

Cal

VOTE! Tuesday, May 2
7:00 AM - 8:00 PM

Communicator

Preserving Tradition, Pursuing Excellence

Special Edition 2017



CURRICULUM

We Value...

the implementation of a comprehensive curriculum to prepare our students for college and career readiness.

CLIMATE

We Value...

a learning environment that promotes the physical, social and emotional well being for each student.

CHARACTER

We Value...

the opportunity to shape each student by modeling integrity, intentionally teaching character traits and encouraging a strong work ethic.

COMMUNITY

We Value...

our community as a vital component of the educational process. Our success is defined by the strength of our community.

The 4 Cs are based on research by Ernest Boyer and the Carnegie Foundation.

Communications

from Superintendent Randy Rodriguez



Dear Caledonia Family and Friends,

We would like to inform the Caledonia community of the Strong Schools, Strong Communities proposal to establish a stable, reliable source of funding for West Michigan school districts. Every parent can agree that it is critical to provide our kids with a high-quality education. This proposal will ensure our students have the opportunity to learn, achieve and be college and career ready.

Many of you are aware that school districts across West Michigan, including Caledonia Community Schools, have taken steps to tighten their belts, find efficiencies, cut costs, reduce staff and consolidate services. Last year alone, Caledonia implemented approximately \$800,000 in budget reductions, impacting classroom size. Despite these efforts, too many local school districts and communities continue to struggle to maintain the quality education our students deserve.

All 20 school districts within the Kent Intermediate School District have made the formal request to the Kent ISD to place the Strong Schools, Strong Communities proposal on the May 2, 2017 ballot. Voters will be asked to approve a 0.9 millage, which for the homeowner of a \$200,000 home will cost the homeowner approximately \$90 a year.

If approved, all millage dollars will be collected by Kent ISD and distributed equally on a per pupil basis to each local school district. Our school district will be able to use these resources to meet the unique needs of our students and provide high-quality classroom instruction. Again, 100 percent of funds from this proposal will be spent on students and classroom instruction. Moreover, all spending will be publicly disclosed on a website and independent audits will be performed to ensure transparency, accountability and that taxpayer dollars are spent wisely.

This edition of the Cal Communicator serves as a financial transparency report to share details regarding funding sources, expenses, and financial trends for the Caledonia Community School District.

Sincerely,

A handwritten signature in black ink that reads "Randy Rodriguez". The signature is written in a cursive, flowing style.

Superintendent

Preserving Tradition ~ Pursuing Excellence

REVENUE SOURCES

*Funding our students today...
...for a stronger tomorrow.*

STUDENT ENROLLMENT

Student enrollment is the primary source of revenue for all public schools in Michigan. Each school receives a state "foundation grant" per pupil. Caledonia currently receives \$8200 per pupil. By contrast, in 2006 - 2007 Caledonia received \$8235 per pupil. Our foundation grant declined over the years, and has not made it back to the same level of funding for 10 years.

STATE FUNDING

(2x Formula)

Each year the state creates its annual budget and determines how much money will be distributed to public schools. In an attempt to equalize funding over the past 5 years, the state has used a "2x formula" to distribute those funds. Some schools received "x", while other schools receive "2x". Caledonia is one of four districts within Kent County that receive "x" each year. For example, Caledonia may receive \$60 per pupil increase, while another district will receive \$120 per pupil. Our average increase per pupil over the past 5 years is roughly \$56 per pupil, or less than 1% per year.

STUDENT GROWTH

Caledonia Community Schools has been one of the few public school districts that has continued to generate student growth over the years. This student growth has been our saving grace as it has allowed Caledonia to maintain programs for our students.

GRANTS

Caledonia applies for, and receives, federal and state grants to assist our district with additional funding. Current examples include the PARS Grants that we are currently using for staff development at Kraft Meadows Middle School and Duncan Lake Middle School. We also just received a grant from the Michigan Department of Education which has allowed us to employ two part time literacy coaches.

BONDS

Schools can pass local bonds to empower schools to complete capital projects. These funds can only be used for construction, renovations, site improvements and technology. We are currently completing projects from our 2014 bond. That bond allowed us to add an additional school facility, develop safety vestibules for all of our schools, conduct site improvements at all of our campuses, and replace technology infrastructure and devices for students.

