



East Lansing  
Public Schools

## MEMORANDUM

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**TO:** ELPS Board of Education, Dori Leyko, Superintendent

**FROM:** Lisa Allen, Director of Finance

**SUBJECT:** Action Items – 2024-25 First Budget Revision

**DATE:** February 20, 2025

Recommendation:

It is recommended that the Board of Education adopt the 2024-25 First Budget Revision resolution for the General Fund, as presented on pages 5-6 of the Budget Book.

It is recommended that the Board of Education adopt the 2024-25 First Budget Revision resolution for the Food Service Fund, as presented on page 7 of the Budget Book.

It is recommended that the Board of Education adopt the 2024-25 First Budget Revision resolution for the Student/School Activity Fund, as presented on page 8 of the Budget Book.

Background:

Attached is the 2024-25 First Budget Revision for your review. The Finance Committee reviewed the 2024-25 First Budget Revision on February 19, 2025. Page 9 of the Budget Book provides a General Fund comparison between the 2024-25 First Budget Revision and the 2024-25 Original Budget (adopted June 10, 2024) of major budget assumptions, revenues, and expenditures.

**GENERAL FUND:**

The 2024-25 First Budget Revision shows overall revenue increases of \$2,837,057 and overall expenditure increases of \$2,117,198, net of estimated favorable expenditure budget variance.

The major revenue increases over the Original Budget are:

- MPSERS 147 funding \$2.3M
- Federal revenue \$227K
- County Special Education \$560K
- Prior year State Aid adjustments primarily for property tax refunds (some w/ offset in expenditures) \$739K

Offsetting the above revenue increases, discretionary state aid payment (22b/51e) decreased by \$1M as there was not an increase in the per pupil Foundation Allowance, and property taxes decreased by \$241K.

The major expenditure changes from the Original Budget are:

- An increase in employee benefits of \$1.1M, mainly from the pass-through of the MPERS revenues mentioned above.
- An increase of \$174K in purchase services primarily related to operations & maintenance and internal services (functions 261 and 257).
- An increase of \$149K in supplies & materials (\$69K operations & maintenance and \$80K instructional)
- An increase of \$510K in other services, offsetting the prior year's adjustments in revenue for property tax refunds.

The General Fund ending fund balance is projected to be \$14,759,085 or a \$1,201,783 decrease over the actual fund balance on June 30, 2024. The ending fund balance is 25.6% of total revenues. The General Fund fund balance continues to be healthy. This is generally the case county-wide, as the average June 30, 2024, General Fund fund balance was 21.7%.

**FOOD SERVICE FUND:**

The Food Service Fund budget is on page 24. This revision shows the ending fund balance to be \$667,740 or \$11,715 increase over the actual fund balance on June 30, 2024. Overall revenues are up over the Original Budget by \$93,888, primarily related to the utilization of the section 30d expanded free breakfast and lunch program. Overall expenditures are down slightly over the Original Budget by \$15,962, related to salaries & benefits.

**STUDENT/SCHOOL ACTIVITY FUND:**

The Student/School Activity Fund budget is on page 25. This revision shows the ending fund balance to be \$516,270, or a \$19,000 increase over the actual fund balance as of June 30, 2024.

Although the Uniform Budgeting and Accounting Act does not require formal Board action on Debt Funds and Capital Project Funds, the budgets for these funds are provided in the Budget Book.