

OKEMOS PUBLIC SCHOOLS

2022-23 Preliminary Budget Revision

2023-24

Preliminary Budget Assumptions

Budget Priorities

Board Meeting of May 22, 2023

2022-23 Preliminary Revised Budget #2

Preliminary Revised Budget Assumptions - Revenues

	Budget Impact
Learning Loss, Sec 98c	231,871
Improving Student Mental Health, Sec 31aa	357,336
Improving Safety, Sec 97's	316,860
ISD SE Revenue	539,000
Childcare Stabilization	245,769
GSRP	(25,433)
Other	4,349
	<u>\$1,669,752</u>

Preliminary Revised Budget Assumptions - Expenditures

	Budget Impact
Utilities & Transportation Fuel	(205,500)
Operations Expenditures	(280,000)
Improving Safety Projects	(316,860)
Positions not filled for portion of year	268,114
Childcare Stabilization	(245,769)
Childcare Operations, portion offset by grant	308,769
Staffing, +2 Transportation Subs +1 SE Teacher	(45,360)
GSRP	25,433
Other	(8,149)
	<u>(\$499,322)</u>

Projected Impact on General Fund Budget

	Budget Impact
Operating Revenues	\$1,669,752
Operating Expenditures	(499,322)
Projected Impact on Fund Balance	\$1,170,430

Structural	\$370,989
One-time	799,441
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	\$1,170,430

2022-23 Budget Revision – Summary

	Adopted Budget	Net Impact	Revised Budget
Operational Surplus/(Deficit)			
Total Revenues	\$64,215,680	\$1,669,752	\$65,885,432
Total Expenses	(63,961,902)	(499,322)	(64,461,224)
Preliminary Effect on Fund Balance	\$253,778	\$1,170,430	\$1,424,208

2022-23 Budget Revision – Fund Balance Summary

	Adopted Budget	Revisions	Revised Budget
Beginning Fund Balance	\$8,677,164	(\$632,827)	\$8,044,337
Operational Surplus/(Deficit)	253,778	1,170,430	1,424,208
Ending Fund Balance, preliminary	\$8,930,942	\$537,603	\$9,468,545
as a % of Expenditures	14.0%		14.7%

2023-24 Proposed Budget Assumptions

Enrollment Considerations

Factors Used in Projections

- June 23 Graduates
- *Incoming Kindergarten size*
- Annual Retention Rates
- Estimates to actual in prior years
- Community

Current Reality for Kindergarten

- Prior 10 year: average = 327 / low = 306
- Since Fall 2007: low was 250 (Fall 2009 & 2010)
- Estimate after K roundup = 272; down ~15 from last year

Expenditure Increases/Revenue Decreases

<u>Decrease to General Fund</u>	<u>Optimistic</u>	<u>Most Likely</u>	<u>Worst Case</u>
MPSERS rate increase (+3.11% to 31.34% from 28.23%, eff. 10/1/23)	970,680	970,680	970,680
20f Hold Harmless Guarantee	0	0	474,560
Rollup costs (Service Yrs w/FICA & Retirement, steps not included)	233,050	233,050	233,050
Teacher division advancement (15,18,20)	126,150	151,380	168,200
	\$1,329,880	\$1,355,110	\$1,846,490

Revenue Increases/Expenditure Decreases

increase to General Fund	Optimistic	Most Likely	Worst Case
Increase in per-pupil Foundation Allowance (\$500,\$366,\$366)	2,227,500	1,630,500	1,630,500
Enrollment (Feb 23 +100; Oct 23: +55,+15,-10;) Blend 10/90	574,000	223,600	10,000
Increase in SE Reimbursement (100%, 87.5%, 75%-current)	236,620	118,310	118,310
Savings from teacher retirements (6)	250,020	250,020	250,020
Improving Student Mental Health Grant (carryover)	173,052	173,052	173,052
MPERS Retirement State Aid (+75%)	582,300	582,300	582,300
	\$4,043,492	\$2,977,782	\$2,764,182

Projected Impact on General Fund Budget

	<u>Optimistic</u>	<u>Most Likely</u>	<u>Worst Case</u>
Operating Revenues	\$4,043,492	\$2,977,782	\$2,764,182
Operating Expenditures	1,329,880	1,355,110	1,846,490
Projected Impact on Fund Balance	\$2,713,612	\$1,622,672	\$917,692
Structural		\$1,449,620	
One-time		173,052	
		<u>\$1,622,672</u>	

2022-23 Carryforward Impact on 2023-24 Budget

2022-23 Prelim, Net Change in Fund Balance	\$1,424,208
Non-Structural Budget Items (removed from 23-24 budget)	
Childcare Grants, covid relief	(1,315,489)
Open Positions, portion of 22-23	(268,114)
Athletics Equipment & Uniforms	58,700
Graduation alliance overpayment	(100,000)
22-23 State Aid, various sections	(820,868)
Retention bonus, 22-23 negotiations	526,775
Ingham ISD Revenue, 1x	(127,000)
New classrooms set-up costs & All Other	39,149
Textbooks	25,000
Operations Equipment	80,000
Transportation Fuel & Utilities	205,500
Operations Expenditures	280,000
	(1,416,347)
Carryforward effect on General Fund Budget	\$7,861

Projected Impact on General Fund Budget

	Optimistic	Most Likely	Worst Case
Net Impact on General Fund Balance	\$2,713,612	\$1,622,672	\$917,692
Carryforward effect on GF Budget (6/30/23)	7,861	7,861	7,861
Total Impact on General Fund Balance	\$2,721,473	\$1,630,533	\$925,553
<i>Fund Balance as a % of Expenditures</i>	<i>18.9%</i>	<i>17.2%</i>	<i>16.1%</i>

Budget Timeline

Board Review of Budget Priorities	May 22
Board Homework Rating Due	May 26
Review Homework Ratings & Finalization of Priority Level	June 5
Board Action on Budget	June 26

Impending Budget Discussion 2023-24

Topics w/financial impact not in assumptions

- State Aid
- Staffing Levels
- Negotiations
- Grants
- Insurance rates
- Board Priorities
- Food Service, Community Ed. Contribution to General Fund
- Other Variable Sources of General Fund Revenue