

## 2023-24 PUBLIC BUDGET / TRUTH-IN-TAXATION HEARING

### Holland Public Schools

#### WRAPPING UP THE 2022-23 SCHOOL YEAR

- Updating the current year budget
  - A factor that sheds light on the upcoming year
- Slight favorable changes from the February amendment reflective of:
  - Reduction in vacant staff positions
  - Net county special education funding increase
  - Increased one-time state categorical funding
- While the fund balance is growing due to the volume of federal COVID-related funding, the District remains in a structural deficit position

June 2023

## 2022-23 General Fund Budget Update

	Current Budget	Proposed Amendment
Revenues	50,377,600	53,281,200
Expenditures	48,418,000	51,226,200
Excess Revenues – non-recurring	2,344,000	2,674,600
Excess (Expenditures) – recurring	(384,400)	(619,600)
Net Excess Revenues (Expenditures)	1,959,600	2,055,000
Actual 7/1/22 Fund Balance	5,423,923	5,423,923
Projected 6/30/23 Fund Balance	7,383,523	7,478,923
Fund Balance Percentage	15.25%	14.60%

June 2023

## 2023-24 REVENUE ASSUMPTIONS

- BLENDED ENROLLMENT OF 3,028 STUDENT FTE, 33 LESS THAN THE CURRENT YEAR'S BLENDED ENROLLMENT
  - BASED ON STANFRED PROJECTIONS
  - REDUCTION REDUCED TO ADDITION OF 30 NEW SHARED TIME FTE
- FOUNDATION ALLOWANCE INCREASE OF \$458/PUPIL AND INCREASES TO STATE FUNDING FOR SPECIAL EDUCATION AND AT-RISK
  - BASED ON SCHOOL AID PROPOSAL FROM THE GOVERNOR
- CATEGORICAL/GRANT FUNDING BASED ON BEST INFORMATION AVAILABLE
  - INCLUDES CARRYOVER ESTIMATES BASED ON 2022-23 SPENDING PROJECTIONS

June 2023

## 2023-24 REVENUE ASSUMPTIONS - CONTINUED

- COVID-RELATED GRANT FUNDING ESTIMATED AT \$3,435,000
  - BASED ON AMOUNT EXPECTED TO BE EXPENDED IN FY24 TO CLOSE OUT THE GRANT
- COUNTY SPECIAL EDUCATION FUNDING BASED ON CURRENT FUNDING FORMULA
- ENHANCEMENT MILLAGE FUNDING ESTIMATED AT \$905,000
  - YEAR 5 OF 10
- INDIRECT COST SUBSIDIES AS FOLLOWS:
  - FOOD SERVICE - \$50,000

June 2023

## FALL ENROLLMENT PROJECTIONS

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	Projected	Projected	Projected	Projected	Projected
StanFred Consultants	3,058	3,023	2,998	2,898	2,779	2,708
Year-to-year change		-35	-25	-100	-119	-71
StanFred by building level:						
K - 5	1,162	1,154	1,107	1,064	1,038	1,021
6 - 8	561	563	550	526	507	480
9 - 12	954	896	932	900	827	801
Self-contained SpecEd/Shared Time	381	410	409	408	407	406
Total Enrollment	3,058	3,023	2,998	2,898	2,779	2,708

June 2023

## 2023-24 EXPENDITURE ASSUMPTIONS

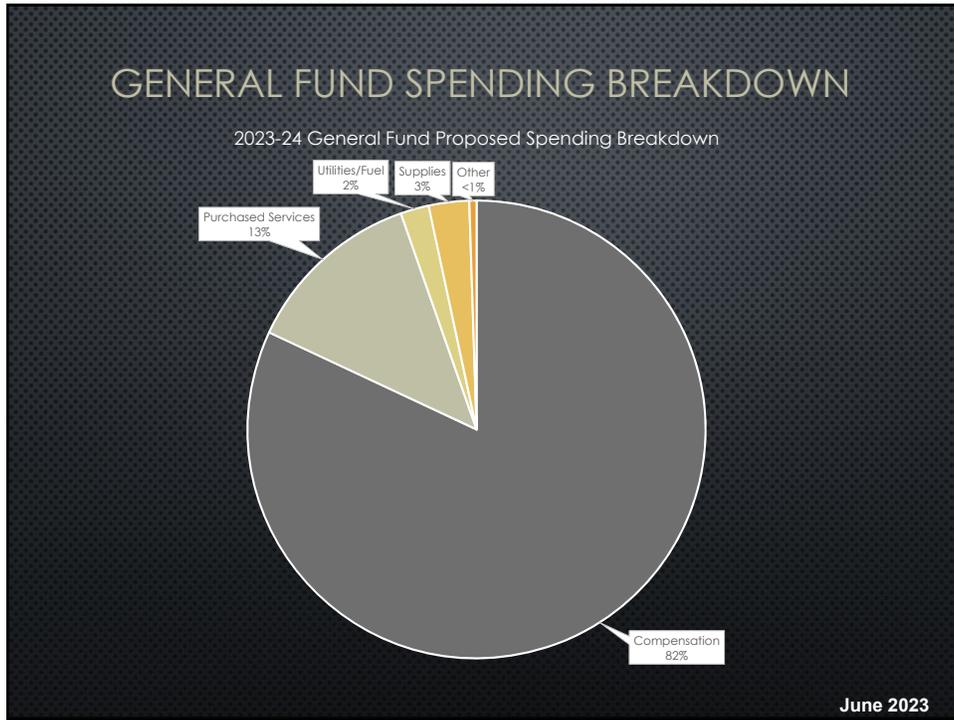
- POSITION ELIMINATIONS/MODIFICATIONS TO ADJUST FOR DECLINING ENROLLMENT
- POSITION ADDITIONS UTILIZING CATEGORICAL FUNDING
- COMPLIANT USE OF ONE-TIME COVID-RELATED GRANT FUNDING
  - 20% OF ESSER III IS REQUIRED TO BE SPENT ON "LEARNING RECOVERY"
- EMPLOYEE COMPENSATION ASSUMPTIONS:
  - WAGE ESTIMATES BASED ON NEGOTIATION INFORMATION OR OTHER EMPLOYMENT AGREEMENTS
  - EMPLOYER RETIREMENT CONTRIBUTION RATE OF 31.34% EFFECTIVE OCTOBER 2023 (INCREASE FROM CURRENT YEAR)
  - HEALTH INSURANCE HARD CAP INCREASE OF 4.1% EFFECTIVE JANUARY 2024

