

2021-22 Public Budget / Truth-in-Taxation Hearing

Holland Public Schools

Wrapping Up the 2021-22 School Year

- Updating the current year budget
 - A factor that sheds light on the upcoming year
- Favorable changes from January amendment reflective of:
 - Unfilled budgeted staff positions
 - Net county special education funding increase
 - New one-time COVID 19 grant funding
- While the fund balance is growing due to the volume of federal COVID-related funding, the District remains in a structural deficit position

2021-22 General Fund Budget Update

	Current Budget	Proposed Amendment
Revenues	46,246,700	47,218,300
Expenditures	46,540,600	46,608,900
Excess Revenues – non-recurring	1,796,900	2,154,800
Excess (Expenditures) – recurring	<u>(2,090,800)</u>	<u>(1,545,400)</u>
Net Excess Revenues (Expenditures)	(293,900)	609,400
Actual 7/1/21 Fund Balance	4,478,966	4,478,966
Projected 6/30/22 Fund Balance	4,185,066	5,088,366
Fund Balance Percentage	8.99%	10.92%

2022-23 Revenue Assumptions

Blended enrollment of 2,983 student FTE, 166 less than the current year's blended enrollment

- Based on StanFred projections

Foundation allowance increase of \$500/pupil and increases to State funding for special education and At-Risk

- Conservative estimate based on analysis of school aid proposals from the Governor, House and Senate

Categorical/grant funding based on best information available

- Includes carryover estimates based on 2021-22 spending projections

2022-23 Revenue Assumptions - continued

COVID-related grant funding estimated at \$2,726,000

- Based on amount expected to be expended in FY23

County special education funding based on current funding formula

Enhancement millage funding estimated at \$845,000

- year 4 of 10

Indirect cost subsidies as follows:

- Food Service - \$125,000

Fall Enrollment Projections

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Projected	Projected	Projected	Projected	Projected
StanFred Consultants	3,138	2,972	2,881	2,789	2,684	2,606
Year-to-year change		-166	-91	-92	-105	-78
StanFred by building level:						
K - 5	1,178	1,154	1,097	1,065	1,057	1,033
6 - 8	599	563	555	529	498	472
9 - 12	1,000	896	904	840	776	750
Self-contained SpecEd/AltEd/Shared Time	361	359	357	355	353	351
Total Enrollment	3,138	2,972	2,881	2,789	2,684	2,606

2022-23 Expenditure Assumptions

Position eliminations/modifications to adjust for declining enrollment

Compliant use of one-time COVID-related grant funding

- 20% of ESSER III is required to be spent on “learning recovery”
- FY22 afterschool tutoring; FY23 summer school programming

Employee compensation assumptions:

- Wages per negotiated contracts or other employment agreements
- Employer retirement contribution rate of 28.23% effective October 2022 (no change from current year)
- Health insurance hard cap increase of 1.3% effective January 2023