SINKING FUND

Sinking funds are a tax based revenue that schools can request from their voters to assist with annual capital projects and technology. Caledonia has never asked our voters for such a millage and currently does not have a sinking fund. Districts who have such a fund, collect taxes annually and can use those funds for capital projects such as building repairs and maintenance.

SCHOOLS OF CHOICE

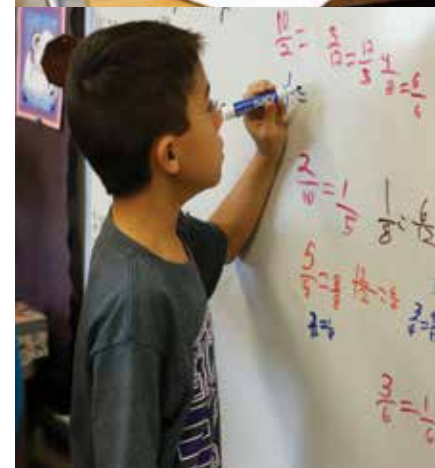
By state law, we must participate in a schools of choice program annually. We have welcomed in students from neighboring districts who had a desire to attend schools within our school system. Over the past 4 years we have reduced our schools of choice students by roughly 4 percent. During lean years, schools of choice students helped provide needed growth to maintain programs for our students. Schools of choice students fill gaps created by students who live in Caledonia but chose to attend school elsewhere.

ENHANCEMENT MILLAGE

An enhancement millage is the only opportunity in which school districts can request a millage to generate revenue for the day to day operating budget. The enhancement millage can only be levied by the regional intermediate school district (ISD), and at the request of a majority of local school districts. An enhancement millage request is currently on the May 2, 2017 ballot.

FUNDRAISING

Caledonia has been fortunate to live in a community that has continued to support our students through the support of PTOs, Boosters, and various parent groups. These groups have provided many enrichment opportunities for our students, that may not have been possible without their support.



Strong Schools, Strong Communities

Caledonia Community Schools

Kent ISD Regional Enhancement Millage 2017 Frequently Asked Questions

1. What is the “Strong Schools, Strong Communities” proposal?

The Strong Schools, Strong Communities proposal is a regional enhancement millage that would generate approximately \$211 per student for educational enhancements. 100% of all funds generated by this proposal will go directly to local schools to maintain current programs and improve services offered to students.

2. When will the proposal appear?

The Strong Schools, Strong Communities proposal will appear on the May 2, 2017 ballot. It is a 10 year proposal that, if approved, would begin in the summer of 2017.

3. How will the revenue be distributed?

The revenue will be collected by Kent ISD and distributed by law on an equal, per pupil basis, to each of the local school districts within Kent ISD. Kent ISD will not receive any money or administrative expense from this millage; per law 100% must be given to school districts. If approved, Caledonia Community Schools will receive approximately \$1,005,624 additional funding annually for ten years.

4. How will these funds be used?

Caledonia Community Schools will dedicate 100% of the dollars raised from the enhancement millage to the classrooms for teaching and learning with emphasis on supporting academic achievement K-12. This will include, but is not limited to:

- Hire teachers to ensure proper classroom size K-12
- Providing direct services to students to serve mental, emotional, and academic health
- Protect and maintain existing enrichment programs for students
- Purchasing a variety of resources for the classroom and 21st century learning

5. How much will the proposal cost homeowners?

For every \$1,000 of taxable value of your home, .90 cents would be assessed. Normally, taxable value property is 50% of the market value.

Market Value	Taxable Value	Mills	Annual Cost	Monthly Cost
\$150,000	\$75,000	.9	\$68	\$5.63
\$200,000	\$100,000	.9	\$90	\$7.50
\$300,000	\$150,000	.9	\$135	\$11.25

6. Why is this proposal necessary?

For years, West Michigan school districts have taken steps to tighten their belts, make cuts, find efficiencies, reduce staff and consolidate services. Despite these efforts, too many school districts and communities continue to struggle to provide the quality education students deserve.

7. What has Caledonia done to keep costs down?

Like most of our local businesses and residents, Caledonia Community Schools has cut expenses over the last eight years. Last year alone, we reduced our expenses by \$800,000 including a reduction in staff, contracted services, and supplies. In the past two years, we have spent just under \$2,000,000 of our fund reserves, often called the district's "rainy day fund," to maintain programs and services. This equates to a 25% decrease in our reserve funds.

