STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

RICK SNYDER
GOVERNOR

MICHAEL P. FLANAGAN
STATE SUPERINTENDENT

June 16, 2015

Michelle Cline, Superintendent
Darlene Jablonowski, Board President
Garden City School District
1333 Radcliff Street
Garden City, MI 48135-1126

Dear Superintendent Cline and Board President Jablonowski:

Thank you for the submission of your district's Deficit Elimination Plan (DEP) as developed by the district and approved by the local board of education. The Michigan Department of Education (MDE) has approved this plan based on contingencies, which are listed below. Attached is a one page summary of the DEP from your electronic submission.

The DEP developed by the district is largely dependent on staff reductions. The MDE expects that the projected staff reductions will take place according to the schedule detailed in the DEP. Further, MDE expects that if the district is unable to realize its own planned reductions as outlined in the Plan, it will immediately institute other expenditure reductions in order to maintain the schedule of deficit elimination detailed in the DEP.

The DEP is also dependent on wage concessions equivalent to 15% from the GCEA. Normally MDE would require a tentative agreement between the district and the GCEA in this situation. However, since the district and GCEA are in fact finding, MDE will approve the plan as submitted. If the impending agreement between the district and GCEA differs from the assumptions used in the DEP, the district is required to submit a revised DEP to the MDE within two weeks of the date of the agreement.

Additionally, this Plan assumes that the MPSERS cost offset given to districts will continue. MDE expects that if the offset is not offered, the district will immediately institute expenditure reductions in order to maintain the schedule detailed in the DEP.

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Finally, this plan assumes that the per pupil foundation will increase in each year of the plan. If the foundation increase does not occur as detailed in the DEP, the MDE expects that the district will institute expenditure reductions in order to meet the fund balance targets in the plan.

The district is required to meet the fund balance targets in this DEP. Failure to meet these deficit reduction targets will invalidate the plan. Department approval is granted based on the following contingencies:

- The district is required to reduce projected expenditures to the levels detailed in this Plan. If the district is unable to achieve its planned staff reductions, it will be expected to immediately reduce expenditures in other categories in order to meet the fund balance targets in its Plan.

- If the impending agreement between the district and GCEA differs from the assumptions used in the DEP, the district is required to submit a revised DEP to the MDE within two weeks of the date of the agreement.

- The district is required to reduce projected expenditures in any year where the district's actual foundation is below the levels assumed in this plan.

- The district is required to immediately reduce projected expenditures if the district does not receive the MPSERS cost offset assumed in this Plan. Failure to meet targeted deficit reduction in any year of this DEP will invalidate this Plan.

- The district is required to post a link to this approved DEP on its website within 30 days of this approval letter. The link should be posted on the budget transparency page, in the form and manner found in the transparency guidance.

- The district is required to submit any revisions made to the current year budget along with the corresponding board resolution adopting the revised budget. If the budget revision impacts the DEP, the DEP should be revised and submitted as well. Revisions must be submitted no later than one week after they are adopted by the board.

- The district is required to submit Monthly Budgetary Control Reports to the Department. Please use the tab labeled "Month1Summary2016" of the electronic DEP form used to prepare your DEP for this purpose.

- If a deficit continues to exist at fiscal year end 2015-16, the district will be required to submit an updated DEP by July 31, 2016, or 30 days after the state school aid budget is passed, whichever comes later.

- The district is required to submit its pupil count information no later than one week after the 2015-16 fall count.

In addition to the standard two years, the district has requested an additional three years to eliminate the deficit. Districts that require additional time to eliminate the deficit are subject to strict monitoring of their adherence to the plan. It is important, therefore, that the district implements the strategies included in the plan and submits monthly budgetary control reports on time. The approval of this plan should also be considered approval of your request for an extension of time to eliminate the deficit.

Please notify us if significant changes occur which would invalidate this plan as approved.

Please contact Jeff Kolb at (517) 373-1908 or kolbj2@michigan.gov, or Chad Urchike at (517) 335-1261 or urchikec1@michigan.gov, if you have any questions.

I look forward to your submissions and continued cooperation.

Sincerely,

Daniel M. Hanrahan

Daniel M. Hanrahan, Director
Office of State Aid and School Finance

cc: Andrew McMechan, Chief Financial Officer, Garden City School District
Sarah Roffi, Vice President, School District Board of Education
Patrick McNally, Secretary, School District Board of Education
John Thackaberry, Treasurer, School District Board of Education
Lynette Childress, Trustee, School District Board of Education
Linda Williams, Trustee, School District Board of Education
Jen VanDeWater, Trustee, School District Board of Education
Steve Ezikian, Interim Superintendent, Wayne RESA
Kyle Guerrant, Deputy Superintendent, Michigan Department of Education
Jeff Kolb, Financial Specialist, Office of State Aid and School Finance
Local Audits Unit, Michigan Department of Treasury

