

OKEMOS PUBLIC SCHOOLS

Budget Development Timelines

2024-25 Preliminary Budget Assumptions

Board Meeting of February 26, 2024

Goals for Tonight

When you leave tonight you should have an understanding of:

- the timeline for establishing the 24-25 budget;
- the Governor's proposed budget;
- impact of grant funding on budget development;
- the district's budget priorities from the past, fund balance history and operational plan; and
- next steps in the budget process

Budget Development Tentative Timeline

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

Governor's Budget Proposal - Retirement

- 2 components of Retirement System (MPERS)
 - Pension - 64% funded
 - Retiree Health - projected to be 100% funded
- Funding Floor Legislation added in 2018 - 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?

State Aid Net Impact to General Fund Budget

	<u>Optimistic</u>	<u>Most Likely</u>	<u>Worst Case</u>
Section 20f Hold Harmless Guarantee	(239,545)	(239,545)	(239,545)
Increase in per-pupil Foundation Allowance (\$241,\$180,\$120)	1,110,300	829,300	552,800
	\$870,755	\$589,755	\$313,255

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

	2023-24	2024-25 ends 9/30/24
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
Total Expenditures	\$2,258,245	\$382,195

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)
	\$461,545

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

Preliminary Budget Priorities

- o Sustain support positions currently in place (prior budget priorities/caseload requirements)
- o Wage reopener if enrollment change & per pupil foundation is > \$500,000
- o Nursing support
- o Start times impact
- o Additional elementary special
- o Board policy on fund balance
- o Operations needs, impact to general fund
- o Other identified through administrative team review
- o Central Montessori busing
- o Cornell busing 2026-2028 (buses from bond/staffing from operations)

Fund Balance History as a % of Expenditures

Audited 6/30/20	\$ 5,248,843	9.8%
Audited 6/30/21	\$ 8,093,308	14.9%
Audited 6/30/22	\$ 8,677,164	14.6%
Audited 6/30/23	\$ 9,922,868	14.6%
2023-24 Original Budget	\$ 8,403,602	12.4%
2023-24 Revised Budget	\$ 9,801,631	14.0%

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