8. How will school districts be held accountable for this proposal?

By law, every penny generated from this proposal will be distributed to 20 local school districts to maintain existing programs and improve services offered to students. All spending will go through an independent financial audit every year, with spending disclosed on a public website to ensure transparency and accountability.

9. Why is Kent ISD requesting this millage?

The only way districts can receive additional operating revenues to meet student needs is through an ISD enhancement millage levied, collected, and distributed equally to each district on a per pupil basis. As a result, Caledonia Community Schools Board of Education, along with the other 19 school districts within Kent ISD, passed a resolution asking the Kent ISD board to place the proposal on the May 2, 2017, ballot. Caledonia Community Schools is prohibited by law from independently asking its voters for additional operating revenues.

10. Why is this proposal important?

Strong schools are the key to attracting families and businesses to West Michigan. It's our responsibility as a community to work together to ensure our students have access to a high-quality education that helps them learn, achieve and be college and career ready. We owe it to our children and grandchildren to give them the same opportunities as we had to achieve, succeed and compete for jobs.

11. How do I get more information on this proposal?

Additional information is available at www.calschools.org. You will find a Strong Schools, Strong Communities link on our main page. If you have a specific question, please feel free to contact our superintendent at 616-891-8185.

Our mission... In pursuit of excellence, Caledonia Community Schools will empower and equip all persons to achieve their best, by ensuring the highest quality system for learning.

Revenue Sources

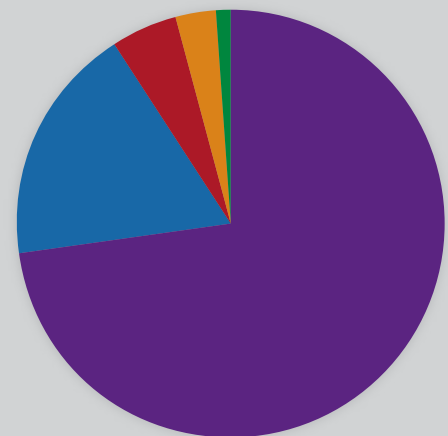
FOUNDATION ALLOWANCE PER PUPIL

The state foundation allowance is the main source of funding for K-12 school districts and allocated on a per pupil basis. This system of funding was established in 1994 with Proposal A. Below shows a history of the foundation allowance for Caledonia Community Schools.

Fiscal Year	Foundation Allowance	Increase/Decrease
2003-2004	\$7,850	\$0
2004-2005	\$7,850	\$0
2005-2006	\$8,025	\$175
2006-2007	\$8,235	\$210
2007-2008	\$8,307	\$72
2008-2009	\$8,389	\$82
2009-2010	\$8,389	\$0
2010-2011	\$8,389	\$0
2011-2012	\$7,919	(\$470)
2012-2013	\$7,919	\$0
2013-2014	\$7,962	\$43
2014-2015	\$8,012	\$50
2015-2016	\$8,114	\$102
2016-2017	\$8,200	\$86

REVENUE SOURCES 2015-2016 SCHOOL YEAR

State Funding	\$34,896,902
Local Funding	\$8,522,479
County Funding	\$2,268,386
Federal Funding	\$1,249,689
Others	\$192,725
	\$47,130,181



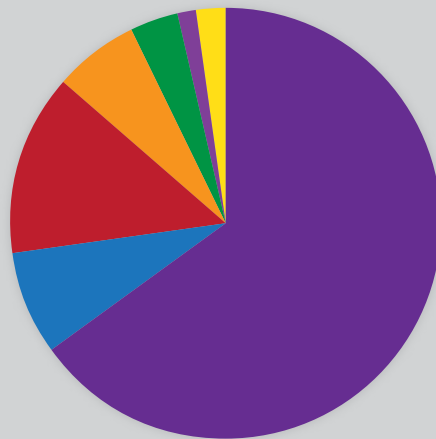
The primary funding source for K-12 school districts comes from the State and the allocations are determined by the state legislature through the State School Aid Act. For Caledonia Community Schools 74% of its revenue is from the State. Under the current system, local tax initiatives are only permissible for capital improvements and not for the support of day-to-day operational expenses.