Garden City Public Schools

Account		Preliminary Actual 2014-15	Budgeted 2015-16	Yearly Increase (Decrease)	% Increase (Decrease)	Estimated 2016-17	Yearly Increase (Decrease)	% Increase (Decrease)	Estimated 2017-18	Yearly Increase (Decrease)	% Increase (Decrease)	Estimated 2018-19	Yearly Increase (Decrease)	% Increase (Decrease)
	Beginning Fund Equity:	($606,710)	($3,920,595)			($2,248,624)			($1,228,388)			($455,731)		
	Add: Revenues													
11x	Local Sources	$3,831,639	$3,831,639	$0	0.00%	$3,831,639	$0	0.00%	$3,831,639	$0	0.00%	$3,831,639	$0	0.00%
51x	Local Rec'd Thru Another Public Sch.	$722,267	$722,267	$0	0.00%	$722,267	$0	0.00%	$722,267	$0	0.00%	$722,267	$0	0.00%
2xx	Other Political Sub.	$0	$0	$0	0.00%	$0	$0	0.00%	$0	$0	0.00%	$0	$0	0.00%
3xx	State Sources	$38,566,708	$37,152,356	($1,414,352)	-3.67%	$36,155,531	($996,825)	-2.68%	$35,191,495	($964,036)	-2.67%	$34,212,467	($979,028)	-2.78%
4xx	Federal Sources	$2,147,245	$2,147,245	$0	0.00%	$2,147,245	$0	0.00%	$2,147,245	$0	0.00%	$2,147,245	$0	0.00%
52x-6xx	Incoming Transfers & Other	$3,163,910	$3,121,330	($42,580)	-1.35%	$2,831,330	($290,000)	-9.29%	$2,831,330	$0	0.00%	$2,831,330	$0	0.00%
	TOTAL REVENUES,ETC.	**$48,431,769**	**$46,974,837**	($1,456,932)	-3.01%	**$45,688,013**	($1,286,825)	-2.74%	**$44,723,977**	($964,036)	-2.11%	**$43,744,949**	($979,028)	-2.19%
	TOTAL RESOURCES AVAILABLE	**$47,825,059**	**$43,054,242**	($4,770,818)	-9.98%	**$43,439,388**	$385,146	0.89%	**$43,495,589**	$56,201	0.13%	**$43,289,218**	($206,371)	-0.47%
	Less: Expenditures													
1xx	Classroom Inst.	$26,770,159	$23,033,215	($3,736,944)	-13.96%	$22,434,790	($598,425)	-2.60%	$21,804,454	($630,336)	-2.81%	$21,006,228	($798,225)	-3.66%
	Support Services:													
21x	Pupil	$3,426,079	$2,915,655	($510,424)	-14.90%	$2,906,800	($8,855)	-0.30%	$2,898,095	($8,705)	-0.30%	$2,889,543	($8,552)	-0.30%
22x	Inst. Staff	$2,234,637	$1,907,638	($326,999)	-14.63%	$1,902,654	($4,984)	-0.26%	$1,897,759	($4,895)	-0.26%	$1,892,954	($4,805)	-0.25%
23x	Gen. Adm.	$650,668	$509,490	($141,178)	-21.70%	$507,111	($2,378)	-0.47%	$504,741	($2,371)	-0.47%	$502,378	($2,363)	-0.47%
24x	Sch. Adm.	$2,934,169	$2,651,087	($283,082)	-9.65%	$2,641,979	($9,108)	-0.34%	$2,633,014	($8,965)	-0.34%	$2,624,193	($8,820)	-0.33%
25x	Business	$1,032,039	$978,723	($53,316)	-5.17%	$976,742	($1,980)	-0.20%	$974,806	($1,936)	-0.20%	$972,915	($1,891)	-0.19%
26x	Operation & Maintenance	$3,927,851	$3,714,380	($213,471)	-5.43%	$3,712,861	($1,519)	-0.04%	$3,711,364	($1,497)	-0.04%	$3,709,891	($1,473)	-0.04%
27x	Transportation	$1,719,790	$1,282,771	($437,019)	-25.41%	$1,282,416	($355)	-0.03%	$1,282,076	($340)	-0.03%	$1,281,751	($325)	-0.03%
28x	Central	$1,653,940	$1,452,203	($201,737)	-12.20%	$1,448,760	($3,443)	-0.24%	$1,445,381	($3,379)	-0.23%	$1,442,067	($3,314)	-0.23%
29X	Other	$498,371	$473,538	($24,833)	-4.98%	$472,498	($1,040)	-0.22%	$471,468	($1,030)	-0.22%	$470,448	($1,020)	-0.22%
3xx	Community Services	$556,952	$493,167	($63,785)	-11.45%	$490,165	($3,002)	-0.61%	$487,163	($3,002)	-0.61%	$484,161	($3,002)	-0.62%
41,42,43	Outgoing Transfers	$68,500	$68,500	$0	0.00%	$68,500	$0	0.00%	$68,500	$0	0.00%	$68,500	$0	0.00%
45x	Facilities Acq	$522,500	$2,500	($520,000)	-99.52%	$2,500	$0	0.00%	$2,500	$0	0.00%	$2,500	$0	0.00%
51x	Debt Service	$50,000	$120,000	$70,000	140.00%	$120,000	$0	0.00%	$70,000	($50,000)	-41.67%	$70,000	$0	0.00%
6xx	Fund Modifications	$5,700,000	$5,700,000	$0	0.00%	$5,700,000	$0	0.00%	$5,700,000	$0	0.00%	$5,700,000	$0	0.00%
	TOTAL EXP. & OUTGOING TRANSFERS	**$51,745,655**	**$45,302,866**	($6,442,789)	-12.45%	**$44,667,776**	($635,090)	-1.40%	**$43,951,320**	($716,456)	-1.60%	**$43,117,529**	($833,791)	-1.90%
	ENDING FUND BALANCE	($3,920,595)	($2,248,624)	$1,671,971	-42.65%	($1,228,388)	$1,020,236	-45.37%	($455,731)	$772,657	-62.90%	**$171,689**	$627,420	-137.67%