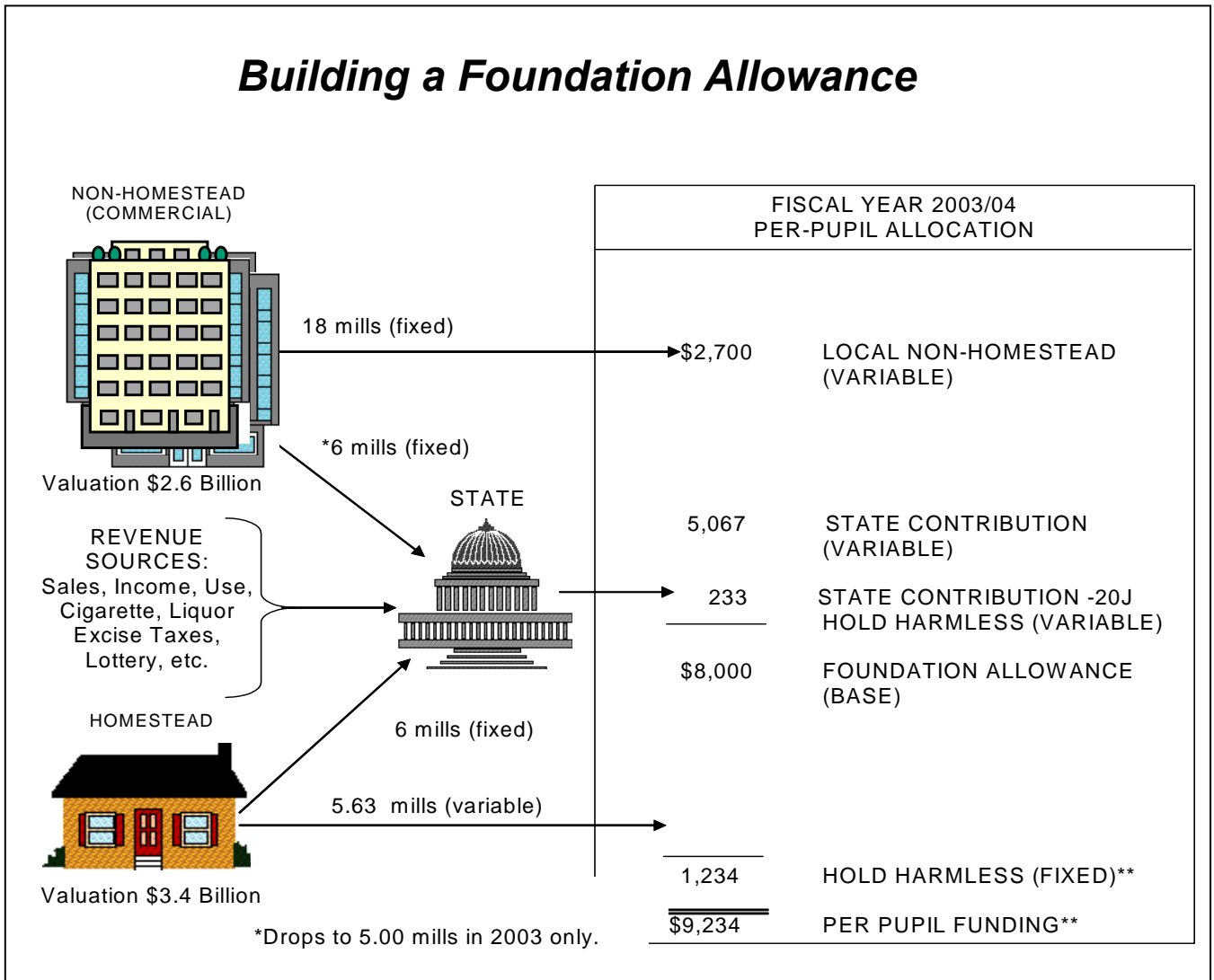
AAPS				STANFRED					MIDDLE CITIES		
Grades K-5											
	5-Year	3-Year	1-Year	Low	Most Likely	High	Facilities Planning ¹	Budget Planning ²	5-Year	Avg.	1-Year
03/04	7342	7351	7293	7214	7288	7364	7313	7263	7352	7316	7277
04/05	7349	7363	7250	7085	7224	7369	7272	7178	7349	7275	7198
05/06	7381	7392	7243	7062	7254	7457	7322	7190	7434	7327	7216
06/07	7390	7397	7226	7071	7306	7552	7388	7228	7534	7398	7259
07/08	7411	7408	7231	7122	7387	7669	7481	7299	7661	7504	7345
Grades 6-8											
	5-Year	3-Year	1-Year	Low	Most Likely	High	Facilities Planning ¹	Budget Planning ²	5-Year	Avg.	1-Year
03/04	3829	3822	3792	3763	3796	3829	3807	3785	3829	3809	3791
04/05	3787	3777	3716	3659	3727	3792	3749	3704	3787	3749	3713
05/06	3702	3699	3597	3505	3606	3704	3639	3572	3704	3648	3594
06/07	3609	3619	3486	3360	3487	3615	3530	3445	3610	3546	3483
07/08	3595	3620	3441	3280	3438	3600	3492	3385	3596	3516	3435
08/09	3633	3657	3438	3240	3429	3629	3496	3366	3636	3533	3432
09/10	3643	3662	3421	3188	3414	3656	3495	3339	3654	3528	3399
Grades 9-12											
	5-Year	3-Year	1-Year	Low	Most Likely	High	Facilities Planning ¹	Budget Planning ²	5-Year	Avg.	1-Year
03/04	5383	5356	5392	5273	5370	5466	5402	5338	5386	5389	5391
04/05	5500	5467	5518	5318	5488	5663	5546	5431	5502	5512	5517
05/06	5560	5500	5559	5311	5541	5777	5620	5464	5562	5564	5559
06/07	5550	5473	5526	5243	5523	5813	5620	5430	5553	5540	5525
07/08	5520	5440	5457	5135	5458	5791	5569	5350	5525	5489	5455
08/09	5443	5370	5333	4976	5342	5723	5469	5220	5449	5389	5330
09/10	5368	5305	5211	4803	5206	5633	5348	5072	5375	5290	5206
10/11	5262	5221	5071	4626	5061	5524	5215	4916	5268	5168	5063
11/12	5281	5247	5034	4543	5020	5537	5192	4861	5289	5157	5028
12/13	5313	5275	5025	4479	5005	5584	5198	4830	5330	5166	5001
Grades K-12											
	5-Year	3-Year	1-Year	Low	Most Likely	High	Facilities Planning ¹	Budget Planning ²	5-Year	Avg.	1-Year
03/04	16,554	16,529	16,477	16,250	16,454	16,659	16,522	16,386	16,567	16,514	16,459
04/05	16,636	16,607	16,484	16,062	16,439	16,824	16,567	16,313	16,638	16,536	16,428
05/06	16,643	16,591	16,399	15,878	16,401	16,938	16,580	16,227	16,700	16,539	16,369
06/07	16,549	16,489	16,238	15,674	16,316	16,980	16,537	16,102	16,697	16,484	16,267
07/08	16,526	16,468	16,129	15,537	16,283	17,060	16,542	16,034	16,782	16,509	16,235

¹ Uses a 2:1 weighted average of the "Most Likely" and the "High" projections for facilities planning.

² Uses a 2:1 weighted average of the "Most Likely" and the "Low" projections for budget planning.

³ Project Education and Unified Studies students not included.

11. How is the per pupil foundation allowance calculated?



**Per pupil funding subject to change/pro-ration – the budget was formulated using \$9,234. Revenue adjustments will be made in the 2nd Quarter Financial Report for actual pro-ration and blended student count..

\$7 million of the per pupil foundation is allocated annually to the Millage and Capital Needs fund and is removed from the general fund through a Board of Education resolution.

Explanation of factors in the foundation allowance:

The per pupil foundation allowance consists of the following:

- Non-homestead (local commercial property) fixed 18 mills or approximately \$2,700 per pupil (this is a variable rate and is subject to change).
- State contribution of approximately \$5,067 per pupil (this amount is variable and is subject to change). Revenue sources include state education property tax, sales, income, use, cigarette, liquor and excise taxes, lottery, etc.
- State contribution of \$233 (20j Hold Harmless) per pupil – legislation which allowed districts to receive revenue in FY 2001& FY 2002 greater than the Consumer Price Index (CPI). This 20j categorical is subject to reduction.
- Foundation allowance (base) for the 2003/04 fiscal year is \$8,000 per pupil. Included in the \$8,000 is a fixed amount of \$1,300 per pupil for districts like Ann Arbor. This is referred to as state supplemental revenue and subject to change.
- In addition to the base foundation allowance, the Ann Arbor School District is allowed a local hold harmless millage based on a *fixed* amount of \$1,234 per pupil. (This is a locally voted millage necessary to maintain the level of funding for districts that raised more than \$6,500 per pupil prior to Proposal A.) The millage necessary to generate the \$1,234 per pupil is influenced by taxable valuation and student enrollment. For example, a percentage raise in the student count will result in a corresponding increase in the mill levy. Conversely, a percentage increase in the property valuation will result in a corresponding decrease in the mill levy.
- It should be noted that according to the State Aid status report, the guaranteed foundation allowance for AAPS is \$7,734 which is the amount AAPS received the first year Proposal A became effective. It represents the amount the State must pay the Ann Arbor Public Schools. The amount above the \$7,734 is considered discretionary funding and subject to change.

DISTRICT REVENUE

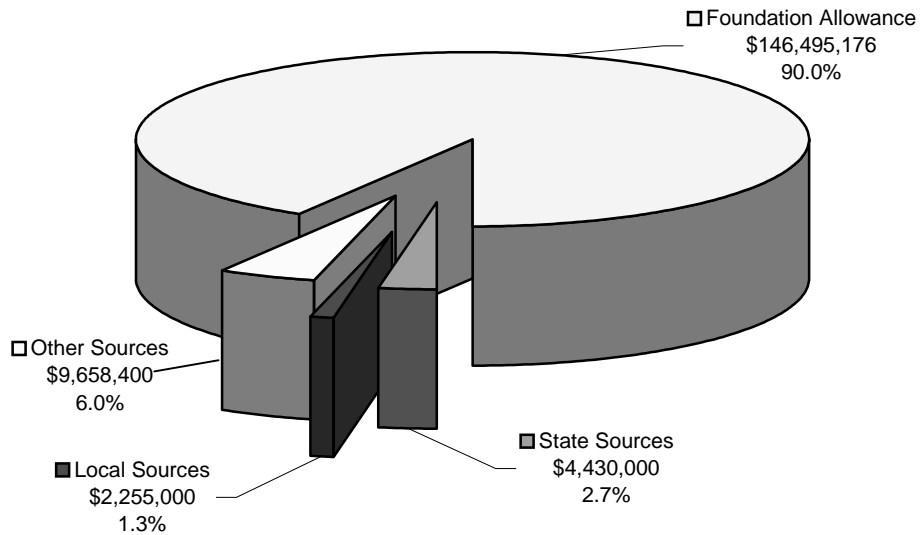
Where does the money come from to operate our schools?

The district generates money from a number of major sources such as:

- √ State Foundation Allowance(State Aid and Local Taxes) \$146,495,176 ^①
- √ Local Sources \$2,255,000 ^②
- √ State Sources \$4,430,000 ^③
- √ Other Sources \$9,658,400 ^④

How does the state determine the amount of money the schools get?

State Foundation Allowance represents the single largest source of income for the AAPS. Revenue is calculated using the district's enrollment (a blend of February and September student count in the calendar year) multiplied by an amount determined by the State for each school district.



TOTAL: \$162,838,576

GENERAL FUND REVENUE DETAIL

		FY 2004
Blended Count (FTE)	Estimated (Subject to Change)	16,698
Foundation Allowance		\$9,234.35
Total		\$154,195,176
Less:		
	*Allocation for Millage and Capital Needs Fund	(7,000,000)
	Delinquent and Previous Year Tax Adjustment	(700,000)
Total Foundation Allowance		\$146,495,176 ^①
Other Local Sources:		
	In lieu of taxes (U of M)	325,000
	Tuition (includes summer school fees)	60,000
	Income from Investment	890,000
	Rental of School Facilities (tower rental)	230,000
	Universal Service Fund (USF)	200,000
	Parking Project	350,000
	Reimbursement	200,000
Total Other Local Sources		\$2,255,000 ^②
State Sources:	Categoricals:	
	Bilingual Program	65,000
	Special Education	3,900,000
	Adult Education	365,000
	Vocational Education (Added/Administration)	100,000
Total State Sources		\$4,430,000 ^③
Other Sources:		
	County Special Education	9,558,400
	Tuition - Other Districts	100,000
Total Other Sources		\$9,658,400 ^④
Total General Fund Revenue		<u>\$162,838,576</u>

*Please note that \$7 million of the per pupil foundation allowance is allocated to the millage and capital needs fund.

Revenue based on projected blended count and estimated per pupil foundation allowance. Adjustments in student count and the state's pro-ration will be reflected in the 2nd quarter financial report.

FUNDING ALLOCATION SINCE PROPOSAL A

What has our funding been since Proposal A?

Fiscal Year	\$ Per Pupil Allocation	\$ Incremental Increase	% Increase
93-94	7,574		
94-95	7,734	160	2.11
95-96	7,887	153	1.98
96-97	8,042	155	1.96
97-98	8,196	154	1.90
98-99	8,196	0	0.00
99-00	8,434	238	2.86
00-01	8,734	300	3.56
01-02	9,034	300	3.43
02-03	9,234	200	2.21
03-04	9,234	0	0.00
<i>Average Increase:</i>			2.19%

Pro-ration not reflected for 2002/03 and 2003/04.

This chart provides a historical perspective of the per pupil funding since Proposal A and excludes the Governor's recent pro-ration for FY 2003 & FY 2004. It is anticipated that the pro-ration represents a one-time reduction and the base foundation will be restored to \$9,234.

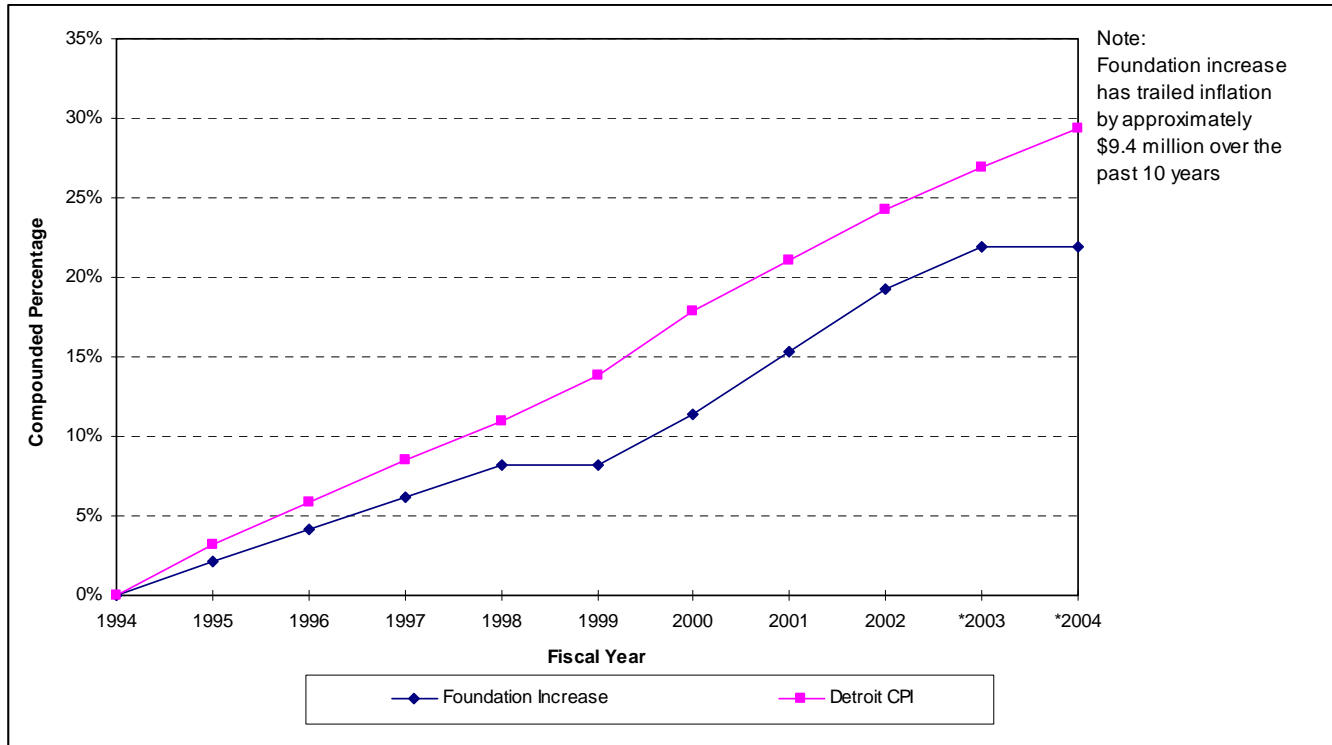
It should be noted that the foundation allowance represents over 90% of the general fund budget. As shown above, the district received an average increase of 2.19% over the 10 year period.

As a hold harmless district our funding continues to trail inflation, causing annual budget cuts and/or reallocation of resources to address instructional and other emerging needs.

The recent slowing of the economy would suggest a much tougher road ahead for the school aid budget since our funding is heavily dependent upon the collection of sales tax. The Budget for 2003/04 is projected using a flat foundation allowance, however this projection is subject to change due to a potential pro-ration.

PER PUPIL ALLOCATION vs. DETROIT CPI

How much has the district been trailing inflation since the passage of Proposal A?



