



April 1, 2025

Dear Board of Education Designate:

The Oakland Schools Board of Education and I invite you to review the enclosed proposed Oakland Schools budget for FY 2025-26. Per the Michigan School Code, Section 380.624(2), the proposed FY 2025-26 **General Fund budget** is to be submitted to its constituent district Boards of Education for review. For transparency purposes, Oakland Schools has included the budgets for all of our funds in the enclosed document; however, it is only the **General Fund budget** upon which constituent districts vote. More details regarding the timing of the Designates meeting and your board resolution appear near the end of this transmittal letter.

As you know, Oakland Schools is primarily funded by property tax dollars, and we are projecting a growth factor in Oakland Schools' property tax revenues of 3.7%. Tax revenue projections are conservative compared to Oakland County taxable value increase projections as actual taxable value figures are not available during the preparation of this budget.

Please refer to the Enterprise-Wide Executive Summary for a discussion of key projects and initiatives contained in the 2025-26 budget, including but not limited to:

- Oakland Schools Technical Campus Renovations
- Artificial Intelligence
- Social-Emotional Wellbeing and Mental Health Support
- Business Office Residency Program
- HR Leadership Academy
- Essential Practices in Instruction ⇌ Capacity & Coherence (EPIC) Numeracy Project
- Literacy Essentials Oakland (LEO)
- Nanotechnology, Artificial Intelligence and Synthetic Biology (NAIS) Lab
- Shared Services

Subsidies

Oakland Schools provides almost \$1.4 million in subsidies for software and other instructional tools in the areas of Career and Technical Education and curriculum and assessment. The subsidies provided in the 2025-26 budget are detailed within this document and are exclusive of pass-through grant funds, other district allocations and the cost of dedicated staff who support student and finance/HR software and applications.

Personnel Costs

Step increases for those employees who are eligible are included in the 2025-26 budget along with a 2.0% salary increase for all staff. All union salary changes, including step adjustments, are subject to collective bargaining.

PA-18 Special Education Funding

Oakland Schools receives property tax revenue for support of Special Education programs. The base distribution of PA-18 funding to local school districts is budgeted to increase approximately \$10.3 million or 5.9%. Additionally, \$2.5 million is budgeted for other LEA distributions for group home expenditures, reimbursements to districts for educating incarcerated youth, special education program startup and extraordinary expenditures and capital. In FY 2024-25, Oakland Schools distributed additional PA-18 funds totaling \$5.6 million above the base distribution.

Planning for the Future

Oakland Schools is dedicated to sound financial planning and preparing for economic uncertainties in the future. In that regard, we utilize a five-year forecast that is updated with each budget amendment and incorporates projections from Oakland County Equalization for taxable values. We also maintain a five-year capital plan that is updated annually to prepare for necessary improvements and upgrades to facilities and equipment.

Please be assured that we will continue to work hard to ensure that the budget reflects our continued commitment to increasing student achievement, using economies of scale to decrease operating costs for local districts, customizing and regionalizing programs and services to meet the diverse needs of our constituent school districts, and assisting schools and districts in meeting state and federal mandates.

Per the Michigan School Code, Section 380.624(2), the proposed FY 2025-26 **General Fund budget** is to be submitted to its constituent districts' Boards of Education for review by May 1. Not later than June 1, the board of each constituent district shall adopt a resolution of support or non-support of the **General Fund budget**. A presentation of the budget to our 28 local school district business managers is scheduled to occur at their meeting of the Oakland County School Business Officials on April 11, 2025. The Oakland Schools Board of Education will then hold a Designates Meeting on April 23 at 6:00 PM, providing local board designates and district administration an opportunity to review the General Fund budget prior to submitting their board's resolution to Oakland Schools on or before June 1, 2025. Please note that while Oakland Schools provides all our fund budgets to our constituent districts for review, LEA Designates are only voting on the General Fund budget.

The Oakland Schools Board of Education will hold a Truth in Budgeting hearing on June 3 and will consider the FY 2025-26 proposed budget documents for approval during its regular meeting that night. Should you have any questions regarding the budget, please contact my office at 248.209.2424. All questions will receive prompt replies.

Sincerely,



Kenneth Gutman
Superintendent
Oakland Schools

cc: District Superintendent
District Business Manager