

OKEMOS PUBLIC SCHOOLS

2024-25 Preliminary Budget Assumptions

Board Meeting of April 8, 2024

Expenditure Increases/Revenue Decreases

| <u>Decreases to General Fund</u> | <u>Optimistic</u> | <u>Most Likely</u> | <u>Worst Case</u> |
|--|--------------------|--------------------|--------------------|
| MPSERS rate increase (+.02% pts to 31.36%, eff. 10/1/24) | 6,844 | 6,844 | 6,844 |
| 20f Hold Harmless Guarantee | 239,545 | 239,545 | 239,545 |
| 23-24 Wage/Position adjustments to full year | 356,655 | 356,655 | 356,655 |
| Teacher division advancement (15,18,20) | 135,000 | 162,000 | 180,000 |
| 23-24 Negotiations, steps & 1%* | 1,404,957 | 1,404,957 | 1,404,957 |
| 23-24 Negotiations, health insurance +3.5% | 177,916 | 177,916 | 177,916 |
| | \$2,320,917 | \$2,347,917 | \$2,365,917 |

* Compensation Reference

Steps = \$942,910

1% wages = \$462,047

Revenue Increases/Expenditure Decreases

| Increases to General Fund | Optimistic | Most Likely | Worst Case |
|--|--------------------|--------------------|--------------------|
| Increase in per-pupil Foundation Allowance (\$241,\$180,\$120) | 1,110,300 | 829,300 | 552,800 |
| Enrollment (Feb 24 +60.79; Oct 24: +35,+15,-5;) Blend 10/90 | 370,130 | 191,650 | 15,370 |
| Increased Special Ed Categorical (CY est + 23-24 timing delay) | 99,800 | 99,800 | 99,800 |
| Savings from teacher retirements (9,7) | 356,130 | 276,990 | 276,990 |
| K-8 New Curriculum, 1x savings | 220,000 | 220,000 | 220,000 |
| | \$2,156,360 | \$1,617,740 | \$1,164,960 |

2023-24 Preliminary Budget Revisions & Carryforward Impact on 2024-25 Budget

| | <u>Most Likely</u> |
|---|--------------------|
| 2023-24 Net Change in Fund Balance | (\$121,237) |
| Reductions in Grants | (462,139) |
| Open positions | (98,843) |
| Net Impact of Changes | (\$560,982) |
| Preliminary Net Change in Fund Balance | (\$682,219) |

Projected Impact on General Fund Budget

| | Optimistic | Most Likely | Worst Case |
|--|--------------------|----------------------|----------------------|
| Expenditure Increases/Revenue Decreases | (\$2,320,917) | (\$2,347,917) | (\$2,365,917) |
| Revenue Increases/Expenditures Decreases | 2,156,360 | 1,617,740 | 1,164,960 |
| Net Impact on General Fund Balance | (\$164,557) | (\$730,177) | (\$1,200,957) |
| Carryforward effect on GF Budget (6/30/25) | (682,219) | (682,219) | (682,219) |
| Total Impact on General Fund Balance | (\$846,776) | (\$1,412,396) | (\$1,883,176) |
| <i>Fund Balance as a % of Expenditures</i> | 12.4% | 11.4% | 10.9% |

Impending Budget Discussion 2024-25

Topics w/financial impact not in assumptions

- State Aid
- Staffing Levels
- Grants
- Carryforward Effect of 23-24 Budget
- Board Priorities
- ISD Special Education revenue
- Food Service, Community Ed. Impact on General Fund
- Other Variable Sources of General Fund Revenue