Fiscal Year	Foundation Amount	Incremental \$ Increase	% Increase	Compound Increase %	Detroit CPI	Compounded Detroit CPI
1994	\$7,574	\$0	0.00%	0.00%	0.00%	0.00%
1995	\$7,734	\$160	2.11%	2.11%	3.20%	3.20%
1996	\$7,887	\$153	1.98%	4.13%	2.60%	5.88%
1997	\$8,042	\$155	1.97%	6.18%	2.50%	8.53%
1998	\$8,196	\$154	1.91%	8.21%	2.20%	10.92%
1999	\$8,196	\$0	0.00%	8.21%	2.60%	13.80%
2000	\$8,434	\$238	2.90%	11.35%	3.60%	17.90%
2001	\$8,734	\$300	3.56%	15.32%	2.70%	21.08%
2002	\$9,034	\$300	3.43%	19.28%	2.60%	24.23%
2003	\$9,234	\$200	2.21%	21.92%	2.20%	26.96%
2004	\$9,234	\$0	0.00%	21.92%	1.90%	29.38%

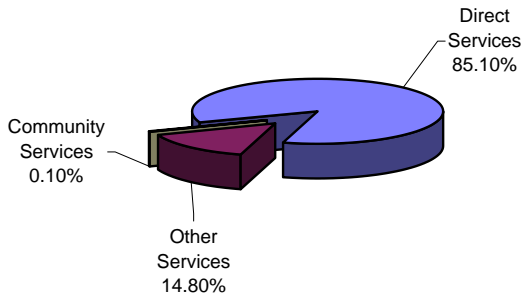
Pro-ration not reflected for 2003 and 2004.

Note: The Detroit CPI is based on calendar year, while the district foundation allowance is based on the July-June fiscal year. The estimated CPI for 2004 is based on the State of Michigan economic forecast.

2003/04 BUDGET AT A GLANCE

How are funds appropriated to support education?

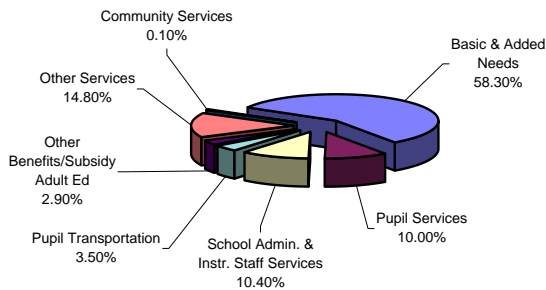
TOTAL DISTRICT OPERATING BUDGET



Direct Services	\$ 140,706,888
Other Services	24,493,475
Community Services	314,580
TOTAL	\$ 165,514,943

DIRECT SERVICES

As shown below, a significant amount of money goes directly into services for our students. Following is a breakdown of the over 140 million dedicated to direct services, which represents 85.10% of the total budget.



Basic & Added Needs	\$ 96,358,423
Pupil Services	16,496,224
School Admin. & Instr. Staff Services	17,178,155
Pupil Transportation	5,826,972
Other Benefits/Subsidy/Adult Ed	4,847,114
TOTAL DIRECT SERVICES	\$ 140,706,888
Other Services	24,493,475
Community Services	314,580
TOTAL OPERATING BUDGET	\$ 165,514,943

OTHER SERVICES

Following is a breakdown of the approximately \$24.5 million dedicated to other services to support instruction. These funds represent 14.80% of the total budget.

EXPENDITURES - DETAIL

The following is a more detailed presentation of the 2003/04 budget by major function in accordance with the Michigan Department of Education Accounting Manual. Please note that in order to present this in a "user friendly manner", some functions have been merged and re-classified.

<i>Description/Detail</i>	<i>Appropriation</i>
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DIRECT SERVICES

Basic Needs	\$	83,849,988
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Instructional activities designed primarily to prepare pupils for activities as citizens, family members and workers. These are direct classroom teacher costs for pre-school, elementary, middle and high schools, as well as summer school programs, and are classified under this category. Other costs are substitute teachers, hourly staff, textbooks, teacher workbooks, field trips, and site based improvement funds.

Salaries (including contractual and hourly wages)	\$	58,701,319
Employee Benefits (medical/dental insurance, FICA and retirement)		21,531,379
Purchased Services (printing, repair and maintenance, workshop/conference, contracted services)		424,540
Instructional supplies, materials, textbooks		3,139,938
Other expenses (furniture, equipment)		52,812
SUB-TOTAL	\$	83,849,988

Added Needs	\$	12,508,435
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Included in this category are teacher and classroom costs associated with special education, vocational education and other special programs designed to meet the needs of handicapped and students with special needs.

Salaries (including contractual and hourly wages)		8,663,776
Employee Benefits (including medical/dental insurance, FICA and retirement)		3,434,459
Purchased Services (printing, repair and maintenance, workshop/conference, contracted services)		222,920
Instructional supplies, materials, textbooks		157,300
Other expenses (furniture, equipment)		29,980
SUB-TOTAL	\$	12,508,435

EXPENDITURES – DETAIL

<i>Description/Detail</i>	<i>Appropriation</i>
Adult Education	\$ 182,200
<i>Learning experiences designed to develop knowledge and skills to meet educational objectives of adult students. Our school district now operates the Adult Education Program, which used to be in consortium with Willow Run School District. These costs reflect direct classroom costs only. The rest of the costs are reflected in Pupil Services and Instructional Staff Services.</i>	
Salaries (including contractual and hourly wages)	99,780
Employee Benefits (medical/dental insurance, FICA and retirement)	43,920
Purchased Services (printing, repair and maintenance, Workshop/conference, contracted services)	20,500
Supplies	17,000
Other Expenses	1,000
SUB-TOTAL	<u>\$ 182,200</u>
Pupil Services	\$ 16,496,224
<i>This category is designated to assess and improve the well-being of students and to aid the teaching process. Costs included are employment costs for counselors, nurses, psychologists, social workers and teacher consultants. Noon hour supervisors and community assistants are also in this category.</i>	
Salaries (including contractual and hourly wages)	12,073,926
Employee Benefits (including medical/dental insurance, FICA and retirement)	3,950,041
Purchased Services (printing, repair and maintenance, workshop/conference, contracted services)	384,167
Instructional supplies, materials, textbooks	81,110
Other expenses (furniture, equipment)	6,980
SUB-TOTAL	<u>\$ 16,496,224</u>
Instructional Staff Services	\$ 7,340,106
<i>Costs in this category are attributed to support staff dedicated to assist the instructional staff, such as staff development personnel, curriculum coordinators, librarians, program directors, computer technical assistants, etc.</i>	
Salaries (including contractual and hourly wages)	4,733,901
Employee Benefits (medical/dental insurance, FICA and retirement)	1,625,655
Purchased Services (printing, repair and maintenance, workshop/conference, contracted services)	703,410
Teacher supplies, materials, reference books	242,710
Other expenses (furniture, equipment)	34,430
SUB-TOTAL	<u>\$ 7,340,106</u>

EXPENDITURES – DETAIL

<i>Description/Detail</i>	<i>Appropriation</i>
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School Administration	\$	9,838,049
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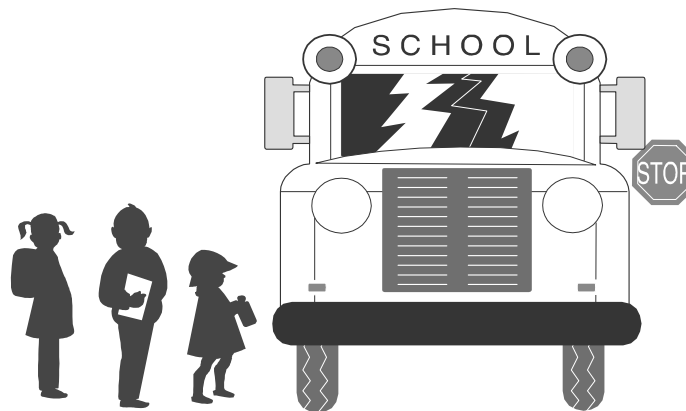
This category reflects employment costs of principals, class principals, asst. principals, school secretaries. Also included are the school administration office costs.

Salaries (including contractual and hourly wages)		7,001,226
Employee Benefits (medical/dental insurance, FICA and retirement)		2,585,279
Purchased Services (printing, repair and maintenance, workshop/conference, contracted services)		90,630
School office supplies, materials		157,160
Other expenses (furniture, equipment)		3,754
SUB-TOTAL	\$	9,838,049

Transportation	\$	5,826,972
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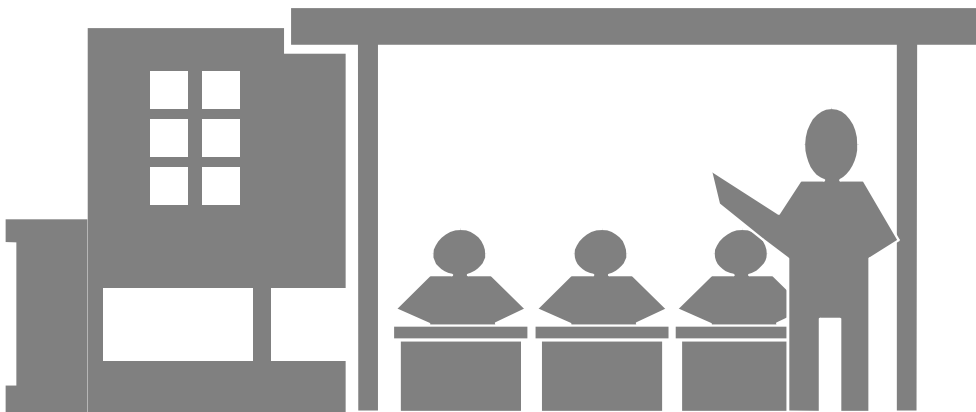
Costs associated with transporting students to and from school and other events. It includes employment costs for bus drivers, monitors, transportation team leaders, dispatchers and mechanics, costs to maintain buses, purchase gasoline and bus parts.

Salaries (including contractual and hourly wages)		3,694,230
Employee Benefits (medical/dental insurance, FICA and retirement)		1,666,029
Purchased Services (printing, repair and maintenance, workshop/conference, contracted services)		155,553
Supplies, materials, gasoline, bus parts		301,010
Other expenses (furniture, equipment, membership fees)		10,150
	\$	5,826,972



EXPENDITURES – DETAIL

<i>Description/Detail</i>	<i>Appropriation</i>
Subsidies & Other Transactions	\$ 3,866,514
<i>This includes Board of Education subsidies to federal programs such as pre-school, Head Start and vocational education, support for student activities and athletics.</i>	
Other expenses	3,866,514
<hr/>	
Other Employee Benefits - Instruction Services	\$ 798,400
<i>Includes unemployment compensation, workers' compensation, termination/severance pay, and other benefits not covered under medical/dental insurance plans.</i>	
Employee Benefits	798,400
<hr/>	
TOTAL DIRECT SERVICES	\$ 140,706,888



EXPENDITURES – DETAIL

Description/Detail

Appropriation

OTHER SERVICES

General Administration	\$	2,256,889
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Included in this category are employment costs of the Superintendent, Deputy Superintendent for Instructional Services, Board of Education expenses, election costs, legal fees, etc.

Salaries (including contractual and hourly wages)		942,354
Employee Benefits (medical/dental insurance, FICA and retirement)		275,375
Purchased Services (printing, repair and maintenance, workshop/conference, contracted services)		898,800
Office supplies, materials, subscriptions, reference materials		111,740
Other expenses (furniture, equipment, membership fees)		28,620
	\$	2,256,889

Business Services	\$	2,689,729
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This category includes employment costs for finance, purchasing, business services office, central duplicating and warehouse staff. Also included are fixed charges such as property, liability and district vehicle insurance.

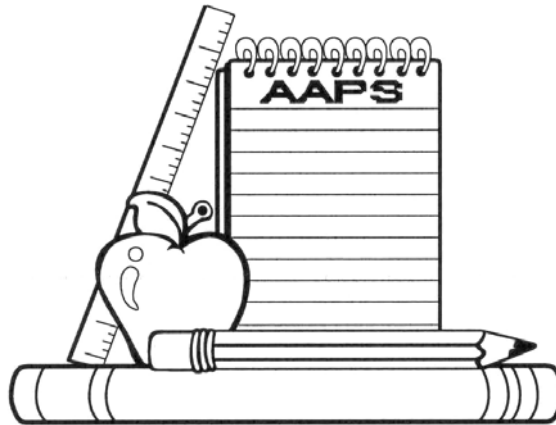
Salaries (including contractual and hourly wages)		1,228,675
Employee Benefits (medical/dental insurance, FICA, and retirement)		399,394
Purchased Services (printing, repair and maintenance, workshop/conference, contracted services)		914,090
Supplies and materials		15,190
Other expenses (furniture, equipment, membership fees)		132,380
SUB-TOTAL	\$	2,689,729

EXPENDITURES – DETAIL

<i>Description/Detail</i>	<i>Appropriation</i>
Operation & Maintenance	\$ 14,818,064
<i>Includes custodial and maintenance employment costs, cost of utilities and environmental staff. This category includes electricity, heat, water, telephone charges, supplies, materials and equipment needed to clean and maintain all schools and administrative buildings and grounds.</i>	
Salaries (including contractual and hourly wages)	6,483,965
Employee Benefits (medical/dental insurance, FICA, and retirement)	2,759,939
Purchased Services (printing, repair and maintenance, workshop/conference, contracted services)	2,037,950
Utilities, telephone, cleaning & maintenance supplies	3,240,360
Other expenses (furniture, equipment)	295,850
SUB-TOTAL	\$ 14,818,064
Central Services	\$ 3,259,273
<i>Costs in this category are included for services that support the district as a whole. These services include: planning, research, development and evaluation; information services, human resource services, computer services, and child accounting.</i>	
Salaries (including contractual and hourly wages)	2,014,518
Employee Benefits (medical/dental insurance, FICA, and retirement)	738,355
Purchased Services (printing, repair and maintenance, workshop/conference, contracted services)	346,990
Supplies and materials	122,430
Other expenses (furniture, equipment, membership fees)	36,980
SUB-TOTAL	\$ 3,259,273
Other Employee Benefits - Support Services	\$ 1,469,520
<i>Includes unemployment compensation, workers' compensation, termination/severance pay, uniforms, and other benefits not included in medical/dental insurance plans.</i>	
Employee Benefits	1,469,520
TOTAL OTHER SERVICES	\$ 24,493,475

EXPENDITURES – DETAIL

<i>Description/Detail</i>	<i>Appropriation</i>
Community Services	\$ 314,580
<i>Includes services provided by the school district for the community as a whole or some segment of the community, such as community recreation programs, civic activities, outreach programs, school age child care, and community welfare activities.</i>	
Salaries (including contractual and hourly wages)	208,440
Employee Benefits (medical/dental insurance, FICA, and retirement)	102,190
Purchased Services (printing, repair and maintenance, workshop/conference, contracted services)	3,340
Recreational supplies and materials	510
Other expenses (furniture, equipment)	100
TOTAL COMMUNITY SERVICES	\$ 314,580
TOTAL 03/04 BUDGET	\$ 165,514,943
Golden Apple Award	\$ (54,238)
Original Approved Budget	\$ 165,460,705



STAFFING & ADMINISTRATIVE COSTS

How much do we spend on salaries and benefits?

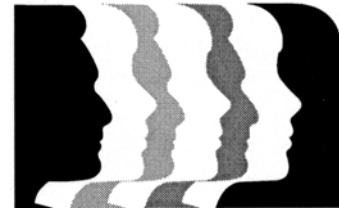
Staffing is a key element to quality in any school district. In most school districts, personnel costs (salaries and benefits) account for 80-90% of the budget. The chart below shows the percentage allocated over a eight-year period for these costs:

FISCAL YEAR	SALARY	BENEFITS	TOTAL
03/04 Est	64%	25%	89%
02/03	65%	24%	89%
01/02	66%	23%	89%
00/01	66%	23%	89%
99/00	66%	23%	89%
98/99	60%	20%	88%
97/98	67%	21%	88%
96/97	65%	24%	89%
95/96	64%	24%	88%

Note:
Changes in retirement can have considerable budgetary impact

How much does the district spend for each employee group?

	FY 03/04
*Without 2003/04 increase for non-teaching staff	
Teachers	73.01%
Central Administrators	.78%
Building Administrators & Other Directors	4.50%
Supervisors/Coordinators	1.87%
Other Support Staff	19.84%



Definitions:

Teachers:	Classroom teachers, counselors, librarians, teacher consultants, music, P.E., art teachers, social workers, psychologists, speech therapists.
Central Administrators:	Superintendent, deputy superintendents, executive directors, and other cabinet members.
Building Administrators:	Directors, principals, assistant principals and class principals.
Supervisors/Coordinators:	Staff who perform day-to-day detail supervision and/or coordination of tasks in their respective departments and/or schools. Includes curriculum coordinators for elementary and secondary schools. Also included are Business Services, Human Resource Services and Community Services supervisors.
Other Support Staff:	Secretaries, custodians, maintenance staff, teacher assistants, bus drivers, monitors, community assistants, technical assistants, technical specialists hourly employees, executive secretaries, and crew chiefs.

DESCRIPTION OF DISTRICT FUNDS

Does the district have special funds for special purposes other than those to operate the schools?

In addition to the **General Fund**, which is the general operating fund of the school district, there are a number of other funds which are required by law. These funds are called Special Revenue Funds, Debt Fund, Sinking Fund, Building and Site Fund, and Trust and Agency Funds which are described below.

- **Special Revenue Funds** - These funds are used to account for the proceeds of specific revenue sources other than Trust and Agency Funds and major capital projects funds. Expenditures are restricted for specified purposes, such as:

School Service Funds - These funds are used to account for the operation of a school district's food services and athletic programs. Receipts come from school lunch food sales, adult lunches, catering service and gate receipts for school athletic events.

Recreation Fund - This fund is used to account for the operation of recreational and enrichment programs offered to the community. City residents as well as non-resident are charged a minimal fee for program registration. A portion of this fund comes from the city.

