



2021-22 PUBLIC BUDGET /
TRUTH-IN-TAXATION HEARING

Holland Public Schools

Wrapping Up the 2020-21 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
 - One-time savings for substitute teachers and utilities
 - Net ISD special education funding
- While the fund balance is growing due to the volume of federal COVID-related funding, the District remains in a structural deficit position

2020-21 General Fund Budget Update

	Current Budget	Proposed Amendment
Revenues	44,729,000	44,885,100
Expenditures	43,698,400	43,279,400
Excess Revenues – non-recurring	2,461,100	2,635,300
Excess (Expenditures) – recurring	<u>(1,430,500)</u>	<u>(1,029,600)</u>
Net Excess Revenues (Expenditures)	1,030,600	1,605,700
Actual 7/1/20 Fund Balance	2,431,497	2,431,497
Projected 6/30/21 Fund Balance	3,462,097	4,037,197
Fund Balance Percentage	7.92%	9.33%

2021-22 Revenue Assumptions

- Blended enrollment of 3,092 student FTE, 287 less than the current year “super blend”
 - *Based on StanFred projections*
- Foundation allowance increase of \$300/pupil
 - *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 2020-21 spending projections*

2021-22 Revenue Assumptions - continued

- COVID-related grant funding estimated at \$2,725,600
 - *Based on amount expected to be expended in FY22*
- County special education funding based on current funding formula
- Enhancement millage funding estimated at \$825,000
 - *year 3 of 10*
- Indirect cost subsidies as follows:
 - *Food Service - \$125,000*