June 2023

## 2023-24 EXPENDITURE ASSUMPTIONS - CONTINUED

- OVERALL CONTINUATION OF CONTRACTED SERVICES COSTS
  - CUSTODIAL CONTRACT WITH GRBS
  - CONTRACT WITH HOLLAND HOSPITAL AS PART OF THE HRA GRANT
- NEW COSTS ASSOCIATED WITH THE STATE SCHOOL SAFETY FUNDING
- INFLATIONARY INCREASES TO SUPPLY BUDGETS
- INFLATIONARY INCREASES TO UTILITY AND FUEL BUDGETS

June 2023



### 2023-24 General Fund Proposed Budget

	2022-23 Final Amended Budget	Proposed 2023-24 Budget
Revenues	53,281,200	54,109,500
Expenditures	51,226,200	53,471,800
Excess Revenues – non-recurring	2,674,600	3,055,000
Excess (Expenditures) – recurring	<u>(619,600)</u>	<u>(2,417,300)</u>
Net Excess Revenues (Expenditures)	2,055,000	637,700
Projected Beginning Fund Balance	5,423,923	7,478,923
Projected Ending Fund Balance	7,478,923	8,116,623
Fund Balance Percentage	14.60%	15.18%

June 2023

## 2023 PROPOSED OPERATING TAX LEVY

VOTERS APPROVED A 19.5-MILL LEVY FOR OPERATIONS IN NOVEMBER 2022. THE 1.5 MILLS IN EXCESS OF THE 18-MILL CAP ON OPERATIONAL LEVIES WAS APPROVED AS A HEDGE AGAINST POTENTIAL HEADLEE ROLLSBACKS. AS SUCH, HOLLAND PUBLIC SCHOOLS WILL BE LEVYING THE FULL 18 MILLS ON NON-HOMESTEAD PROPERTIES FOR THE UPCOMING YEAR.

THE CURRENT AUTHORIZATION FOR LEVYING THE OPERATING MILLAGE RUNS THROUGH DECEMBER 2025.

June 2023

## 2023 PROPOSED DEBT TAX LEVY

WHEN BONDS ARE APPROVED, VOTERS AGREE TO TAX THEMSELVES ENOUGH TO REPAY THE DEBT OVER A PRESCRIBED NUMBER OF YEARS.

IN ORDER TO MEET THE PRINCIPAL AND INTEREST OBLIGATION ON VOTER-APPROVED BONDS, INCLUDING THOSE PASSED BY THE COMMUNITY LAST MONTH, THE DISTRICT WILL LEVY 4.73 MILLS FOR THE UPCOMING YEAR, UNCHANGED FROM THE PREVIOUS YEAR.

June 2023

## 2023 PROPOSED SINKING FUND TAX LEVY

VOTERS APPROVED AN 1.25-MILL LEVY FOR A SINKING FUND IN MAY 2017 TO PROVIDE RESOURCES FOR CAPITAL NEEDS AND IMPROVEMENTS, SAFETY AND SECURITY ENHANCEMENTS, AND INSTRUCTIONAL TECHNOLOGY. AS A RESULT OF RISING PROPERTY TAXABLE VALUES, A HEADLEE MILLAGE REDUCTION HAS BEEN APPLIED IN ACCORDANCE WITH THE STATE'S CONSTITUTION. AS SUCH, HOLLAND PUBLIC SCHOOLS WILL BE LEVYING 1.1819 MILLS ON ALL PROPERTIES FOR THE UPCOMING YEAR, RESULTING IN ROUGHLY \$117,000 IN LOST REVENUES FOR THE SINKING FUND.

June 2023

## 2023-24 Special Revenue Fund Proposed Budget (Food Service, Student Activity)

	2022-23 Final Amended Budget	Proposed 2023-24 Budget
Revenues	2,192,800	2,532,100
Expenditures	2,806,700	2,572,300
Excess Revenues (Expenditures)	(613,900)	(40,200)
Projected Beginning Fund Balance	1,603,331	989,431
Projected Ending Fund Balance	989,431	949,231
Fund Balance Percentage	35.25%	36.90%

June 2023

## NEXT STEPS

AT ITS REGULAR MEETING ON MONDAY, JUNE 19, THE BOARD WILL TAKE ACTION ON:

- 2023-24 BUDGET RESOLUTION (GENERAL FUND AND SPECIAL REVENUE FUND)
- 2023 OPERATING TAX LEVY
- 2023 DEBT TAX LEVY
- 2023 SINKING FUND TAX LEVY

*THIS PRESENTATION WILL BE AVAILABLE ON THE DISTRICT'S WEBSITE BEGINNING JUNE 21*

June 2023