
MEMORANDUM

TO: Keevin O'Neill, Superintendent
Members of the Board of Education
FROM: Stephen Goss, Assistant Superintendent
DATE: June 10, 2024
RE: 2023-2024 June Amended Budget
2024-2025 Preliminary Budget

Attached for your review are the proposed amendments to the 2023-2024 budgets along with the preliminary budgets for 2024-2025.

The proposed General Fund amendment includes significant revisions to both revenues and expenditures, the net effect of which results in an improvement to the projected final budget, as detailed below.

June Amendment to the 2023-2024 General Fund Budget:

The General Fund is projected to end the year with a surplus of approximately \$1.21 million, an increase of \$0.49 million, compared to the initially budgeted surplus of approximately \$0.72 million. Total projected general fund revenues and expenditures, are projected to increase by approximately \$1.81 million and \$1.32 million, respectively. The major components of the revised revenues and expenditures are summarized in the following tables:

Changes to revenue assumptions (2023-2024):

Description	Increase (decrease)
Increase in projected investment earnings	\$ 105,000
Increase in other local revenues	139,000
Increased MPSERS-related funding (Sec. 147)	239,000
Enrollment and final foundation allowance vs. estimated	(332,000)
Increases in state categorical funding (51a, 31a, 31n)	758,000
New state categorical grants (22l, 23g, 27l)	711,000
Increase in inter-district revenues (enhancement, spec ed, CTE)	116,000
Other adjustments, net	72,000
Net increase in revenues and other financing sources	\$ 1,808,000

Changes to expenditure assumptions (2023-2024):

Description	Increase (decrease)
Employee Compensation:	
Increase in projected salary costs	\$ 442,000
Increase in MPSERS Sec. 147c	239,000
Increase in health insurance	370,000
Other benefit increases, net	73,000
Supplies and purchased services:	
Instruction, instructional support, and pupil support functions	36,000
Non-instructional functions	186,000
Capital outlay and other	(29,000)
Net increase in expenditures and other financing uses	\$ 1,317,000

Approximately 85% of the increase in budgeted expenditures is related to employee compensation costs, largely reflecting the results of collective bargaining as well as higher than anticipated Sec. 147c funding, which is passed through the district to Michigan's education pension fund, MPSERS.

The revision to projected supply and purchased service costs represents an increase of approximately 2.9% and consists of routine adjustments which occur in the normal course of business.

As a result of the projected increases in revenues and expenditures, the general fund is projected to finish the year with an increase to fund equity of \$1.21 million, versus an increase of \$0.74 million as originally projected in the original budget.

Proposed 2024-2025 Preliminary General Fund Budget:

The preliminary 2024-2025 General Fund budget is based on the following key assumptions:

- **Enrollment:** Total enrollment is projected to decline by 45 students, with an estimated blended pupil count of 2,585. This anticipated decline is primarily due to discontinuing the Vicksburg Virtual shared time program.
- **Foundation Allowance:** The proposed budget assumes a foundation allowance of \$9,733; representing an increase of \$225 or 2.3%. This represents the low side of the recommendations contained within the house, senate, and executive budget plans. The combined result of reduced enrollment and increased foundation allowance results in a net increase in funding of approximately \$140,000.
- **Federal Funding:** The preliminary budget assumes a return to "normal" federal funding, as the various grants related to the COVID-19 are fully expended and closed out. As a result, federal funding is projected to decline by approximately \$712,000.
- **MPSERS related funding:** Section 147c funding is projected to decline by approximately \$1,380,000. Note that amounts received under Section 147c are offset by a corresponding expenditure, as these funds merely pass through the school

district, so increases and decreases in this line item have no impact on the school district's operating results.

