

Okemos Public Schools
Preliminary Budget Assumptions
2025-26

Increased Expenditures/Decreased Revenue	Optimistic	Most Likely	Worst Case
Health insurance (MESSA 1/2 yr +16%/10.2%, WMHIP +10.2%)*	641,572	641,572	641,572
MPSERS Cost Offset, Reduced UAAL by 5.75pts (state aid)	1,882,774	1,882,774	1,882,774
ISD Special Education Funding, change in funding formula	470,000	470,000	470,000
20f Hold Harmless Guarantee	239,545	239,545	239,545
Teacher division advancement (15,18,21)	130,200	156,240	182,280
Cleaning Contract	70,170	70,170	70,170
	\$3,434,261	\$3,460,301	\$3,486,341
Increased Revenue/Decreased Expenditures	Optimistic	Most Likely	Worst Case
Increase in per-pupil Foundation Allowance (\$392,\$196,\$100)	1,817,700	908,850	463,700
Enrollment (Feb 25 +40.52; Oct 25: +50, +25, 0) Blend 10/90	490,500	260,300	39,320
MPSERS Expense rate decrease (-1.45 pts to 29.91%, eff. 10/1/25)	498,180	498,180	498,180
MPSERS 3% Health Subsidy Reimb, 1-time (state aid)	485,000	287,000	0
Increased Special Ed Categorical (CY est + 24-25 timing delay)	366,525	366,525	366,525
K-12 New Curriculum, 1x savings	150,000	150,000	150,000
Savings from teacher retirements/resignations (20,15,8)	791,760	593,820	316,720
Interpreter Services	65,110	65,110	65,110
Reduction in Sections (HS 3.0; Elem 3, 1,0)	689,420	449,420	329,420
Childcare Tuition Increase	350,000	350,000	350,000
24-25 Wage/Position adjustments to full year	6,385	6,385	6,385
	\$5,710,580	\$3,935,590	\$2,585,360
Projected Impact on General Fund Balance	\$2,276,319	\$475,289	(\$900,981)
Carry forward effect on General Fund Budget (7/1/25)	(1,684,226)	(1,684,226)	(1,684,226)
Total Impact on General Fund Balance	\$592,093	(\$1,208,937)	(\$2,585,207)

* - *subject to negotiations*

Additional Information

Compensation reference - Steps ~ \$927,110

Compensation reference - 1% of wages ~ \$467,935

Fund Balance - as percentage of expenditures

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%
Audited 6/30/24	\$ 10,928,320	15.6%
2024-25 Original Budget	\$ 9,187,199	12.9%
2024-25 Revised Budget	\$ 9,289,144	12.9%
2023-24 Revised Budget #2, Proposed	\$ 9,195,319	12.5%
Pro Forma 6/30/26		
optimistic	\$ 9,881,237	14.7%
most likely	\$ 7,986,382	11.6%
worst case	\$ 6,703,937	9.7%

Okemos Public Schools
2024-25 Non-Recurring, 1-Time Budget Items
Effect on 2025-26 Proposed Budget

	<u>Most Likely</u>
2024-25 Net Change in Fund Balance, Budget Revision #1	(1,639,177)
Preliminary 2nd Budget Revisions	<u>(93,825)</u>
	(1,733,002)
 2024-25 Non-Structural, 1x revisions, do not repeat (removed from 25-26 preliminary assumptions)	
Grant Funding Sources Expired	
ESSER Grant	(268,079)
Health Resource Advocate Grant (nurses)	(4,300)
Safety/Security & Mental Health, 31aa	(296,400)
	<u>(568,779)</u>
 Non-Grant Related	
Environmental remediation	939,973
Operations Contracted Services, net	490,000
Insurance Reimbursements	(255,491)
Curriculum/New textbooks	(205,000)
ISD SE Funding, addl due to 23-24 final & 24-25 medicaid	(435,500)
SE State Aid, prior year final reconciliation	(286,620)
Equipment Needs	170,500
Software Subscriptions	66,000
Interest Income	62,400
Kindergarten Classroom Aides	40,000
Legal Services	35,000
All Other 1x	(3,707)
	<u>617,555</u>
 Total Non-Structural, 1x revisions	<u>48,776</u>
 Carry forward effect on General Fund Budget (7/1/25)	<u>(1,684,226)</u>