Hand in hand, together we will
change the world!

Resource Allocation

Expenses for Student Services and Support 2015-2016

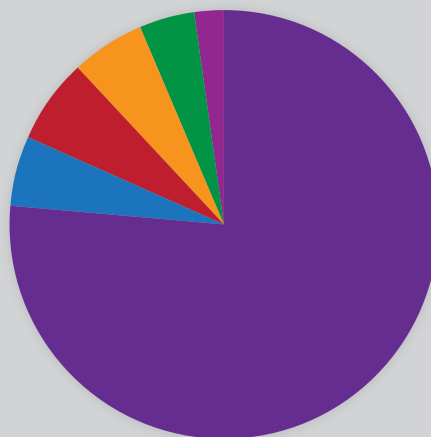
The allocation of resources provides instructional services and non-instructional supports for our students in various areas. The primary allocation is spent in instructional services which includes all general and special education classroom needs. Building administration and pupil support includes services such as library, media, counseling, speech and social services.



- Instructional
- Facilities and Maintenance
- Building Administration and Pupil Support
- Transportation
- Central Office and Support
- Technology
- Athletics

Personnel Expenses 2015-2016

The majority (85%) of the district's budget is spent on personnel in salaries and benefits. In maintaining our focus on instructional programming for our students, 76% of the district's total personnel costs is spent on instructional staff. Instructional staff are those individuals that have direct contact with students on a daily basis in the classroom.



- Instructional Staff Teachers and Paraprofessionals
- Support Staff
- Administration
- Transportation
- Custodial
- Athletics

Kent County District Comparison Per-Pupil Revenue 2015-2016

Per-Pupil Funding	Local Sources *	State Sources **	Federal Sources ***	Total
Grand Rapids Public	\$3,796	\$7,831	\$1,546	\$13,173
Godwin Heights	\$2,700	\$8,028	\$671	\$11,399
Wyoming	\$2,549	\$7,400	\$1,091	\$11,040
Northview	\$2,580	\$7,992	\$398	\$10,970
Kent City	\$1,482	\$8,536	\$815	\$10,883
Godfrey-Lee	\$1,304	\$8,593	\$699	\$10,596
Forest Hills	\$2,759	\$7,618	\$200	\$10,577
Kentwood	\$2,893	\$6,776	\$786	\$10,455
Kelloggsville	\$2,219	\$7,424	\$747	\$10,390
Caledonia	\$2,408	\$7,651	\$274	\$10,333
Comstock Park	\$2,072	\$7,573	\$584	\$10,229
Kenowa Hills	\$3,926	\$5,825	\$448	\$10,199
Sparta	\$1,905	\$7,693	\$539	\$10,137
East Grand Rapids	\$1,672	\$8,164	\$154	\$9,990
Rockford	\$1,830	\$7,857	\$228	\$9,915
Grandville	\$2,899	\$6,653	\$329	\$9,881
Cedar Springs	\$1,426	\$7,979	\$444	\$9,849
Byron Center	\$2,175	\$7,370	\$247	\$9,792
Thornapple Kellogg	\$1,533	\$7,621	\$315	\$9,469
Lowell	\$1,519	\$7,648	\$241	\$9,408

Like Districts in Michigan Comparison Per-Pupil Revenue 2015-2016

Per-Pupil Funding	Local Sources *	State Sources **	Federal Sources ***	Total
Berkley	\$1,596	\$10,478	\$363	\$12,437
Royal Oak	\$5,037	\$6,387	\$352	\$11,776
Okemos	\$2,915	\$7,419	\$129	\$10,463
Caledonia	\$2,408	\$7,651	\$274	\$10,333
Oxford	\$1,649	\$8,173	\$241	\$10,063
Romeo	\$1,635	\$7,826	\$373	\$9,834
Bedford	\$1,919	\$7,748	\$133	\$9,800
Byron Center	\$2,175	\$7,370	\$247	\$9,792
Hartland	\$1,762	\$7,516	\$81	\$9,359
Pinckney	\$1,552	\$7,316	\$96	\$8,964
Mattawan	\$617	\$7,717	\$82	\$8,416

With the passing of Proposal A in 1994 funding for Michigan K-12 school districts shifted from a local funding model to a state model that would provide a minimum foundation allowance on a per-pupil basis. This was meant to bring more equity among school districts, lower property taxes, and create school accountability. The state determined each district's allowance and allocated a higher foundation allowance for those districts with higher property values. Once the foundation allowance was established it eliminated the ability for local communities to raise taxes to provide additional resources for its operation and programming.

