

April 13, 2026

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 \$485 million budget and a significant amount of 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 decrease in fund balance of \$2,466,542** (up from \$1,867,689 in December)

Major revisions from December amendment:

Revenues/Transfers In: \$693,715 lower

- Grants: \$834,544 decrease
 - West Michigan Teacher Collaborative: (\$2 million federal grant reduction)
 - GSRP: \$1.4 million increase in transportation
- State Retirement Offset Funding: \$159,000 increase

Expenses/Transfers Out: \$94,862 lower

- Grants: \$834,544 decrease (See revenue above)
- Enhancement Millage Election Costs: \$371,000 increase
- GSRP Non-Grant: \$737,055 increase
- Non-Grant Personnel Costs: \$247,880 decrease
- **Projected ending fund balance: \$7,246,091 (5.5%)**
- Please note one time expenses for the ESC renovation (\$1.5 million), and Enhancement Millage election (\$883,232). After removing the one-time expenses, **the General Fund structurally has a \$83,310 deficit.**

Special Education

- **Projected decrease in fund balance of \$6,095,728** (increase from \$5,029,960 in December)

Major revisions from December amendment:

Revenues/Transfers In: \$2,539,744 higher

- State Transportation: \$2.9 million increase
- Medicaid revenues: \$1.9 million increase
- Investment Earnings: Increase of \$95,000
- Clean School Bus Grant: Decrease of \$1,961,751
- Property Tax Collections: Decrease of \$367,100
- State Brownfield reimbursement funding: Decrease of \$169,000

Expenses/Transfers Out: \$3,605,512 higher

- Transportation: Increase of \$2,922,268
- Medicaid distributions: Increase of \$2,000,000
- Fund Transfer to Gen Cap Projects (ESC): Increase of \$1,000,000
- Grants: \$1,785,433 decrease (Primarily clean school bus grant)

- **Projected ending fund balance: \$15,849,197 (8.2%)**

- Please note one time expenses for future capital outlay (\$11,500,000), and supplemental Act 18 payments (\$3.8 million). After removing the one-time expenses, the Special Education Fund has a **\$9,217,166 structural surplus**.

Special Education Center Programs

- **Projected excess cost of \$1,742,580** (down from \$2,627,872 excess cost in December)

Major revisions from December amendment:

Revenues/Transfers In: \$277,402 higher

- State Retirement Offset Funding: Increase of \$622,792
- State Educator Compensation Funding: Decrease of \$385,434

Expenses/Transfers Out: \$613,890 lower

- State Retirement: Decrease of \$294,000
- Health Insurance: Decrease of \$55,000
- Non-Personnel Costs: Decrease of \$257,000

Career Technical Education

- **Projected decrease in fund balance of \$7,886,549** (\$7,769,502 decrease in December)

Major revisions from December amendment:

Revenues/Transfers In: \$36,228 lower

- Property Tax Collections: Decrease of \$90,000
- Investment Earnings: Increase of \$70,000

Expenses/Transfers Out: \$80,819 higher

- Personnel Costs: Decrease of \$160,000
- Capital Outlay: Increase of \$229,000
- Purchased Services: Increase of \$44,000

- **Projected ending fund balance: \$17,420,431 (45.0%)**
- Please note one time expenses for future capital outlay (\$10,000,000). After removing the one-time expenses, the Career Technical Education Fund has a **\$2,113,451 structural surplus**.

Cooperative Education

- **Projected decrease in fund balance of \$531,211** (increase from \$479,373 in December)

Major revisions from December amendment:

- MySchool summer school revenue: Decrease of \$96,000
- Wide Area Network E-rate revenue: Decrease of \$53,000
- Personnel Costs: Decrease of \$78,500
- Non-Personnel Costs: Decrease of \$46,000

- **Projected ending fund balance: \$2,604,235 (46.4%)**

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 **\$31,436,401**, down from \$31,540,508 in December.

Capital Projects

General Capital Projects: *Projected decrease to fund balance of \$353,583, increased from \$342,381 in December. Ending fund balance of \$349,769.*

- \$1,008,894 increase to ESC renovation project budget due to change orders
- \$1,000,000 increase in Fund Transfers In from Special Education Fund for ESC renovation

Special Education Capital Projects: *Projected increase to fund balance of \$7,947,350, up from \$7,832,228 in December. Ending fund balance of \$14,180,370.*

- Increase in budget for new boiler system at Pine Grove (\$300,000 in FY26), offset by reduction in budgets for other projects due to timing (costs shifting to FY27).

Career Technical Education Capital Projects: *Projected increase to fund balance of \$9,664,466, down from \$9,668,303 in December. Ending fund balance of \$12,661,392.*

- Change from December is immaterial.

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

KP/kg