- **Debt Retirement Fund** - This fund accounts for bonds issued by the school district. The fund is set up to keep track of all deposits and to record the payment of bond principal, interest and payment of agent fees.
- **Sinking Fund** - This fund accounts for a special millage approved by the voters to address district-wide infrastructure needs. The fund is established to provide for the expenditure of appropriations and for the disposition of all income received (following State guidelines and Board approval of projects.)
- **Building and Site Fund** - This fund is used to account for the district's land acquisition and construction of buildings and major equipment purchases.
- **Trust and Agency Funds** - These funds are established for a variety of activities for which the district is custodian of the monies.

Student Activities - The district acts as the custodian of funds for monies raised by student groups (such as German club, ski club, history club, band camp, forensics, etc.) from bake sales, car washes, magazine sales, and other forms of fund raising activities.

Scholarships - The Scholarship Trust Fund is used to account for donated funds awarded to students as scholarships.

2003/04 OTHER DISTRICT FUNDS

Athletic Fund	\$ 2,225,192
Millage/Capital Needs	10,500,000
Sinking Fund	8,886,863
Debt Service Fund	12,165,755
Food Service Fund	3,550,780
Recreation Fund*	5,473,546
TOTAL OTHER FUNDS	\$ 42,802,136

*Includes Child Care Program

Following is a budget sampling of two other funds:

ATHLETICS BUDGET 2003/04

RECEIPTS:

Admission (Gate Receipts)	\$ 170,000
Insurance Fees	44,000
Subsidy from Gen. Fund	2,011,195
Sub-Total Receipts	\$ 2,225,195

EXPENSES:

Salaries	\$ 1,387,793
Benefits	323,094
Purchased Services	365,810
Supplies/materials/equip.	134,035
Capital Outlay	14,460
TOTAL ATHLETICS BUDGET	\$ 2,225,192

How many students participate in athletics?

In 2002/03, a total of 2,673 students participated in high school athletics and 1,552 participated in middle school athletics (7th & 8th grade interscholastic).

How much do we spend per student in athletics?

The average cost per student based on FY 02/03 actual expenditures is \$495

*Total audited actual is \$2,090,517

*Total number of participants in 2002/03 is 4,225 (middle and high schools)

What is the average General Fund subsidy per student in 02/03?

The average 02/03 General Fund subsidy per student participating in athletics is:

Middle School	\$ 208
High School	\$ 590

OTHER DISTRICT FUNDS

2003/04 RECREATION BUDGET*

RECEIPTS:

Local Sources (Participant Fees)	\$ 5,435,546
Other Local Sources	0
Funds from Other Sources	38,000
	<hr/>
	\$ 5,473,546

EXPENSES:

Salaries	\$ 2,684,604
Benefits	853,386
Purchased Services	738,086
Supplies	506,400
Equipment	14,240
Indirect cost per program and other misc. expenses	676,830
	<hr/>
TOTAL RECREATION BUDGET	\$ 5,473,546

**Includes Child Care Program*

Is the Recreation Fund budget 100% self-supporting?

The Recreation Program is supported by fees from recreation and enrichment programs offered by the Rec & Ed Department. The City of Ann Arbor contributes less than 1% of the total revenues, however, they provide in-kind assistance which supports the recreational programs offered to city residents. Ninety-nine percent of the total revenue comes from program fees, donations and other resources within the Recreation Fund.

The district no longer subsidizes the Recreation Program. Supervisors, specialists, secretaries and hourly employees salaries and benefits are now paid and accounted for in the Recreation Fund. The district still supports the Rec & Ed Department through in-kind services – such as use of facilities and grounds.

Summary of Current Millage

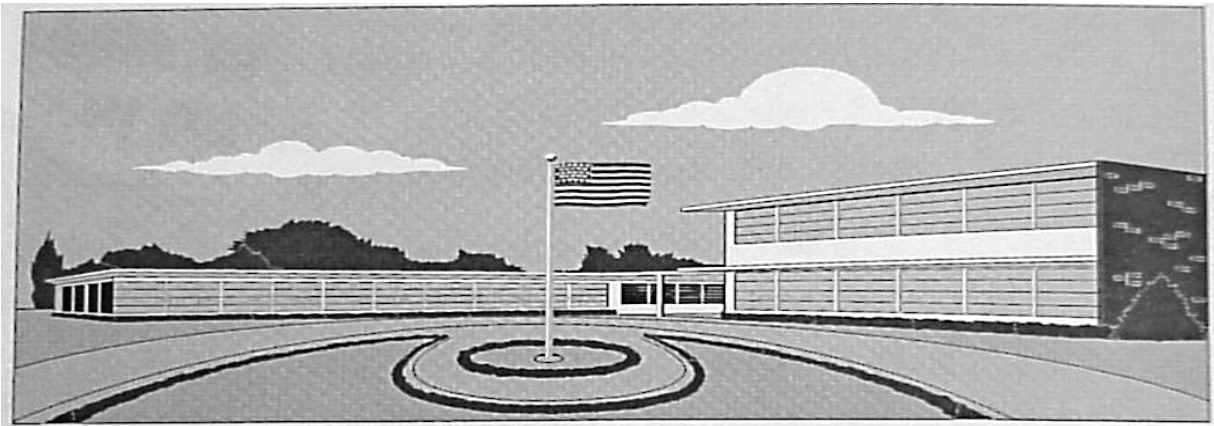
Millage	2003/04 Mills Levied	Expiration Date
State Levied	* 6.00	None
Local Hold-Harmless (single residence)	5.63	December 2009
Local Non-Homestead, (commercial, etc..)	17.97	December 2009
Debt (Bond)	1.99	N/A
Sinking Fund	1.50	December 2004

*Drops to 5.00 mills in 2003 only

Hold Harmless or Supplemental Millage

FY 95	\$11.36 mills
FY 03	\$ 5.63 mills

Total Taxable Value (estimated)	\$6.0 billion
Homestead	\$3.4 billion
Non-Homestead	\$2.6 billion



FY 2003/04 Grants

How can the school district staff help to generate revenues for the school district?

A teacher, principal for support staff can write grant proposals and/or apply for grants in order to implement a school program or project that they believe will make a difference to a group of students or a targeted population of students. The school district's grants office provides technical assistance (cost identification) to staff who are interested in writing grant proposals for projects. A list of grant programs we will receive (or have received) in 2002/03 along with a description of each program is listed below.

<i>Description</i>	<i>Award</i>
Title I - AAPS: Federal funds to help disadvantaged students meet high standards by providing instructional services to eligible K-8 graders in reading, writing, science, math and social studies; provides AYP set aside funding for tutors and/or transportation; school-wide improvement set aside; parental involvement support; instructional support for homeless students who attend AAPS; and preschool transportation support. Total includes carryover funds from 2002/2003.	\$1,948,544
Title I - Helpsource: Federal funds for program providing supplementary instruction to help students ages 11-17, grades 6-12 improve their reading, writing, science math, history, physical education, geography, and life/job skills. Total includes carryover funds from 2002/2003.	24,973
IDEA - Classroom Support: Federal funds to provide the instructional services for students with learning disabilities, emotional impairments or other eligibility designations as outlined in the IEP. Total includes carryover funds from 2002/03.	1,407,582
IDEA - Preschool: Federal funds to provide services for "at risk" 3-6 year old preprimary impaired children and their parents. Total includes carryover funds from 2002/03.	662,941
IDEA - Extended School Year Program: Federal funds to provide extended school year to special education students whose IEP determines it appropriate. Staff will be employed as necessary to provide an extended school year for students who need it. Total includes carryover funds from 2002/03.	108,444
IDEA - Independent Individual Education Evaluation: Federal funds to provide services for staff or parents who request an outside independent evaluation of identified or suspected disabled students.	10,064
IDEA - Professional Staff Development: Federal funds to facilitate the goals of the department and to further the professional growth of the special education staff. Total includes carryover funds from 2002/03.	14,712
IDEA - Technology, Materials & Training: Federal funds to foster departmental technical collaboration and provides special education services in the general education classroom.	2,084
IDEA - Capacity Building: Federal funds to increase reading decoding and fluency for 150 special education students, K-6, in a pilot program.	35,123

All Students Achieve Program - Parent Involvement and Education: State funds through Washtenaw Intermediate School District to provide for the district's participation in the First Steps Washtenaw project. This program coordinates parent education, home visiting, developmental screening and community collaboration for children from birth to age five living within the Ann Arbor Public School District. Total represents Year 2 carryover funds.	315,905
Early On Program: Federal funds through MDE/WISD to provide services for families with children from birth through age three (0-36 months) who have medical problems; are behind peers in one or more of the following: physical development, communication, learning ability, self-help, social emotional development.	73,570
Head Start Program: Federal funds to allow three and four year old preschool children of low income families to attend a Head Start classroom located in one of the local elementary schools. Parents are trained to foster learning and development. Includes Head Start Training and Technical Assistance funds.	583,814
Michigan School Readiness, Early Childhood Development: State funded preschool program to serve "at risk" four year old students and their parents.	260,700
Perkins III - Vocational Education: Federal funds to provide vocational educational training and employment assistance to disabled and disadvantaged students, grades 10-12.	134,293
Tech Prep: Federal funds to provide curriculum development for certification programs and secondary/post-secondary course alignment; training for staff and the necessary supplies and equipment that will be needed to implement the certification programs.	13,674
Safe and Drug-Free Schools and Communities: Federal funds to provide support for the district's ongoing substance abuse prevention & intervention, violence prevention, and parent programming. Total includes carryover funds from 2002/03.	74,098
Title II, Part A, Teacher/Principal Training: Federal funds to implement professional development opportunities in the district to support building level, district level and curricular student achievement goals. Total includes carryover funds from 2002/03.	284,214
Title II, Part A, Class Size Reduction Program: Federal funds targeting grades K-3 in order to effect early learning opportunities. This year's funds will be used to support six schools: Allen, Bryant, Haisley, Mitchell, Northside and Pittsfield to reduce class size.	516,760
Title II, Part D, Enhancing Education Through Technology: Federal funds to support Title I building programs in the areas of technology and staff development activities related to same. Total includes carryover funds from 2002/03.	69,771
Title V, Innovative Education Programs: Federal funds to provide professional development activities in accordance with Title II, focused on student achievement of core academic standards; programs that use best-practice models to improve classroom teaching and learning; support to non-public schools for education reform and gifted/talented students. Total includes carryover funds from 2002/03.	20,391
Title III, English Language Acquisition Program: Federal funds to support English language learners from pre-Kindergarten through 12th grade residing within AAPS boundaries. Total includes carryover funds from 2002/03.	189,355
advanced and Accelerated Program: State funds to support supplies and student fees for activities related to able learner initiatives. Total is carryover funds from 2002/03.	17,171

Adult Education Literacy Program: Federal funds to provide adults with GED preparation including direct instruction, hands-on learning, use of manipulatives, computer guided learning, small and large group work, learning games, and audio and video instruction; opportunities for learning that will lead to the improvement of an individual's ability to write and speak in English at a level of proficiency necessary to function on the job and in society, to achieve one's goals, and develop one's knowledge and potential.	130,000
Adult Education Non-Clinical Teen Health Center: State funds to provide students with a safe environment to address issues, questions and concerns about physical, emotional and social health that may be impeding educational and/or life success. Total includes carryover funds from 2002/03.	73,200
Comprehensive School Reform: Federal funds to provide training for staff and students at Roberto Clemente Student Development Center to integrate the teaching of reading comprehension and writing in all four core subject areas, to increase student achievement, and to promote the development of students' social skills and self-esteem.	89,127
Ann Arbor Educational Foundation: Twenty-eight mini grants were awarded to various schools to enhance educational efforts. Schools receiving awards are: Allen, Angell, Bach, Bryant, Burns Park, Dicken, King, Logan, Thurston, Wines, Clague, Forsythe, Scarlett, Slauson, Community, Huron, Pioneer and Stone.	25,096
Biodiesel Incentive Grant: Federal funds to purchase biodiesel fuel to be used in buses to determine how the buses will react to the alternative environmentally friendly fuel.	10,000
Ann Arbor Area Community Foundation: Local funds to support Pioneer High School's Honoring Paths to Excellence in Education. The Pioneer class of 1962 established the fund to honor the excellence in the teaching staff to provide funding for projects that would be unavailable through general tax or other public support.	7,811
Michigan Association for Computer Users in Learning (MACUL): Local funds to support Logan school to integrate technology into first grade curriculum. The students will explore ways to use technology, including digital cameras, in the first grade science classes.	1,417
Community Foundation for Southeastern Michigan: Local funds to support the Great Outdoors Program based at Lakewood Elementary School that will involve elementary children and their families in outdoor learning and recreational activities outside of school time. The project seeks to replace passive indoor activities (TV, video games) with constructive outdoor activities, to promote children's sustained physical activity and interest in the natural world, and to strengthen the involvement of adult family members, mentors and naturalists in the lives of children. The Ecology Center and the Michigan Department of Natural Resources are partnering with the Ann Arbor Public Schools on this project.	100,000
National Science Foundation: Federal funds through The Minority Student Achievement Network to pursue professional development activities focused on overcoming the barriers to minority student achievement in higher level mathematics.	3,140
Slauson Solar Panel Project: Federal funds from U.S. Department of Energy through the State of Michigan Department of Consumer & Industry Services to support the installation of solar panels to convert solar energy into electricity to run Slauson's swimming pool.	5,760
TOTAL 2003/04 GRANTS	7,213,734

Note: Only out-of-district sources (state, federal, foundations and private donations) are included.

Ann Arbor Public Schools Contracted Services Summary

Outsourcing has occurred over the years in order to reduce costs, comply with mandated regulations, and to complete projects within short schedules.

The effects of using contracted services includes: the reduction of F.T.E.s, benefits, retirement, and other employment costs.

While the Board policy does not show preference to local vendors, a substantial number of local contractors do win contracts to provide goods and services to the district.

The Ann Arbor Public Schools current budget process has the following goals:

1. Redefine the way we do business
2. Examine alternative delivery systems

These goals show a commitment to continue looking at the "way we do business" in all areas of the district.

Meeting these goals will enable the district to continue to provide the goods and services required to meet the needs of student within the financial constraints of funding.

The following table shows examples of services that the district provides using a combination of district employees and private firms:

* Denotes services that are fully privatized

SERVICE	PRIVATIZED/ OUTSOURCED	DISTRICT EMPLOYEES	CONTRACT AS NEEDED
* Asbestos and other Environmental Activities	YES	NO (except management)	
Carpentry	NO	YES	YES: Projects and Specialty Items
Carpet Installation and Repairs	YES	NO	

SERVICE	PRIVATIZED/ OUTSOURCED	DISTRICT EMPLOYEES	CONTRACT AS NEEDED
Clocks	NO	YES	YES: Specialty and Emergency
* Concrete Repair and Replacement	YES	NO	
Custodial	NO	YES	YES: Projects and Emergency
Custodial Subs	YES	NO	YES
Electrical	NO	YES	YES: Daily and Projects
* Fence Repair and Replacement	YES	NO	
* Graffiti Removal	YES	NO	
* H.V.A.C.	YES: Maintenance of major cooling equipment	NO	
*Painting	YES	YES (1.F.T.E. for immediate needs)	YES: Projects
* Pest Control	YES	NO	
Phones	NO	NO (Hourly)	YES
* Public Address Systems	YES	NO	
* Roof Repairs	YES	NO	
* Security	YES	NO	
* Sewer/Drain Cleaning	YES	NO	
*Audio Visual Repair	YES	NO	
*Wan Hardware Repair	YES		
Shades and Drapes	NO	YES	YES: Projects and Specialty Items
* Stage Lighting Controls	YES	NO	
* Stage Rigging	YES	NO	

SERVICE	PRIVATIZED/ OUTSOURCED	DISTRICT EMPLOYEES	CONTRACT AS NEEDED
Window Glazing	NO	YES	YES: Projects and Emergency
Window Washing	NO	YES	YES: Seasonal and above lower levels
* Major Welding/ Fabrication	YES	NO	
Central Duplicating	YES		
On-Line Purchasing	YES		
Food Service Management	YES	YES (Building level)	

Since 1990, district managers have also explored the possibility of privatization in areas such as Custodial, Maintenance, Warehousing, Transportation and Food Service. Private companies were given the opportunity to meet with district employees and to review operational practices. Although each of these reviews did not result in proposals that would have reduced costs, we will continue looking at using the best combination of in-house employees and private services.

Summary:

YEAR	DEPARTMENT	VENDOR	PROPOSAL	OUTCOME
1990	Facilities	Service Master	Declined bid invitation	
1990	Facilities	Unbar	Declined bid invitation	
1990	Facilities	Marriott	Received proposal of \$7,184,909 for 90/91	Proposal would have resulted in an increase of costs of \$1,650,000 over 3 years
1991	Facilities	Marriott	Declined bid invitation	
1993	Facilities	Witt, Fiala, Flannery & Assoc.	Received proposal of \$6,739,151	Proposal would have resulted in an increase in costs of \$239,151

YEAR	DEPARTMENT	VENDOR	PROPOSAL	OUTCOME
1996	Facilities (Snow Removal)	Arbor Building Services	Snow removal pilot program at Pioneer	Increased costs: Cost of pilot program was 50% of total district costs
2002	Facilities	Sodexo Inc.	Facilities Study	Internal reorganization "raise the bar
1994/95	Warehousing	U.P.S.		Not able to provide the same level of service at our costs
2003	On-Line Purchasing (Warehouse)	Several	Received Competitive Pricing	
1992	Transportation	Laidlaw		Not able to provide the same level of service and generate savings
1995	Transportation	Laidlaw		Not able to provide the same level of service and generate savings
2003	Transportation	First Student, Trinity, Laidlaw	In process	

Several areas that are either in the pilot stage or being discussed include:

Outsourcing of services to the City of Ann Arbor

Custodial Services

Maintenance Services

Transportation

Technology Department

Food Service (full service)

History and Background Information Regarding the Fund Equity

Prior to Proposal A, School districts were locally funded. In Ann Arbor, the public schools were collecting approximately 50% of annual revenue at the beginning of the fiscal year (referred to as the summer tax collection). The other 50% was collected half way through the district's fiscal year (referred to as the winter tax collection). This schedule for revenue collection provided the district with a steady cash flow, without the need for maintaining a large fund equity. In those years, the primary purpose of the fund equity was as a safety reserve to provide for unforeseen circumstances.

