



April 14, 2025

TO: Dr. Ron Gorman, Superintendent  
FROM: Kevin Philipps  
RE: April Budget Amendment

April is the month we provide the second of the three budget amendments we complete annually. The April amendment is developed in conjunction with the proposed budget for the following fiscal year, which will be presented to the Board in June. The first amendment was completed last December and the final amendment will be completed in June. This amendment allows us to assess revenue and expenditures trends during the fiscal year and make the necessary adjustments needed since December. With the strong leadership of Dennis and the hard work of his team, we have an excellent budget process that results in accurate budget estimates. With an approximate \$430 million budget and so much of the funds coming from different state and federal sources, tracking this budget is complex and challenging.

Below is a summary of the projected changes in fund balance, as well as major revisions since the December amendment for each fund.

## **General Fund**

- **Projected increase in fund balance of \$798,468** (up from \$702,928 in December)

Major revisions from December amendment:

*Revenues/Transfers In: \$3,254,104 higher*

- Grants: \$2,636,717 increase (GSRP and West Michigan Teacher Collaborative)
- State Retirement Offset Funding: \$391,000 increase
- Other Financing Sources to recognize IT subscriptions: \$405,000 increase

*Expenses/Transfers Out: \$3,158,564 higher*

- Grants: \$2,636,717 increase (GSRP and West Michigan Teacher Collaborative)
- State Retirement Pass-Through Expenses: \$391,000 increase
- Recognition of IT based subscriptions: \$294,000 increase
- Personnel Costs: \$88,000 increase
- **Projected ending fund balance: \$10,870,070 (11.6%)**

### **Special Education**

- **Projected increase in fund balance of \$3,480,712** (increase from \$2,533,489 in December)

Major revisions from December amendment:

*Revenues/Transfers In: \$1,412,959 higher*

- Medicaid revenues: \$1.7 million increase
- State Retirement Offset Funding: \$445,000 increase
- Other Financing Sources for IT based subscriptions: \$410,000 increase
- State Section 31n6 Mental Health Funding: Increase of \$302,000
- Property Taxes & Revenue in lieu of taxes: Increase of \$260,000
- Investment Earnings: Increase of \$185,000
- Grants: \$1,950,708 decrease (Clean School Bus - \$1.5 million, 31n - \$463,000)

*Expenses/Transfers Out: \$465,736 higher*

- Medicaid distributions: Increase of \$1,500,000
- Recognition of IT based subscriptions: Increase of \$410,000
- Transportation: Increase of \$387,000
- State Retirement Pass Through Expenses: Increase of \$350,000
- Grants: \$1,950,708 decrease (Same as revenue above)

- **Projected ending fund balance: \$21,484,156 (11.8%)**

### **Special Education Center Programs**

- **Projected surplus of \$311,861** (up from \$1,314,163 excess cost in December)

Major revisions from December amendment:

*Revenues/Transfers In: \$2,913,794 higher*

- State Retirement Offset Funding: Increase of \$2,543,000
- State Funding: Increase of \$325,000
- Investment Earnings: Increase of \$60,500

*Expenses/Transfers Out: \$1,287,770 higher*

- State Retirement Pass Through Expenses: Increase of \$2,000,000
- Salaries/Wages: \$811,000 lower
  - Teaching Salaries: \$500,000 lower
  - Paraprofessional Wages: \$220,000 lower

### **Career Technical Education**

- **Projected increase in fund balance of \$3,352,292** (\$3,435,481 increase in December)

Major revisions from December amendment:

*Revenues/Transfers In: \$1,725,718 higher*

- State Retirement Offset Revenue: Increase of \$650,000
- State Early Middle College Revenue (61b): Increase of \$737,000
- Other Financing Sources for IT based subscriptions: \$670,000 increase

*Expenses/Transfers Out: \$1,808,907 higher*

- Personnel Costs: Increase of \$460,000
- Capital Outlay: Increase of \$550,000
- Other transfers out: Increase of \$1,012,000. Majority represents a transfer to the capital projects fund to cover expenses from the annual capital outlay process

- **Projected ending fund balance: \$24,545,646 (67.5%)**

### **Cooperative Education**

- **Projected increase in fund balance of \$42,090** (down from increase of \$113,552 in December)

Major revisions from December amendment:

- MySchool summer school revenue: Decrease of \$114,000
- **Projected ending fund balance: \$3,239,245 (57.8%)**

### **Community Service Fund**

This fund is where the enhancement dollars are budgeted. It will always net to zero as 100% of the money is paid to locals. The total revenue and expenditures are projected to be **\$30,055,939**, up from \$29,934,676 in December.

### **Capital Projects**

***General Capital Projects:** Projected decrease to fund balance of \$1,208,408, increased from \$708,761 in December. **Ending fund balance of \$824,023.***

- \$180,000 increase to ESC renovation project budget. Expenses shifted from 2025-26
- \$370,000 increase in Fund Transfers Out: Allocation of expenses for work at Empower U South to cover the Adult Education portion of improvements.

*Special Education Capital Projects.* Projected decrease to fund balance of \$872,862, down from \$1,142,036 in December. ***Ending fund balance of \$4,367,606.***

- \$542,000 Increase in Fund Transfers In: Transfers in from the General Ed Capital Projects fund to offset the allocation of general fund expenses on capital projects shared by general fund and special education, specifically at Empower U South.

*Career Technical Education Capital Projects.* Projected decrease to fund balance of \$265,102, down from \$1,082,026 in December. ***Ending fund balance of \$2,557,159.***

- Increase in Fund Transfers In: Increase of \$861,000. Represents projects from the annual capital outlay process that should be funded from the Career Technical Education fund instead of the capital projects fund.

As always, if you have any questions or would like additional information, please let me know.

KP/kg