2022-23 Expenditure Assumptions - continued

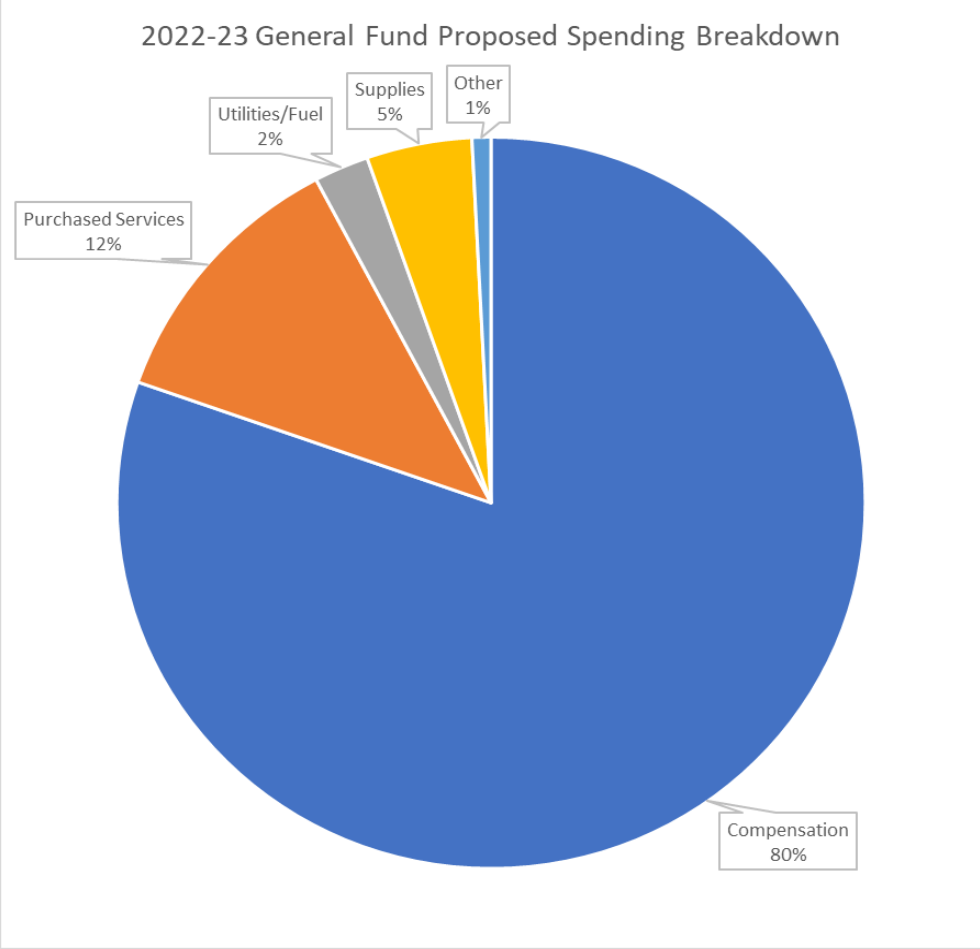
Overall continuation of contracted services costs

- New contracted custodial agreement beginning in September

Inflationary increases to supply budgets

Inflationary increases to utility and fuel budgets

General Fund Spending Breakdown



2022-23 General Fund Proposed Budget

	2021-22 Final Amended Budget	Proposed 2022-23 Budget
Revenues	47,218,300	47,627,500
Expenditures	46,608,900	47,170,700
Excess Revenues – non-recurring	2,154,800	1,906,500
Excess (Expenditures) – recurring	<u>(1,545,400)</u>	<u>(1,449,700)</u>
Net Excess Revenues (Expenditures)	609,400	456,800
Projected Beginning Fund Balance	4,478,966	5,088,366
Projected Ending Fund Balance	5,088,366	5,545,166
Fund Balance Percentage	10.92%	11.76%

2022 Proposed Operating Tax Levy

Voters approved an 19.5-mill levy for operations in August 2020. The 1.5 mills in excess of the 18-mill cap on operational levies was approved as a hedge against potential Headlee rollbacks. 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 operation millage runs through December 2022.

2022 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.

2022 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 \$109,000 in lost revenues.

2022-23 Special Revenue Fund Proposed Budget (Food Service, Student Activity)

	2021-22 Final Amended Budget	Proposed 2022-23 Budget
Revenues	2,427,000	2,425,000
Expenditures	2,362,000	2,485,000
Excess Revenues (Expenditures)	65,000	(60,000)
Projected Beginning Fund Balance	1,438,264	1,503,264
Projected Ending Fund Balance	1,503,264	1,443,264
Fund Balance Percentage	63.64%	58.08%

Next Steps

At its regular meeting on Monday, June 20, the Board will take action on:

- 2022-23 Budget Resolution (General Fund and Special Revenue Fund)
- 2022 Operating Tax Levy
- 2022 Debt Tax Levy
- 2022 Sinking Fund Tax Levy

This presentation will be available on the District's website beginning June 22