In the early years of Proposal A, the State assumed the responsibility for adjusting the cash flow to approximate the pre-Proposal A revenue collection schedule from local property taxes. This was done through a transitional payment system, utilizing a State fund called the Budget Stabilization Fund (BSF).

In 1998, following the Durant settlement, the State spent the Budget Stabilization Funds to pay the litigant districts (including Ann Arbor) the awarded settlement for the Durant litigation. Since the BSF funds were exhausted, that ended the transitional payments. The State Aid payment schedule changed from 9 payments plus the transitional payments to 11 payments, with two of those payments delayed into the district's next fiscal year. The delayed payments in the new schedule left local districts with a significant cash flow problem. The result was that districts would either have to borrow funds during the year or increase their fund equity.

The Ann Arbor Board of Education made the fiscally responsible decision to change board policy, increasing the fund equity target from 1/12 to 1/6 of the annual general fund operating budget (or, from 1 month to 2 months of expenditures). This was done both in anticipation of the change in the payment schedule and in response to the growing uncertainty due to the structure of school funding under Proposal A. The new reality is that local district funding has moved from the relative stability and predictability of local property taxes to considerably less stable and secure State sources.

Many of the litigant districts had the luxury of being able to retain their Durant settlement monies to provide for their district cash flow needs. Unfortunately, AAPS needed to utilize those funds to help pay for the substitute teacher litigation settlement.

Today, AAPS is in better shape than many districts because we positioned ourselves in anticipation of the State fiscal problems we are now experiencing. This is similar to the actions I took in the late 1990's to position the district to address the early effects of Proposal A (to keep cuts from the classroom as long as possible) and in response to the considerable cost exposure from the substitute teacher lawsuit.

O.D. Lapp, February 11, 2003

FREQUENTLY ASKED QUESTIONS ABOUT DISTRICT FUND EQUITY (CASH RESERVE)

1. What is fund equity?

Fund equity (cash reserves) is the district's savings account. There are actually three kinds of fund equity: reserved, designated and undesignated. Reserved and designated fund equity are used to cover expenses that have already been identified or will occur shortly after the fiscal year ends, but have not yet been paid. Undesignated fund equity is cash on hand not earmarked for a specific expense. When we talk about "fund equity," we are usually talking about the undesignated fund equity. The rest of this FAQ sheet is about the undesignated fund equity.

2. Why is it important to have money in fund equity?

Fund equity is important for a number of reasons. We pay our bills – including employee salaries – 12 months of the year. Unfortunately, the State of Michigan does not pay us in such a regular fashion. Every July and August, we spend money that the State has not yet given us. We use fund equity to cover the shortfall until we receive payment from the State. Another important reason to maintain fund equity is to cover unforeseen emergencies. One of the ways that we were able to pay off \$30 million in the substitute litigation without catastrophic consequences to the district was because we had carefully reserved a significant amount of money in the preceding years leading up to the final settlement. Finally, interest earned on fund equity is a source of recurring revenue to the district.

3. How much should we set aside for fund equity?

It is our long-term goal to have an amount equal to 1/6 (or the equivalent of two month's average expenses) of our annual operating budget in fund equity. Given our current budget, that comes to approximately \$27 million in fund equity. As a point of reference, the district spends on average \$13.5 million per month.

4. Isn't that a lot?

Our external auditors consider two months (one sixth year) to be a reasonable and prudent amount to set aside. Some school districts have more, a few have less. However, many districts who have less than two months surplus borrow money throughout the year in order to meet payroll.

5. Why is accumulating fund equity a priority item at this time?

We are very concerned about the long-range economic outlook. Since Proposal A was passed in 1994, we cannot levy local taxes to fund our schools. Approximately 90% of our funding is derived from a formula and comes via the State of Michigan, based on sales tax revenues, property taxes and other sources of revenue. As Michigan and the rest of the country struggle with unemployment and the recession, we anticipate that our state government will face increasing pressure to cut school funding. We believe that any well-funded, hold-harmless districts like Ann Arbor are especially at risk. In addition, current worldwide uncertainty is a factor in our decision to make accumulating fund equity a priority item. As uncertainty grows, it makes sense to have a bigger insurance policy.

RECURRING vs. ONE-TIME FUNDS

What is meant by recurring vs. one-time funds?

Examples of Recurring vs. One-Time Funds

Recurring (*but variable*)

- Foundation Allowance
- Blended Count
- Special Ed Categorical
- Interest Income

One-Time

- Medicaid Reimbursement
- Retirement Rate Reduction
- Undesignated Fund Balance

Rule of thumb...

- Use *recurring* funds to cover recurring expenses, e.g., salaries
- Use *one-time* funds to cover one-time expenses, such as the *substitute teacher litigation*

It is very important to consider the difference between what we term "recurring" and what we term "one-time" funds. An increase in *recurring* funds is like a raise in salary — it adds to the base and continues indefinitely into the future. *One-time* funds are like a bonus — they do not add or build to the base and they do not repeat.

We need to keep in mind the distinction between one-time and recurring funds. Good practice is to exclusively use recurring funds to establish levels of recurring expenses, and to use one-time money to support one-time expenses (such as the recent substitute teacher litigation or any other unforeseen circumstance).

Consider what happens if we don't follow this rule, for example: if we build recurring, costs, e.g., salary expenses, around one-time funds, then when those funds are depleted, we will be forced to make large cuts to resolve the revenue short-fall.

It is possible to increase recurring fund levels using one-time money. We can accomplish this by carefully reserving the one-time funds and spend only the interest accrued from those funds. Thus, we have converted one-time money into recurring capital. The challenge, however, is that this requires discipline. When we have a cash balance there is always the pressure to utilize those funds.

Making Connections for Students

WHAT'S NEW FOR HURON & PIONEER STUDENTS FALL 2003

Huron River Rat 9th Grade Academy

- Students are “linked” with the same group of classmates in two classes (English and Social Studies)
- Expansion of successful Interdisciplinary Block (IDB) Program
- Outcomes: Every 9th grader is part of an academic “community.” The proximity of classes changes the traffic flow during students’ passing time and helps to ease the incoming 9th grader’s transition to the high school. It allows for teacher-driven flexibility in the areas of curriculum integration, project-based learning and differentiated instruction.

Pioneer 9th Grade Student Connectivity Program

- Students are “linked” with the same group of classmates in a minimum of two classes (English and Social Studies)
- Outcomes: Every 9th grader is part of an academic “community.” The proximity of classes changes the traffic flow during students’ passing time and helps to ease the incoming 9th grader’s transition to the high school. It allows for teacher-driven flexibility in the areas of curriculum integration, project-based learning and differentiated instruction.

Additional Academic Support – Huron & Pioneer

- Academic Support Class in Algebra I & II and Earth Science – for students who benefit from extra help - occurs first and second semester
- Credit Recovery Class in Algebra and Earth Science – an opportunity for students who fail the first semester to repeat the class, then potentially take the second semester in summer school, and regain their ability to stay in the proper sequence
- Expansion of Summer Bridge Program (Huron only) – incoming 9th graders are invited to spend one week in the summer meeting the administration, getting familiar with the building and other students, and learning valuable study skills. This program will be offered over a five-week period and will serve 500 students. Groups of approximately 25 students will attend a three-day work period, 9 am – noon Tuesday through Thursday, where they will hear speakers on such topics as sports, clubs, using the media and career centers, avoiding high risk behaviors, test taking, and time management.

Decrease in Class Size

- 9th Grade – Maximum of 25 students per class, without overburdening upper grade classrooms
- Outcome: Students receive more individual attention; teachers reduce the total number of students they see during the school day from 150 to 125.

Extended Day Opportunities – Huron Only

- Classes meet after the normal school day and give students the option of a later start while relieving overcrowding.
- Currently, Huron will consider offering 10 such classes, which meet from 2:30 – 4:30 pm on Mondays and Wednesdays or Tuesdays and Thursdays with alternating Fridays. (Actual offerings are dependent upon enrollment.)
- Outcome: This results in 250 – 300 fewer students in the building during the main portion of the school day, and it gives students flexibility in scheduling classes.

Increased Athletic Opportunities for 9th & 10th Graders

- Expand 9th grade opportunities in existing sports by adding 9th-grade-only teams in such sports as volleyball, basketball and soccer and adding new sports such as bowling and boys volleyball
- Launch a modest exploratory intramural program for 9th – 12th graders during the 7th hour
- Form an “Eligibility Council” (Pioneer only) – to help underachieving students stay eligible to play sports and remain on the team

RESOURCES NEEDED TO CARRY OUT THE PLAN

- Additional teaching staff – will allow for smaller 9th grade classes
- One additional 9th grade counselor at Pioneer – will bring the student / counselor ratio in line with Huron, will assist with transition activities for 9th graders, will act as a liaison with middle schools, and will remain stationary year after year providing continuity
- One additional 9th grade administrator at Pioneer – will take the lead on 9th grade transition activities as well as other 9th grade events such as dances, field days, recognition awards and homecoming events
- Additional clerical staff – will assist in records, attendance and athletics and free up administrators to work with students, staff and parents
- Additional funding for athletics – will allow the high schools to add 9th grade sports, including intramurals, and will remove some of the barriers to participation

Note: Total Allocation \$2,000,000. (See FY 2003/04 Approved Budget for details).

PUBLIC SCHOOLS OF THE CITY OF ANN ARBOR

SCHEDULE OF COMPARATIVE STATISTICS YEARS ENDED JUNE 30, 2003, 2002 AND 2001

	2003	2002	2001
NUMBER OF PUPILS (Note 1):			
Kindergarten	1,143	1,128	1,116
Grades 1-5	6,360	6,449	6,396
Grades 6-8	3,785	3,789	3,739
Grades 9-12	5,380	5,269	5,247
	<u>16,668</u>	<u>16,635</u>	<u>16,498</u>
TOTAL NUMBER OF PUPILS	<u>16,668</u>	<u>16,635</u>	<u>16,498</u>
REVENUES, TRANSFERS AND OTHER TRANSACTIONS - GENERAL FUND (Note 2):			
Local sources	\$ 60,963,080	57,180,722	55,583,246
State sources (Note 3)	91,457,092	93,868,484	90,067,634
Federal sources		390,573	
Transfers and other transactions (Note 4)	9,412,299	12,207,278	12,055,240
	<u>9,412,299</u>	<u>12,207,278</u>	<u>12,055,240</u>
TOTAL REVENUES, TRANSFERS AND OTHER TRANSACTIONS - GENERAL FUND	<u>\$ 161,832,471</u>	<u>163,647,057</u>	<u>157,706,120</u>
EXPENDITURES, TRANSFERS AND OTHER TRANSACTIONS - GENERAL FUND (Note 2 & Note 5):			
Instruction	\$ 91,573,349	86,137,398	84,634,853
Support services - instructional staff	22,675,352	21,885,695	23,342,346
Support services - other (Note 6)	39,574,071	39,390,014	36,664,228
Community services	505,465	1,100,570	1,163,054
Transfers and other transactions	3,016,284	2,783,084	2,596,176
	<u>3,016,284</u>	<u>2,783,084</u>	<u>2,596,176</u>
TOTAL EXPENDITURES, TRANSFERS AND OTHER TRANSACTIONS - GENERAL FUND	<u>\$ 157,344,521</u>	<u>151,296,761</u>	<u>148,400,657</u>
COST PER PUPIL:			
Instruction	\$ 5,493.96	5,178.08	5,130.01
Support Services - instructional staff (Note 7)	1,541.37	1,482.94	1,572.22

PUBLIC SCHOOLS OF THE CITY OF ANN ARBOR

SCHEDULE OF COMPARATIVE STATISTICS

YEARS ENDED JUNE 30, 2003, 2002 AND 2001

	2003	2002	2001
TAXABLE VALUE (in thousands):			
Homestead	\$ 3,167,596	2,908,086	2,677,780
Non-Homestead	<u>2,502,745</u>	<u>2,356,030</u>	<u>2,241,719</u>
TAXABLE value (in thousands)	<u>\$ 5,670,341</u>	<u>5,264,116</u>	<u>4,919,499</u>
Per pupil	<u>\$ 340,193</u>	<u>316,448</u>	<u>298,188</u>
LEVIED TAX RATE (Mills):	H / NH	H / NH	H / NH
Hold Harmless/Operating	6.5808/17.9730	7.0455/18.00	7.36/18.00
Debt Service	2.0852/2.0852	2.0/2.0	2.37/2.37
Sinking Fund	<u>1.5/1.5</u>		
TOTAL LEVIED TAX RATE	<u>10.166/21.5582</u>	<u>9.0455/20.0</u>	<u>9.73/20.37</u>
PROPERTY TAX REVENUES:			
General Fund (Hold Harmless/Operating)	\$ 58,775,507	55,873,852	51,224,517
Capital Projects (Hold Harmless)	7,049,486	7,023,320	7,010,698
Debt Service (Note 8)	12,135,707	10,786,140	11,928,739
Sinking Fund (Note 8)	8,729,887		
	<u>86,690,587</u>	<u>73,683,312</u>	<u>70,163,954</u>
PROPERTY TAX LEVIES PER PUPIL:			
General Fund	\$ 3,526.25	3,358.81	3,104.89
Capital Projects	422.94	422.20	424.94
Debt Service	728.08	648.40	723.04
Sinking Fund	<u>523.75</u>	<u>0.00</u>	<u>0.00</u>
TOTAL PROPERTY TAX LEVIES PER PUPIL	<u>\$ 5,201.02</u>	<u>4,429.41</u>	<u>4,252.87</u>

STATE AID:

PUBLIC SCHOOLS OF THE CITY OF ANN ARBOR

SCHEDULE OF COMPARATIVE STATISTICS

YEARS ENDED JUNE 30, 2003, 2002 AND 2001

- Note 1 - Number of pupils based on a blended membership count (February - previous fiscal year ar September - current fiscal year).
- Note 2 - Information presented on a general fund budgetary basis which does not include grant prog Budgets for grant programs are prepared using a different fiscal year than the School Distric
- Note 3 - State revenue in fiscal year 2000-01 includes the teacher technology initiative of \$1,075,144
- Note 4 - Transfers and other transactions for fiscal year 2001-02 and 2000-01 included a reimbursement for substitute settlement costs of \$3.4 million and \$3.4 million respectively.
- Note 5 - Instructional support services include pupil health, guidance, psychological, library, media, etc. Other support services include principals, administration, transportation, fiscal services operation and maintenance of buildings.
- Note 6 - Support services - other for fiscal year 2002-03, 2001-02, and 2000-01 includes substitute settlement costs of \$6,576, \$2,091,367, and \$907,323 respectively.
- Note 7 - Transfers and other transactions are included in the cost per pupil for instructional support. These items represent student tuition and subsidies for student activities, athletics and gran programs.
- Note 8 - Property tax revenue for the debt service and sinking funds includes Scio Township's Down Development Authority.

SPECIAL EDUCATION ACTUAL COST REPORT
(July 1, 2002 through June 30, 2003)

Revised: February 6, 2004

District
Code

District Name: **ANN ARBOR PUBLIC SCHOOLS**

81010

Funding Source (Check One)		PERSONNEL		List personnel in school year full-time equivalency, prorate to tenths (.0). Refer to the "Special Education List of Allowable Expenditures" for a description of reimbursable items by function and object codes.						
<input checked="" type="checkbox"/> Section 52	<input type="checkbox"/> Section 53	Profes- sional	Reimb. Aides	Salaries 1000	Benefits 2000	* Purchased Services 3000-4000	Supplies and Materials 5000	Capital Outlay 6000	Other Expenditures 7000	TOTAL
Function Codes		1	2	3	4	5	6	7	8	9
1	122	LRE Classroom Aides	0.00	98.19	\$ 2,100,629	\$ 1,071,805	\$ -	\$ -	\$ -	\$ 3,172,434
2		Educable Mentally Impaired	9.00	9.00	\$ 645,575	\$ 268,747	\$ -	\$ 3,453	\$ -	\$ 917,775
3		Trainable Mentally Impaired	0.00	2.00	\$ 37,000	\$ 22,637	\$ -	\$ -	\$ -	\$ 59,637
4		Severely Mentally Impaired	0.00	0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5		Emotionally Impaired	5.00	9.20	\$ 458,998	\$ 189,237	\$ 7,178	\$ 6,677	\$ -	\$ 662,090
6		Learning Disabled (IDEA staff)	1.00	0.00	\$ -	\$ -	\$ -	\$ 279	\$ -	\$ 279
7		Hearing Impaired	5.00	3.00	\$ 541,626	\$ 204,037	\$ 380	\$ 5,009	\$ -	\$ 751,052
8		Visually Impaired	0.00	0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9		Physically Impaired (Pohi)	2.00	8.00	\$ 347,719	\$ 141,269	\$ -	\$ (4,337)	\$ -	\$ 484,651
10		Severely Multiply Impaired	0.00	3.00	\$ 55,500	\$ 33,955	\$ -	\$ -	\$ -	\$ 89,455
11		Preprimary Impaired	3.50	17.50	\$ 157,340	\$ 74,725	\$ 1,293	\$ 4,542	\$ -	\$ 237,900
12		Severely Language Impaired	0.00	0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13		Autistic Impaired	0.00	3.00	\$ 55,500	\$ 33,955	\$ -	\$ -	\$ -	\$ 89,455
14		Resource Room	34.35	1.00	\$ 1,837,590	\$ 633,704	\$ -	\$ 7,603	\$ -	\$ 2,478,897
15		Section 24 Programs	0.00	0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16		SUB-TOTAL	59.85	153.89	\$ 6,237,477	\$ 2,674,071	\$ 8,851	\$ 23,226	\$ 1,320	\$ 8,943,625
17	213	Health Svcs. (Include pt for POHI kid)	12.40	0.00	\$ 680,315	\$ 224,059	\$ 68,943	\$ -	\$ -	\$ 973,317
18	214	Psychological	13.50	0.00	\$ 926,234	\$ 312,425	\$ 13,869	\$ 15,748	\$ -	\$ 1,268,276
19	215	Speech & Audiology	21.80	0.00	\$ 1,540,534	\$ 505,866	\$ 169,699	\$ 5,929	\$ -	\$ 2,222,028
20	216	Social Work	13.40	0.00	\$ 974,318	\$ 325,499	\$ 974	\$ 1,345	\$ -	\$ 1,302,136
21	217	Visual Aid	0.00	0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	218	TC/Mentally Impaired	6.70	0.00	\$ 460,396	\$ 151,976	\$ -	\$ 440	\$ -	\$ 612,812
23	218	TC/Emotionally Impaired	21.40	0.00	\$ 1,436,526	\$ 474,999	\$ -	\$ 7,793	\$ -	\$ 1,919,318
24	218	TC/Learning Disabled	19.85	0.00	\$ 1,249,938	\$ 412,262	\$ -	\$ 4,602	\$ -	\$ 1,666,802
25	218	TC/Hearing Impaired	1.00	0.00	\$ 70,612	\$ 25,674	\$ -	\$ -	\$ -	\$ 96,286
26	218	TC/Visually Impaired	0.00	0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	218	TC/POHI	0.00	0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	218	TC/Autistic Impaired	0.00	0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	218	PPI Home Program (IDEA)	1.00	0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	219	Physical Education	0.00	0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	219	Other Pupil Support	0.00	0.00	\$ 16,775	\$ 7,462	\$ 44,680	\$ 1,233	\$ -	\$ 70,150
32	221	Improvement of Instruction	0.00	0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	226	Supervision/Direction	3.00	0.00	\$ 376,221	\$ 107,271	\$ 19,449	\$ -	\$ 80	\$ 503,021
34	241	School Principal	0.00	0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	28x	Support Service - Central	0.00	0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	29x	Support Service - Other	0.00	0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37		SUB TOTAL	114.05	0.00	\$ 7,731,869	\$ 2,547,493	\$ 317,614	\$ 37,090	\$ 80	\$ 10,634,146
38		SUBTOTAL 16 + 37	173.90	153.89	\$ 13,969,346	\$ 5,221,564	\$ 326,465	\$ 60,316	\$ 80	\$ 19,577,771
39		Indirect Costs (9.47%)							\$ 1,854,015	\$ 1,854,015
40	231	Board of Education/Adjustments			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41		Capital Outlay (Line 16 + 37)					\$ 1,320			\$ 1,320
42	261	Direct Operation & Maintenance			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	271	Pupil Transportation (Sec. 53 Only)			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44		Tuition - MSD			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45		SUBTOTAL LINES (39 - 44)			\$ -	\$ -	\$ -	\$ 1,320	\$ 1,854,015	\$ 1,855,335
46		TOTAL COST	173.90	153.89	\$13,969,346	\$ 5,221,564	\$326,465	\$60,316	\$ 1,854,095	\$ 21,433,106

