



2023/2024 BUDGET PRESENTATION

GRPS BOARD OF EDUCATION
SPECIAL BOARD
MEETING/WORK SESSION

June 12, 2023

Rhonda Kribs
Chief Financial Officer

GRPS BUDGET

BUDGET PROCESS

Ongoing, year-round process

Many interrelated parts:

- Funds
- Buildings
- Departments
- Grants

Budget Control Officers:

- Principals
- Department Heads

**Each budget control officer has a business office contact*

Projections → Estimates → Assumptions

BUILDINGS

December

- Enrollment projections by grade, by building



January

- Secondary master schedules
- Allocations:
 - Teachers
 - Supplies
 - Grants



February

- Building budget sheets
- Building budget meetings:
 - Principal
 - ED
 - Business Office
 - HR
 - Title I
 - Fine Arts
 - Special Ed
 - EL

DEPARTMENTS / GRANTS

March

- Salary projections by individual staff



March-April

- Non-salary accounts vary by department or grant
 - Purchased services
 - Printing
 - Supplies
 - Utilities
 - Insurance



April

- Benefit projections

DEPARTMENTS / GRANTS



REVENUE

APRIL THRU MAY

- Projections for each revenue source
- State aid membership
 - Projected enrollment x Foundation allowance
- Other state aid categories
- Grants
- Local revenue

FUND BALANCES

Impact on fund balance is determined after preliminary revenue & expense projections

Additional adjustments are made, primarily to department expense budgets

CHALLENGE

With declining enrollment,
revenue increases
typically do not offset
increased costs

BUDGET REQUIREMENTS

We must hold a budget hearing before the Board of Education approves the budget

The Board of Education must adopt a budget by June 30th each year for the General Fund, Special Revenue Funds, and Debt Retirement Funds

BUDGET AMENDMENTS

Our budgets are based on many projections, estimates, and assumptions

Things will continuously change

We will amend our budgets, typically, in January and May

**If needed, we can amend them earlier or more frequently*

STATE SCHOOL AID

State School Aid Fund
budget is still in
negotiations

Currently, proposed
increase in the foundation
allowance ranges from
\$366 to \$550

GRPS has used a \$458/PP
increase in the foundation
allowance for 2023/2024

From \$9,150 to \$9,608

ENROLLMENT

Used a blended enrollment
of 13,707 for budget

Current year blended
enrollment is 13,728

\$458/PP increase in
foundation allowance
yields additional new
revenue of \$6.3 million

GRANT REVENUE

Have budgeted to use
\$51.6 million of ESSER III
funds in 2023/2024

EXPENDITURES

Compensation increases were budgeted based on negotiated agreements or proposed step and percentage increases for groups that we are currently meeting with

Hard cap to increase 4.1% in January 2024

Estimated cost increases given the inflation rate. Made cuts and additions as needed

Projecting to add approximately \$1.39 million to fund balance

Projected fund balance percent at 6/30/2024 is 11.27%

General Fund Budget

	Actual 2021-2022	Amendment Two Budget 2022-2023	Proposed Budget 2023-2024
Revenue:			
Local sources:			
Property taxes	\$ 36,448,375	\$ 45,350,000	\$ 46,600,000
Investment income	41,751	1,400,000	1,400,000
Payment from local government agencies	19,724,355	24,460,000	23,295,000
Other	5,941,585	3,606,221	2,815,212
State sources:			
Restricted	46,890,775	61,512,628	51,731,925
Unrestricted	84,478,289	78,189,400	83,630,000
Federal sources:			
Restricted	49,523,769	69,320,200	76,987,736
Unrestricted	47,736	30,000	30,000
Total revenue	243,096,635	283,868,449	286,489,873
Other financing sources:			
Operating transfers in	786,215	1,005,225	1,082,169
Total revenue and other financing sources	<u>\$ 243,882,850</u>	<u>\$ 284,873,674</u>	<u>\$ 287,572,042</u>

