

# OKEMOS PUBLIC SCHOOLS

---

**Budget Development Timelines**

**ESSER Grants**

**2024-25 Preliminary Budget Assumptions**

**Board Meeting of March 11, 2024**

## Budget Development Tentative Timeline

2023-24 Fiscal Year	
Budget Revision	Dec 18, 2023
Monitor Revenue and Expense Activity	Jan – May
2 <sup>nd</sup> Budget Revision	May/June

2024-25 Fiscal Year	
Budget Development & Preliminary Assumptions Work Session	Feb 26
Budget Priority Development	Mar – April (Admin)
Budget Development & Updated Assumptions	March – May (Board)
Budget Priority Presentation/Discussion	April 22/ May 13
Budget Priority Work Session	TBD
Proposed Budget	May 20/ June 10
Budget Adoption	June 10/24

## Governor's Budget Proposal

- **Foundation: +\$241; 2.5% Increase \$9,608 to \$9,849**
- Declining Enrollment Districts: Continues Funding
- At-Risk: 2.5% increase however; current proration at 32.6%
- English Language Learners: 7.5% increase
- Special Education: full funding of the \$9,849 + required headlee %
- Transportation: Continues funding in 24-25, 1x
- Per-Pupil Mental Health Grant: Continues funding in 24-25; 50% in 25-26
- Also included, continued funding for expanded breakfast/lunch programs, funding for before and after school programming, investments in staffing & a variety of other program

## Governor's Budget Proposal - Retirement

- 2 components of Retirement System (MPERS)
  - Pension - 64% funded
  - **Retiree Health - projected to be 100% funded**
- **Funding Floor Legislation - annual payments for unfunded liabilities can be no less than prior year**
- **Proposal seeks legislation to reduce the State retiree health care contribution - freeing up \$670M**
- Redirecting the “savings” to other areas of the school aid budget
- Required employer and employee contributions: no change
- Concerns: Should those funds go to cover the unfunded pension liability, what if health care usage increases or stock market underperforms?

## Governor's Budget Proposal - Universal PreK

- Goal 75% of 4-year olds enrolled in publicly funded preschool by 2027
- State average currently at 40%
- Additional 40,000 would need enrolled
- Current space to handle 6,800 additional
- 2024-25 proposal is to expand access AND capacity for GSRP
  - Remove income criteria, maintains requirement to prioritize low-income
  - Funding for additional 6,800 GSRP slots
  - GSRP slot funding increased from \$9,608 to \$10,342
  - One-time funds to expand capacity

## ESSER II & III Funding Overview 2023-24, 2024-25

	<b>2023-24</b>	<b>2024-25 ends 9/30/24</b>
Staffing, prior budget priorities or required per caseloads	\$1,227,578	\$138,658
Summer & After School Programs	413,357	160,000
Graduation Alliance	181,121	29,200
All other, 1x	436,189	54,337
<b>Total Expenditures</b>	<b>\$2,258,245</b>	<b>\$382,195</b>

Note: In addition, health resource advocate grant that funds nursing related services ending 7/31/24

## 2024-25 General Fund Impact Due to ESSER Grant Ending

Staffing, prior budget priorities or required per caseloads	\$1,227,578
Less: ESSER funded 24-25	(138,658)
Budget Set Asides	(400,000)
Other Funding Sources	(87,375)
SE State Aid, 28.6% (exp 24-25, rev 25-26)	(140,000)
	<b>\$461,545</b>

\*-at 23-24 expenditure level, not rolled up

# Expenditure Increases/Revenue Decreases

Decreases to General Fund	Optimistic	Most Likely	Worst Case
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
Negotiations, steps & 1%*	1,404,957	1,404,957	1,404,957
Negotiations, health insurance +3.5%	177,916	177,916	177,916
	<b>\$2,185,917</b>	<b>\$2,185,917</b>	<b>\$2,185,917</b>

\* Compensation Reference

Steps = \$942,910

1% wages = \$462,047



# Revenue Increases/Expenditure Decreases

<b>Increases to General Fund</b>	<b>Optimistic</b>	<b>Most Likely</b>	<b>Worst Case</b>
Increase in per-pupil Foundation Allowance (\$241,\$180,\$120)	1,110,300	829,300	552,800
<b>Savings from teacher retirements (7,5,3)</b>	<b>276,395</b>	<b>197,425</b>	<b>118,455</b>
	<b>\$1,386,695</b>	<b>\$1,026,725</b>	<b>\$671,255</b>

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

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

# Projected Impact on General Fund Budget

	Optimistic	Most Likely	Worst Case
Expenditure Increases/Revenue Decreases	(\$2,185,917)	(\$2,185,917)	(\$2,185,917)
Revenue Increases/Expenditures Decreases	1,386,695	1,026,725	671,255
Net Impact on General Fund Balance	<b>(\$799,222)</b>	<b>(\$1,159,192)</b>	<b>(\$1,514,662)</b>
Carryforward effect on GF Budget (6/30/25)	(682,219)	(682,219)	(682,219)
Total Impact on General Fund Balance	<b>(\$1,481,441)</b>	<b>(\$1,841,411)</b>	<b>(\$2,196,881)</b>
<i>Fund Balance as a % of Expenditures</i>	11.5%	11.0%	10.5%

# Impending Budget Discussion 2024-25

Topics w/financial impact not in assumptions

- State Aid
- Enrollment
- 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