

OKEMOS PUBLIC SCHOOLS

2023-24 Preliminary Budget Assumptions

Board Meeting of May 8, 2023

Legislative Funding Proposals

	Governor		Senate Chair Recommendation		House Chair Recommendation	
	Proposal	OPS Impact	Proposal	OPS Impact	Proposal	OPS Impact
Foundation	+\$458	\$2,040,400	+\$550	\$2,450,300	+\$366	\$1,630,500
Foundation Blend	not included		not included		2-year blend; 50% prior year + 50% current year	
SE Foundation; current at 75%	87.5%	\$118,310	100%	\$236,620	100%	\$236,620
20f, Hold Harmless Guarantee	not included		not included		Eliminated	-\$474,560
MPSERS Revenue to Offset Costs	+75%	\$582,300	+75%	\$582,300	+75%	\$582,300
Universal Breakfast & Lunch	Free for all PreK-12		Free for all PreK-12		Free for all PreK-12	

Legislative Funding Proposals, Other Sections

- Transportation Funding (House recommendation)
- School Safety Grant, add'l 2 years (Executive & House)
- Per Pupil Funding for Mental Health, add'l 1-2 years (All; Senate add'l allowability for safety & security)
- Pre-K Funding (House recommendation)
 - Equivalent days & hours as 1st grade students
 - At least 4 by December 1
 - Must accept all eligible enrollees

Expenditure Increases/Revenue Decreases

Decrease to General Fund	Optimistic	Most Likely	Worst Case
MPSERS rate increase (+3.11% to 31.34% from 28.23%, eff. 10/1/23)	970,680	970,680	970,680
20f Hold Harmless Guarantee	0	0	474,560
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	\$1,846,490

Revenue Increases/Expenditure Decreases

increase to General Fund	Optimistic	Most Likely	Worst Case
Increase in per-pupil Foundation Allowance (\$500,\$366,\$366)	2,227,500	1,630,500	1,630,500
<i>Enrollment (Feb 23 +100; Oct 23: +70,+30,-10;) Blend 10/90***</i>	704,000	352,100	10,000
Increase in SE Reimbursement (100%, 87.5%, 75%-current)	236,620	118,310	118,310
Savings from teacher retirements (6)	250,020	250,020	250,020
MPSERS Retirement State Aid (+75%)	582,300	582,300	582,300
	\$4,000,440	\$2,933,230	\$2,591,130

*** - Kindergarten enrollment, additional review needed

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

	Most Likely
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

	Most Likely
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	(220,660)
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
	(976,674)
Carryforward effect on General Fund Budget	(\$45,487)

Projected Impact on General Fund Budget

	Optimistic	Most Likely	Worst Case
Expenditure Increases/Revenue Decreases	(\$1,329,880)	(\$1,355,110)	(\$1,846,490)
Revenue Increases/Expenditures Decreases	4,000,440	2,933,230	2,591,130
Net Impact on General Fund Balance	\$2,670,560	\$1,578,120	\$744,640
Carryforward effect on GF Budget (6/30/24)	(45,487)	(45,487)	(45,487)
Total Impact on General Fund Balance	\$2,625,073	\$1,532,633	\$699,153
<i>Fund Balance as a % of Expenditures</i>	17.6%	16.0%	14.7%

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