In 1994, prior to Proposal A, homeowners and businesses were paying an average of 33 mills for school operating purposes. With Proposal A districts are capped at 18 mills being levied on non-homestead property and the state levies only 6 mills on homeowners for the State Education Tax (SET). For additional information on school funding, please see the Senate Fiscal Agency The Basics of School Funding.

The state is now working to equalize the foundation allowance among all K-12 districts by means of a 2x formula when allocating any additional funds. Since Caledonia Community Schools has a higher foundation allowance than the minimum foundation our district will continue to see an increase of "x" while those districts with a minimum foundation allowance will receive "2x." This formula is expected to continue until districts across the state are receiving an equitable foundation allowance.

* Local Sources: Revenue received from within the district (ex: non-homestead tax collections and facility use rentals)

** State Sources: Revenue received from the state

*** Federal Sources: Revenue received from the federal government (ex: Title I, Title II and special education programs)

Kent County District Comparison Per-Pupil Expenses 2015-2016

District	Instruction	Admin.	Operations	Transport.	Total Gen. Fund
Grand Rapids Public	\$8,821	\$1,849	\$1,490	\$786	\$12,946
Godwin Heights	\$8,933	\$1,122	\$1,454	\$403	\$11,912
Northview	\$8,255	\$1,360	\$1,001	\$365	\$10,981
Wyoming	\$8,085	\$1,436	\$780	\$636	\$10,937
Kent City	\$7,779	\$1,388	\$906	\$751	\$10,824
Comstock Park	\$8,113	\$1,139	\$656	\$684	\$10,592
Forest Hills	\$7,858	\$1,091	\$1,017	\$515	\$10,481
Kentwood	\$7,922	\$1,087	\$964	\$450	\$10,423
Godfrey-Lee	\$7,961	\$1,303	\$913	\$239	\$10,416
Caledonia	\$7,659	\$1,091	\$855	\$645	\$10,250
Kenowa Hills	\$7,557	\$1,133	\$934	\$544	\$10,168
Sparta	\$7,497	\$1,161	\$836	\$564	\$10,058
Cedar Springs	\$7,034	\$1,298	\$713	\$857	\$9,902
Grandville	\$7,472	\$1,010	\$933	\$485	\$9,900
Kelloggsville	\$7,086	\$1,430	\$861	\$462	\$9,839
Byron Center	\$7,097	\$1,148	\$1,022	\$546	\$9,813
East Grand Rapids	\$7,609	\$1,180	\$870	\$80	\$9,739
Rockford	\$7,041	\$1,018	\$1,183	\$476	\$9,718
Lowell	\$6,690	\$1,052	\$1,036	\$745	\$9,523
Thornapple Kellogg	\$7,183	\$855	\$855	\$526	\$9,419

Category Guide

Instruction: Includes all costs associated with the classroom for general education and special education as well as instructional support such as guidance, media center, curriculum, speech, and social work services.

Administration: Includes all costs associated with building and central office administration and support.

Operations: Includes all costs associated with the buildings, their upkeep and maintenance, and utilities.

Transportation: Includes all costs associated with the transportation of our students.

Like Districts in Michigan Comparison Per-Pupil Expenses 2015-2016

District	Instruction	Admin.	Operations	Transport.	Total Gen. Fund
Berkley	\$9,813	\$1,389	\$741	\$253	\$12,196
Royal Oak	\$8,777	\$1,545	\$1,208	\$232	\$11,762
Okemos	\$8,130	\$1,192	\$910	\$224	\$10,456
Caledonia	\$7,659	\$1,091	\$855	\$645	\$10,250
Byron Center	\$7,097	\$1,148	\$1,022	\$546	\$9,813
Bedford	\$6,967	\$1,250	\$967	\$617	\$9,801
Romeo	\$7,515	\$904	\$837	\$443	\$9,699
Oxford	\$7,307	\$1,179	\$752	\$395	\$9,633
Hartland	\$6,500	\$942	\$1,658	\$378	\$9,478
Pinckney	\$6,323	\$1,131	\$960	\$310	\$8,724
Mattawan	\$6,200	\$1,018	\$679	\$543	\$8,440

