

OKEMOS PUBLIC SCHOOLS

2023-24 Preliminary Budget Assumptions

Board Meeting of April 10, 2023

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 |
| 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 | \$1,371,930 |

Revenue Increases/Expenditure Decreases

| <u>increase to General Fund</u> | <u>Optimistic</u> | <u>Most Likely</u> | <u>Worst Case</u> |
|--|--------------------|--------------------|--------------------|
| Increase in per-pupil Foundation Allowance (\$458,\$300,\$200) | 2,040,400 | 1,336,500 | 891,000 |
| Enrollment (Feb 23 +100; Oct 23: +70,+30,-10;) Blend 10/90 | 701,000 | 349,700 | 9,000 |
| Increase in SE Reimbursement (87.5%, 81.25%, 75%-current) | 118,310 | 59,155 | 0 |
| Savings from teacher retirements (6) | 250,020 | 250,020 | 250,020 |
| MPSERS Retirement State Aid (75%, 45%, 0%) | 582,300 | 353,250 | 0 |
| | \$3,692,030 | \$2,348,625 | \$1,150,020 |

2022-23 Preliminary Budget Revisions & Carryforward Impact on 2023-24 Budget

| | <u>Most Likely</u> |
|---|--------------------|
| 2022-23 Net Change in Fund Balance | \$253,778 |
| Ingham ISD Revenue, 1x & on-going | 429,000 |
| Childcare Grants, covid relief 1x | 308,769 |
| 21-22 State Aid, various, 1x & on-going | (15,000) |
| Staffing, +2 Transportation Subs +1 SE Teacher | (45,360) |
| Net Impact of Changes | \$677,409 |
| Preliminary Net Change in Fund Balance | \$931,187 |

2022-23 Preliminary Budget Revisions & Carryforward Impact on 2023-24 Budget

| | <u>Most Likely</u> |
|---|--------------------|
| 2022-23 Preliminary, Net Change in Fund Balance | \$931,187 |
| Non-Structural Budget Items (removed from 23-24 budget) | |
| Childcare Grants, covid relief | (1,315,489) |
| Athletics Equipment & Uniforms | 58,700 |
| Graduation alliance overpayment | (100,000) |
| 22-23 State Aid, various sections | 11,000 |
| Retention bonus, 22-23 negotiations | 526,775 |
| Ingham ISD Revenue, 1x | (51,000) |
| New classrooms set-up costs | 20,000 |
| Textbooks | 25,000 |
| Operations Equipment | 80,000 |
| | (745,0145) |

Projected Impact on General Fund Budget

| | Optimistic | Most Likely | Worst Case |
|--|--------------------|--------------------|--------------------|
| Expenditure Increases/Revenue Decreases | (\$1,329,880) | (\$1,355,110) | (\$1,371,930) |
| Revenue Increases/Expenditures Decreases | 3,692,030 | 2,348,625 | 1,150,020 |
| Net Impact on General Fund Balance | \$2,362,150 | \$993,515 | (\$221,910) |
| Carryforward effect on GF Budget (6/30/24) | 186,173 | 186,173 | 186,173 |
| Total Impact on General Fund Balance | \$2,548,323 | \$1,179,688 | (\$35,737) |
| <i>Fund Balance as a % of Expenditures</i> | 17.4% | 15.3% | 13.5% |

Impending Budget Discussion 2023-24

Topics w/financial impact not in assumptions

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