- **Total Revenues:** Based on the above, total revenues are projected to decrease by approximately \$2.35 million, from \$38.80 million to \$36.45 million.
- **Total Expenditures:** Compared to the revised 2023-2024 budget, total expenditures are anticipated to decrease by \$0.37 million, from \$37.59 million to \$37.22 million.
- Total employee compensation is projected to decline by \$0.52 million, from \$30.73 million to \$30.21 million. However, excluding the impact of changes to MPSERS related funding, total compensation costs are projected to increase by approximately \$856,000.
- Total supply costs are projected to increase by approximately \$115,000 reflecting increases in instructional supplies and curriculum materials, along with projected cost increases.
- Total purchased services are projected to decline significantly, by approximately \$680,000. This reduction is primarily related to the suspension of the Vicksburg Virtual program, the completion of various grant related projects, and reductions to long-term “building substitute” teachers.
- Capital outlay is projected to total approximately \$1.4 million, including the replacement of six school buses and the replacement of two maintenance vehicles.
- **Fund Equity:** Based on the above assumptions, total fund equity is projected to decline by approximately \$770,000 during the 2024-2025 fiscal year, and end at a still healthy \$8.3 million, or approximately 22% of the annual budget.

Please remember that this preliminary budget is based on significant assumptions that will take time to become more clear. As always, significant revisions are possible as the state budget, actual enrollment, and final staffing are all pending.

While the District is currently in strong financial position, significant risks and uncertainties remain, including but not limited to: continued inflationary pressures, the likelihood of an eventual economic downturn, and long-term enrollment trends.

I look forward to discussing the budget in more detail Monday evening. In the meantime, please feel free to contact me if you have questions ahead of the Board meeting.

Vicksburg Community Schools
General Fund
2023-2024 Amended Budget
2024-2025 Preliminary Budget
Presented June 10, 2024

	2022-2023 Actual	2023-2024 Preliminary	2023-2024 June amendment	2024-2025 Preliminary
Revenue & other financing sources				
Local	3,167,553	3,073,545	3,318,033	3,490,484
State	29,861,672	30,027,070	31,454,862	29,482,305
Federal	1,121,906	1,043,000	1,082,350	370,000
Other	2,618,416	2,852,287	2,948,315	3,111,500
Total Revenue	36,769,547	36,995,902	38,803,560	36,454,289
Proceeds from issuance of notes	-	-	-	-
Total revenues and other financing sources	36,769,547	36,995,902	38,803,560	36,454,289
Expenditures				
Instruction:				
Basic Programs	16,784,380	17,447,880	17,280,346	16,457,706
Added Needs	3,854,944	4,202,367	4,748,427	4,799,434
Total instruction	20,639,324	21,650,247	22,028,773	21,257,140
Support Services:				
Pupil Services	2,202,370	1,995,530	2,551,080	2,443,488
Instructional Staff	1,385,014	1,476,825	1,501,212	1,437,460
General Administration	648,889	672,366	694,983	612,825
School Administration	2,149,272	2,136,276	2,191,317	2,149,303
Business	565,172	552,702	583,760	564,873
Operations & Maintenance	3,001,164	3,371,452	3,391,687	3,211,923
Transportation	1,750,234	2,014,615	1,983,983	3,005,383
Central Services	1,255,388	1,160,351	1,316,498	1,261,956
Total support services	12,957,503	13,380,117	14,214,520	14,687,211
Athletics	783,709	757,507	811,554	780,032
Community Services	589,120	559,281	633,896	599,599
Other financing uses - net				
Debt service	-	-	-	-
Interfund transfers, net out (in)	(77,761)	(75,000)	(100,000)	(100,000)
Total expenditures and other financing uses	34,891,895	36,272,152	37,588,743	37,223,982
Change in fund balance	1,877,652	723,750	1,214,817	(769,693)
Fund balance - beginning	5,996,934	7,874,586	7,874,586	9,089,403
Fund balance - ending	7,874,586	8,598,336	9,089,403	8,319,710