General Fund Budget

	Actual 2021-2022	Amendment Two Budget 2022-2023	Proposed Budget 2023-2024
Expenditures:			
Instruction	\$ 127,159,374	\$ 146,357,401	\$ 141,336,776
Support services	110,053,974	131,369,575	140,392,972
Community services	2,349,388	3,602,074	2,566,355
Facilities acquisition	<u>2,408,033</u>	<u>316,596</u>	<u>156,851</u>
Total expenditures	241,970,769	281,645,646	284,452,954
Other financing uses:			
Transfers out	<u>123,191</u>	<u>7,656,303</u>	<u>1,730,700</u>
Total expenditures and other financing uses	<u>242,093,960</u>	<u>289,301,949</u>	<u>286,183,654</u>
Revenues and other sources over (under)			
expenditures and other uses	1,788,890	(4,428,275)	1,388,388
Fund balance at beginning of year	19,009,749	20,798,639	16,370,364
Fund balance at end of year	<u>\$ 20,798,639</u>	<u>\$ 16,370,364</u>	<u>\$ 17,758,752</u>

General Fund Budget

	Actual 2021-2022	Amendment Two Budget 2022-2023	Proposed Budget 2023-2024
Fund balance summary:			
Nonspendable	\$ 2,414,663	\$ 2,400,000	\$ 2,400,000
Assigned			
Unassigned	18,383,976	13,970,364	15,358,752
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	<u>\$ 20,798,639</u>	<u>\$ 16,370,364</u>	<u>\$ 17,758,752</u>

Special Revenue Budget

	Actual 2021-2022	Amendment Two Budget 2022-2023	Proposed Budget 2023-2024
Revenue:			
Local sources:			
Investment income	\$ 2,313	\$ 54,100	\$ 41,100
Food service	116,539	519,250	437,250
Other	726,319	961,100	976,100
State sources:			
Restricted	292,893	457,481	457,500
Federal sources:			
Restricted	<u>13,390,171</u>	<u>14,167,950</u>	<u>14,162,000</u>
Total revenue	14,528,235	16,159,881	16,073,950
Other financing sources:			
Transfers in	<u>123,191</u>	<u>156,303</u>	<u>130,700</u>
Total revenue and other financing sources	<u>\$ 14,651,426</u>	<u>\$ 16,316,184</u>	<u>\$ 16,204,650</u>

Special Revenue Budget

	Actual 2021-2022	Amendment Two Budget 2022-2023	Proposed Budget 2023-2024
Expenditures:			
School services:			
Salaries	\$ 2,806,259	\$ 3,515,395	\$ 3,703,172
Benefits and payroll taxes	2,108,518	2,624,129	2,952,703
Payments to other districts	229,835	280,000	280,000
Nonsalaries	<u>8,430,109</u>	<u>9,409,564</u>	<u>9,551,464</u>
Total expenditures	13,574,721	15,829,088	16,487,339
Other financing uses			
Transfers out	<u>786,215</u>	<u>1,005,225</u>	<u>1,082,169</u>
Total expenditures and other financing uses	<u>14,360,936</u>	<u>16,834,313</u>	<u>17,569,508</u>
Revenues and other sources over expenditures and other uses	290,490	(518,129)	(1,364,858)
Fund balance at beginning of year	<u>4,909,572</u>	<u>5,200,062</u>	<u>4,681,933</u>
Fund balance at the end of year	<u>\$ 5,200,062</u>	<u>\$ 4,681,933</u>	<u>\$ 3,317,075</u>

**Grand Rapids Public Schools
Debt Service Budget**

	Actual 2021-2022	Amendment Two Budget 2022-2023	Proposed Budget 2023-2024
Revenue:			
Local sources:			
Property taxes	\$ 21,525,092	\$ 24,362,000	\$ 23,475,000
Investment income	14,429	638,000	906,100
Total revenue	21,539,521	25,000,000	24,381,100
Other financing sources:			
Issuance of bonds	9,500,000		
Transfers in	565,715		
Total other financing sources	10,065,715		
Total revenue and other financing sources	31,605,236	25,000,000	24,381,100

Debt Service Budget

	Actual 2021-2022	Amendment Two Budget 2022-2023	Proposed Budget 2023-2024
Expenditures:			
Bond principal maturities	13,090,000	15,915,000	14,210,000
Interest on bonded debt	9,555,667	8,801,780	8,250,610
Other	94,782	41,500	41,500
Total expenditures	22,740,449	24,758,280	22,502,110
Other financing uses:			
Payments to bond escrow agent	11,398,248		
Total other financing uses	11,398,248		
Total expenditures and other financing uses	34,138,697	24,758,280	22,502,110
Revenues and other sources over (under) expenditures	(2,533,461)	241,720	1,878,990
Fund balance at beginning of year	7,800,155	5,266,694	5,508,414