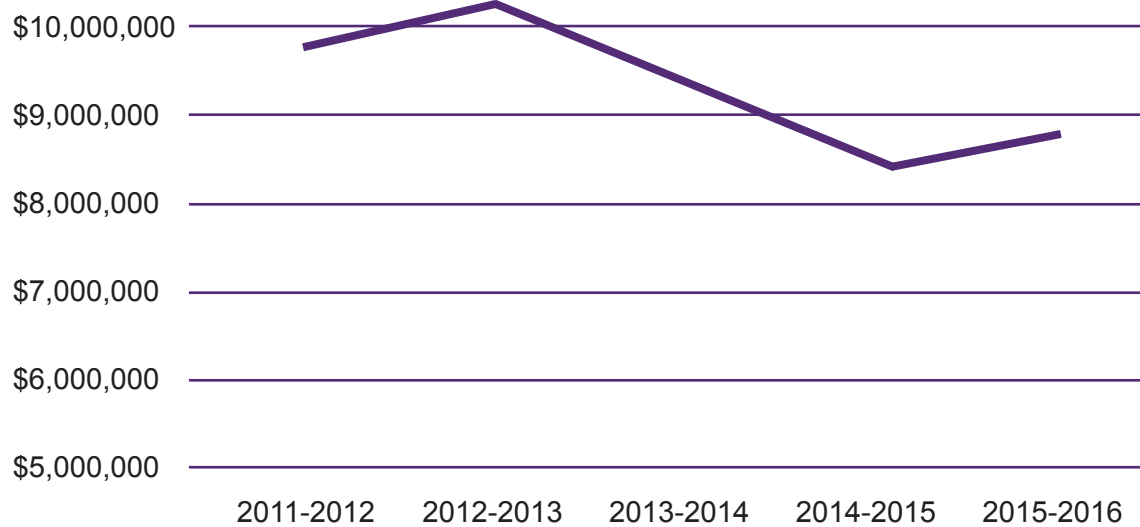
The data shown here is from the 2015-2016 fiscal year and retrieved from **Eidex LLC**, a financial analytic tool which pulls in data from the Michigan Department of Education that comes directly from district reporting.

Revenue and Expense Trends

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Revenues	\$40,733,956	\$42,036,426	\$43,755,900	\$46,367,502	\$47,130,180
Expenses	\$40,508,245	\$41,671,097	\$44,661,832	\$47,208,556	\$46,752,924
Revenues to Expenses	\$255,711	\$365,329	(\$905,932)	(\$841,054)	\$377,256
Fund Balance*	\$9,786,842	\$10,152,171	\$9,246,239	\$8,405,185	\$8,782,441
Fund Balance Percentage	24.16%	24.36%	20.70%	17.80%	18.78%

*Fund Balance is the district's necessary reserve/savings to maintain financial health.

Fund Balance History



The district overall is financially healthy. However our revenues are not keeping up with expenses as shown in the Revenues and Expense Trends chart. Expense reductions have been made over the last several years with the focus being in areas that least effect students in the classroom. These reductions have been realized through finding efficiencies, restructuring and downsizing where possible.

Since 2013-2014 the fund balance has been used to offset the remaining shortages. In 2015-2016 the \$377,256 excess funds was only due to a bookkeeping adjustment. Without the required accounting entry, the actual shortfall would have been (\$322,744).

Even as the State of Michigan economy slowly improves and the state School Aid fund has grown, K-12 school dis-