Act 18 Reimbursement from Washtenaw Intermediate School District	\$ 9,179,459
Michigan Department of Education Special Education Reimbursement	\$ 6,473,331
Ann Arbor Public Schools' Allowable Cost	\$ 5,780,316

	\$ 21,433,106

PROJECTED 2003/04 PRESCHOOL BUDGET

FUNCTION/DESCRIPTION		FTE		SALARIES	FRINGES	FICA/ RETIREMENT	SUPPLY /OTHER	TOTAL
GENERAL FUND								
		TCHR	OTHR					
110	BASIC PROGRAM	2.40	2.00	\$151,445	\$31,359	\$31,258	\$43,067	\$257,129
120	ADDED NEEDS	2.50	4.50	\$268,673	\$60,863	\$55,454	\$3,070	\$388,060
210	PUPIL SUPPORT SVCS	8.40	0.00	\$531,394	\$55,426	\$109,680	\$5,000	\$701,500
220	INSTR SUPPORT	0.00	2.60	\$169,134	\$30,292	\$34,909	\$490	\$234,825
270	TRANSPORTATION	0.00	0.00	\$ -	\$ -	\$ -	\$360,459	\$360,459
	TOTAL GENERAL FUND	13.30	9.10	\$1,120,646	\$177,940	\$231,301	\$412,086	\$1,941,973
GRANT-FUNDED PROGRAMS								
HEAD START AND TRAINING & TECHNICAL ASSISTANCE								
110	BASIC PROGRAM	0.00	8.00	\$211,312	\$50,416	\$43,615	\$12,972	\$318,315
210	PUPIL SUPPORT SVCS	0.20	0.00	\$11,623	\$2,497	\$2,399	\$ -	\$16,519
220	INSTR SUPPORT	0.00	0.40	\$27,703	\$5,489	\$5,718	\$3,114	\$42,024
270	TRANSPORTATION	0.00	0.00	\$ -	\$ -	\$ -	\$114,116	\$114,116
390	PARENT SUPPORT	0.00	2.00	\$60,899	\$16,183	\$12,568	\$3,190	\$92,840
	SUBTOTAL	0.20	10.40	\$311,537	\$74,585	\$64,300	\$133,392	\$583,814
INDIVIDUALS WITH DISABILITIES EDUCATIONAL ACT (IDEA)								
120	ADDED NEEDS	1.50	12.00	\$365,217	\$72,441	\$75,383	\$2,596	\$515,637
210	PUPIL SUPPORT SVCS	1.00	1.00	\$100,522	\$22,594	\$20,748	\$ -	\$143,864
492	INDIRECT COSTS (0.64%)	0.00	0.00	\$ -	\$ -	\$ -	\$3,440	\$3,440
	SUBTOTAL	2.50	13.00	\$465,739	\$95,035	\$96,131	\$6,036	\$662,941
MICHIGAN SCHOOL READINESS PROGRAM (MSRP)								
110	BASIC PROGRAM	2.50	2.50	\$209,980	\$31,023	\$43,341	\$2,950	\$287,294
270	TRANSPORTATION	0.00	0.00	\$ -	\$ -	\$ -	\$47,307	\$47,307
	SUBTOTAL	2.50	2.50	\$209,980	\$31,023	\$43,341	\$50,257	\$334,601
TITLE I								
270	TRANSPORTATION	0.00	0.00	\$ -	\$ -	\$ -	\$11,113	\$11,113
	SUBTOTAL	0.00	0.00	\$0	\$0	\$0	\$11,113	\$11,113
	TOTAL GRANTS	5.20	25.90	\$987,256	\$200,643	\$203,772	\$200,798	\$1,592,469
	GRAND TOTAL	18.50	35.00	\$2,107,902	\$378,583	\$435,073	\$612,884	\$3,534,442
	(GEN. FUND + GRANTS)							

FY 2003/04 BUDGET SUMMARY- DIRECTLY ALLOCATED COSTS

SCHOOL LEVEL	INSTR. FTE	SUPPORT FTE	Total	Per Pupil Cost Average	ENROLL.	TOTAL INSTR. SERVICES (Salary & Non Salary)	TOTAL SUPPORT SERVICES (Salary & Non Salary)	GRAND TOTAL (Salary & Non Salary)
ELEMENTARY SCHOOLS								
ABBOT	21.40	6.60	28.00	\$7,495	307	\$1,783,171	\$517,650	\$2,300,822
ALLEN	25.60	7.00	32.60	6,593	397	2,088,999	528,340	2,617,340
ANGELL	22.00	5.80	27.80	6,966	319	1,737,519	484,496	2,222,015
BACH	18.45	6.60	25.05	7,254	277	1,512,435	496,867	2,009,302
BRYANT	31.50	7.10	38.60	7,926	354	2,230,213	575,442	2,805,655
BURNS PARK	20.30	7.10	27.40	5,896	397	1,785,071	555,795	2,340,866
CARPENTER	18.90	6.22	25.12	6,536	327	1,632,882	504,235	2,137,117
DICKEN	20.60	6.18	26.78	6,421	335	1,644,120	506,957	2,151,078
EBERWHITE	23.50	6.30	29.80	7,693	316	1,899,544	531,546	2,431,090
HAISLEY	35.80	6.72	42.52	7,215	423	2,475,128	576,627	3,051,755
KING	21.20	6.52	27.72	6,271	395	1,941,498	535,570	2,477,068
LAKEWOOD	17.25	5.60	22.85	6,586	276	1,357,337	460,380	1,817,717
LAWTON	27.70	7.20	34.90	5,806	491	2,262,698	588,053	2,850,751
LOGAN	28.80	6.90	35.70	7,276	373	2,151,449	562,420	2,713,869
MITCHELL	18.35	6.18	24.53	7,150	269	1,399,430	523,982	1,923,412
NORTHSIDE	22.40	6.90	29.30	7,315	324	1,809,087	560,896	2,369,983
PATTENGILL	22.00	8.20	30.20	6,658	356	1,777,552	592,729	2,370,281
PITTSFIELD	20.23	5.65	25.88	7,235	282	1,563,875	476,352	2,040,227
THURSTON	24.10	7.28	31.38	6,616	383	1,981,802	552,218	2,534,020
WINES	24.80	6.42	31.22	6,625	357	1,884,201	480,981	2,365,182
SUB-TOTAL	464.88	132.47	597.35	\$6,831	6,958	\$36,918,012	\$10,611,538	\$47,529,550
MIDDLE SCHOOLS								
CLAGUE	51.24	20.80	72.04	\$7,812	719	\$3,959,176	\$1,657,733	\$5,616,910
FORSYTHE	55.99	19.28	75.27	7,995	721	4,070,351	1,694,356	5,764,707
SCARLETT	37.16	23.60	60.76	8,609	551	2,980,350	1,763,278	4,743,628
SLAUSON	49.50	22.90	72.40	7,176	826	4,091,052	1,836,116	5,927,168
TAPPAN	52.41	24.70	77.11	7,334	822	4,182,653	1,846,157	6,028,810
SUB-TOTAL	246.30	111.28	357.58	\$7,717	3,639	\$19,283,583	\$8,797,640	\$28,081,223
AA Open @ Mack (K-8)	26.32	8.00	34.32	\$6,431	450	\$2,232,411	\$661,615	\$2,894,026
HIGH SCHOOLS								
CLEMENTE	16.60	4.95	21.55	14,864	103	1,175,860	355,121	1,530,981
COMMUNITY	25.90	14.13	40.03	7,233	455	2,274,586	1,016,471	3,291,056
HURON	114.85	80.00	194.85	8,016	2,151	9,731,736	7,510,669	17,242,405
PIONEER	141.30	94.90	236.20	7,643	2,701	12,177,908	8,466,007	20,643,914
SUB-TOTAL	298.65	193.98	492.63	\$7,894	5,410	\$25,360,089	\$17,348,268	\$42,708,356
TOTAL ELEMENTARY, MIDDLE & HIGH SCHOOLS								
1036.15	445.73	1481.88	\$7,365	16,457	\$83,794,094	\$37,419,061	\$121,213,155	
Stone School (High Sch.)	11.60	9.35	20.95	\$5,929	293	\$1,019,711	\$717,455	\$1,737,166
PRE-SCHOOL PROGRAM	34.90	15.23	50.13	5,517	352	0	0	1,941,973
TOTAL	1082.65	470.31	1552.96	\$7,303	17,102	\$84,813,805	\$38,136,516	\$124,892,294
Other Support Services (Special Education Costs- Elementary Schools Only)								\$4,800,000
TOTAL GENERAL FUND								\$129,692,294

Notes:

Cost variability among buildings generally results from-
 Class size and program variability (often resulting from Special Ed, Title 1 Schools, ESL, etc.)
 Seniority of the staff (due to step differences, educational advancement, etc.)

These are budgeted costs, and are not necessarily identical to actual expenditures
 Due to differences for annualized salaries & benefits for staff starting after the beginning of the fiscal year
 Due to vacancies from long-term illness
 Due to benefits calculated for all staff

Dispelling The Centralized-Cost Misconception

Allocated & Unallocated Cost Breakout Summary	Cost- Millions	Percent
Costs Directly Allocated To Buildings	\$129.7	78%
Centrally Distributed or District-Wide Costs	\$35.8	22%
Total Budget (FY2003/04)	\$165.5	100%

Breakout of Centrally Allocated Portion of District Costs	Centrally Distributed
Substitute Teacher Costs/ Other Hourly & Misc.	\$4.9
Centralized Instructional Services- Staff Development, Curriculum Coordinators, Program Directors, Other Support Staff	\$5.8
Transportation Costs- Busing Students To & From School, Field Trips, Athletics and Other Events	\$5.8
Board of Education Subsidies- Voc Ed, Pre School, Student Activities	\$3.8
General Administration- Superintendent's Office, Board of Education, Deputy for Instruction, Election, Legal, Etc.	\$2.3
Business Services- Finance, Purchasing, Warehouse, Property Liability, Vehicle (Maintenance & Bus) Insurance, Deputy for Bus Services	\$2.7
Operation & Maintenance- Personnel Assigned To Repair & Maint. Of All Bldgs & Grounds, Supplies, Materials & Equipment	\$4.8
Central Services- Planning, R&D, Evaluation, Information Services, HRS, ITD, Child Accounting	\$3.3
Other Employee Benefits- Worker's Comp, Unemployment Comp, Termination & Severance Pay, Etc.	\$2.3
Community Services- Supervisors, Admin. for Community Rec. Program, Partners For Excellence, Outreach Programs, Etc.	\$0.1
Total Centrally Distributed or District Wide Costs	\$35.8

Breakout of 'True Overhead' Costs- Central Administrative Costs, Business Services & Central Services	
General Administration- Supt Office, BOE, Deputy for Instruction, Election, Legal, Etc.	\$2.3
Business Services- Finance, Purchasing, Warehouse, Insurance, Deputy for Business	\$2.7
Central Services- Planning, R&D, Evaluation, Info Serv, HRS, ITD, Child Accounting	\$3.3
Total 'True Overhead' Costs	\$8.3

Thus, out of a total of \$165.5 million, approximately \$8.3 million is the 'true overhead' burden for the district, which represents about 5.0% of the total budget. All the rest, some 95% of all expenditures go directly toward student instruction, support and other student services. Note that even in the \$8.3 million 'overhead', included is more than \$1.5 million for legal services, property, liability and district vehicle (maintenance and bus) insurance as well as election costs.

SUMMARY OF INDIVIDUAL SCHOOL BUDGETS

The following pages include:

✓ ***Mission Statement***

✓ ***Grade Level***

✓ ***Enrollment***

✓ ***Staff/FTE***

✓ ***School Budget***

Note: The individual school budget only corresponds to the general fund FTE outlined in the staffing chart and excludes all centralized costs such as transportation, maintenance and repair of buildings, research and evaluation, staff development, child accounting, warehouse and central duplicating, Human Resources, Business Services, Instructional Services, Community Services, and other central administration.



PRE-SCHOOL PROGRAM

Grades: Pre-K Fall 2003 Enrollment: 352

Mission Statement: In partnership, the staff, families and community members of the Pre-school and Family Center provide a nurturing learning environment which fosters the individual development of children, leads to lifelong learning and enhances contributions to society.

STAFF	General Fund FTE	Grants FTE
Classroom Teacher - Regular Education	1.80	2.50
Classroom Teacher - Special Education	2.50	1.50
Other Teaching Staff (ESL, Music, Art, PE)	0.60	0.00
Teaching Assistant - Regular Education	2.00	10.50
Teaching Assistant - Special Education	4.50	12.00
Media Specialist	0.50	0.00
Other Support Services - Regular Education	0.00	0.00
Other Support Services - Special Education	8.40	2.20
School Principal	0.80	0.20
School Secretary/Library Aide	0.80	0.20
Parent Coordinator	0.00	2.00
Custodian	0.00	0.00
Technical Assistant	0.50	0.00
TOTAL FTE	22.40	31.10

SCHOOL BUDGET

Please see page 53 for a more detailed breakout of the Preschool Program.

Mission Statement: The Abbot School community commits itself, through the efforts of its staff, students, and parents, to provide a foundation of skills, knowledge and self-esteem upon which every student can build, in the progression toward his or her maximum potential. All students will be motivated to respect knowledge, care for themselves and others, and to become responsible citizens of our school, city, and country. Staff and parents will provide a supportive and nurturant atmosphere, within which our students can grow and blossom into lifelong learners and creative problem solvers in the world arena.

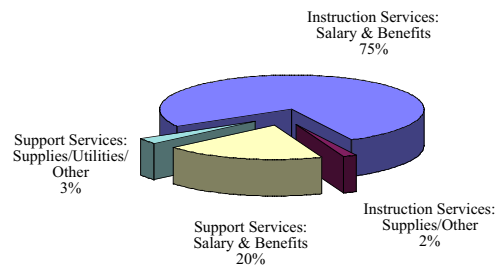
STAFF	FTE
Classroom Teacher - Regular Education	14.00
Classroom Teacher - Special Education	1.00
Other Teaching Staff (ESL, Music, Art, PE)	3.40
Teaching Assistant - Regular Education	0.00
Teaching Assistant - Special Education	3.00
Media Specialist	1.00
Other Support Services - Regular Education	0.00
Other Support Services - Special Education	*
School Principal	1.00
School Secretary/Library Aide	1.10
Custodian	3.00
Technical Assistant	0.50
Total - General	28.00
Grant/Other	2.00
TOTAL FTE	30.00

* We are unable to provide the most accurate FTE's per building under this category. Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$1,745,216
Supplies/Other	37,955
Sub Total	\$1,783,171
Support Services:	
Salary & Benefits	454,639
Supplies/Utilities/Other	63,011
Sub Total	\$517,650
Total	\$2,300,822



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: All students, staff and parents are valued members of a multicultural and diverse community. We are committed to being responsible for our lifelong learning through a variety of academic and social experiences. We strive to provide a safe and secure environment where every person is accepted and respected.

