A workshop meeting of the Board of Education of the Midland Public Schools, Midland, Michigan, was held at the Midland Public Schools Administration Center, 600 E. Carpenter Street, Midland, Michigan, on Monday, April 30, 2012, beginning at 3:00 p.m. in accordance with the requirements of the Revised School Code, MCL 380.1 et seq, effective July 1, 1996, and the policies established in How Midland Schools Work.

CALL TO ORDER: ROLL CALL

Board members present: President Mault,
Vice President Wasserman,
Secretary Baker,
Treasurer Ohle,
Member Brandstadt,
Member Gorton,
Member Kaminski

Central staff present: Superintendent Ellinger,
Assistant Superintendent Verlinde,
Associate Superintendent Cline,
Associate Superintendent Ellison

Visitors present: 4 staff, citizens and guests

President Mault called the meeting to order at 3:00 p.m.

Mr. Ellinger greeted the Board and guests and stated the purpose of the budget workshop was to set parameters for the presentation of the 2012-13 General Fund budget.

Mr. Ellinger and Mr. Verlinde introduced Mr. Blake Sobol, newly hired Director of Technology to the members of the Board of Education.

BOARD DISCUSSION AND PRIORITIZATION FOR 2012-13 GENERAL FUND BUDGET

2.1 District Vision:
• Commit ourselves to world class standards
• Remain agile and flexible to adapt to challenges in the changing world
• Continue to be strong and financially stable
• Partner differently with families, businesses

Mr. Ellinger updated the Board with regard to the New Tech process as well as the status of our current millages, including the sinking fund and the future of Midland Public Schools.

Mrs. Cline reviewed spending cuts Midland Public Schools’ has made in recent years.

2.2 2011-12 Year Budget Review/Assumptions:
• Available Fund Balance June 30, 2011: $13,500,404
• Mid-year (February) amended budget shows a shortfall of $4,553,618
• The amended budget reflects additional ongoing revenues of $854,761 and one time additional funding of $1,898,456.
• Additional expenses for the current year: ongoing of $65,000; one time of $844,000.
• Current expenditures are running 1.4% higher than they were last year at this time because we significantly tightened up our budget last year at this time
• Expect audited financial deficit to be $2.8 million at the 98 percent of budget level
• Anticipate approximately $10,683,050 million in available Fund Balance after 2011-12 school year

2.3 2012-13 Budget Assumptions:
• MPS projected enrollment for budget planning is 8,069, down 132 students
• Foundation allowance of $8,141/$8,257 per pupil depending on which state budget is adopted, which means $966,000 less in foundation revenue because of decreased enrollment
• Employee retirement rates will increase to 27.37% for 2012-13 and anticipated to increase to approximately 31% for 2013-14
• Anticipated ESA special education bill back costs $1,583,202
• Anticipated expenses rising $4,845,559 for 2012-13
• Anticipate $7,253,413 million shortfall over next two years if no budget reductions are made
• Anticipated available fund balance depending on which state budget is adopted will range from $2.7 million to $3.7 million after 2012-13 school year

2.4 Projections beyond 2012-13:
• In 2013-14 the expected change in the kindergarten entry age from December 1 to September 1, could mean a total loss of enrollment of 300-400 students
• Statewide effort to address funding equity will continue to negatively impact MPS
• Retirement reform could mean significant changes

2.5 Fund Balance Policy Options
• Will be discussed at a future board meeting.

2.6 Next Steps – the 2012-13 budget will be presented officially on:
• June 11, 2012 – Budget Hearing
• June 25, 2012 – Budget Adoption
3.1 **CLOSED SESSION**

At 5:02 p.m. Kaminski/Ohle moved that the Board go into Closed Session for the purpose of discussing negotiation matters. A roll call vote was taken to go into closed session. Motion carried by those members present (7-0). Discussions relative to negotiations took place.

At 7:19 p.m. Ohle/Wasserman moved to end the Closed Session and reconvene the Regular Meeting of the Board of Education. Motion carried by those members present (7-0).

4. **ADJOURNMENT**

The meeting was adjourned at 7:19 p.m.

President ______________________________
Ken Mault

Vice President ______________________________
Gerald Wasserman

Approved by the Board on:

C. Young 14-May-2012