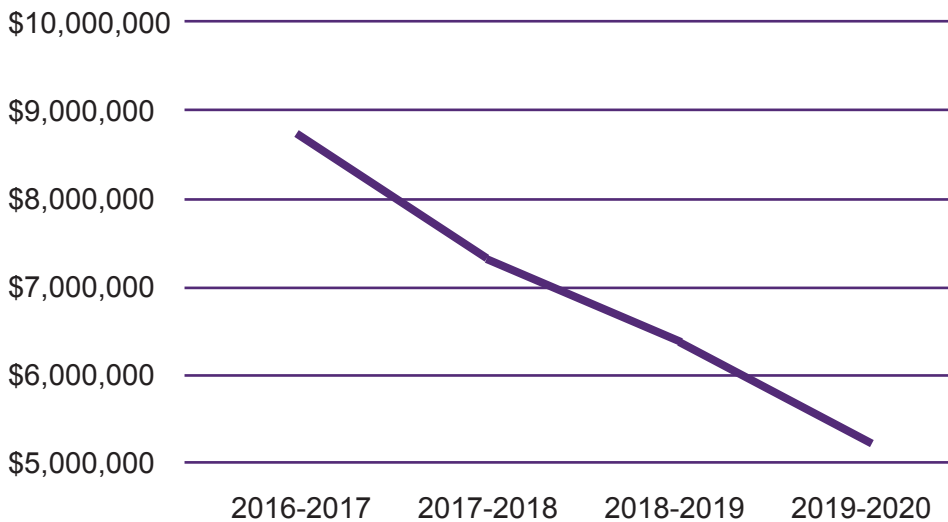
tricts have not recovered from the drastic reduction in state funding they have encountered over the last decade. Caledonia Community Schools' foundation allowance remains below the level of funding it received back in 2006-2007. This drastic reduction in funding coupled with rising insurance and state mandated retirement costs continue to leave the district in a structural deficit.

Financial Forecast

	2016-2017	2017-2018	2018-2019	2019-2020
Revenues	\$48,919,691	\$49,053,500	\$49,975,036	\$50,374,204
Expenses	\$49,054,537	\$50,355,795	\$50,931,232	\$51,501,272
Revenues to Expenses	(\$134,846)	(\$1,302,295)	(\$956,196)	(\$1,127,068)
Fund Balance*	\$8,647,595	\$7,345,300	\$6,389,104	\$5,262,036
Fund Balance Percentage	17.63%	14.59%	12.54%	10.22%

*Fund Balance is the district's necessary reserve/savings to maintain financial health.

Fund Balance Trajectory



The district implemented approximately \$800,000 in budget reductions for 2016-2017 and is projecting a slight deficit as we finalize this year's budget in June 2017. In forecasting future years, assumptions must be made. On the revenue side these assumptions include an annual foundation allowance increase of \$56 per-pupil (our average increase over the last 5 years) and student projected growth as provided through a third party, Stanfred Consultants. On the expense side these assumptions include the cost of existing staff and programs, maintaining the current rate of retirement, a flat rate for utilities, and a 3% increase for medical insurance premiums. All other costs remain constant. With these assumptions the district's budget will continue to fall short and the use of fund balance will be needed. This solution is not sustainable for the financial health of the district.

Cal Communicator

A publication of Caledonia Community Schools

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Strong Schools, Strong Communities

Capital Projects Budget

Caledonia has been fortunate to exist in a community that has supported the continued development and maintenance of our facilities over the years. Caledonia has traditionally passed a bond every 7 years. Bonds have allowed Caledonia Community Schools to invest in outstanding educational facilities for our students.

Bond of 2000: Built Caledonia High School and renovated the original high School into Duncan Lake Middle School, Administration Offices and Early Childhood Center

Bond of 2007: Built Paris Ridge Elementary and renovated Kettle Lake Elementary, Caledonia Elementary and Dutton Elementary

Bond of 2014: Built Caledonia High School South Campus and renovated Emmons Lake Elementary, Kraft Meadows Middle School, Duncan Lake Middle School and Early Childhood Center

We are grateful and we thank you for your continued support of our capital projects. Our facilities continue to provide innovative educational space for our students and our community.

Operational Budget

While our community has supported our capital projects, the state continues to struggle to maintain adequate funding to maintain a healthy day to day budget. Our state foundation grant is just now reaching the funding level of 2006, yet the purchasing power of the those same funds is greatly reduced by inflation over those 10 years. In other words \$100 today, does not have the purchasing power of \$100 in 2006. With this continued shortfall in funding, Caledonia Community Schools is projecting a \$1,000,000 structural deficit next year. While we can use some of our reserve funds to help fill the gap, those funds will quickly become depleted. We will be forced to reduce our expenses by \$1,000,000 over the next three years. The proposed enhancement millage, if approved, would provide Caledonia approximately \$1,005,000 per year for the next 10 years.

**Please
Vote!
Tuesday,
May 2**