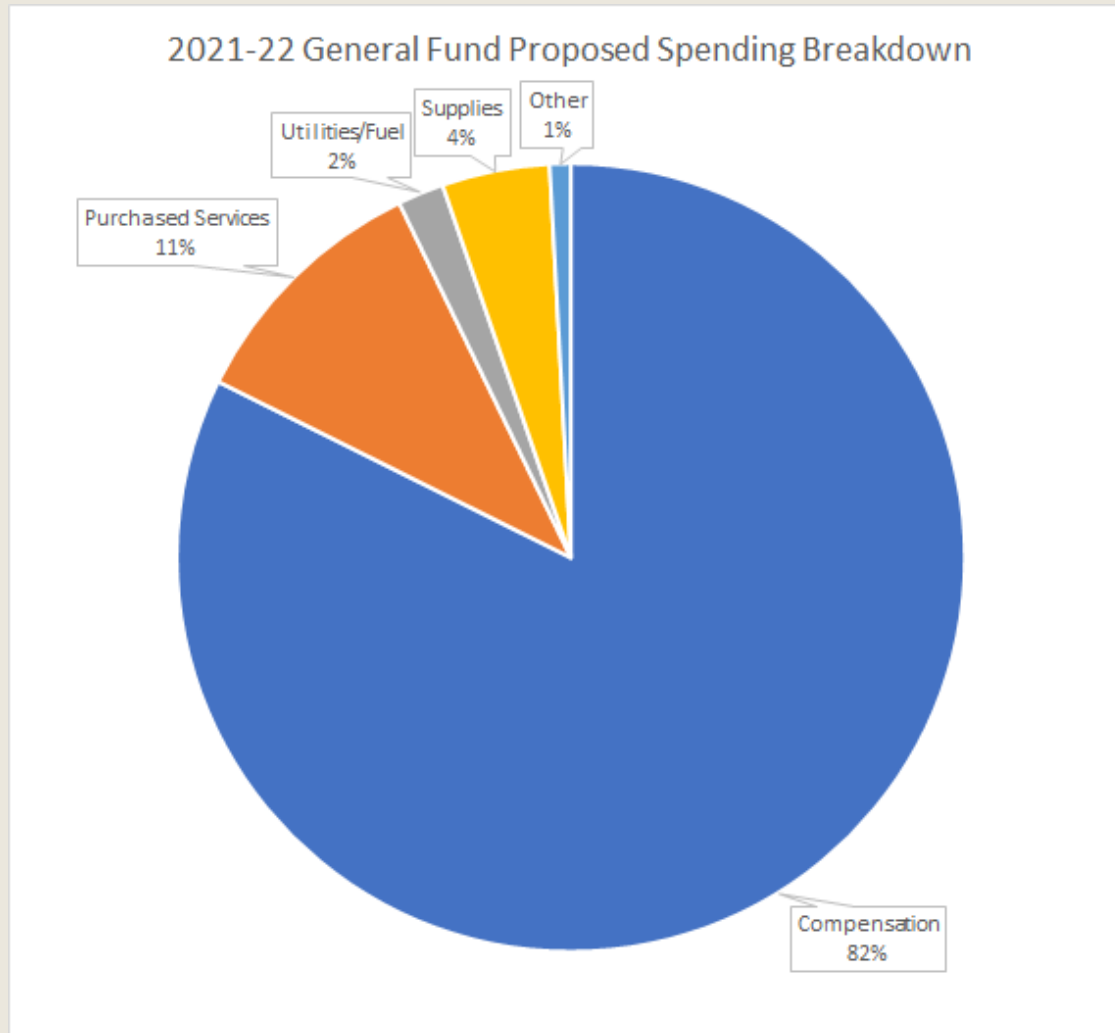
Fall Enrollment Projections

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Actual	Projected	Projected	Projected	Projected	Projected
StanFred Consultants	3,208	3,073	2,935	2,820	2,719	2,622
Year-to-year change		-135	-138	-115	-101	-97
StanFred by building level:						
K - 5	1,252	1,215	1,175	1,126	1,101	1,094
6 - 8	625	571	540	532	508	481
9 - 12	990	969	904	848	800	741
Self-contained SpecEd/AltEd/Shared Time	341	318	316	314	310	306
Total Enrollment	3,208	3,073	2,935	2,820	2,719	2,622

2021-22 Expenditure Assumptions

- Position eliminations/modifications to adjust for declining enrollment, the impact of COVID on instructional practices, and the compliant use of one-time COVID-related grant funding
- Employee compensation assumptions:
 - *Wages per negotiated contracts or other employment agreements*
 - *Employer retirement contribution rate of 28.23% effective October 2021*
 - *Health insurance hard cap increase of 3.7% effective January 2022*
- Overall continuation of contracted services and supply budgets from current year levels

General Fund Spending Breakdown



2021-22 General Fund Proposed Budget

	2020-21 Final Amended Budget	Proposed 2021-22 Budget
Revenues	44,885,100	44,258,500
Expenditures	43,279,400	44,703,000
Excess Revenues – non-recurring	2,635,300	1,729,100
Excess (Expenditures) – recurring	<u>(1,029,600)</u>	<u>(2,173,600)</u>
Net Excess Revenues (Expenditures)	1,605,700	<u>(444,500)</u>
Projected Beginning Fund Balance	2,431,497	4,037,197
Projected Ending Fund Balance	4,037,197	3,592,697
Fund Balance Percentage	9.33%	8.04%

2021 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.

2021 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, a reduction of .25 mills from the previous year.

2021 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 1.2008 mills on all properties for the upcoming year, resulting in roughly \$74,000 in lost revenues.

2021-22 Special Revenue Fund Proposed Budget (Food Service, Student Activity)

	2020-21 Final Amended Budget	Proposed 2021-22 Budget
Revenues	1,812,400	2,190,000
Expenditures	1,989,000	2,190,000
Excess Revenues (Expenditures)	(176,600)	-0-
Projected Beginning Fund Balance	1,614,864	1,438,264
Projected Ending Fund Balance	1,438,264	1,438,264
Fund Balance Percentage	72.31%	65.67%

Next Steps

At its regular meeting on Monday, June 21, the Board will take action on:

- *2021-22 Budget Resolution (General Fund and Special Revenue Fund)*
- *2021 Operating Tax Levy*
- *2021 Debt Tax Levy*
- *2021 Sinking Fund Tax Levy*

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