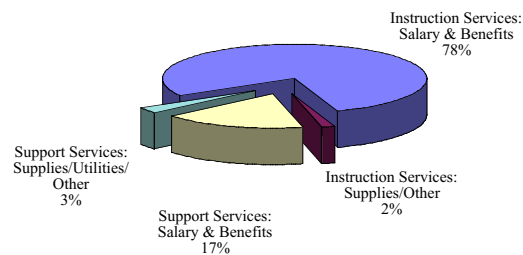
STAFF	FTE
Classroom Teacher - Regular Education	18.00
Classroom Teacher - Special Education	0.00
Other Teaching Staff (ESL, Music, Art, PE)	3.60
Teaching Assistant - Regular Education	0.00
Teaching Assistant - Special Education	4.00
Media Specialist	1.00
Other Support Services - Regular Education	0.40
Other Support Services - Special Education	*
School Principal	1.00
School Secretary/Library Aide	1.10
Custodian	3.00
Technical Assistant	0.50
Total - General	32.60
Grant/Other	3.00
TOTAL FTE	35.60

* We are unable to provide the most accurate FTE's per building under this category. Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$2,046,100
Supplies/Other	42,899
Sub Total	\$2,088,999
Support Services:	
Salary & Benefits	453,840
Supplies/Utilities/Other	74,500
Sub Total	\$528,340
Total	\$2,617,340



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: The partnership of parents, teachers, and students at Angell School aspire to fully develop each individual's self-esteem, and intellectual, emotional, social and physical growth. We are committed to learning about and appreciating our diversity and using this awareness to improve learning opportunities for all. We pledge to work cooperatively with one another to create a caring and supportive community. Together, we are responsible for nurturing a lifelong love of learning in which every person can acquire the tools for self-fulfillment.

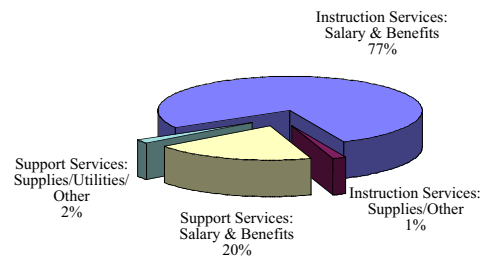
STAFF	FTE
Classroom Teacher - Regular Education	14.00
Classroom Teacher - Special Education	0.00
Other Teaching Staff (ESL, Music, Art, PE)	4.00
Teaching Assistant - Regular Education	0.00
Teaching Assistant - Special Education	4.00
Media Specialist	1.00
Other Support Services - Regular Education	0.20
Other Support Services - Special Education	*
School Principal	1.00
School Secretary/Library Aide	1.10
Custodian	2.00
Technical Assistant	0.50
Total - General	27.80
Grant/Other	0.00
TOTAL FTE	27.80

* We are unable to provide the most accurate FTE's per building under this category. Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$1,705,670
Supplies/Other	31,849
Sub Total	\$1,737,519
Support Services:	
Salary & Benefits	439,823
Supplies/Utilities/Other	44,673
Sub Total	\$484,496
Total	\$2,222,015



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: At Bach School we are dedicated to creating an environment that inspires learning. We strive to challenge each student to achieve full academic potential and maintain consistent standards for socially responsible behavior. We believe education is a shared responsibility of the staff, students, parents, and the community. We value children as unique individuals and recognize their ethnic diversity and various learning styles as strengths.

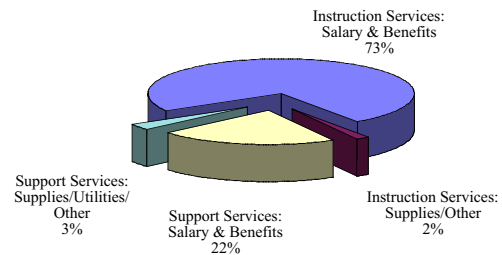
STAFF	FTE
Classroom Teacher - Regular Education	12.00
Classroom Teacher - Special Education	1.00
Other Teaching Staff (ESL, Music, Art, PE)	3.95
Teaching Assistant - Regular Education	0.00
Teaching Assistant - Special Education	1.50
Media Specialist	1.00
Other Support Services - Regular Education	0.50
Other Support Services - Special Education	*
School Principal	1.00
School Secretary/Library Aide	1.10
Custodian	2.50
Technical Assistant	0.50
Total - General	25.05
Grant/Other	1.00
TOTAL FTE	26.05

* We are unable to provide the most accurate FTE's per building under this category. Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$1,476,933
Supplies/Other	35,502
Sub Total	\$1,512,435
Support Services:	
Salary & Benefits	433,015
Supplies/Utilities/Other	63,852
Sub Total	\$496,867
Total	\$2,009,302



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: The students, staff, parents and community of Bryant Elementary School will work together to provide a positive, healthy and developmentally appropriate environment for all learners. Students will be self-motivated, value themselves and respect the differences of others. They will value learning and successfully master skills to better prepare them in being responsible citizens as they contribute to society.

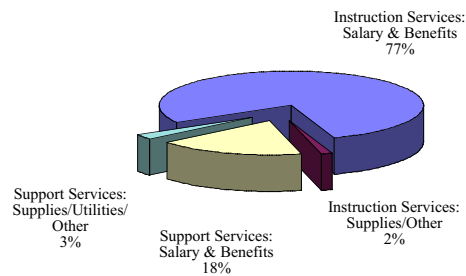
STAFF	FTE
Classroom Teacher - Regular Education	17.00
Classroom Teacher - Special Education	1.00
Other Teaching Staff (ESL, Music, Art, PE)	4.50
Teaching Assistant - Regular Education	0.00
Teaching Assistant - Special Education	9.00
Media Specialist	1.00
Other Support Services - Regular Education	0.50
Other Support Services - Special Education	*
School Principal	1.00
School Secretary/Library Aide	1.10
Custodian	3.00
Technical Assistant	0.50
Total - General	38.60
Grant/Other	5.00
TOTAL FTE	43.60

* We are unable to provide the most accurate FTE's per building under this category. Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$2,186,534
Supplies/Other	43,679
Sub Total	\$2,230,213
Support Services:	
Salary & Benefits	503,362
Supplies/Utilities/Other	72,080
Sub Total	\$575,442
Total	\$2,805,655



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: Burns Park School's mission for all students is to foster academic achievement in a safe and nurturing environment which develops responsible world citizens and promotes a positive self-image, creativity, sensitivity to others and multi-cultural awareness.

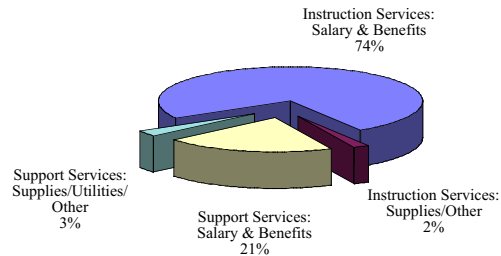
STAFF	FTE
Classroom Teacher - Regular Education	16.50
Classroom Teacher - Special Education	0.00
Other Teaching Staff (ESL, Music, Art, PE)	3.80
Teaching Assistant - Regular Education	0.00
Teaching Assistant - Special Education	0.00
Media Specialist	1.00
Other Support Services - Regular Education	0.50
Other Support Services - Special Education	*
School Principal	1.00
School Secretary/Library Aide	1.10
Custodian	3.00
Technical Assistant	0.50
Total - General	27.40
Grant/Other	0.00
TOTAL FTE	27.40

* We are unable to provide the most accurate FTE's per building under this category. Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$1,743,064
Supplies/Other	42,007
Sub Total	\$1,785,071
Support Services:	
Salary & Benefits	488,126
Supplies/Utilities/Other	67,669
Sub Total	\$555,795
Total	\$2,340,866



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: The Carpenter School community will create a nurturing environment in which each student is academically, socially, and emotionally prepared to face the future.

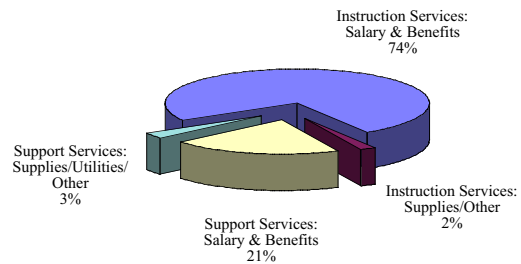
STAFF	FTE
Classroom Teacher - Regular Education	13.00
Classroom Teacher - Special Education	1.00
Other Teaching Staff (ESL, Music, Art, PE)	3.70
Teaching Assistant - Regular Education	0.00
Teaching Assistant - Special Education	1.20
Media Specialist	1.00
Other Support Services - Regular Education	0.00
Other Support Services - Special Education	*
School Principal	1.00
School Secretary/Library Aide	1.10
Custodian	2.62
Technical Assistant	0.50
Total - General	25.12
Grant/Other	1.80
TOTAL FTE	26.92

* We are unable to provide the most accurate FTE's per building under this category. Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:			
Salary & Benefits		\$1,591,671	
Supplies/Other		41,211	
	Sub Total	\$1,632,882	
Support Services:			
Salary & Benefits		444,172	
Supplies/Utilities/Other		60,063	
	Sub Total	\$504,235	
	Total	\$2,137,117	



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: It is the mission of Dicken School to carry out the goals and objectives of the Ann Arbor Public Schools. We want every student to learn to solve conflict and live harmoniously with one another and with the environment. It is imperative that we prepare students to impact positively on local, regional and national issues while perceiving a global aspect to actions they take. Bringing every student closer to achievement of this mission is our only acceptable outcome.

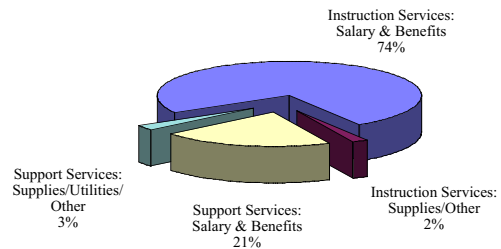
STAFF	FTE
Classroom Teacher - Regular Education	14.50
Classroom Teacher - Special Education	0.00
Other Teaching Staff (ESL, Music, Art, PE)	4.10
Teaching Assistant - Regular Education	0.00
Teaching Assistant - Special Education	2.00
Media Specialist	1.00
Other Support Services - Regular Education	0.20
Other Support Services - Special Education	*
School Principal	1.00
School Secretary/Library Aide	1.10
Custodian	2.38
Technical Assistant	0.50
Total - General	26.78
Grant/Other	0.00
TOTAL FTE	26.78

* We are unable to provide the most accurate FTE's per building under this category. Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$1,602,359
Supplies/Other	41,761
Sub Total	\$1,644,120
Support Services:	
Salary & Benefits	452,586
Supplies/Utilities/Other	54,371
Sub Total	\$506,957
Total	\$2,151,078



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: Eberwhite School and its community are committed to nurturing within each student the joy of lifelong learning through academic preparation, building positive self-esteem, and developing social responsibility.

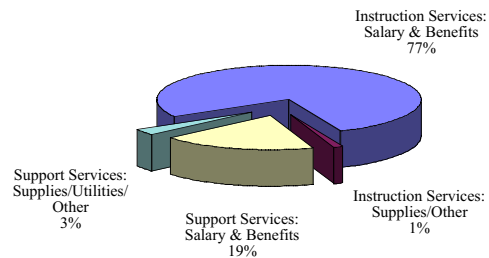
STAFF	FTE
Classroom Teacher - Regular Education	13.50
Classroom Teacher - Special Education	2.00
Other Teaching Staff (ESL, Music, Art, PE)	3.00
Teaching Assistant - Regular Education	0.00
Teaching Assistant - Special Education	5.00
Media Specialist	1.00
Other Support Services - Regular Education	0.20
Other Support Services - Special Education	*
School Principal	1.00
School Secretary/Library Aide	1.10
Custodian	2.50
Technical Assistant	0.50
Total - General	29.80
Grant/Other	0.00
TOTAL FTE	29.80

* We are unable to provide the most accurate FTE's per building under this category. Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$1,867,296
Supplies/Other	32,248
Sub Total	\$1,899,544
Support Services:	
Salary & Benefits	458,030
Supplies/Utilities/Other	73,516
Sub Total	\$531,546
Total	\$2,431,090



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: It is the mission of the Haisley School staff, in partnership with parents, and the community to provide each student the opportunity to grow academically, socially, and emotionally.

We believe all students can:

- * demonstrate proficiency in the academic skills
- * expand individual potential
- * express creativity
- * develop independence, responsibility, and a positive self image

We commit ourselves to the success of all students.

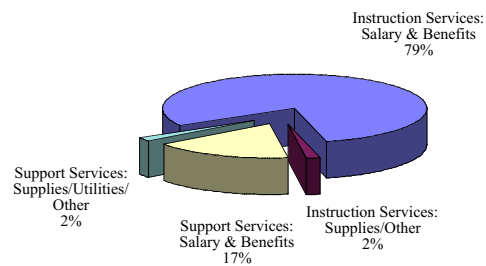
STAFF	FTE
Classroom Teacher - Regular Education	17.50
Classroom Teacher - Special Education	2.00
Other Teaching Staff (ESL, Music, Art, PE)	3.80
Teaching Assistant - Regular Education	0.00
Teaching Assistant - Special Education	12.50
Media Specialist	1.00
Other Support Services - Regular Education	0.70
Other Support Services - Special Education	*
School Principal	1.00
School Secretary/Library Aide	1.10
Custodian	2.62
Technical Assistant	0.50
Total - General	42.72
Grant/Other	1.00
TOTAL FTE	43.72

* We are unable to provide the most accurate FTE's per building under this category. Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$2,420,494
Supplies/Other	54,634
Sub Total	\$2,475,128
Support Services:	
Salary & Benefits	513,659
Supplies/Utilities/Other	62,968
Sub Total	\$576,627
Total	\$3,051,755



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: We believe that all students will reach their maximum potential as lifelong learners and people in a stimulating, positive and safe environment with the guidance, support, respect and cooperation of peers, parents, teachers, and staff. We continue to affirm the ideals of Martin Luther King, Jr. Our dream is to encourage each child to find value in him/herself now and in the future.

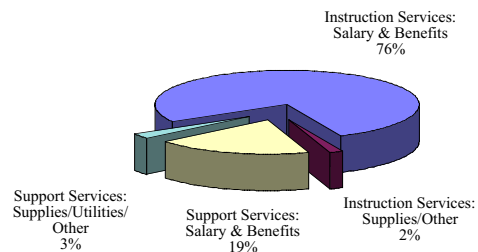
STAFF	FTE
Classroom Teacher - Regular Education	16.00
Classroom Teacher - Special Education	0.00
Other Teaching Staff (ESL, Music, Art, PE)	4.20
Teaching Assistant - Regular Education	1.00
Teaching Assistant - Special Education	0.00
Media Specialist	1.00
Other Support Services - Regular Education	0.30
Other Support Services - Special Education	*
School Principal	1.00
School Secretary/Library Aide	1.10
Custodian	2.62
Technical Assistant	0.50
Total - General	27.72
Grant/Other	0.00
TOTAL FTE	27.72

* We are unable to provide the most accurate FTE's per building under this category. Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$1,901,996
Supplies/Other	39,502
Sub Total	\$1,941,498
Support Services:	
Salary & Benefits	473,136
Supplies/Utilities/Other	62,434
Sub Total	\$535,570
Total	\$2,477,068



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: We are committed to developing and promoting a community of learners where each student will achieve academic excellence and demonstrate confidence, respect, and responsibility.

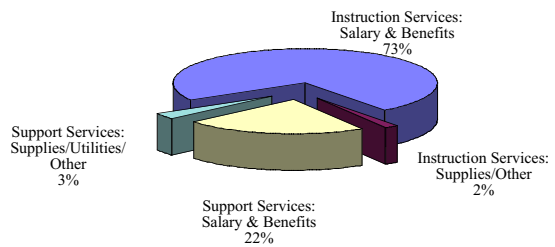
STAFF	FTE
Classroom Teacher - Regular Education	12.00
Classroom Teacher - Special Education	0.00
Other Teaching Staff (ESL, Music, Art, PE)	2.25
Teaching Assistant - Regular Education	0.00
Teaching Assistant - Special Education	3.00
Media Specialist	1.00
Other Support Services - Regular Education	0.00
Other Support Services - Special Education	*
School Principal	1.00
School Secretary/Library Aide	1.10
Custodian	2.00
Technical Assistant	0.50
Total - General	22.85
Grant/Other	0.00
TOTAL FTE	22.85

* We are unable to provide the most accurate FTE's per building under this category. Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$1,327,055
Supplies/Other	30,282
Sub Total	\$1,357,337
Support Services:	
Salary & Benefits	405,857
Supplies/Utilities/Other	54,523
Sub Total	\$460,380
Total	\$1,817,717



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: The Lawton School community believes that all students are unique, valuable and able to learn. Toward that end, the staff, parents and students of Lawton School, in cooperation with the community, are committed to offering learning opportunities which will enhance each student's ability to be self-assured, to participate effectively in a democratic society, to be creative problem solvers and lifelong learners. We will accept as evidence of the accomplishment of these goals, academic test scores, the level of student participation in meaningful activities and the stated opinions of Lawton families and staff that these goals are being achieved.

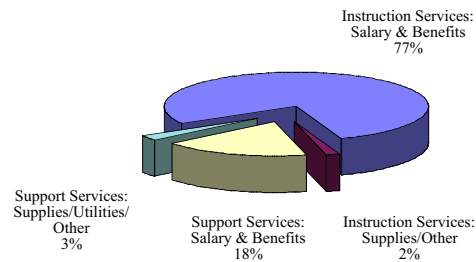
STAFF	FTE
Classroom Teacher - Regular Education	20.50
Classroom Teacher - Special Education	0.00
Other Teaching Staff (ESL, Music, Art, PE)	4.20
Teaching Assistant - Regular Education	0.00
Teaching Assistant - Special Education	3.00
Media Specialist	1.00
Other Support Services - Regular Education	0.60
Other Support Services - Special Education	*
School Principal	1.00
School Secretary/Library Aide	1.10
Custodian	3.00
Technical Assistant	0.50
Total - General	34.90
Grant/Other	0.00
TOTAL FTE	34.90

* We are unable to provide the most accurate FTE's per building under this category. Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$2,213,864
Supplies/Other	48,834
Sub Total	\$2,262,698
Support Services:	
Salary & Benefits	516,723
Supplies/Utilities/Other	71,330
Sub Total	\$588,053
Total	\$2,850,751



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: Logan School is committed to providing a safe and supportive learning environment. We strive to develop responsible behavior, personal growth, equitable learning opportunities for maximum student achievement, and parent/teacher/student partnership with multi-cultural participation. We believe tomorrow's leaders are being formed in today's classrooms.