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General Fund
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	Food Service				Student Activities			
	2022-2023	2023-2024	2023-2024	2024-2025	2022-2023	2023-2024	2023-2024	2024-2025
	Actual	Preliminary	June amendment	Preliminary	Actual	Preliminary	June amendment	Preliminary
Revenue								
Local	507,962	425,000	188,720	175,800	913,357	650,000	975,000	975,000
State	54,658	55,000	935,137	910,000	-	-	-	-
Federal	936,850	655,000	774,118	728,000	-	-	-	-
Total Revenue	1,499,470	1,135,000	1,897,975	1,813,800	913,357	650,000	975,000	975,000
Expenditures								
Food services	1,561,127	1,210,150	1,711,393	2,155,450	-	-	-	-
Student activities	-	-	-	-	911,563	650,000	975,000	975,000
Total expenditures	1,561,127	1,210,150	1,711,393	2,155,450	911,563	650,000	975,000	975,000
Excess(deficiency) of revenue over expenditures	(61,657)	(75,150)	186,582	(341,650)	1,794	-	-	-
Other Financing Sources (Uses)								
Transfer to General Fund (indirect costs)	(77,761)	(75,000)	(100,000)	(100,000)	-	-	-	-
Change in fund balance	(139,418)	(150,150)	86,582	(441,650)	1,794	-	-	-
Fund balance - beginning	1,193,151	1,053,733	1,053,733	1,140,315	542,634	544,428	544,428	544,428
Fund balance - ending	1,053,733	903,583	1,140,315	698,665	544,428	544,428	544,428	544,428

Vicksburg Community Schools
General Fund
2023-2024 Amended Budget
2024-2025 Preliminary Budget
Presented June 10, 2024

	2014, 2016, 2018 Building and Site Bonds				2020, 2022, 2024 Building and Site Bonds			
			2023-2024				2023-2024	
	2022-2023	2023-2024	June	2024-2025	2022-2023	2023-2024	June	2024-2025
	Actual	Preliminary	amendment	Preliminary	Actual	Preliminary	amendment	Preliminary
Revenue								
Local sources	2,663,525	1,981,575	2,087,904	1,560,000	2,030,091	2,972,363	2,981,487	3,800,000
Expenditures								
Principal	2,100,000	1,670,000	1,670,000	1,535,000	1,160,000	1,850,000	1,850,000	2,370,000
Interest	173,600	125,510	125,510	83,580	1,020,430	940,900	940,900	1,243,401
Other	17,254	12,500	12,500	12,500	11,559	12,500	12,500	12,500
Total expenditures	2,290,854	1,808,010	1,808,010	1,631,080	2,191,989	2,803,400	2,803,400	3,625,901
Excess (deficiency) of revenue over expenditures	372,671	173,565	279,894	(71,080)	(161,898)	168,963	178,087	174,099
Other Financing Sources (Uses)								
Transfers from other funds	-	-	-	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-
Change in fund balance	372,671	173,565	279,894	(71,080)	(161,898)	168,963	178,087	174,099
Fund balance - beginning	248,520	621,191	621,191	901,085	271,322	109,424	109,424	287,511
Fund balance - ending	621,191	794,756	901,085	830,005	109,424	278,387	287,511	461,610

Vicksburg Community Schools
Building and Site Funds
2023-2024 Amended Budget
2024-2025 Preliminary Budget
Presented June 10, 2024

	2022 Building and Site Fund				2024 Building and Site Fund		
	2022-2023 Actual	2023-2024 Preliminary	2023-2024 June amendment	2024-2025 Preliminary	2023-2024 Preliminary (no budget adopted)	2023-2024 June amendment	2024-2025 Preliminary
Revenue							
Other revenue	205,136	160,000	450,000	150,000	-	45,000	310,000
Expenditures - Capital outlay & other	1,432,678	9,650,000	7,000,000	6,519,589	-	874,500	4,735,000
Excess (deficiency) of revenue over expenditures	(1,227,542)	(9,490,000)	(6,550,000)	(6,369,589)	-	(829,500)	(4,425,000)
Other Financing Sources (Uses)							
Issuance of bonds	-	-	-	-	-	9,660,000	-
Bond premium	-	-	-	-	-	129,148	-
Total other financing sources	-	-	-	-	-	9,789,148	-
Change in fund balance	(1,227,542)	(9,490,000)	(6,550,000)	(6,369,589)	-	8,959,648	(4,425,000)
Fund balance - beginning	14,147,131	12,919,589	12,919,589	6,369,589	-	-	8,959,648
Fund balance - ending	12,919,589	3,429,589	6,369,589	-	-	8,959,648	4,534,648