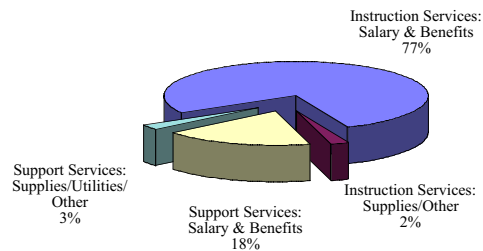
STAFF	FTE
Classroom Teacher - Regular Education	16.50
Classroom Teacher - Special Education	1.00
Other Teaching Staff (ESL, Music, Art, PE)	4.80
Teaching Assistant - Regular Education	0.00
Teaching Assistant - Special Education	6.50
Media Specialist	1.00
Other Support Services - Regular Education	0.50
Other Support Services - Special Education	*
School Principal	1.00
School Secretary/Library Aide	1.10
Custodian	2.80
Technical Assistant	0.50
Total - General	35.70
Grant/Other	0.00
TOTAL FTE	35.70

* We are unable to provide the most accurate FTE's per building under this category. Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$2,086,695
Supplies/Other	64,754
Sub Total	\$2,151,449
Support Services:	
Salary & Benefits	491,435
Supplies/Utilities/Other	70,985
Sub Total	\$562,420
Total	\$2,713,869



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: The Mitchell School community believes that each student comes with unique talents. We will nurture these by providing a foundation of basic skills in an environment which is conducive to developing self-disciplined students. We will guide these students to take responsibility for their actions, expand their knowledge and become lifelong learners.

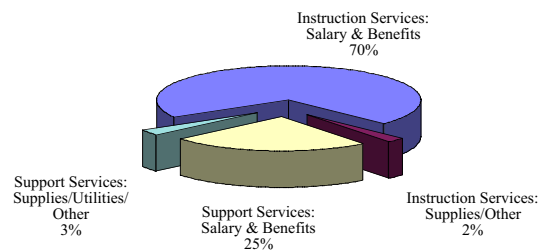
STAFF	FTE
Classroom Teacher - Regular Education	12.50
Classroom Teacher - Special Education	0.00
Other Teaching Staff (ESL, Music, Art, PE)	2.85
Teaching Assistant - Regular Education	0.00
Teaching Assistant - Special Education	3.00
Media Specialist	1.00
Other Support Services - Regular Education	0.20
Other Support Services - Special Education	*
School Principal	1.00
School Secretary/Library Aide	1.10
Custodian	2.38
Technical Assistant	0.50
Total - General	24.53
Grant/Other	3.00
TOTAL FTE	27.53

* We are unable to provide the most accurate FTE's per building under this category. Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$1,359,743
Supplies/Other	39,687
Sub Total	\$1,399,430
Support Services:	
Salary & Benefits	471,305
Supplies/Utilities/Other	52,677
Sub Total	\$523,982
Total	\$1,923,412



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: The mission of the staff and community of Northside Elementary School is to educate all students. We will assist all students in acquiring a full range of academic, artistic and social skills, while developing cultural sensitivity and healthy self-esteem. This will be accomplished in a supportive, challenging and safe environment. To maximize learning, all students will be provided with equitable and varied quality instruction and experiences. This will prepare them to become lifelong learners and participants in a complex and changing world.

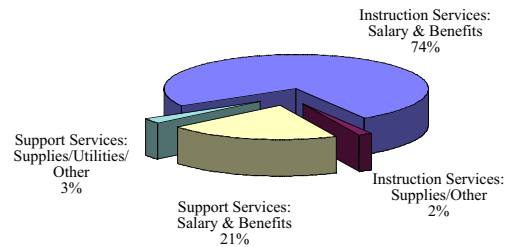
STAFF	FTE
Classroom Teacher - Regular Education	14.00
Classroom Teacher - Special Education	1.00
Other Teaching Staff (ESL, Music, Art, PE)	4.40
Teaching Assistant - Regular Education	0.00
Teaching Assistant - Special Education	3.00
Media Specialist	1.00
Other Support Services - Regular Education	0.30
Other Support Services - Special Education	*
School Principal	1.00
School Secretary/Library Aide	1.10
Custodian	3.00
Technical Assistant	0.50
Total - General	29.30
Grant/Other	3.50
TOTAL FTE	32.80

* We are unable to provide the most accurate FTE's per building under this category. Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$1,769,238
Supplies/Other	39,849
Sub Total	\$1,809,087
Support Services:	
Salary & Benefits	499,716
Supplies/Utilities/Other	61,180
Sub Total	\$560,896
Total	\$2,369,983



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: We will enable our students to become self-motivated, lifelong learners who value and who will successfully meet the challenges of the future.

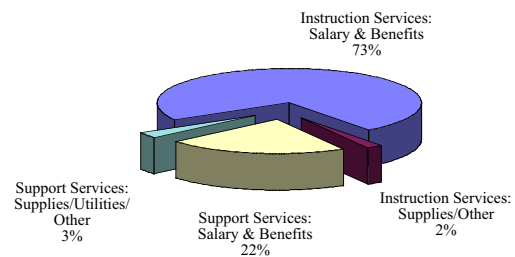
STAFF	FTE
Classroom Teacher - Regular Education	16.00
Classroom Teacher - Special Education	0.00
Other Teaching Staff (ESL, Music, Art, PE)	4.00
Teaching Assistant - Regular Education	0.00
Teaching Assistant - Special Education	2.00
Media Specialist	1.00
Other Support Services - Regular Education	1.00
Other Support Services - Special Education	*
School Principal	1.00
School Secretary/Library Aide	1.10
Custodian	3.00
Technical Assistant	0.50
Total - General	29.60
Grant/Other	1.16
TOTAL FTE	30.76

* We are unable to provide the most accurate FTE's per building under this category. Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$1,734,732
Supplies/Other	42,820
Sub Total	\$1,777,552
Support Services:	
Salary & Benefits	528,658
Supplies/Utilities/Other	64,071
Sub Total	\$592,729
Total	\$2,370,281



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: The mission of the Pittsfield School community is to continuously improve the achievement of all students.

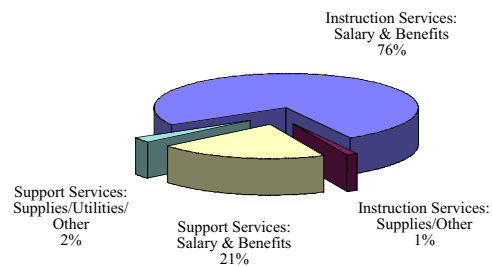
STAFF	FTE
Classroom Teacher - Regular Education	13.00
Classroom Teacher - Special Education	0.00
Other Teaching Staff (ESL, Music, Art, PE)	3.23
Teaching Assistant - Regular Education	0.00
Teaching Assistant - Special Education	4.00
Media Specialist	1.00
Other Support Services - Regular Education	0.05
Other Support Services - Special Education	*
School Principal	1.00
School Secretary/Library Aide	1.10
Custodian	2.00
Technical Assistant	0.50
Total - General	25.88
Grant/Other	2.00
TOTAL FTE	27.88

* We are unable to provide the most accurate FTE's per building under this category. Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$1,533,589
Supplies/Other	30,286
Sub Total	\$1,563,875
Support Services:	
Salary & Benefits	425,560
Supplies/Utilities/Other	50,792
Sub Total	\$476,352
Total	\$2,040,227



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: All children can learn. The Thurston community pledges to work together to monitor student achievement and to maintain a positive school and home environment which supports and challenges each student. Our goal is that children who leave our community will be self-motivated, life-long learners, prepared to accept the responsibilities of their world.

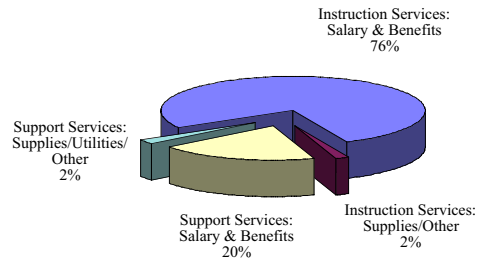
STAFF	FTE
Classroom Teacher - Regular Education	16.50
Classroom Teacher - Special Education	0.00
Other Teaching Staff (ESL, Music, Art, PE)	4.60
Teaching Assistant - Regular Education	0.00
Teaching Assistant - Special Education	3.00
Media Specialist	1.00
Other Support Services - Regular Education	1.30
Other Support Services - Special Education	*
School Principal	1.00
School Secretary/Library Aide	1.10
Custodian	2.38
Technical Assistant	0.50
Total - General	31.38
Grant/Other	0.00
TOTAL FTE	31.38

* We are unable to provide the most accurate FTE's per building under this category. Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$1,941,707
Supplies/Other	40,095
Sub Total	\$1,981,802
Support Services:	
Salary & Benefits	494,411
Supplies/Utilities/Other	57,807
Sub Total	\$552,218
Total	\$2,534,020



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: The mission of the Wines School community is to create for every student a joyful environment that stimulates lifelong learning and inspires respect for individual differences.

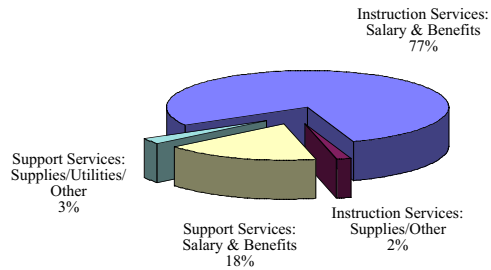
STAFF	FTE
Classroom Teacher - Regular Education	15.50
Classroom Teacher - Special Education	1.00
Other Teaching Staff (ESL, Music, Art, PE)	3.30
Teaching Assistant - Regular Education	0.00
Teaching Assistant - Special Education	5.00
Media Specialist	1.00
Other Support Services - Regular Education	0.20
Other Support Services - Special Education	*
School Principal	1.00
School Secretary/Library Aide	1.10
Custodian	2.62
Technical Assistant	0.50
Total - General	31.22
Grant/Other	0.00
TOTAL FTE	31.22

* We are unable to provide the most accurate FTE's per building under this category. Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$1,844,154
Supplies/Other	40,047
Sub Total	\$1,884,201
Support Services:	
Salary & Benefits	420,887
Supplies/Utilities/Other	60,094
Sub Total	\$480,981
Total	\$2,365,182



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: The mission of Ann Arbor Open @ Mack is to provide Ann Arbor Public School elementary and middle school students with an education based on the open school philosophy as an alternative to the district's mainstream program.

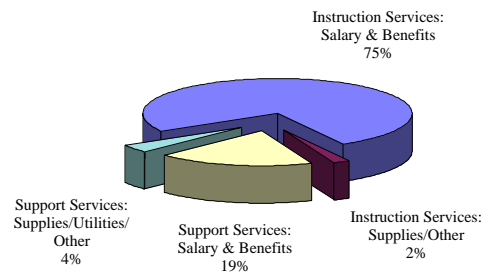
STAFF	FTE
Classroom Teacher - Regular Education	21.12
Classroom Teacher - Special Education	0.00
Other Teaching Staff (ESL, Music, Art, PE)	4.20
Teaching Assistant - Regular Education	0.00
Teaching Assistant - Special Education	1.00
Counselor	0.20
Media Specialist	1.00
Other Support Services - Regular Education	0.20
Other Support Services - Special Education	*
School Principal	1.00
School Secretary/Library Aide	1.10
Custodian	4.00
Technical Assistant	0.50
Total - General	34.32
Grant/Other	0.00
TOTAL FTE	34.32

* We are unable to provide the most accurate FTE's per building under this category. Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$2,180,273
Supplies/Other	52,138
Sub Total	\$2,232,411
Support Services:	
Salary & Benefits	548,013
Supplies/Utilities/Other	113,602
Sub Total	\$661,615
Total	\$2,894,026



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: It is the mission of Clague Middle School (students, parents and staff) to create, within a house structure, a positive, success-oriented learning environment, designed to meet the unique and challenging individual needs of all of our students. Our program provides a strong academic setting, a varied and rich exploratory program, and a nurturing advisory experience to help students develop a positive self-identity as they become successful, responsible and contributing members of society.

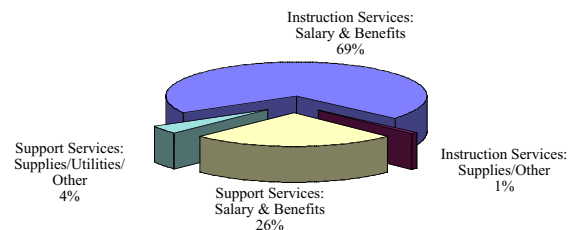
STAFF	FTE
Classroom Teacher - Regular Education	40.44
Classroom Teacher - Special Education	1.00
Other Teaching Staff (ESL, Music, Art, PE)	0.80
Teaching Assistant - Regular Education	1.00
Teaching Assistant - Special Education	7.00
Counselor	3.00
Media Specialist	1.00
Other Support Services - Regular Education	1.60
Other Support Services - Special Education	*
School Principal	2.00
School Secretary	4.00
Community Assistant/Other	1.00
Custodian	6.20
Technical Specialist/ Assistant	2.00
Total - General	71.04
Grant/Other	0.00
TOTAL FTE	71.04

*We are unable to provide the most accurate FTE's per building under this category. Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$3,916,755
Supplies/Other	42,421
Sub Total	\$3,959,176
Support Services:	
Salary & Benefits	1,432,718
Supplies/Utilities/Other	225,015
Sub Total	\$1,657,733
Total	\$5,616,910



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: The mission of the Forsythe Middle School is to provide effective instruction in all areas taught, develop abilities of all students, promote feelings of self-worth in all students, and prepare them for their ever-changing environments.

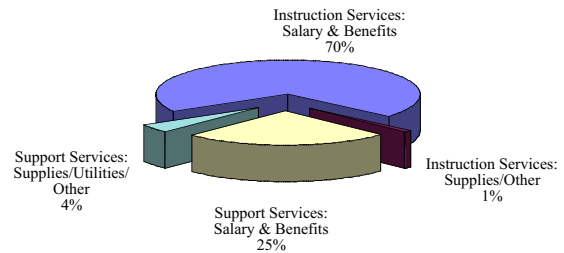
STAFF	FTE
Classroom Teacher - Regular Education	38.79
Classroom Teacher - Special Education	2.00
Other Teaching Staff (ESL, Music, Art, PE)	0.20
Teaching Assistant - Regular Education	1.00
Teaching Assistant - Special Education	14.00
Counselor	3.00
Media Specialist	1.10
Other Support Services - Regular Education	1.80
Other Support Services - Special Education	*
School Principal	2.00
School Secretary	4.00
Community Assistant/Other	0.00
Custodian	5.38
Technical Specialist/ Assistant	2.00
Total - General	75.27
Grant/Other	0.00
TOTAL FTE	75.27

*We are unable to provide the most accurate FTE's per building under this category. Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$4,002,556
Supplies/Other	67,795
Sub Total	\$4,070,351
Support Services:	
Salary & Benefits	1,451,306
Supplies/Utilities/Other	243,050
Sub Total	\$1,694,356
Total	\$5,764,707



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: Scarlett Middle School students, parents, and staff work together to ensure that all students will achieve beyond their own expectations in a safe and comfortable school environment.

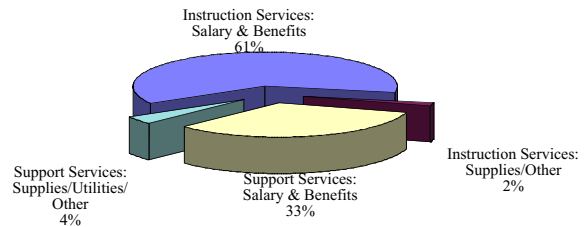
STAFF	FTE
Classroom Teacher - Regular Education	29.36
Classroom Teacher - Special Education	0.00
Other Teaching Staff (ESL, Music, Art, PE)	0.80
Teaching Assistant - Regular Education	0.00
Teaching Assistant - Special Education	7.00
Counselor	3.00
Media Specialist	1.00
Other Support Services - Regular Education	3.60
Other Support Services - Special Education	*
School Principal	2.00
School Secretary	4.00
Community Assistant	1.00
Custodian	7.00
Technical Specialist/ Assistant	2.00
Total - General	60.76
Grant/Other	1.60
TOTAL FTE	62.36

*We are unable to provide the most accurate FTE's per building under this category
Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$2,897,621
Supplies/Other	82,729
Sub Total	\$2,980,350
Support Services:	
Salary & Benefits	1,577,883
Supplies/Utilities/Other	185,395
Sub Total	\$1,763,278
Total	\$4,743,628



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: The faculty, staff and community of Slauson Middle School are committed to educational excellence, the development of self-esteem, and the cultivation of academic and social skills in a safe and supportive environment where respect for individual differences and the rights of others guide school behavior.

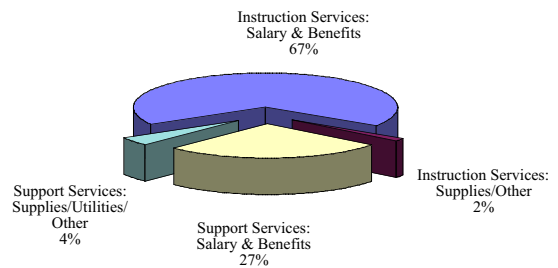
STAFF	FTE
Classroom Teacher - Regular Education	40.90
Classroom Teacher - Special Education	0.00
Other Teaching Staff (ESL, Music, Art, PE)	0.60
Teaching Assistant - Regular Education	0.00
Teaching Assistant - Special Education	8.00
Counselor	3.00
Media Specialist	1.10
Other Support Services - Regular Education	2.80
Other Support Services - Special Education	*
School Principal	2.00
School Secretary	4.00
Community Assistant/Other	0.00
Custodian	8.00
Technical Specialist/ Assistant	2.00
Total - General	72.40
Grant/Other	0.00
TOTAL FTE	72.40

*We are unable to provide the most accurate FTE's per building under this category
Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$3,994,825
Supplies/Other	96,227
Sub Total	\$4,091,052
Support Services:	
Salary & Benefits	1,592,193
Supplies/Utilities/Other	243,923
Sub Total	\$1,836,116
Total	\$5,927,168



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: To come together to design a school community where everyone will have fun, love learning, want to excel, achieve to their potential, and care for each other.

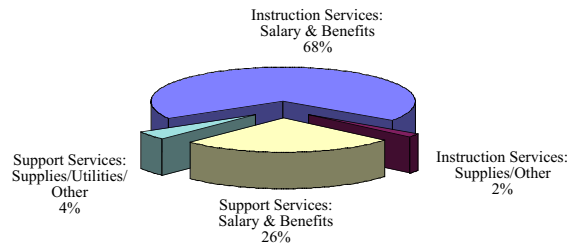
STAFF	FTE
Classroom Teacher - Regular Education	43.81
Classroom Teacher - Special Education	1.00
Other Teaching Staff (ESL, Music, Art, PE)	0.60
Teaching Assistant - Regular Education	0.00
Teaching Assistant - Special Education	7.00
Counselor	3.00
Media Specialist	1.30
Other Support Services - Regular Education	2.40
Other Support Services - Special Education	*
School Principal	2.00
School Secretary	4.00
Community Assistant/Other	1.00
Custodian	9.00
Technical Specialist/ Assistant	2.00
Total - General	77.11
Grant/Other	0.00
TOTAL FTE	77.11

*We are unable to provide the most accurate FTE's per building under this category
Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$4,086,709
Supplies/Other	95,944
Sub Total	\$4,182,653
Support Services:	
Salary & Benefits	1,594,417
Supplies/Utilities/Other	251,740
Sub Total	\$1,846,157
Total	\$6,028,810



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: Roberto Clemente is an alternative educational program which holds a belief in the dignity of each person and a respect for diversity within the "Clemente family." Clemente provides an atmosphere for growth -- intellectually, emotionally, socially, and physically through which individual students are allowed to develop their own strengths and talents and to use their gifts for the betterment of the home, school and community. Students are encouraged to build within themselves a stable set of skills and values which will provide an anchor in the information age of the 21st century.

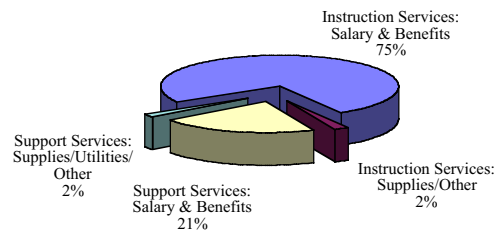
STAFF	FTE
Classroom Teacher - Regular Education	11.60
Classroom Teacher - Special Education	0.00
Other Teaching Staff (ESL, Music, Art, PE)	0.00
Paraprofessionals	5.00
Teaching Assistant - Special Education	0.00
Counselor	0.00
Media Specialist	0.20
Other Support Services - Regular Education	0.00
Other Support Services - Special Education	*
School Principal	1.00
School Secretary	1.00
Community Assistant	0.00
Custodian	2.00
Technical Specialist/ Assistant	0.75
Total - General	21.55
Grant/Other	0.00
TOTAL FTE	21.55

*We are unable to provide the most accurate FTE's per building under this category
Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$1,143,807
Supplies/Other	32,053
Sub Total	\$1,175,860
Support Services:	
Salary & Benefits	326,042
Supplies/Utilities/Other	29,079
Sub Total	\$355,121
Total	\$1,530,981



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement: Community High School is committed to fostering a learning environment addressing individual student needs and differences. We will prepare our students to be productive citizens, lifelong learners, and responsible, autonomous individuals. We embrace and support professional growth to provide exemplary education and foster growth within the educational community.

STAFF	FTE
Classroom Teacher - Regular Education	24.40
Classroom Teacher - Special Education	0.00
Other Teaching Staff (ESL, Music, Art, PE)	0.00
Teaching Assistant - Regular Education	NONE
Teaching Assistant - Special Education	1.50
Counselor	1.60
Media Specialist	1.00
Other Support Services - Regular Education	0.40
Other Support Services - Special Education	*
School Principal	1.00
School Secretary	5.13
Community Assistant	1.00
Custodian	3.00
Technical Specialist/ Assistant	1.00
Total - General	40.03
Grant/Other	0.00
TOTAL FTE	40.03

Note:

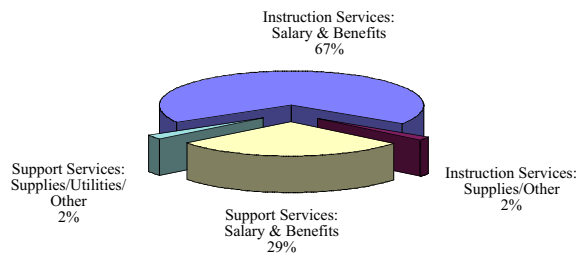
There are 455 students whose primary building is Community High School. However, there are an additional 332 students from Pioneer and Huron High Schools that take a class or community resource classes through Community; and approximately 100 Community students who take one or more classes at Huron or Pioneer.

*We are unable to provide the most accurate FTE's per building under this category
Please see SE 4096 Special Education Cost Report included in this document.

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$2,221,770
Supplies/Other	52,816
Sub Total	\$2,274,586
Support Services:	
Salary & Benefits	939,072
Supplies/Utilities/Other	77,399
Sub Total	\$1,016,471
Total	\$3,291,056



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

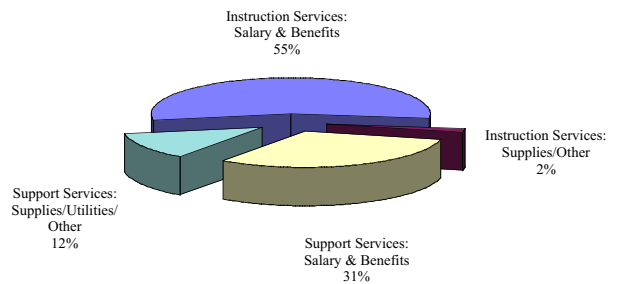
Mission Statement: The mission of Huron High School is to provide students with the environment and educational experiences that will empower them to take responsibility for their lives, their learning, and the world in which they live.

STAFF	FTE
Classroom Teacher - Regular Education	94.70
Classroom Teacher - Special Education	2.00
Classroom Teacher - Voc Education	5.50
Other Teaching Staff (ESL, Music, Art, PE)	1.40
Teaching Assistant - Regular Education	0.00
Teaching Assistant - Special Education	11.25
Counselor	8.00
Media Specialist	3.00
Other Support Services - Regular Education	5.20
Other Support Services - Special Education	11.30
Other Support Services - Voc Education	0.00
School Principal	7.00
School Secretary	13.50
Community Assistant	6.00
Career Resource Assistant	1.00
Custodian	22.00
Technical Specialist/ Assistant	3.00
Total - General	194.85
Grant/Other	0.00
TOTAL FTE	194.85

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$9,422,322
Supplies/Other	309,414
Sub Total	\$9,731,736
Support Services:	
Salary & Benefits	5,406,402
Supplies/Utilities/Other	2,104,267
Sub Total	\$7,510,669
Total	\$17,242,405



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

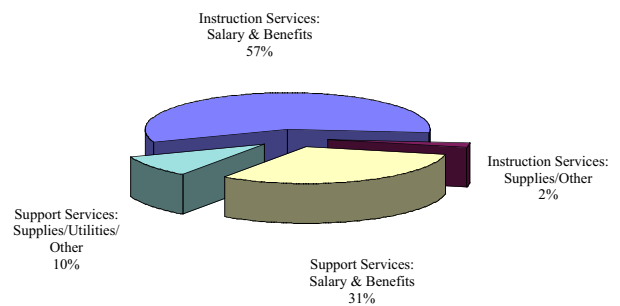
Mission Statement: Pioneer High School will provide an environment which educates, guides, and inspires all students to become responsible individuals.

STAFF	FTE
Classroom Teacher - Regular Education	120.90
Classroom Teacher - Special Education	3.00
Classroom Teacher - Voc Education	5.20
Other Teaching Staff (ESL, Music, Art, PE)	1.20
Teaching Assistant - Regular Education	0.00
Teaching Assistant - Special Education	11.00
Counselor	10.60
Media Specialist	3.00
Other Support Services - Regular Education	3.00
Other Support Services - Special Education	16.80
Other Support Services - Voc Education	0.00
School Principal	8.00
School Secretary	17.50
Community Assistant	10.00
Career Resource Assistant	1.00
Custodian	22.00
Technical Specialist/ Assistant	3.00
Total - General	236.20
Grant/Other	0.00
TOTAL FTE	236.20

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:			
Salary & Benefits		\$11,763,181	
Supplies/Other		414,727	
	Sub Total	\$12,177,908	
Support Services:			
Salary & Benefits		6,478,133	
Supplies/Utilities/Other		1,987,874	
	Sub Total	\$8,466,007	
	Total	\$20,643,914	



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

Mission Statement of Project Education: To participate in honest and meaningful student/staff relationships, provide excellent teaching and offer solid support so that each student:

- * *feels accepted and valued;*
- * *discovers the power in knowledge;*
- * *experiences learning as vital and real;*
- * *makes health life choices.*

Mission Statement of Adult Education: The AAPS Adult High School will provide a program that furnishes students with the academic means to achieve self-realization, economic independence and community responsibility.

STAFF	Adult Ed FTE	Project Ed FTE
Classroom Teacher	1.80	9.80
Counselor	0.60	2.00
Other Support Services - Special Education	0.00	1.00
School Principal	0.50	0.50
School Secretary	0.50	1.50
Community Assistant	0.50	0.50
Custodian	0.50	0.50
Technical Specialist/ Assistant	0.37	0.38
TOTAL FTE	4.77	16.18

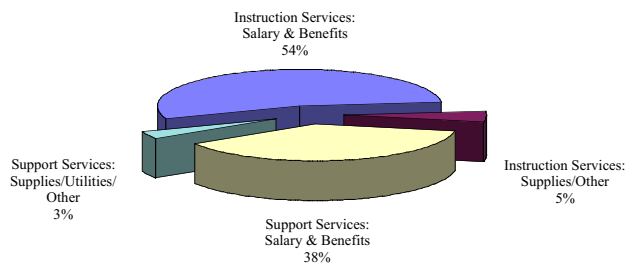
NOTE: Includes grant-funded positions:
 Adult Ed Teacher 1.0
 Adult Ed Secretary .5
 1.5

(Headcount for Adult Education is high compared to its total FTE, since students are permitted to take only one class at a time.)

SCHOOL BUDGET

(Please refer to the glossary for definitions of Instruction Services and Support Services.)

Instruction Services:	
Salary & Benefits	\$936,681
Supplies/Other	83,030
Sub Total	\$1,019,711
Support Services:	
Salary & Benefits	661,675
Supplies/Utilities/Other	55,780
Sub Total	\$717,455
Total	\$1,737,166



NOTES:

1. Excludes funds from other sources such as grants, donations, etc.
2. Also excludes transportation, business services, general administration costs, instructional staff services, building maintenance and the central services. These costs are included in the detailed budget expenditure section.

GLOSSARY

Administrators	Any FTE employee who is primarily engaged in activities which have as their purpose the general regulation, direction and control of the affairs of the school district that are system-wide and not confined to one school, subject, or narrow phase of school activity.
Benefits	Includes mandatory and contractual additions (benefits) to salary. Mandatory benefits include FICA and retirement. Non-mandatory benefits include health, life, dental, vision insurance, compensated absences (vacation/sick), etc.
Blended Membership Count	The number of pupils counted in the schools in February (previous fiscal year) and September (current fiscal year). A blend of these counts determine the number of pupils eligible for foundation guarantee funding.
Categorical Funding	Revenues specifically identified in the state aid act or other state law which must be used for a specific purpose. Often, if this money is not completely used, it is required to be refunded to the state. Many categoricals are paid based on estimates and must be adjusted or carried over once actual costs are known.
Enhancement Mills	Up to 3 mills can be levied. Beginning July 1, 1997, it became an ISD-wide vote and levy. Specific use is determined by ballot language.
Foundation Allowance	A funding formula providing for a per pupil distribution of State Aid based on the district's previous combined state and local revenue and the growth in the state's State Aid Fund and legislative action. Since determined in 1994 growth can only occur by legislative action.
FTE	Full time equivalent. Refers to employees (personnel on the school payroll) or pupils of the district. [Two part-time employees working 50% of the normal hours for a particular position represent one (1) FTE.]

Headlee Rollback

A district's taxable value (TV) (after adjusting for new property additions or losses) should not increase faster than the inflation rate. The Headlee legislation rolls back the maximum authorized millage rate to the extent that the total TV increases more than the rate of inflation. It does not apply to a debt millage. The Headlee millage reduction fraction compounds each year.

Hold Harmless Millage

Also known as Supplemental millage. Additional local operating millage approved by the voters of the district, for districts which require additional millage to fund the foundation allowance. This millage is levied first on homesteads. [If more than 18 homestead mills are required, the additional mills are levied on homestead and non-homestead property until the revenue guarantee is obtained.]

Homestead Property

Any dwelling, or unit in a multiple-unit dwelling, that is owned and occupied as a principal residence of the owner and includes other contiguous, unoccupied parcels owned by the owner of the homestead. Leasing less than 50% of a homestead to another person as a residence does not disqualify the property as a homestead. The owner must be an individual.

Instruction Services

These are services which are associated with direct instruction to students. Included are: classroom teachers, teaching specials, teacher assistants, ESL, special education, vocational education teachers, etc. Costs that can be attributed to Instruction Services are classroom teacher salaries and benefits (fringe insurances, FICA, retirement), substitute teacher costs, supplies/materials, textbooks, audio visual materials, computers, and equipment, workshops, field trips and other costs related to direct interaction between students and teachers.

ISD Funding

ISD's also receive a foundation allowance to fund general operation. In addition, they usually receive funding for special education and vocational education from the State of Michigan.

Local Assessed Valuation

The value placed upon each piece of property by the local assessor within his/her jurisdiction.

Millage

The rate of taxation applied to the taxable value representing 1/1000 of a dollar.

Non-Homestead Property

Any dwelling, that is not owned and occupied as a principal residence by the owner, i.e., commercial, industrial or rental of second homes.

Non-Homestead Millage

A local operating millage approved by the voters of the district on property where a homestead exemption has not been granted. For most districts, 18 non-homestead mills are levied.

Other Support Staff

Any FTE employee who, in general, does not supervise another employee and who provides logistical support to facilitate and enhance instruction. Responsibilities include, but are not limited to, preparing, transferring, transcribing, systematizing, or preserving written communications and records.

Proposal A

An amendment to the State Constitution of 1963 voted by Michigan voters on March 15, 1994, which became effective April 30, 1994.

- A. Limits increase in the "taxable value" of property in 1995 and each year thereafter to increases in the "general price levy" or five percent (5%), whichever is less, until ownership is transferred.
- B. Requires that any law that increases the statutory limits, in effect on February 1, 1994, on the maximum amount of property taxes that may be levied for school district operating purposes, obtain the approval of 3/4 of both the House and Senate.
- C. Mandated a two percent (2%) increase in the state sales tax with the proceeds dedicated to the state school aid fund (from 4% to 6%).
- D. Guarantees each local school district that the total state and local per pupil revenues for operating purposes in 1995-96 and each year thereafter will not be less than 1994-95 so long as the local school district's millage rate levy is not less than the 1994 levy.

Reserves (Fund Equity)

Funds set aside in a school district budget to provide for future expenditures or to offset future losses, for working capital (cash flow) or for other purposes.

Salaries	The total amount regularly paid or stipulated to be paid to an individual, before deductions for personal services rendered while on the payroll of the school district. Payments for sabbatical leave are also considered salary.
Sinking Funds	Up to 5 mills for the purpose of creating a sinking fund to be used for the purchase of real estate sites for, and the construction or repair of school buildings.
State Equalized Value	The value attached to the property listings of an assessing unit by the State Tax Commission in order to equalize assessments at 50 percent of true cash value on a statewide basis.
State Wide Millage	Six mills levied by the State on all property with the proceeds dedicated to the State's State Aid Fund.
Step Increase	The automatic increase in salary based on number of years of service and/or educational degrees obtained. The step increase is in addition to any negotiated contractual salary increase. A step increase continues for 5-13 years, depending on the bargaining unit.
Supervisors and Coordinators	Any employee who supervises or coordinates another employee. These staff provide supervisory, technical or logistical support to facilitate and enhance instruction.
Support Services	These are services which provide administrative, technical, and logistical support to facilitate and enhance instruction. These services supplement the fulfillment of the objectives of instruction. Costs that can be attributed under the support services categories are: Salaries and benefits for media specialists, counselors, auxiliary service staff like psychologists, speech therapists; school and central administrators' salaries and benefits, secretaries, bus drivers, monitors, custodians, maintenance personnel. Non-salary costs such as workshops conferences, office supplies, printing of materials, postage, payroll and accounts payable checks, maintenance equipment, etc. Utilities costs such as water, electricity, heat and gas, telephone, security service are also under the support service category.

Taxable Value

Property value used for determining the amount of property tax levied on each parcel. Different from the State Equalized Value due to per parcel limits on property value increases (per Proposal A).

Teachers

Any contractual employee who provides direct permanent instruction to pupils. (Does not include substitute teachers.)

No person shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination in any educational program or activity available in any school on the basis of race, color, sex, religion, creed, political belief, age, national origin, linguistic and language differences, sexual orientation, socio-economic status, height, weight, marital or familial status, or disability. Policy #5145.9, Adopted: 7/29/81; Revised: 9/9/98.